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# Current Sub-Saharan African Socio-Economic Strategies Derived from Colonial and Postcolonial Experiences

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***Abstract:***
*Historically, countries in Sub-Saharan Africa were colonized or occupied by foreign countries. But as of today, 2016, the counties are independent and free from foreign political control. This paper traces the steps the countries have followed to pursue self-determination. To do so, specific stages of development have been identified and used to explain the current economic and political status of these countries. The purpose of this theory, therefore, is to explain how and why the countries in Sub-Sahara are the way they are today. History suggests that their past was marked by specific political episodes as follows:*

*1) The colonial Era. This was characterized by repression and economic exploitation.*

*2) The rebellion era.*

*State #1 above, begat this stage. The colonized were hungry for revenge and had a burning desire to be free. That is why a lot of businesses under colonial control were either confiscated or nationalized with some limited compensation.*

*3) Liberalization era.*

*This is the stage during which the countries implemented liberal policies, including exercising a semblance of democratic rule. But political succession has not been well observed. Only Ghana, South Africa and Tanzania have held credible elections that have been deemed free and fair. Many other countries have held regular but sham elections leaving incumbent presidents in place each time. For example, Robert Mugabe of Zimbabwe has been in power for almost 40 years and Yoweri Museveni of Uganda has been in power 31 years despite allowing national elections every five years, as the nation's Constitution stipulates.*

*The above exposition of some historical chronology of events, in the region, helps us understand the causes of instability and erratic political behavior exhibited by most of countries in Sub-Sahara. It should be noted, though, that each of the countries has embarked on some unique economic strategies. Although some counties have been more successful than others. But after experimenting with various strategic options, the countries of Sub-Sahara now have followed examples set by more developed countries and formed political alliances along the line of Europe (The European Economic Community, EEC), Asia (Association of Southeast Asian Nations, ASEAN) and America (North American Free Trade Agreement, NAFTA). Similarly, the East African countries have formed Common Market for Eastern and Southern Africa (COMESA) and West African Countries have formed Economic Community of West African States (ECOWAS). Member states of each of these African alliances are listed in the paper. These alliances, in Africa and elsewhere in the world, are formed to strengthen economic and political strengths of their respective regions. Finally, it can be said, there is tangible evidence that most of Sub-Saharan countries are on a match to political maturity through individual or collaborative effort.*

## 1. Introduction

This paper examines some of the major economic initiatives the countries of Sub-Sahara Africa have embarked on to improve their lagging economies and try to boost the quality of life of the people in this huge region. Countries that comprise this region differ in many respects such language, culture and political systems. Indeed, some of them have more than their share of turmoil either from within or from both within and without. Most of the problems plaguing these nations seem to have their roots in improper governance and inept control systems inherent in those failed control systems.

But in order to understand the current problems and the resultant desire to solve those problems, it is important that one looks at several historical factors, especially the colonial history of some of these countries. The concept of liberalization as used in this report is based on comparison and contrast of present practices viewed as failures and new practices that, they hope, will bring about reform and improvement in economic performance in the region.

*1.1. Source of Information*

Information used in this study came from the Internet, publications on Sub-Saharan countries (from member nations or international sources), The World Bank (IMF, etc.), reports from Investment Authorities (from countries that have established such agencies), various statistical reports on the economic development of the region and the author=s personal knowledge as a person who grew up and traveled in that region.

*1.2. Objectives of this Study*

1) To identify the catalytic factors behind the liberalization and reform effort
2) To examine the political and economic liberalization process taking place in that region and the influence it has had in the region
3) To identify problems or obstacles standing in the way of the liberalization and reform exercises
4) To assess the current state of the economy in Sub-Saharan Countries

*1.3. Implications of the Historical Factors*

Most of the countries in this region, if not all, were colonies at one time or another with exception of such countries as Ethiopia which had brief a stint with Italy as an outside occupying force. Even then, there was always some repressive governance or exploitation by the ruling elite of whatever origin, foreign or domestic. The bottom line is that a time came when the people wanted to be free from repression and gain self-determination. This proposition is based on the author's understanding of the region's history and political development. For that reason, the author is a proponent of the view that *the econo-political situation in this region is a function of* the past colonial subjugation and post-independence realities. Also, the author proposes that some colonial hangover existed in most of those countries. It is this hangover that made post-independence leaders stay with some old practices even as they crafted their own risky political innovation. They acted as if they had one leg in the past and the other in the present.

It is in the light of this theory the author attempts to explain and justify the observed thrust toward liberalization of the political and economic systems of the countries in question. In other words, these countries have realized that they inherited economic as well as political problems from the colonial era and they are trying to rectify the situation. To do so, most of them have relaxed the stringent political and governmental controls they had imposed on their countries and now have had to allow some market forces to come into play.

**2. Essentially, the Concept Recognizes Implicit Steps Taken by Some Governments to Move**

The region towards a market driven economy, oiled by the spirit of the free enterprise, not one whereby governments control means of production and dictate the *modus operandi* and *modus Vivendi* of the people**.** This postulate that current thrust to liberalize regional politics in order to breathe life into the economy sets forth three steps on the path to economic and political liberalization. These three stages trace current regional problems back to their colonial roots and history.

*2.1. First Stage: The Colonial Era or Repressive era*

This is the stage when the countries which were colonized had to dance to the tune of their colonial masters. Initially, the colonial powers held complete sway and masterdom over the colonies. There was very little or no opposition to counter the colonial authority. In fact, these could be referred to as the hay days of the colonial powers. During this period, exploitation of the colonies was at its highest and the raw materials such cotton, maize, copper, coffee, etc. were bought from farmers or mines at very low prices. These products were then shipped to the colonialist's home countries which were mainly Britain, France, Belgium and Portugal. The raw materials were processed and brought back to the colonies and sold at exorbitant prices. This period was marked by great economic expansion and enormous wealth of the colonizing countries. At home, indigenous people were being ruled with an iron hand, in order to prolong the life of colonial domination over those countries. The colonial era of this region extends from about 1845 to 1995 (Hodd, 1991), with South Africa effectively shaking off its apartheid political structure in 1990 and releasing Nelson Mandela after 27 years in political detention (Mandela, 1995).

*2.2. Second Stage: The Rebellion against Authority*

Rebellions arose and the people demanded freedom and control over their products and revenues from those products and were put down with brutal force. Since the indigenous people had no modern weapons, people with spears were no match against guns, rifles and canons used by colonialists. So, colonists lost hope, became desperate and sought help from anybody who would assist them. The Soviet Union, because they wanted to rival Western (capitalistic) countries assisted nationalists such as Kwame Nkrumah of Ghana (formerly the Gold Coast), Mandela of South Africa, Robert Mugabe of Zimbabwe (formerly Southern Rhodesia) and others. The price paid by these countries was that they had to espouse socialism or Marxism. Initially when those countries achieved independence, they briefly practiced democracy and free enterprise systems similar to those of their former colonizers.

Indeed, provisions were made and written into the independence documents to mandate free and fair elections. Whoever won at the ballot box would be the first president or prime minister of the country. In most counties, that stage was accomplished without a hitch as planned.

After that initial period, the new leaders refused to relinquish power and established single party states so as to remain rulers for an indeterminate period of time. Such first leaders as Kwame Nkrumar (Ghana), Kenyatta (Kenya), Kaunda (Zambia), Obote (Uganda), Nyerere (Tanzania), and others installed one party governments and were even more ruthless and brutal than the colonialists.

Wrongful arrests, long jail sentences and torture became common place. The leaders became more concerned with how long they would remain at the helm of their countries than with the countries= economies and quality of life of their people. Whereas they succeeded in staying in power for decades, the economies deteriorated to a point of no return.

Disease and hunger engulfed people and waves of refugees exited en mass. Coups de tats became frequent since there was no ballot box to allow peaceful leadership succession. The countries sank deeper into the abyss of poverty, gloom and despair. Reality set in and the leaders began to look for financial help from their communist supporters in the Soviet Union (its satellites and surrogates), China, Korea and Cuba. Little or no money flowed into those struggling countries. Only guns and social projects were forthcoming from the communist or Socialist countries.

*2.3. Third and Final Stage: Liberalization of Economies and Seeking Financial Help from the West*

This is the stage where the Sub-Saharan countries are now. They have realized that financial help will only come from the rich countries, some of whom, by the irony of fate, happen to be the former colonial powers or other western capitalist countries. These countries are helping the depressed economies of their former colonies. But there are terms to abide by in order to qualify for the loans, grants or debt write-offs. Little or no help ever came from the Eastern Socialist countries or their surrogates like Cuba or Korea. In fact, the former communist or socialist nations are also seeking aid from the west. Most Sub-Saharan countries are succeeding in garnering aid from the west because the Soviet Union disbanded and the communist system is gone. Any vestiges of it are presiding over struggling economies themselves and have little or no credibility in the Sub-Sahara region they helped liberate from colonial domination. The Economic and Political Initiatives attempted by Sub-Saharan Countries to improve the region are explored below.

2.3.1. Improvement in Governance

Most countries in this area have allowed free or semi-free multi-party elections and have scaled down political and social hostility and dictatorship. Freedoms of assembly and speech are reasonably tolerated in most countries. There is still a long way to go since political expression of opinions is still not fully allowed. Many countries in this area are still ruled by leaders from the old guard who manipulate and intimidate the electorate to stay in power. But times seem to be against such leaders and they are being replaced slowly, but surely. Moreover, most countries are improving infrastructure and domestic programs to improve the quality and standards of living. Governance is defined on the basis of what is known as the "rule of the game" (Business Africa, June 2005.) The following are the rules of that game.

- Voice and Accountability: This includes political and civil rights in reference to succession and rule of law
- Political Instability and Violence: This addresses the likelihood of violent threats to, or changes in, government including terrorist attacks
- Government Effectiveness: This refers to the competency of the bureaucracy and the quality of the public service delivered
- Control of Corruption: This measure concerns the exercise of public power for private gain
- Regulation Burden: This is a measure that gauges the incidence of market-unfriendly policies such as price controls, inadequate bank supervision and excessive state regulation of foreign trade or the exchange rate
- The Rule of Law: This covers the quality of contract enforcement, the police, the courts and the likelihood of crime and violence.

| **Excluding the Four** | | |
|---|---|---|
| **Indicator** | **All countries** | **worst performers** |
| Voice and Accountability | -0.4 | +17 |
| Political Stability | -42 | -14 |
| Governmental Effectiveness | -9 | +5 |
| Regulatory burden | -19 | no change |
| Rule of Law | -29 | -14 |
| Control of corruption | -31 | -6 |

*Table 1: Trends in Sub-Saharan Governance Indicators % Change, 1996-2004, (-2.5 = the worst; + 2.5 = the best)*
*Source: World Bank*

Scores for various countries show that Somalia at -2.3 in 2004 is the worst performer of all and that represents a change of –2.5% from 1996 (change from –0.08 t0 –2.13). But numbers could be misleading because Cote d'Ivoire's changes are much worse (from –0-18 in 1996 to –1.38 in 2004) or a –690% change. These are relative changes. So each country's case should be judged by inspecting the actual 1996 and 2004 statistics.

2.3.2. Formation of Regional Economic Alliances

There is strength and synergy in size and unity. The Sub-Saharan countries realize this and they have moved to join hands and help each other solve their problems through cooperation. There are many levels of alliances. Some groups are small and other are quite large. These groups are aiming at enhancing cooperation by either eliminating tariffs on the borders with each other or doing away with visa requirements or both of these strategic policies. Eliminating tariffs

facilitates movement of goods across borders and increases intra-regional trade in that region
(The Nation, 10/10/00). If visas are not required, travel within the region is made easy and this policy promotes tourism and purchase of goods from area to another. Anything that can increase trade in the region is a plus. One major regional alliance is The Common Market for East and Southern Africa (COMESA); (Panafrica, 10/00) Table 1 shows the countries that comprise COMESA as of to-day and Table 2 shows the countries of the Economic Community of the West African States (ECOWAS); (Business Africa, June 2000); wikipedia.org, September 9, 2005.

| | | |
|---|---|---|
| Angola, | Libya | Swaziland |
| Burundi, | Madagascar, | Uganda |
| Comoros, | Malawi, | Zambia |
| Democratic Republic | Mauritius | Zimbabwe |
| of the Congo (formerly Zaire), | Rwanda | |
| Djibouti | Seychelles | |
| Egypt | Sudan | |
| Eritrea, | Seychelles | |
| Ethiopia, | | |
| Kenya, | | |

*Table 2: The Countries that Comprise Common Market for Eastern and Southern Africa (COMESA) Trade Zone*

The original COMESA regional alliance has been in preparation for some five years. But a COMESA with no tariffs at all has not materialized able to do away with tariffs. There is a concern among members that some poor economies within the alliance cannot survive if tariffs are completely removed. More members were due to follow suit if the organization survives.
Unfortunately for COMESA, some members were beginning to withdraw ahead of this major COMESA commissioning due to disputes and some members preferring to join smaller regional alliances. Tanzania was the first to quit and it joined the SADC (The East African, 10/19/00) and yet it a member of the East African Community (EAC). The EAC is made up of Kenya, Uganda and Tanzania. The other 14 states were planning to join South Africa and Zimbabwe to form a southern alliance to be named Southern Africa Developing Community SADC); (Business Day, 10/6/00). So, will COMESA die before it lives? Also, it should be realized that if COMESA is to be an all-encompassing alliance there would be conflict among its members, if each sub-group imposes tariffs on COMESA members in the other sub-alliance. How will it work? There can be no COMESA together with the other two smaller alliances operating within it, as it is currently envisaged. These organizations would overlap in jurisdiction.

| | | | |
|---|---|---|---|
| Angola | Malawi | Seychelles | Zambia |
| Botswana | Mauritius | South Africa | Zimbabwe |
| DR Congo | Mozambique | Swaziland | |
| Lesotho | Namibia | Tanzania | |

*Table 3: Members of the South African Development Community (SADC)*
*Source: www.asosh.org/SADC/sadc.htm*

| | | |
|---|---|---|
| Benin | Guinea | Nigeria |
| Burkina Faso | Guine Bissau | Senegal |
| Cape Verde | Liberia | Sierra Leone |
| Cote d'ivoire | Mali | Togo |
| Gambia | Mauritania | |
| Ghana | Niger | |

*Table 4: Members of the Economic Community of the West African States (ECOWAS)*
*Source: www. Allafrica.com*

The purpose of forming ECOWAS was to move this region towards usage of common currency with a long term view of forming an economic alliance like EU, NAFTA or COMESA. The mechanics of the agreement are still being worked out and official commissioning of the entity has been made by the countries in the alliance. If and when it forms, the alliance will serve the same purpose of facilitating trade and interstate commerce without the red tape of unitary states. Its main and initial purpose is to use the same currency.
Member countries have not yet agreed upon the type of currency and its exchange rate relative to current member currencies. It is not known whether current member currencies will still be used in their respective countries after the proposed standard one has been adopted by ECOWAS

2.3.3. The Privatization Initiative

A third initiative some Sub-Saharan countries such as Uganda, South Africa, Malawi and Nigeria, have embarked on is privatization exercise (Business Africa, January 2003. Parastatal firms (firms in which the government has a controlling share) are being sold to private owners to take the government out of competition with private corporations. Private control also tends to be more efficient and reliable. In most cases parastatals are just sold to the highest bidder. This exercise seems to be going on well and has helped governments get rid of businesses that are not performing well or those which are losers (www.allafrica.com, 10/4/2004; IMF Press Release, 5/00).

2.3.4. Formation of Local Stock Exchanges

A fourth weapon the countries are using to fight poverty and slow economic development is the establishment of stock exchanges. Only Nigeria has dual stock exchanges: The Nigerian Stock Exchange (NSE) which is fully automated and operational and the newly formed Abuja Stock Exchange (ASE) which is not yet operational, as of this writing. Like the NSE, the ASE will be automated and on the Internet to attract small investors from overseas and local firms. It is government backed and, therefore, generating disapproval from NSE and businesses which are interested in free economy (Financial Gazette, Harare, 10/26/00; AllAfrica.com, 10/27/00).

Actually, the ASE seems to have been formed for a different purpose and that is to operate along the lines of the NASDAQ and lure small investors, mainly from abroad, who may be reluctant to take risk with larger exchanges such the NSE (www.allafrica.com, 10/30/00).

Listing on ASE would be cheaper and the requirements are less stringent. So, it is hoped that even small business owners in Nigeria may find the ASE attractive in due course. The ASE gives the added convenience of electronic filing and selling, just like the NASDAQ at a time when only two exchanges are fully automated (Vanguard Daily News, Lagos, 10/27/00) and they are: The Nigerian Stock Exchange (NSE) and the Johannesburg Stock Exchange (JSE). The other 16 exchanges in Africa operate on Acall-over operating system.≅ The call-over chairman reads out names of listed companies, and invites brokers to make their offers (Post Express, Abuja, 10/05/00). Other fairly well known stock exchanges in the region are Nairobi Stock Exchange (NSE), Kenya; Dar Es Salaam Stock Exchange (DSE), Tanzania; Ghana Stock Exchange (GSE), Ghana; Zimbabwe Stock Exchange (ZSE) and a few other small ones. There are altogether 18 stock exchanges in Africa which are fully regulated by the regional commission for Africa. African countries, with operational stock exchanges, formed the African Stock

Exchanges Association (ASEA) which meets regularly to discuss ways of improving market performance. The combined market capitalization of 11 stock markets in Sub-Saharan Africa, excluding South Africa, is about US$ 7 billion (www.allafrica.com, 10/27/00).

*2.4. The Benefits of Reform*

The countries which have been able to reform their systems according to Word bank guidelines, are reaping handsome benefits from donors. For example, Italy just canceled $116m of Uganda=s $145m debt (81.8%) owed to the Paris Club Creditors (New Vision, Kampala, 9/13/00) and the G8 countries canceled most debt for poor countries (The Monitor Newspapers, Kampala, June 17, 2005). Italy is also canceled most of Uganda's remaining bilateral debt. But the Italian Ambassador to Uganda warned Uganda officials to change their attitude towards investors if investors are to stay. By contrast, Japan refused to forgive debt to Kenya which was suspended by the IMF since 1997 (The Nation, Nairobi, 9/29/00). Kenya has just been approved for a loan with severe restrictions and warning as to possible cancellation of the loan at any time if the guidelines are not adhered to (The Nation, Nairobi, 10/22/00). Responsible behavior benefited Cameroon which is set to receive US$ 2 billion relief package under the Highly

Indebted Poor Countries (HIPC) strategy of the World Bank (Pan-Africa News Agency, 10/16/00). Terms of payment of such loans are relaxed. The loans carry low interest rates and can be paid over a longer period of time.

The World Bank gives a test to the borrowers (evaluates them) and the score card for last year is out. Good performers are rewarded by being allowed more access to loans and grants under various World Bank strategies for development and debt relief for HIPCs. Results of this test revealed that Africa produced the worst and the best performers. Out of 74 candidate countries Africa sat 41 countries. Thirteen countries got AA (an A is given to top performers) and five of them are from Africa. African countries which scored a grade of AA are Uganda,

Cape Verde, Cote d'Ivoire, Ghana and Mauritania. Tanzania got a AB, Rwanda a AC and Kenya got a AD. But of the 16 AF recipients, worldwide, 14 are from Africa. The countries which earned the grade of an F are: Angola, Comoros, Democratic Republic of the Congo, Republic of the Congo, Guinea Bissau, Liberia, Sierra Leone, Somalia and Sudan. The World Bank marking scheme, better known as Country Policy and Institutional Assessment (CPIA) rates the borrowing countries against Agood economic policies applied during the credit period (The East African, Nairobi, 10/19/00).

The score is important because the International Development Association (IDA), the World Bank as agency for soft loans, uses these Areport cards as criteria to decide how much credit to extend to each country the following year. Kenya and Zimbabwe have been virtually cut off from IMF loans because they failed to heed the advice of the IMF. These economic reforms have increased confidence of foreign investors as shown by Foreign Direct Investment (FDI) in Table 5. Table 6 shows indicators for the Economic Community of West African States for the year 1999 or 1998 as indicated. The economic picture is a mixed bag of good and bad performance among the countries of this region.

Multi-lateral and bilateral lenders are careful with their money. They try to lend to countries which are likely to pay back or use the money on useful developmental pursuits. For that reason, World Bank and other lenders watch out for trouble indicators as evidence of possible risks. Example of how countries are tracked by research agencies, such as the highly credible Economist Intelligence Unit (EIU) and the Heritage Foundation (EIU, Business Africa, October 16th-31st, 2004.) Table 5 shows FDI inflows and it seems better run countries have an edge over those which are not, with exception of Nigeria which not well run but has oil and creditors can tolerate it. Table 6 shows Africa's best and worst performers.

| **Country** | **US$ m** | **% of total** |
|---|---|---|
| South Africa | 11,259 | 15.9 |
| Angora | 9,668 | 13.6 |
| Morocco | 7,068 | 10.0 |
| Nigeria | 6,571 | 9.3 |
| Algeria | 4,341 | 6.1 |
| Sudan | 3,770 | 5.3 |
| Tunisia | 3,706 | 5.2 |
| Equatorial Guinea | 3,338 | 4.7 |
| Chad | 2,483 | 3.5 |
| Tanzania | 1,951 | 2.8 |
| Cote d'Ivoire | 1,831 | 2.6 |
| Uganda | 1,468 | 2.1 |
| Congo Brazzaville | 1,307 | 1.9 |

*Table 5: FDI Inflows to Africa, top 13 countries, 1998-2003*
*Source: UNCTAD, World Investment Report, 2004*

| **Best** | **Rank** | **Worst** | **Rank** |
|---|---|---|---|
| Angola | 5 | Zimbabwe | 135 |
| Gambia | 7 | Burkina Faso | 131 |
| Namibia | 18 | Kenya | 129 |
| Congo B | 22 | Rwanda | 128 |
| Mozambique | 23 | Guinea | 125 |
| Sudan | 29 | Sierra Leone | 122 |
| Morocco | 32 | Ethiopia | 111 |
| Uganda | 35 | Malawi | 109. |

*Table 6: Africa's best and worst performers, ranking by inward FDI performance; 2000-2003*
*Source: UNCTAD, World Investment Report, 2004*

The initiatives put forth by most Sub-Saharan are making the region look better and more investor-friendly than in the past. Although not all the countries have liberalized their economic system enough to attract FDI, those which have are providing encouragement by example of the benefits that have accrued. Benefits have come to reformed countries by way of more multi-lateral and bilateral financial aid. The region has seen increased FDI activity and is likely to see more of it. Reduced internal and external hostility has made it possible for neighboring countries to talk and cooperate with each other rather than fight. Additionally, more peace, economic and political reforms have made the region more attractive to both foreign and domestic investment. Success seems to have gone in favor of smaller and more liberalized countries such as Namibia, Mauritius and Botswana although South Africa is number two in Africa and 36 in world New Single Index of competitiveness.

| | Global | |
|---|---|---|
| Country | Competitiveness Index[a] | Current GCI[b] |
| Tunisia | 30 | 42 |
| South Africa | 36 | 41 |
| Namibia | 43 | 52 |
| Morocco | 45 | 56 |
| Mauritius | 50 | 49 |
| Botswana | 58 | 45 |
| Algeria | 62 | 71 |

| | | |
|---|---|---|
| Ghana | 68 | 68 |
| Gambia | 75 | 75 |
| Nigeria | 77 | 93 |
| Uganda | 78 | 79 |
| Kenya | 84 | 78 |
| Madagascar | 85 | 96 |
| Zanbia | 91 | 83 |
| Malawi | 93 | 87 |
| Tanzania | 97 | 82 |
| Mali | 99 | 88 |
| Mozambique | 100 | 92 |
| Zimbabwe | 101 | 99 |
| Ethiopia | 102 | 101 |
| Chad | 103 | 104 |
| Angola | 104 | 103 |

*Table 7: New Competitive Global Index*
*[a]Single Global Competitive Index, to be used from 2005.*
*[b]Existing Growth Competitiveness Index*
*Source: World Economic Forum, Global Competitiveness Reports*

South Africa attracts most of Sub-Saharan African (SSA) FDI. Shivel (September. 2004) reports that a major investor in Africa (Actis) invests at least 40% of its African FDI in South Africa.

*2.5. Opportunities for Sub-Sahara*

The regions new image is much more favorable than in the past and the countries of this region are poised to take advantage of these opportunities and hopefully, minimize the effects of their problems. Here are some of the opportunities that might accrue to members of the region that have vigorously pursued political, social and economic liberalization.

1) World Bank aid is possible following adequate assessment as to the risk to lenders.

Countries can now qualify for multi-lateral and bilateral aid. HIPC and IMF and other lenders will be more willing to help development by cancellation of debt, freeing needed dollars for development;

2) Formation of economic alliances such as COMESA and ECOWAS will stimulate intra-regional trade and commerce, particularly if these alliances also become Free Trade Areas (FTA), as they intend to be.

3) Money which used to be spent on maintenance of disproportionate armies and police Forces which are used for repression, can be spent on beneficial projects for development and improvement of the quality of Life of the people in the region.

4) The World Bank, IMF and other lenders are generous when it comes to aiding HIPCs. They have put in place certain initiatives for helping poor countries. Particularly effective in alleviating poverty in qualifying countries is the Poverty Reduction and Growth Facility (PRGF) initiative which provides grants or low interest loans to be used for specific poverty relieve programs.

*2.6. Problems to Surmout*

1) Many countries are still run by repressive regimes with long serving and tired leaders. Such leaders are not progressive, they are insecure and, resort to ruthless and repressive measures to stay in power. In Uganda has a clean record when it comes to compliance with lender terms. On the other hand, South Africa does not need foreign aid as badly as do the other Sub-Saharan African countries. But it needs more DFI inflow and it has still to reduce its ethnic tension and a weak economy. The economic and social gaps between ethnic groups are still wide and those between blacks and whites seem to be widening despite democratic rule the country enjoys.
2) Even with reformed economy, the firms and comapnies in these countries may be many, but they are small. Their total output remains small. These small countries cannot benefit from the exposure as would the larger firms, because they are obscure and cannot list stock on the national Stock Exchanges even the exchanges were available in their countries.

3) In most cases, countries that need help are the ones that are heavily indebted and burdened by debt. In such cases, the countries would not have funds to stimulate their economies as they would be spending most of their little money on debt service to remain qualified for possible aid in the future.

4) Formation of political and economic alliances like COMESA or ECOWAS may not work as well as originally envisioned because the members are not bound to stay in the alliance. That means that there is always a danger of possible future disintegration, upon a member or members disagreeing. Indeed, currently there have appeared two smaller alliances within COMESA already and they are: the East African Community (EAC), and the Southern Africa Development Community (SADC). The EAC is comprised of Uganda, Kenya and Tanzania. If EAC and SADC are independent, then COMESA cannot declare an FTA for all its members. In fact,

COMESA would not function with those smaller alliances inside it. It is difficult to see the future of a COMESA with fragmented interior. Yet the alliance had hoped to achieve “0" tariffs status for its members by the end of the year 2002. But by the middle of 2005, COMESA was nowhere near 100% of that goal. Would EAC or SADC tax other COMESA members? If not, what would be the point of forming such sub-alliances within a mega one? If yes, what strategic regional purpose would COMESA serve?

5) Just like the EU of 15, COMESA members have signed agreements to have free trade with non-members. For example, South Africa has such an agreement with the
European Economic Community and Kenya has a similar agreement with Egypt. This practice, if not abandoned, will tend to dilute COMESA’s regional synergy and make unity difficult to achieve (Business Africa, 1/16-31, 2000)

**3. Some Recommendations to Leaders of Sub-Saharan Countries**

A lot has been said and written about this part of Africa. But one author hit the target
when he wrote in his column that Africa needs Africans for Africa policy (Reese, 4/9/98). Reese’s axiom can be extended to cover all possible solutions to African problems. He debunked the economic thought that the problems facing Sub-Saharan Africa can be solved by increases exports. Rwambali (October, 2004) pointed out the fact that financial aid might not be as helpful as assumed. He bases his skepticism on the donors’ host of highly paid consultants sent to recipient countries. Indeed, a good amount of aid is spent on logistics and expatriate personnel. Yet aid, with its flaws, is essential for development of poor countries which carry a heavy debt burden.

Politics are the life blood of a nation=s economy. Government policies can increase flow of that blood or cut it off by their policies. So, free and fair elections (guaranteeing timely leadership succession), improved security, checked corruption, and a market driven economy are some of the critical success factors for Africa to-day. But it should also be noted, that a good African government is not necessarily the one the West approves of. On the contrary, African leaders who are determined to help their people even when it means stepping on toes of multinational corporations, may be good for Africa. Africans should not allow themselves to be beaten to submission by lenders and protectors of their security. Sovereignty is not for sale. But recognize that stubborn stance against the West for the sake of it or imitating the West is not the answer, either. The nations in this region Amust be themselves≅ and feel free to accept or reject aid with honor.

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