

Adebayo Olukoshi (CODESRIA, Senegal): Key note Address

I would like to thank the organizers for organizing the meeting. I am originally from Nigeria and do not speak French fluently. I apologise for not being here for the debate over the last two days due to work commitments. If I appear to repeat what has been said in the past two days forgive me please.

I titled my talk 'Towards the Restoration of a Social State in Africa' and have structured my talk on the social state in Africa into four sections: one is the notion of the social state in the African context; the origins of the social state; examine the post-colonial state in Africa essentially looking at the decades of the 60's and 70's; and looking at the retrenchment of the social state in Africa looking at the structural adjustments of the 1980's and 90's . All of this is very much connected with what has been discussed here in the past two days. Let me say that my assumption based on the way it was proposed for this conference is essentially that there is a need for a social state in Africa today and the absence of such a state in Africa of today is central to much of the crisis that the continent is facing today. When ordinary people who participate in the democratic process, essentially in the form of elections etc., ask the question: 'what is the evidence of democracy?' This seems to be very low on the list of priorities of most governments. There is for me a close connection between the possible restoration of a social state in Africa and the prospects for securing legitimacy in the process of governance on the continent, connected with the process of stability and so on.

The social state can generally be defined as a state that is socially responsible or whose foundations contain a strong social policy component that is designed to respond to the broad social needs of the citizenry. In this role it not only plays a pro active role as the vanguard in social advancement of the broad boundaries in meeting the needs of the people. My own understanding of the term is also closely connected to the idea of social citizenship that is used in the political literature of the 60's and 70's, and as appeared in the discussions that took place in the times of the reconstructions of the post-war welfare state in Europe. For people who followed that debate, the discussions that came from Marshall and his followers in the English language, the Marshallian notion of social citizenship in post-war Europe is the most important contribution made to the debate on the social state on a global scale.

Social citizenship refers to the broad array of social welfare rights of the citizenry and is in many ways connected with the notion of the social contract between state and society. In so that it is assumed that membership of a political community implies also participation in a broad social contract. I think it would be correct to assume that the exercise of social citizenship is inserted within the construction of the social contract. As I mentioned it gained currency in post-war Europe and was integral to the intellectual reflections and the emergence of the modern welfare states.

Its worth pointing out that this notion of the social state and the social citizen carried the role of state and citizenship beyond the narrow idea of security that informed state society relations in Europe. The idea was that the state itself was a product of a process of insecurity and instability; that within a given territorial boundary the contract between the citizens of that political community and the leadership of that polity consisted of providing security, particularly the security of life within that boundary. The introduction of the notion of a social citizen and a social state revolutionized that narrow

conceptualization of the state, as essentially a security providing state, to go beyond to include issues of social and economic rights. It also carried the basic notions of social equity and a commitment to its achievement in the developmental process. Part of this is connected to the rise of social democracy as a response to the pressures for change to put it mildly. Some of it was revolutionary pressures but nevertheless pressures for the highest form of development in the emergency of democracy particularly in the Nordic countries. So as a concept the notion of social citizenship assumes the existence of a strong pro-active a socially conscious state. I do not think we can talk of any effective notion of social citizenship if the state is not up to it in the in the first place. And that is what speaks to the dilemma that African countries face and which I will try to come back to.

When we try to read this debate in terms of the history of the African experience, I would like to go to the origins of the contemporary African state. The point I think which stands out most interestingly is that the state as a colonial construction did not become interested in internal development either in the colony nor in social issues till after the second World War. Scholars have spoken of the environment of the post-war development of the international systems. It was a heyday of Keynesian economics and also when the Marshallian school of thought was beginning to constitute itself to consider how to extend the boundaries of citizenship beyond the bare minimum which was prevalent before that time. The colonial state as such, for much of its existence up to the Second World War was almost completely not concerned with social questions within the colony. In fact it was said that they (Africans) had to run, according to a British colonial office, had to run a lean administration which was to be able to generate from within the colony its own revenues to cover their full costs with no support from London or Paris. Therefore it was not surprising that the taxation policy as developed by the colonial authorities was basically with a revenue generating objective in mind to a large measure. Notions of progressive taxation did not exist in so far as the framing of colonial fiscal policy was concerned. And the administrative policy that was employed by the colonial authorities - including the notion of indirect rule and the mobilization of internal governing structures - had been perfected by the British in India and transposed to Africa after the First World War with the idea of keeping the colonial state a lean state. And within this broad orientation of the philosophy of the making of the colonial state social policy was not a priority of the state. Whatever intervention was thought about was more the work of the missionaries and isolated charities. The missionaries were particularly influential in Southern Africa, East and Central Africa, where they were the most effective vehicle of social transformation and social advancement in terms of mission hospitals, of schools, broad access to goods of modernization. Some have described this as representing this as the era of raw capitalism. Particularly the Belgian state was seen as being a raw purely extractive capitalism with scant attention to social issues.

Within the broad movement of post -Second World War developmentalism, the rise of the idea of development which is a recent idea, the colonial state began to talk about social policy. This was actually the time of late colonialism. By the time it had begun to address internal concerns on education, health etc. as policy, the colonial state had to deal with increased nationalist pressures for independence that had to begun to build up in Ghana where President Nkrumah had returned to the scene, in Kenya where the Mau Mau had to take up arms to challenge the boundaries of colonial rule and the parameters on which it was constructed. So we can say that late colonialism was a response to the rising tide of nationalism but also to the internal structural dynamics of the colonial economy which called for a greater attention to policy matters than was until

then the case. Much of colonial policy, for example, in the period upto 1945, consisted of an amalgam of the choices and preferences by big monopoly companies like Unilever. The Lever brothers sprawled all over, to plant cotton here, plant coconuts there, to build a light railway line here according to their trading needs on the global markets. The various SQWA (???) for the Francophone region in fact five or six major monopoly companies that dominated colonial structure.

I would argue that even with late colonialism also there was a limit to which it could go with its social face. The strongest argument to support this point of view is that the racial structuring of opportunity in the economy, and in administration. The natives got only the second best, a fact which fired the struggle for national independence. In fact when the educated gentlemen agitated for independence, it was not just there was a scarcity for opportunities but that whatever opportunities existed were distributed in a discriminatory manner, often not at all commensurate with their education or their social position within the emerging economic processes. In any case the colonized were subjects and so the exercise of citizenship by the people was contradictory. You could never be a subject, the British were the subjects of the Queen of England ultimately. I do not know who the Francophones were the subjects of – in any case people responded to a higher authority in Paris. This idea of citizenship became, in any case the focal point of the agitation in most cases. It was even worse in the Portuguese speaking regions of Africa because of the dictatorship that held sway at this point in time.

So essentially there was within the structure of the colonial state an inbuilt contradiction which could only resolve itself in the move towards independence. And that movement was justified on the grounds that the social policies of the colonial state were restrictive and discriminatory. Most of the nationalists and strugglers for independence fought saying that they would provide health, education, generate employment where the colonial economies failed to generate enough employment to young people, and provide better social amenities to their people, like water and electricity. What the colonial states were not able to provide by the way in which it was constituted and the way in which it functioned, became the flip side of the nationalists manifesto for the push for independence. This was at the core of the post-independence social contract between state and society in Africa. Despite the different leaders' different paths – the socialists, the humanists and the market friendly and so forth; irrespective of the path they chose, when you look at the form of social expenditure of the post-independence there was a strong notion of state-led development. The state was easily the biggest and the most coherent actor in the political economy at independence. Public enterprises were set up without exception from Ivory Coast, Kenya to Nyerere's socialist republic which despite critics was doing exactly what Kenyatta was doing with his market ideology. All of them put a huge outlay in social expenditure. Again if you disaggregate the figures on a global basis through the 1960's, you will see that the social expenditure component of the post-independence governments went very heavily into the social sector, with education and health almost in that order taking the lions' share. The high investments into primary and higher education and health care led to the creation of the building of an elite. So it led to class formation and social and economic mobility. In some of the mixed economies there was 50-50% investments into the social sector and this was actually no different from what happened in the market economy model.

What was remarkable was that the economists of that generation unlike the macro-economists of today were not focused on financial returns, inflation, capital flows etc. They all were imbued with ideas of planned economic growth, and joined the

government to help in drawing up two-year to five-year plans for their countries' development. These economists were trained planners and chose to work especially for the government. Thus social expenditure and infrastructure were seen as key national needs. African governments in trying to define a role for themselves tried to do the exact opposite of what the colonial governments had tried to do. Stress was laid on development of infrastructure, particularly road networks across the country were felt by many as a priority for themselves. Quite clearly what seems to have been the case in the first decade of independence was that African governments defined a role for themselves and justified the fact of independence in contradiction to the record of colonial rule. It was the almost the opposite of what the colonial authorities did.

The economic history of Africa in the 1960's and 70's is particularly by World Bank reports often projected as the wasted/lost decades, when governments pursued irresponsible policies and spent money left, right and centre. They miss the point that that socially expansive phase in Africa's recent history has also been the fastest phase of economic growth in the history of the continent. If you look at the figures of growth you can see that countries attained a growth rate of between 5 and 10% and for sub-Saharan Africa it was almost 8% throughout that decade into the 1970's when the first oil shock of 1973 began to make its impact. So there is nothing incompatible between a commitment to a socially responsible state and the achievement of economic growth. This is a debate that the World Bank brought up in relation to the SAPs in the 1980's and 90's which I will come back to later. It is remarkable that at a time when more graduates were being produced and more employments was being created. At the same time there was a very fast growth in the African economies. So much so that Ivory Coast was the label of Africa's economic miracle. When you compare the miracle of the 1960's and 70's the miracles of the 80's and 90's, where Ghana as the best pupil of the Bank policies had a the growth rate at best of only 4%. Even if we take a look at some of the other economies then we would change our view of a miracle especially if we compare it to what was achieved in the 60's and 70's.

What I tried to do is to spell out the typical areas of action of the post-independence governments in the social expenditure especially in education, health, in building infrastructure and so on but also the rural sector of the economy. They invested in agriculture and in industry, setting up in almost all cases national development banks which mobilized savings which were then ploughed back through public enterprises in many cases at other times through private investors in the economy. In this period even the private sector was investing in the state and state building.

We need to have effective states that are strong and capable who can organize development as directors and leaders of the process for their countries and in setting the boundaries for what they want. And provide the essential structure for good investment into the economy. Unfortunately that was completely eroded. Strong investment was put into state building. My favourite example in this case is Kenya during these decades, when you pick out the sessional papers that were prepared by the civil servants for parliamentary debate they would have got PhD degrees awarded to them effortlessly, compared to the papers now produced called policy paper which are limited to copying things from the US or EU national made policies and country papers. The same can be said of countries like Ghana or other countries and was reflective of the strong investments that was made in the development of statehood and state capacity. The higher education systems were the best proxy of this.

But we must not romanticize that era because the social state was not able to meet all the needs of the people. In the area of social policy there were pent-up demands of the system which the governments were not able to deal with. And the growth was not enough even though social investment increased and so did the demands for social amenities and welfare demands grew alongside proportionately. It was then that the basis of the politics of resource allocation was strained in most of Africa and how it got played out is fairly well known. The class considerations, the gender, religious considerations, the generation consideration etc. all became sources of internal conflict which got played out. And in many cases the struggle resulted in the military taking over saying or promising better situations in the provisions of these social goods. There was also the problem of implementational difficulties connected with the nature of power and exercise of that power. It speaks of the issue of democracy spoken of earlier. As power became more and more concentrated over time, the issues of neo-patrimonialism or corruption especially in public enterprises became so dominant so as to undermine the very basis of the social policy in many countries. Increasingly, the expenditure and output did not match any more and I will not expand on this much more.

Intra structural adjustments and the retrenchment of the post-colonial state: The oil prices increase, the Iranian revolution etc., set the immediate context both for the onset for the debt crisis also for the onset for the oil crisis for the African situation except for Nigeria and Gabon who managed to postpone its effects for a while. The most immediate response of most of the governments was surprisingly to retrench social policy – almost all of them from Sudan to Sierra Leone. There were reactions in most countries to cuts in social services and many people came out to protest, and the protests took place from cities like Free Town to Khartoum, from Liberia to Monrovia. The reactions to the governments to cut-backs in the time of crisis touched at the heart of the social policies put into place. Bread prices doubled in Khartoum and students came out to protest. Rice prices went up in Monrovia and the leader of the country was executed. In Sierra Leone it led to the end of the one party rule.

Structural adjustment was introduced to check the crisis and set them on a development tract. But what it did was to become a part and parcel of that decline, it fed into the context of crisis and deepened it. It also deepened the crisis of social support and added to the decline in social expenditure of African countries. There is a debate on the cause and effect relationship between structural adjustment and the decline but my explanation is that the one fed into the other and put Africa into a prolonged period of decline from which we have not recovered. Structural adjustment also had a one-sided anti-state ideology which meant that the state was targeted both as an institution and for its social expenditure. The social expenditure for example was described as one that crowded out the private sector and it (the private sector) needed to be freed to tap them for purposes of economic development. The flip side of the ideology of anti-stateism was the promotion of the free market, of liberalization. As it was put into one newspaper – everything was put up for sale.

The most drastic effects of SAPs were felt with the decision to withdrawal subsidies, of cost-recovery and the privatization of public goods, including water, the imposition of regressive taxation in the name of revenue mobilization within SAP. The worst was the VAT which punished the poor rather than the rich – because the poor have a lower disposable income. The thinning out the middle class grew to the point where scholars in many parts of the continent talked about the death of the middle class. The middle ground in African politics and social processes which went along with this merciless

retrenchment of the state were the result of the SAPs. Besides privatization etc there was also retrenchment of workers in civil service the principle of the market sector in public sector management, the abolition of planning. Governments in order to satisfy the Bretton Woods institutions abolished their planning commissions and closed down planning ministries and we are now setting up ministries of capacity building in our countries. The growth performance of African countries in the 1990's was lack luster and whatever took place it did not make any dent on young employment, could not stop the brain drain, the rolling back of the social policy and the introduction of the certain policy changes by WB/IMF in order to respond to the criticism that they had come under due to the failure of SAPs.

The SAPS set Africa back in social terms. My basic argument even within this framework was always treated as residual and as marginal. I talked to the Minister of Zimbabwe in 1997 and talked about targeting – he said that if you have a population of 10 million people and 9 million are in poverty, you do not have to be a genius to be told that it will hit somebody because there are too many poor people. Targeting would work when you have a minority who slipped through the net. But if everybody is falling through the net and you say you are targeting there is something wrong. With so many people who are poor you cannot target certain groups. The entire framework of policy needs to be addressed and this is where the problem arises in the SAP actions and programs. It is the same situation with the Millennium Development Goals. We keep making all these goals, then shift the date – but what is the purpose without questioning the existing structure? When we approached 2000 we shift the date to 2015 and so on.

I think if we are thinking of restoring the social state in Africa we need to do certain basic things to achieve this. The international environment is mixed. There is the strong base of neo-liberalisation, of constrained policy crisis which most governments are facing, but there is also the alternative globalization movement which has gathered speed. The fact that the international agencies have been pressured to organize a World Social Summit in Copenhagen - they even think of a Copenhagen 5 - and that the WSF has grown and organized itself as a middle force – the so-called alter-mondialization - all of this for me, point to the possibility that alternatives to a globalization that is socially irresponsible do exist. For Africa the first immediate task is to re-habilitate the social state. You cannot restore the social state if you do not have a functioning state in the first place. The African state has been so weakened that they have become almost glorified. For instance, if you ask one of the governments to write a policy paper they would be at a complete loss today. They would ask a donor to do so. They have lost any autonomy of thought, and of taking any initiative and some of it is due to brain drain, some of it is due to retrenchment. We need to retrieve that and to rebuild the state in Africa as an effective developmental institution – a social actor, and a legitimate player in the development process. But the ideological battle also has to be won.

Secondly I would argue that there is a need for a full social consciousness, right from the outset of this exercise so as not to repeat the errors that were made to the state interventionist models in the 60's and 70's. Some of those have to do with the manner of the organization of power. The democracy question is also important, and the dynamic model of state interventionism of the Tanzanian state in 1960's, selling milk and sugar in retail shops and a decade (later?) still selling them in retail shops. It has to be a state interventionist model so that they set the example for other actors to come in to a higher level. In this process the entire process of development get pushed to a higher level instead of us vegetating to a uniform underdevelopment across the board.

The success with the development of the social state will also link our ability to integrate our social policy with macro-economic policy-making. At present the two are seen as two separate worlds. The goals of the PRSPs are set out in Washington, then the masses can debate if they want health or water or education. When the macro-economic framework generates exclusion as an integral part of its effects, you cannot touch it. There is enough in Africa's economic history that shows that a robust social policy is good for economic growth and that economic growth will reinforce a robust social policy. Let us reclaim that history and restore the social state in Africa. There is also the need to restore African economies to the path of growth. Ultimately we have to invest into production. It will have to be a growth policy that will invest into trade and industrial policy,, that will invest into development in rural areas. The capacity building that we need in order to invest in industrial policy is not in how to implement the WTO rules which will not take us anywhere, but in how to subvert those rules and get away with it. Thank you very much

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