John Ravenhill (editor)

Africa in Economic Crisis

Columbia University Press, New York, NY, USA, 1986, xiii + 359 pp., $27.50.

This volume is a compilation of several recent articles on African economic issues. Some of the articles focus on the World Bank's analysis of and prescriptions for the African crisis while others deal with sector-specific issues such as food, industrialization, and debt. The volume contains only one country study—Ghana—but that is now out of date. The general quality of these contributions ranges from careful analysis to mere assertions and rhetoric.

The general tone of the book is quite pessimistic; most of the articles portray a declining per capita income and a continuing regression for Africa for the next decade or so. Their pessimism is based on the findings that:

- Marketing parastatals have played a significant role in the decline of Africa's export agriculture;
- The current anti-agricultural bias on the part of African governments is not only economically irrational but has also become increasingly politically irrational; and
- There is little evidence that most African governments have begun to consider policy measures which may help reduce the anti-export bias.

Although these arguments may have been valid earlier, developments trends during the past few years have removed much of the basis for pessimism.

There is today a growing consensus among the governments of many African countries on the need to tackle important domestic policy issues. At least 20 countries in Africa have embarked on significant policy reforms and substantial external assistance is being mobilized in support of these reforms. Many African countries have attempted dismantling and restructuring state parastatals or opening up parastatals to competition from the private sector. New initiatives have also been undertaken by the international community to respond to the African plight. These have included more generous rescheduling and debt relief schemes, increased new aid money, higher allocation out of IDA, structural adjustment assistance by the IMF, replenishment of the African Development Fund, the capital increase for the African Development Fund, and cofinancing of adjustment programs by bilaterals .

The authors quite rightly argue that there are numerous "difficulties in implementing reformist, economically rational policies in contemporary Africa." They state that although in the long term such moves may generate political as well as economic benefits, few African governments can afford to adopt this time horizon. The important issue is how to sustain these domestic policies for the next decade or so. There are at least three areas of concern on that score.

First, there is less agreement today on the speed and sequence of reforms, particularly in the areas of trade liberalization and phasing out of subsidies. Second, it is becoming clear that adjustment of economic policies involves some transitional costs, at least in the short run. The contrast between Zambia and Ghana in approaching this issue is quite illustrative. While the Zambian authorities concluded that the adversity caused by the economic reforms was clearly unsustainable, the leadership in Ghana remains undeterred in undertaking reforms for the sake of a better economic future.

The final point is the *a priori* assumption that as soon as the public sector institutions are dismantled, the private sector will rush in to take over these activities. Casual empirism suggests that a careful nurturing and well planned and articulated transition are essential for successful devolution. Whether Africa can overcome its economic crisis, or whether the prognosis presented in Ravenhill's book will prove true will depend crucially on the design, management, and effective implementation of African adjustment policies.

Ishrat Husain