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Africa suffers, from what ?

A lecture given during the years 1995 – 2002

I Introduction

During the years 1968 to 1992 I was engaged as an economist and as an agricultural economist on behalf of the German Ministry of Economic Development.

My task was mainly to plan new projects as well as to control ongoing projects. I also worked for a certain time as a consultant within African ministries of agriculture.

All together, I visited from 1968 to 1992 twenty African countries.

In 1987 and in 1992 I published my experiences in two pocket books in German language:

- Paul Alexander: Der Trost des Entwicklungshelfers, Frankfurt am Main, 1987.
- Paul Alexander: Heimat oder Asyl?, Ulm/Donau 1992.

After I had finished my visits to African countries, I gave lectures in development policy, most of them at the Fridtjof-Nansen-Akademie für politische Bildung, Ingelheim am Rhein.

My lectures were attended by upper school boys and girls who came to Ingelheim for seminars in preparation for their final examination. They were accompanied by their teachers.

II Lecture

It is praiseworthy that you do not look only on your own problems – say the prospects in your future professional life – but that you are concerned as well with the situation of the population in the so-called „Third World“.

Today the expression „Third World“ has become a rather equivocal expression because it comprises very different countries:

- Countries, which compete already very efficiently with us, like South Korea, Taiwan, Hong Kong and Singapore,
- Countries of the former Soviet-Imperium, which threatened us some years ago with their atomic potential,
- The so-called countries of „primary accumulation“, some of them - like Argentina and Uruguay – were regarded after World War II as welfare economies.
- And the presently poorest countries.

In the yearly development report of the Worldbank the latter are called „Least Developed Countries“. The majority of these countries are situated in Africa, the continent which we are going to investigate now.

Most probably the expression „Developing Country“ would have never been used without the existence of the Black-African people. The „white man“ regarded historically the African peoples with great superiority if not with arrogance. How, for example, we used to call the Black Africans in former times in Germany?

In the course of my lecture I repeatedly put questions to my audience in order to make the lecture more vital and to catch the students attention to the topic. As response to this question I received mostly the word Negro or Nigger. But the right answer was „the wild man“. I referred to a sign board hanging at a public house of the 18th century which I had seen in Alsace. This public house was named „zum wilden Mann“ (to the wild man), showing an African dressed with a bast skirt.

What had been the purpose of the expression „the wild man“? The purpose was simply to say: People without civilization. This is exactly what the proud inhabitants of Athens and Sparta did in the antique

when they regarded other surrounding tribes, for instance the Macedonians, as barbarian. Again here they meant: uncivilized people.

The increased interest for Africa began only during the 19th century. Right from the beginning two groups of great influence dominated:

- The great powers England, France and Germany, but also Portugal, Spain and Italy put their hands on the African continent, with the purpose of securing part of the world raw materials or energy resources still not discovered in this part of the world.
- The churches in the European countries established in Africa numerous missionary houses, not only with the aim of Christianisation, but also of medical care, primary school education and training in handicraft. During many decades the churches furnished important contributions to the social development of Black Africa.

Right from the beginning, the Europeans had shown a double face to the people of Black Africa. One face represented colonial suppression, the other face charity.

Although both groups had opposing viewpoints and proceedings, they agreed on one point: Africa cannot be left alone anymore.

For both of these European groups of influence the history provided us two typical personalities to represent each group.

Charity was represented by a missionary, who already came to South Africa in 1841 in charge of the London Missionary Society. He travelled throughout of the southern part of the continent and stood up for a complete liquidation of the slave trade, which was still exercised by some Arab leaders. In Europe the public opinion had resulted to a complete proscription of the slave trade since 1830.

Who knows the name of this personality?

Very seldom a student knew the right name: David Livingstone. Sometimes Albert Schweitzer was named, but he lived a hundred of years later.

David Livingstone was confronted by a man, who could be understood as typical to represent colonial suppression. He was an American journalist, who travelled as well in Africa and had visited Livingstone in 1871, when he, Livingstone was considered missing. In 1874 he organized an important expedition in order to explore equatorial Africa. The expedition started at the East Coast, and made its way via Lake Victoria to the basin of River Congo and followed this river to its estuary.

The expedition reached the Atlantic Ocean only after three years in 1877. Out of about a dozen Europeans who took part in the expedition, the journalist was the only one who reached the Atlantic ocean. This means, that he was the first white man, who succeeded in crossing the African continent from East to West. Who knows his name?

Henri Morton Stanley was the name of this man. He was unknown to all students.

It was Stanley who proposed the Belgian King Leopold II, to take the whole Congo basin in his ownership, first in private ownership, what he did. Only in 1908 Leopold II transferred it to the Belgian State.

The private ownership needed to be accepted by the other European powers. In this connection an important conference took place which was also the basis for the division of the African continent among the European powers. When, where and under whose chairmanship did this conference take place?

In some cases a student gave the right answer: The Congo Conference of 1885 in Berlin under the chairmanship of Chancellor of the Reich, Otto von Bismarck.

Since the beginning of the 20th century a third group expressed interest in the African continent. The artists of Cubism and Expressionism recognized the outstanding performances of Black African tribes in the field of pictorial art and made publicity for them in Europe. Furthermore there were

ethnologists, who on the basis of careful studies furnished proof that the peoples of Africa were not at all peoples without civilization. Leading among the German ethnologists was Leo Frobenius, who was investigating in Africa from 1904 to 1930. About Frobenius the first President of Senegal, Leopold Senghor, made the following statement: „nul mieux que Frobenius ne révéla l’Afrique au monde et les Africain à eux mêmes.“ In this context he said of Frobenius: „he gave us back our dignity“.

Leo Frobenius was generally unknown to the students.

It was characteristic for this third group, that they did not want to change Africa. They regarded the African people with the curiosity of an artist or an ethnologist, to whom it is sufficient to see the diversity of the world and to receive inspiration for their own work.

Let us undertake now a big jump into the time after World War II, when most of the African countries obtained their national independence. Consequently the era of colonialism on this continent came to its end. Question: When did most of the Black African countries receive their independence?

The right answer was given more frequently: From 1960 to 1963 the countries under British and French colonial government received independence. Some time later in the mid 1970’s the Portuguese colonies Angola, Mozambique, Guinea Bissau and Sao Tomé e Recife followed.

Almost at the same time a program called „Development Aid“, was instituted. It was an important program of support in favour of the former colonial countries. This was something completely new in the history of mankind. Question: Which character „Development Aid“ was supposed to have? In other words: Under which slogan Development Aid was offered by Europe and North America?

It was often difficult for the students to remember this slogan. It was already used too much, making it difficult to think about. Simply put: „Help to selfhelp“.

The principle of „Help to Selfhelp“ was generally accepted right from the beginning, at least in the official statements. But what did it mean in the daily life for the Black African people?

We had already pointed out that these people had a civilisation (see the research work of Leo Frobenius). But they had not the highly developed civilisation as in Europe, India, China and Japan. A particular characteristic of their civilization was, that they had not developed writing and per consequence they could not develop scientific research particularly not in natural science. Per consequence the technological level in manufacturing was very low.

After 1960 the African countries had to bring in motion a process to recover lost ground in technology. This did not mean giving up their cultural identity. Nor did it mean to take over a foreign culture. The example of India, China and Japan had shown, that technological development was possible without losing one’s own culture.

With regard to the speed of this process to recover lost ground, the African countries were under a particular time pressure. For decades the medical care contributed by the colonial powers had resulted in an increase of population never known so far, with rates between 2 and 4 % p.a., mainly due to the reduction of infant mortality.

In order to avoid a worsening food situation every year, the production had to increase by more than 4 % p.a. This could not be achieved by a simple extension of production on the basis of the existing technology. On the contrary, innovations had to be realized to a large extent. In other words: Manufacturing methods with higher productivity had to be instituted as well as the opening up of markets for new products, with both under the condition of securing the resources in the long run.

What did this mean for the Africa of the 1960’s?

In the traditional sector of smallholder agriculture it meant first of all:

- Turning away from shifting cultivation connected with overuse of soils – already widespread in those times – because the necessary time of fallow could not be assured any more. Therefore there was a transition to permanent cultivation essential, which introduced particular methods for the maintenance of soil fertility.

- Turning away from the traditional use of natural pasture on communal land. On this land the continual increase of the herds had resulted in a dramatic scale of destruction of pastures by overuse. At the same time productivity in production of meat and milk was reduced. The way out could be found only by controlling pastures with limited access of members and avoiding cattle overuse. Improvement of the pastures and improvement of the genetic potential of the cattle was also paramount. In addition permanent stall keeping and stall feeding for part of the cattle was called for.

In the 'modern sector' of the economy:

say agricultural, industrial and commercial enterprises improvements could be achieved by more diversification on the local and export markets. Not only the pattern of products should be broader by introducing new products on the market, but also the processing of raw materials to finished, and semi-finished products was of primary importance. Just by exporting energy and raw materials the African countries could not develop. In Africa as before in Europe, welfare could be achieved only by the establishment of finishing industries.

As the slogan 'help to selfhelp' already expressed, the part of 'selfhelp' had to be put right from the beginning in the center of activities. The part of 'help to' should be only a supplement.

In view of the magnitude of the task and under the specific time pressure, a fundamental change of the African society was needed, a transition to a „society of performance“. To realize this a mental reorientation stood at the beginning. All what had to be done to become a „society of performance“ has to start in the brain. With other words: virtues had to be developed.

Now rises the question: which part of the traditional African society is first of all asked, to develop such virtues?

It was amazing to observe, how seldom the students gave the answer: The leading class, the élite. During the last decades our western society, in particular young people, became more democratic, even antiauthoritarian. It had to be explained to them that the African society is still ruled authoritarian. In quite a number of countries we find dictatorship. In this situation the transition to a 'society of performance' has to be guided primarily by the leading class. They have to give the good example for the others.

When the official development aid of the western countries started in the 1960's (the American 'peace corps' started some years earlier in 1955), estimations were made about the question how much time would be needed to bring the African countries more or less to the same technological level as had the West European and North American countries. A majority estimated, that a period of one generation, that means about 30 years, would be needed. But almost nobody dared at that time, to give an estimation corresponding to the reality after even 40 years. After 40 years of development aid there was almost no economic progress to be seen. In many African countries the situation became worse, the economic growth remained lower than the increase of population. In the same period Africa had to suffer under a dramatic decrease in its natural resources.

How can we explain this disappointing result? Was it a failure of 'selfhelp' or was it a failure of 'help to selfhelp'? To explain this is the aim of my lecture. I refer to my experience made in 25 years of fieldwork and I restrain my report to a summary.

As the leading class had almost full power in their hands, they were also responsible for the right or wrong use of power. After their countries came into independence after 1960, the élites had to become active in two main fields:

- As private, will say, on their own risk acting entrepreneurs, aiming to increase the production in the modern sector of the economy, - handed over by the former colonial government – and to make this sector more competitive through innovations.
- In public administration, aiming to secure the rule of law as well as fair and functional competition.

Both fields of activity were tight together. Who wanted to invest money in a new manufacturing plant if he could not be sure that he was not expropriated after some years by the government, or not to be extorted by criminal gangs or organizations? And who wanted to put effort in his work, if a fair and functioning competition was not guaranteed, and those who were stronger by political influence could impede the more efficient or even exclude him completely from the market. It was clear right from the beginning: In these two fields of activity, efficient private enterprise and the rule of law in public policy, the destiny of ‚selfhelp‘ would be decided and by this as well the destiny of ‚help to selfhelp‘, because the last-named could not be successful as long as the ‚selfhelp‘ was not on a good way.

But such a successful policy in economy and society was hampered by the traditional selfunderstanding of their role as leading class.

The traditional selfunderstanding of the African chief is characterized by the following attitudes:

- He is generally uninterested in executive work and its technology.

This attitude was similar to the antique Greek and Roman élite. For them executive work was matter of the slaves and therefore did not interest the chief. Therefore during the classical antiquity the technology of executive work remained more or less unchanged over hundreds of years. And this in spite of the fact that Greek élites had made pioneering scientific findings in mathematics and physics. But it did not come in their mind, to use these findings for the rationalisation of executive work.

- He has a strong interest to monopolize power.

The traditional chief does not accept to share his power with others. His aim to monopolize power concerns both political and economic power.

It is selfunderstanding that this attitude was the contrary of what was needed for a transition to a society of performance.

When we look back in history, we can see quite a number of examples, that traditional attitudes change, if only the pressure is strong enough and help from outside is not available.

Unfortunately this pressure was taken away from the African élites right from the beginning when national independence was achieved after 1960. I remember quite well how embittered the British colonial power fought against the Mau-Mau insurrection between 1952 and 1957 in Kenya. Jomo Kenyatta, the leader of the insurrection was caught and interned in Great Britain.

I remember that I followed those events as a school boy, when I went in Cinema and could see the soundnews before the beginning of the feature film. But only a few years later, when I had finished my studies, the situation in Africa had completely changed. Now the former colonial powers surpassed each other with economic and technical assistance. The same activities were started by the non-colonial countries like Germany, the Scandinavian countries and the United States. It was President John F. Kennedy who inaugurated the first governmental organisation of technical assistance in 1964, named Peace Corps. But also international organisations like the „International Bank for Reconstruction and Development“ (Worldbank), started with special programs for the Developing Countries.

For the leading classes in African Countries this new attitude of Europe and North America was quite surprising. But they accepted it right from the beginning, without realizing that the generous offers of help, were diverting them from their most important task: the transition to a society of performance. The African leaders forgot the fact that only the thornful way of selfhelp could lead to a society of performance.

Also the welfare economies in Europe and North America knew this fact quite well from their own history. Only by selfhelp without any help from outside, they achieved the level of welfare economies. But, as we know already from the 19th. Century, the Western countries had still a double face. Only the appearance had changed:

The place of colonial suppression was now occupied by the western export interests. The part of christian charity did not disappear completely, it remained in the background. The christian ideologie was replaced by the socialistic ideologists within the management of technical development assistance, exercised by the government as well as by private organisations.

Both groups of interests, the exports interest and the socialistic ideologists were politically opposed to each other. But with their negative influence to the „third world“ they were not balancing each other. On the contrary, their negative influences had to be added.

- The socialistic ideologists

After the end of the colonial era the socialistic ideologists were persuaded, that they had to meet the african leading class with a demonstrative act of discontinuation of the colonial time. As the old colonial powers had all „capitalistic systems“, nothing seemed more appropriate to make good friends with the african élites than to meet them with anticapitalistic ideas, will say, socialistic programs for the development of Africa.

The socialistic ideologists were persuaded that Afrika had to avoid „the errors of capitalism“. They were also convinced that private entrepreneurship does not correspond to the african mentality – this was not true - , and therefore the development had to be based on governmental and cooperative organisations. The slogan of „institution building“ was therefore absolutly dominant in the new development policy for Africa during the first ten years.

Right from the beginning the african élites accepted these principles of modern development, because they offered an excellent opportunity to preserve their traditional attitudes of monopolising economic and political power combined with indifference towards executive work under a modernistic and promising cover. With this acceptance the african élites committed a fundamental error. They avoided the thornfull but finally only successfull path towards a society of performance. Instead of leading their people as private entrepreneurs and public administerators to assure the rule of law and a functional competition on the markets, they relied on the omnipotence of public institutions. But within such institutions they could keep all the power in their hands and rule the country at the risk of the public budget.

So it happened, that in the development policy as well as in the political discussions about Africa, private entrepreneurship, activities on private risk, functional competition on the markets and the rule of law were excludet for about 25 years, and were put only on the agenda after a whole generation of African élites had reached a deadlock, and the way out became verry difficult.

In the first 25 years the African economies were establishing state owned companies in the modern sector combined with a governmental controlled foreign trade. Under governmental control were also the numerous smallholders in the traditional sector, in the marketing of their products for the export as well as in the supply of inputs (fertilizers, pesticides, improved seeds, genetically improved cattle etc.)

Inevitably a central administered economy had to be secured politically by a quasi one party parliament. If there were elections from time to time, they could only confirm the existing situation. In reality there was dictatorship. The leading élites had no interest to allow in politics more competition than in economy.

- The export lobby

With the central administered economies established by the african élites, power could be monopolized further more, but an economy in such leading strings could not develop any dynamic. In short time production would have decreased and the food situation dramatically worsened.

How to procure the badly needed dynamic?

There were the western countries with their knowhow, their export interests and their development aid. Of course, the export lobbyists were not at all friends of socialism, but they realized immediately, that it was much easier to enter into business with high ranked government officials, than to deal with private

entrepreneurs, who had to work on their own risk and therefore had to examine very carefully every investment before they agreed to spend money.

High ranked Government officials, Ministers, State secretaries and directors of State-owned companies, were much easier prepared to order manufacturing plants if only the financing was guaranteed. During the first decade of development aid, the Governments of the western countries including their banks, were ready to promote the exporting industries of their countries to a large extent. They offered export credits and export insurances (in Germany those insurances are named HERMES-security) to favourable conditions. During that time the African countries seemed to have unlimited credit facilities, when they ordered western products or western services.

For decades „development“ was for the African élites something, that could be bought to favourable terms, like in a supermarket. To them it seemed sufficient, to administer the purchased goods at home and to pay attention, that a political rival was not coming up. For the functioning of the – in many cases rather complicated - technology, bought in western countries, there existed the helpful „brounies“, the technical assistance, which not only established manufacturing plants ready for running, but were often engaged over years to keep them running and to train local personal.

If this approach of the African élites towards „development“ would have been coronated with success, than they would have been the first in history, that had made the jump from a traditionally low developed civilisation to a modern welfare economy on the basis of hightechnology within only one generation. And all this without any change in their traditional thinking and behavior.

But in a situation in which the african élites undertook almost no „selfhelp“, the western „help to selfhelp“ could not succeed neither. „Development“ can be realized only by the people itself, guided by their own élites, but cannot be purchased in a foreign supermarket.

You are right, when you ask me now: Did the huge extent of imports of goods and services not contribute to a real development, as well as the immense financial and technical assistance in establishing a modern infrastructure with traffic facilities, medical care and education?

My answer is: All foreign imports of goods, services and financial means have contributed to development, but only with an extremely low efficiency, with the result that in almost all African countries the increase of local production remained behind the increase of population. In other words: The income per capita at the personal disposal of the African population sank continuously during the last 40 years. At the same time the natural resources of these countries were dramatically reduced.

I have to add also the following remark: No other continent was subject to such a change during the past hundred years, than the African continent. These tremendous changes began already during the colonial time. The capital of Kenia with today more than 1,4 Million inhabitants, did not exist in the year 1900. It existed only a warehouse for material needed to construct the railway from Mombasa to Uganda.

The largest City of South Africa, Johannesburg, with today almost 2 Millions inhabitants, started in 1886 as settlement for gold-diggers and became a town in 1922, and so on.

For the extremely low efficiency of the foreign assistance to Africa the establishment of a centralized economy in the hands of the Government was the reason. This situation allowed the élites to evade from their duty of selfhelp and to work on the risk of the local budget and the tax-payers in the donour countries.

- The statal companies managed by functionaries produced mainly losses, because these functionaries were not motivated and not sufficiently qualified for management. The mismanaged companies were never removed and replaced by private companies. Only particularly tired out companies, were replaced from time to time by newly established statal companies, but they could not do better.
- Manufacturing plants were often ordered by high ranked functionaries on abroad because they could connect the order with the payment of bribe-money for themselves. The bride-money was paid in hard currency directly to a private account mainly in Switzerland. Some of those

orders were so obviously misinvested, that they never started running, or were silenced after short time. In Ivory Coast for instance the government tried to reduce the losses caused by completely exaggerated investments in processing plants for sugarcane by dismantling them and selling them on abroad.

By these two main marks concerning „to operate at the risk of others“ billions of losses were accumulated in the budgets of African countries. As the possibility to tax the population in the African countries is very low, those losses had to be burdened already after few years on the budgets of the rich countries.

The bankruptcy of the African countries were invoided in the beginning by a moratorium (extension of time), followed by agreements of covertion (debts of short duration and high interest rates were replaced by debts of long duration and low interest rates). As those agreements in most cases did not help, it followed the remission of debts. For the African countries the remission of debts was a widespread measure during the past 40 years.

- Catchword corruption

Now we have reached a central point for the understanding of the African misery: the predominant importance of corruption. To such an extent corruption was only possible by the interaction of the élites in an almost monopolized position of power as described above with the overwhelming financial means of the western industrial countries.

This phenomenon remained in the dark for about thirty years, because completely government controlled economies had a good reputation corresponding with the socialistic ideology. Only when the disastrous extend of corruption could no be overlooked anymore, the word „corruption“ became a catchword and was consumed rapidly. In the discussions about development policy, corruption was often linked - with a gesture of despair - to the mentality of the people in the „Third World“ and therefore had to be accepted. This widespread opinion was wrong. Corruption is not a cultural characteristic of the people in the „third World“.

Let us have a more detailed look into this phenomenon!

Corruption is defined as the missuse of political power for private purposes. With this doubtless correct definition the importance of corruption within the African context is not explained sufficiently.

In the following I give two examples I experieced during my work, which can explain the problem.

Example 1: Passport control at the airport of New-Dehli 1969

After the landing of the Airplane the passengers were in queue for passport control. An officer collected the passports and gave them to the counter, where the passport controler sat and looked whether every foreigner had a visa for India. In the pile of passports I could see easely my passport with its green colour. When it came to my turn, the controler looked into my passport as if he was looking for something special, and after he did not find anything in it, he put my passport back in the pile but down as the last in the pile. Now I noticed that in other passports banknotes looked out. A businessman behind me told me, that this is quite normal in India. As I came to India in official mission the controller was finally oblidged to deal with me.

This was one of many other cases, which can be considered as everyday-corruption. Looked at those examples in a superficial way, they seem to be connected with the mentality of the people in the „third world“. In reality this corruption is a characteristic of very poor countries, which pay their employee such a low salary that they need an extra income in order to survive. Also India belonged to the very poor countries in 1969.

Example 2: The „Cotton Board“ , Kenya 1975

In 1974/75 I was consultant in the Kenyan Ministry of Agriculture and from there I was delegeted for some months to the Cotton Board. My task was, to elaborate a new price formula for the purchase of cotton. The Cotton Board had the monopoly for the purchase and the marketing of all cotton in Kenya. The cotton was cultivated by a multitude of smallholders. It was the task of the Cotton Board to promote

the cultivation of cotton in Kenya by consultation and procurement of inputs (fertilizers, pesticides, seeds etc.) to the smallholders.

Cotton can only go to the market after the cotton fibre has been removed from the cotton seeds. This work has to be executed by ginneries. The fibre is pressed to bales. The largest part of the cotton bales is exported. Again here the cotton board has the monopoly for the export of the cotton bales. A smaller part of the bales goes to the local spinning and weaving industry. The cotton seeds go to the local oil mills. Also for the locally sold fibres and seeds the Cotton Board has the monopoly.

In 1975 eight cotton ginneries were under production in Kenya. Two of them were owned by the Cotton Board, will say state-owned, the six other ginneries were in private hands owned by indian small entrepreneurs. Their grandparents came to Kenya on behalf of the british colonial administration at the time of the construction of the Uganda-railway in the years following 1906. All were working on their own risk and had to work hard to survive, mainly because the Cotton Board neglected his task to promote the cultivation of cotton by the smallholders. Therefore the capacity of the ginneries was occupied in average only to 45 %.

Some weeks after I had started my work at the Cotton Board I was informed, that the general manager had ordered two new ginneries of high capacity in the USA. Although it did not belong to my work, I wrote a letter to the general manager, in witch I indicated how much the average occupation of the capacity whould sink, if these new ginneries would be established. The general manager was very friendly to me when he invited me to discuss the matter. He said to me, that my arguments are completely correct, but he told me that he was in a dilemma: The farmers in the district X and Y wish to have their own ginnery in their districts, otherwise they would give up the cultivation of cotton completely. He gave me an article of a newspaper, in which farmer demonstrations in favour of the ginneries were reported.

In reality it was the general manager who had inspired those demonstrations. With the delivery of the two new ginneries the payment of a bribe money by the delivering compagnie to the general manager was agreed. Such a bribe money often amounted to a sum of 10 to 30 % of the price of the delivered machinery, paid in hard value on an account in Switzerland. This „extra income“ of the general mananger could easily amount to the double or triple of the general managers yearly salary.

After I had finished my work at the Cotton Board, I left Kenya in april 1975. Some months later a colleague wrote me, that the general manager of the Cotton Board had to give up his post because of a case of corruption. This was even reported in the newspapers. Who believed however that the public discussion about this case of corruption was a sign of a better prosecution, saw himself disappointed. This general manager had only to clear the way for another person of influence. The general manager had already another important position before he came to the Cotton Board in the Ministry of Transport which he had to give up because of corruption. Only the merry-go-round, which had to secure the biggest possible number of the élites the oppotunity to enrich themselves at the cost of the public budget, continued to turn around a bit.

But this case of corruption was much more than the missuse of political power for private interests. Instead to enrich themselves by working as private entrepreneurs establishing employment to a big number of people, or to flank private initiative by securing the rule of law as govermental officials, the élites accepted to be paid for their run-away from their duties. And this duty was named „selfhelp“.

What the great majority of the African élites undertook here, was a betrayal of the fundamental interests of their own people. The damage they produced consisted in the lack of „good governance“ and successful production in their countries. This damage was of course much bigger than the amounts of bribe money accumulated on their accounts in Switzerland. As a share in results for good governance one could have granted them with pleasure. But now they were the sad symbol of a fundamental failure.

- other detrimental actions of the élites

The lack of „good governance“ trough „selfhelp“ was to be seen very soon in the economic balance of their countries. A measure to counterbalance the results of bad governance consisted in the systematic overevaluation of the own currency combined with foreign exchange control and import licensing.

The officially fixed exchange rates with high overvaluation of the own currency had the effect of an artificial price reduction (subvention) on imports and charged the exports with a hidden export tax. Through import licencing the élites could decide, who could benefit from the import subvention, for example who was allowed to import his private Mercedes car for half of the regular price, as well as to import subventioned trucks, with which the élites could transport goods in short supply. As they belonged to the few persons who had these transport facilities, they could sell these goods on the local markets up country at particularly high prices.

On the export side there were the hundreds and thousands of smallholders who cultivated the crops for the export: coffee, cocoa, tea, sugarcane, cotton etc. and who were now burdened with the hidden export tax because of the overvaluation of the local currency. Given the worldmarket price, the farmers had to reduce their farm gate prices in order to remain competitive. In addition in many African countries and for many exports crops an official export tax had to be paid. By this way the government received hard foreign currency to finance the artificial importprice reduction (subvention) caused by the overvaluation of the local currency.

Very seldom the smallholders could profit from the subventioned imports, for instance when they received agricultural inputs. In most African countries the governments asked the rich countries to send them agricultural inputs granted or highly price reduced in the framework of development aid.

In this situation the smallholders lost their interest to cultivate export crops more and more. They preferred to concentrate their activities to their own needs or to give up agriculture at all and to try to survive in the slums of the big cities. In Latin America this movement started some 20 years earlier, after 1970 Africa followed. Also in Africa the rapidly increasing slums began to be politically explosive. The African governments had to fear unrests and riots. First of all, the governments had to feed the unemployed masses in the slums with granted food.

Here again the African élites let them corrupt mainly by the western countries. Instead of giving their farmers incentives to boost local foodproduction, they accepted imports of food from the world market, where some countries like the USA offered food crops to dumpingprices. In addition they accepted completely granted food from some western donor-countries. I remember also to the program in the framework of the Food Aid Convention of the United Nations.

All this reduced of course once again the willingness of the smallholders to produce food for the population in the cities. It was much easier for them, to give up agriculture, migrate to the slums, being fed by the imported crops, being dressed by granted imports of second hand clothes from Europe and North America and work only occasionally or in criminal gangs. A vicious circle had started. The more the slums increased, the more the élites lost courage for „selfhelp“ and „good governance“.

You are quite right to put me now the question: What have you and your colleagues in your work for African countries during the past 25 years done to improve the situation, which you have described? Was everything useless you did? And were there the many successful development projects, from which newspapers and TV are reporting?

Well, most of the numerous projects, to which my colleagues and I have contributed were – considered separately - really successful.

So we had managed successfully a rice-seed project in Sierra Leone for about ten years. Our aim was, to provide the smallholders in this country certified rice seeds high yielding and well adapted to the environment to increase local production and to make sure that Sierra Leone could get rid of their rice imports. The conception was good, the project was well managed, and in the course of ten years about 40% of the farmers of Sierra Leone had our rice seed in use. This can be evaluated as a good result. Other western donor-countries flanked the project with their regional advising projects.

But at the same time in which we financed the rice seed project the same western countries offered Sierra Leone rice at dumping prices or totally granted, and the government in Freetown was not afraid, to destroy our project accepting such offers. The smallholders accepted our high yielding seeds, but they did not produce for the market, they reduced the production to a subsistence level. The project which costed in 10 years about 30 million DM, was therefore a flop.

In northern Ivory Coast we established a farm for fattening cattle together with a slaughter-house in order to improve the supply of the urban population with beef. Also this project had a good conception and was well managed. But soon after the project started to produce and supply beef, the European Community offered to the Westafrican countries european beef to a dumping price of 3,50 DM/kg, and the local governments accepted to import this beef without regard to their local beef production. Nowhere in the world good beef could be produced to this dumping price. Therefore the project had to be closed down...and what happened with our assistance in favour of the Kenyan textile industry you can imagine regarding our gifts of second hand clothes to Africa. For a long time the import of second hand clothes was not permitted by the Kenyan government. But one day the son of Kenya's president Daniel Arab Moi had the idea to start trading with second hand clothes, and his father did not only allow it, but gave his son the monopoly for the import of second hand clothes.

Many good planned and managed development projects were started during the past 40 years – to them belonged also great efforts in infrasture (roads, education and public health) – but the bad governance of the élites frustrated finally all effective success. The western donor-countries did not only finance our mainly good projects, but at the same time they supported significantly the bad governance of the elites.

When I thought at a sort of professional satisfaction in my job as development assistant and not only at my salary, I felt like a „Don Chichote“, and the same feeling had many of my colleagues.

Now You will have many questions to ask me. I propose a break of 15 minutes. Thereafter I like to listen to your questions and comments.

III. Discussion

Out of the discussions I had after a total of 58 lectures, I can give only a summery concentrating on the most frequent and important topics.

- *The predominance of „Caritas“*

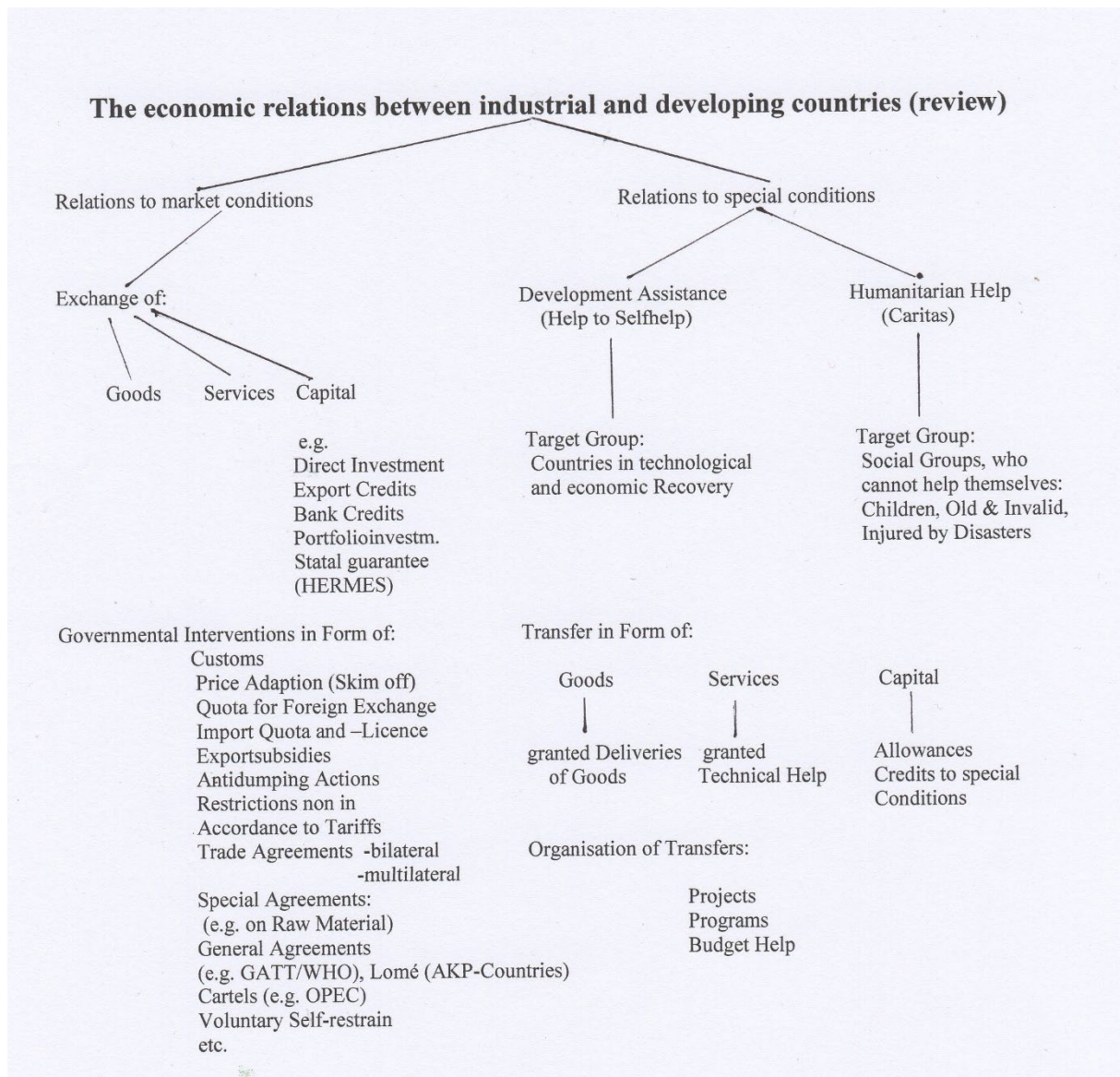
That the Development Aid should be a „help to selfhelp“ was generally accepted by the candidates for the matriculation. But during their lessons at the secondary school they never handled the question, what had to be understood by „help to selfhelp“. First of all there was lacking an idea about „selfhelp“, and that selfhelp had to create predominantly economic growth and innovation.

Too many of the young students believed, that development Aid has mainly to deal with the redistribution from the rich to the poor countries. This thinking was due to the influence of the so-called „Generation of 1968“, who were now (I gave my lectures between 1995-2002) the parents and teachers of these students. After 1970 these ideas had not only dominated the official development policy but also the public discussion about this topic. Most active in this respect were the so-called „Third-World-Groups“. Almost all of them were socialistic ideologists. At that time their influence reached even into the contents of school books.

This spirit of the age had also the consequence, that almost no teacher who gave in those years lessons in social policy, had acquired before basic knowledges in economics and business-administration. Knowledges which they should now transmit to their students. To bring it to the sad point: The basic knowledge about our „social-market-economy“ was not communicated at our secondary schools. Per consequence most of the students were astonished, when I told them, that the social-market-economy should be the point of departure also in the development of the African countries.

After I made the first experiences giving my lectures, I realized that I had to prepare a summary outline over „The economic relations between industrial and developing countries as part of the worldeconomy. Therefore I distributed before the beginning of our discussion my summary view and made some introductory remarks.

First of all my aim was to make clear, that the target groups for development aid and humanitarian aid (Caritas) were quite different, and that the „poor countries“ are not countries, which cannot help themselves, and therefore need “Caritas“. These countries had always known to help themselves during their whole history. To consider this different today would mean, to consider also the development aid of the western countries as not feasible, because our aid is based on a selfhelp of the reciever countries.



I continued my lecture:

Our „Help to Selfhelp“ , in other words: our innumerable development projects were last but not least minimised in their efficiency, because our western exportlobbyists have helped substantially to corrupt the African élites and to divert them from their important task of good governance, with the result of an increasing pauperization of their peoples. This situation gave our exportlobby than the comfortable argument, that the subsistence of such pauperized masses, which cannot help themselves anymore, is now a question of Caritas.

More cynicle the problems of Africa cannot be treated!

Typical for the actual discussion on development policy is a complete confusion in respect to the targets and adequate proceedings realising them. The „selfhelp“ and its contrary, the subsistence from abroad are mixed to a tangle, that cannot be disentangled anymore.

The actual discussion is concentrated simply to the question, how much financial means should be transferred to the poor countries, and which share of gross national product of the donor countries has to be reached, in order to „help“ the poor countries. The question what should be done with the transferred money is not discussed any more.

- What should be changed?

My persistence on the distinction between „Selfhelp“ and its contrary „subsistence from abroad“, seemed to impress the students. They put me now the question, what should be done to bring the poor countries out of their misery.

I answered:

The matter is very simple. It would be completely sufficient, if the western countries first of all stop all their bad influences towards the poor countries. Then the many positive projects could become efficient again.

The western countries should reduce to zero all their supply of dumping prices or even granted. Only the question could be discussed how quick this should be done country per country.

Concerning the active corruption of African high ranked government officials, a first improvement is achieved meanwhile. The western countries have declared active corruption by their export companies as a criminal case. The first step was done by the USA who put it under punishment already after the Lockheed affair in 1977. The European Countries were however very reluctant to follow. They feared disadvantages in their export business. Under the pressure of the USA they agreed finally in year 1998 to pass a guiding rule of the OECD, which obliged every member country to introduce the persecution of active corruption in their national law. It needed several years until all member countries had followed this guiding rule.

This was a first success. But with this alone the phenomenon of corruption will not disappear.

My proposal, to reduce our supply from abroad step by step to zero did not find much approval by the students and teachers. They expressed mainly the opinion, that we could not let these poor people die from hunger. A teacher ment, a drastic treatment for the poor countries would help nothing and accused me frankly of social-darwinism.

This was the moment for me, to illustrate my earlier remark, that the poor peoples of Africa had survived over thousands of years before the beginning of development aid, by some examples.

At first I show you with the projector an image I made 1975 during a mission to the highland of North-Jemen with a free view on a mountain-range, in which the smallholders had transformed this mountain range in hundreds of years under extremely troublesome work in a terraced landscape, in order to cultivate on these terraces cereals under very unfavourable rainfall conditions (less than 400 mm per year). These terraces could not have established better by German civil engineers and technical engineers for cultivation of cereals. Question: What or who had enabled these smallholders to realize such a fantastic work? Answer: The necessity to survive in a situation in which a help from abroad was never offered.

As a further example I mention the Kisii-region in Kenya. In this region, which was totally used for agriculture, the density of population was already extremely high before the beginning of the western development assistance. When I visited the Kisii-region 1969, I had the impression that the whole district was a huge village.

In this hilly highland, arable farming was only possible, if a sustained system of farming was developed that avoided soil erosion. The use of the land was very intensive, fallow land did almost not exist any more. But nevertheless the population needed also sufficient woodland for firewood. In this situation the farmers developed a system of sustained agriculture without any help from abroad. It was developed

by the local élites, by the best among the farmers. So it was also in the highland of Jemen. It were the European agricultural experts, who copied this system under the name „Agroforestry“. The Germans introduced this system in their projects, for example in the highlands of Ruanda.

I think I should inform you also about an example of „selfhelp“ which had not been developed long ago, but very recently, it started in the year 1976.

This system of „selfhelp“ was developed in Bangladesh, a country which belongs to the poorest in the world, in which also the supply of food from abroad has reached a high degree. Most of foreign development experts think, that this densely populated country, which suffers regularly under flood disasters, cannot survive without foreign aid.

In this country, a man of the traditional élites gave us an example, that „selfhelp“ can be mobilised even in the poorest part of the society. It was Professor Muhamad Yunus, meanwhile worldwide known for the successful foundation of the „Grameen Bank“, a savings and loanbank.

Most remarkable was, that the bank in its beginning had no capital, but only principals, that the members, who wanted to receive credits should follow. As shareholders of the bank Yunus accepted only rural population who were no landowners, that means that they had either rented land or that they were agricultural labourers. With other words: they belonged to the poorest part of the society.

What the development experts of the western countries would not believe was, that also this poorest part of the population could save money. The first capital of the bank came together by the savings of these people. Another particularity was the joint liability of the borrowers in small groups of about 5 persons, who knew each other and were responsible for the repayment of the credit instalments. The credits were not given without interests. The interest rate of 16% was under european standards very high, but in Bangladesh at that time reasonable.

Yunus founded the Grameen-Bank in 1976. Until 1988 about 400.000 persons living in 8500 villages were borrowers of the bank. The monthly handout of credits came up to about 4,5 millions DM. The repayment rate was very high and reached 98 %. The secret of this success did not consist in any charitable donor, who contributed the original capital, but simply in principles to follow by shareholders, savers and borrowers.

Out of a bankreport from the year 1984, in which were written down 16 principles, I cite only the following:

- We adhere to the following four principles of the Grameen bank – discipline, unity, courage and hard work – and utilize them in all ranges of our life.
- We want to bring welfare to our families.
- We plan small families. We minimise our expenditures. We regard our health.
- We raise our children and make sure, that they are able to earn money in order to pay for their education.
- We do injustice to nobody and do not allow, that injustice is done to us.
- We are always prepared, to help each other. If somebody is in difficulties, we all help.
- When we are informed about an infraction of discipline in a center, than we go there and help to re-establish the discipline.

From these principles we can conclude: For the success of an investment the financial means, that are contributed from outside are not decisive, but the mobilisation of productive forces within the society. When they are mobilised, than they are able – even in a situation of severe poverty – to gather the savings capital needed for the investment. Financial help from outside is rather suitable to compromise such a mobilisation.

After the overwhelming success of his activity, representatives of the Worldbank came to professor Yunus, and offered him money in order to extend the loan activity of the Grameen-Bank. To this offer

Yunus made the following remark in an interview: „Worldbank offered us a huge amount of money. But the circumstances under which it was offered, has frightend us. It was an amount for which we had never asked. So we thought: Let us go ahead slowly as we did before, in order not to go off the straight and narrow path.

With the pricipals discipline, unity, courage and hard working it is even possible to fight against the natural disasters. About the flood disasters in his country Yunus said: „We are fighting against the brute forces and against the disadvantages, under which we have to live. This is a good base, from which we can start.“

I could have mentioned further examples, but I preferred to sum up:

To assume, that without our western support other peoples on this globe could not survive, is in a double sense very detrimental and therefore to refuse.

First it hurts the dignity of foreign peoples – including those which only produced a smal civilisation -, because they could survive always without our support. To deny their capability of sufficient selfhelp, would mean, to deprive them of their cultural identity, because this identity can be proved particularly in case of emergency.

On the other side it is a very dangerous illusion, if we suggest the beneficiaries of our „help“, that we could feed them indefinitely, irrespective of their own selfhelp and irrespective of their further population growth. The end of such a „donor“- policy is within sight, and the end will be, that the poor peoples in their biggest need, in which they got because they always relied on us, will remain without any help, because we have exhausted all our means for further help.

I continued to say:

Of cause it is not sufficient, that the élites of the poor countries put an end to corruption. But when they have lost all opportunity to recieve bribe money, they automatically will think about, how to become rich without losing their power. Inevitably they will start to work on their own risk as entrepreneurs and inevitably they will garantee fair competition on the market and also garantee the rule of low in their function as government officials, in order to secure a quick economic recovery of their countries.

Only pure need will lead the élites to such understanding, but also their own pride, which tells them: „We want to do it by our own forces, also our people can do it, and we have to guide them. Our ancestors had done it, why could we not do it as well ! It is a shame, that we have neglected our duty so much !“

I remember how Japan has handled the problem of technological make up already in the 19th century. In the middle of the 19th century the american navy forced Japan to open their market und their seaports for the import of american merchandise, what Japan had refused so far. The Japanese élites had now the choice: Either to get more and more in economic and cultural dependence from the western countries or to defend their independancy. They decided themselves for the latter and it was evident for them, that this whould comprise first of all a technological make up.

They sent their most talented young students to the western countries to study natural sciences, in particular engineering. The result of this self-reliance was not only, that Japan became the dominant power in the Pacific by the end of the 19th century, but that Japan could recover after the defeat in 1945 rather quick and develop its economy to the number one in world trade at the end of the 20th century. And since twenty years it is difficult to buy in Germany a camera which is not made in Japan.

When the Japanese élites oriented their economy and society towards the technological make up, they took in consideration right from the beginning something, that had neglected the African élites. The Japanese mobilized systematically talented young people in all social strata of the population and made possible social climbing. At the same time the path to promotion was concentrated to the technological make up.

Also in Africa a lot was done for higher education during the past 40 years. But the élites remained also here in their traditional indifference towards executive work and its technology. An attitude, which most of the young students from the upper class accepted with alacrity, culminating in the opinion: A graduate man is not engaged in executive work. With his graduation he has become a chief. And a chief does not make dirty his fingers handling machinery. The young students could easily decide there faculty and gave mainly preference to the humanities.

This behavior was not a lack of technical talent of the African people. During my visits in several African countries, I could often see, how unskilled labourers, who could not read and write, repaired motorcars or tractors with primitive tools. They could never have done this work without technical talent. And I said to myself: What could achieve these unskilled labourers, if they would be promoted systematically!

In what this promotion should consist?

Now we speak about a topic, which is connected in Germany with the term „dual education“ (duales Bildungssystem). The course of instruction consists here in a balanced relation between theoretical basic study and practical application, the latter if possible in the companies of the subsequent professional activity. This system is not new in Germany, but it seems, that only 20 years ago it had been discovered by the German Development Aid. Also in Africa it had been introduced long time ago by the missionary societies.

But the success of these efforts failed, when the young craftsmen tried to start an independent professional activity after their apprenticeship because of a social barrier, which could not be overcome so far.

Between the unskilled labourer and the African engineer (as far as he exists at all) gapes a big vacuum. It lacks the middle class, which could fill the whole range from the skilled labourer over the master craftsman, to the production engineer in a privately managed industrial enterprise. This gap in the African society can only be closed through social climbing, because the traditional African élites, from the head of the state down to the village level, are not interested in executive work and its technology. To handle technology was always something for the lowest class of the society. In former times it were the slaves who did the work of craftsmen, in particular the work of blacksmith. When there was a war between African tribes, prisoners were put regularly in the status of slaves. Today slavery is forbidden but many African craftsmen are the descendants of the former slaves. This is the reason why the social climbing and the coming into being of a middle class is so difficult in Africa.

But the traditional African élites are already on the retreat. Too much the modern technology has expanded also in Africa. And the élites are interested to make profit of modern technology, in particular in motorization. With the worldwide expansion of modern electronic, the TV, computer, mobile telephone etc., the moment has come, in which the young generation of the élites are decided to give up their traditionally negative attitude, because they know, that they will otherwise lose all their power.

With the diffusion of modern technology the climbing up of a middle class in Africa cannot be retained anymore. This trend started already some ten years ago with different speed from country to country.

The vision of „selfhelp“ among the peoples of the African continent is therefore realistic, and the new middle class will be the best confederate in this process. We can therefore be optimistic for the future of Africa. Everything needs its time.

Of course Africa would have developed much more until today, if the western export lobby combined with socialistic theories would not have hampered the African élites to evade from their duty. Unfortunately 40 years were lost. But I am sure, that Africa will make good the time lost in its social and economic development.

Dr. Paul Alexander Schulz

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