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A Watershed in U.S. Aid to Africa: Disengagement or a New Approach?

by Carol Lancaster

With the November 1992 U.S. presidential and congressional elections less than four months away, campaign speeches and literature remain virtually devoid of substantive position statements (general or specific) on the countries of sub-Saharan Africa. With the continent no longer an East-West chessboard and the U.S. electorate increasingly focused on domestic concerns, a potentially controversial reshaping of U.S. priorities in Africa seems to be getting under way. It is taking place in an atmosphere of uncertainty and lack of consensus regarding U.S. foreign policy goals worldwide. If present trends within both the executive and legislative branches of government continue, a gradual disengagement from the region could be in the offing, involving a drop in economic assistance, a reduction in the number of aid missions, and possibly the eventual closing of embassies in some African countries.

The Ups and Downs of Aid

The Kennedy-Johnson Sequence. The United States began to provide aid to sub-Saharan African countries after World War II; the range and level of assistance rose sharply as the colonial era came to an end and more independent nations emerged during the late 1950s and early 1960s. The enthusiasm within the Kennedy administration for African independence and development, combined with concerns in Washington about a possible expansion of Soviet influence in the region, contributed to a temporary peak in the flow in 1962.

The lion's share in this period went to five countries—Zaire (then the Republic of the Congo), Nigeria, Ghana, Liberia, and Ethiopia—which received over 60 percent of U.S. bilateral aid to the sub-Saharan region between 1961 and 1965. Washington viewed two of these countries (Zaire and Ethiopia) as strategically important and another two (Nigeria and Ghana) as potential "regional influentials." Liberia had long enjoyed a special place in U.S.-African relations because of its founding by freed American slaves as well as the useful communications and transport facilities made available in later years. Zaire received fully a quarter of U.S. economic aid to sub-Saharan Africa during this period and beyond; by 1985, it had received more U.S. aid than any other country in the region.

When some members of Congress expressed concern about the "scatteration" of aid in Africa, President Kennedy responded by appointing a panel under the chairmanship of General Lucius Clay to review U.S. aid worldwide. The Clay Report referred to Africa as "an area where the Western European countries should logically bear most of the necessary aid burden" and groused that the United States was "trying to do too much for too many too soon," that it was "overextended in resources and under-compensated in results," and that "no end of foreign aid is either in sight or mind." The report recommended that existing aid commitments in Africa should be fulfilled, after which the size and number of U.S. aid programs there should be reduced.

Cutting back on aid to sub-Saharan Africa was given further impetus by a report *(Review of Development Policies and Programs in Africa)* commissioned by President Johnson in 1966. Known as the "Korry Report" after the principal author, U.S. Ambassador to Ethiopia Edward Korry, it described Africa as being "outside the main arenas of U.S. attention and actions in the world" and recommended that U.S. bilateral aid be concentrated in a few countries where it could best help promote development. Subsequent to the publication of the Korry Report, Congress restricted the number of U.S. bilateral aid programs worldwide. Several aid missions in African countries were closed down.

The Nixon-Carter-Reagan Sequence. For the remainder of the 1960s and the first half of the 1970s, overall U.S. aid to Africa remained modest, varying between $250 million and $325 million per year. In 1973, there were USAID missions in only 10 African capitals, although additional African countries received U.S. assistance through regional organizations and other channels.

In that same year, however, the policy of limiting the number of U.S. aid missions and the size of country programs in Africa began to change in response to the drought in the Sahel. USAID programs for relief and development were initiated in most Sahelian countries. By the middle of the 1970s, U.S. aid was further stimulated by a revival of Cold War concerns. The Portuguese withdrawal from Angola and Mozambique and the installation of Marxist-oriented governments in those countries, the establishment of a Marxist-oriented government in Ethiopia, the Soviet invasion of Afghanistan, and the expansion of the Soviet naval fleet in the Indian Ocean all reawakened concerns about Soviet expansionism and provoked National Security Council Chairman Zbigniew Brzezinski's now-famous declaration that détente with Moscow "was buried in the sands of the Ogaden." Aid to countries in the Horn and in southern Africa rose rapidly. And after the Reagan administration came to power in 1981, aid to Africa climbed yet further, reaching an all-time peak in 1985.

Post-1985 Ambivalence. U.S. bilateral aid to sub-Saharan Africa (both in absolute amounts and as a proportion of total U.S. bilateral aid) has gradually decreased since 1985, with the exception of fiscal years 1991 and 1992, when it went up as the result of congressional action (spearheaded by the Black Caucus) raising the Bush administration's FY 1991 development aid request of $650 million to $800 million. (See "The New Politics of U.S. Aid to Africa" by Carol Lancaster, *CSIS Africa Notes* no. 120, January 1991.) Congress has appropriated foreign aid for 1992 under a continuing resolution, straightlining the 1991 figure. (Food aid and economic support monies are additional to development aid; total 1992 U.S. bilateral aid to the sub-Saharan countries will amount to just over $1 billion.) The administration has requested $775 million in development aid to sub-Saharan Africa for FY 1993; congressional action is still pending as of mid-July.

Shifts in Development Concepts

Although sometimes subordinated to Cold War imperatives, development concerns have always been part of the motivation behind U.S. aid to Africa. The development dimension has been particularly influential in decisions involving how aid is used, and has also played a role in deciding which countries get aid.

"Promoting Growth" in the 1960s. The development thinking prevalent during the 1960s focused on (1) removing the obstacles to growth by providing capital and foreign exchange for increased investment; (2) providing technical assistance (both advice and training) to ensure that the additional investment was used productively and to create a sufficient quantity of trained Africans to manage future development; and (3) occasionally providing budgetary subsidies to enable poorly financed governments to function and to import needed goods and services.

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During these early independence years, Africans were counseled by Western aid donors to draw up development plans, to encourage the private sector, and to promote industrialization, often through protectionist policies encouraging import substitution. Much of Western aid at this time was used to finance public investments in infrastructure and education.

"Poverty Alleviation" in the 1970s. In the 1970s, poverty alleviation through the financing of "basic human needs" projects became the watchword of U.S. aid policy. Congressional legislation mandating poverty alleviation as the orientation for aid worldwide drew its inspiration primarily from development experience in Latin America, where incomes and wealth were highly skewed and the benefits of 1960s-style development did not automatically trickle down to the poor.

Although the number of poor people in sub-Saharan Africa, with a population of only 450 million, does not begin to compare with the nearly 2 billion persons living in China and India (the majority of them poor), Africa does have the largest number of poor countries. Foreign aid has typically been provided as much to governments (for political reasons) as to people, benefiting smaller and disadvantaging larger countries. The new "basic human needs" approach offered a development rationale for more aid to Africa. Combined with a resurgence of concern in Washington about Soviet gains in southern Africa and the Horn, it helped increase the willingness of the White House and Congress to fund such aid. The shift in development thinking was not an unmixed blessing, however. In practice, it often resulted in an inappropriate use of aid on a massive scale that left behind a large number of failed projects and the foreign debt to go with them.

"Structural Adjustment" in the 1980s. By the early 1980s, the failure of many poverty alleviation projects had become too obvious to be ignored. Governments (for example, Kenya's) were finding the complicated requirements associated with aid for such projects too difficult to fulfill, with unspent aid monies growing rapidly. Moreover, it was painfully evident that Africa was not developing. Indeed, the continent was deteriorating economically, with stagnant or falling agricultural output, falling export volumes and earnings, declining and increasingly unproductive investment, high and unserviceable debt burdens, burgeoning populations, and spreading disease, especially AIDS. (See "AIDS as a Factor in U.S. Foreign Relations" by Lynn W. Kitchen, M.D., *CSIS Africa Notes* no. 93, December 1988.)

The problems behind the continent's growing economic crisis were the focus of the World Bank's 1981 study, *Accelerated Development in Sub-Saharan Africa,* which pointed to the policy failures of African governments as the principal cause of the region's economic crunch and recommended that policy reforms involving stabilization (currency devaluations plus limits on public deficits and credit) and trade liberalization be implemented in order to encourage economic recovery and growth. The free-market orientation of the report coincided with the ideological predilections of the new Reagan administration as well as those of Prime Minister Thatcher's Britain and several other Western governments.

For much of the 1980s, a large proportion of U.S. aid to Africa was conditioned on a variety of stabilization, structural adjustment, and sectoral adjustment reforms. The idea behind these programs was that once an economy was stabilized and market-oriented reforms had been implemented, private investment would rise and boost growth. U.S. aid began to be targeted to countries implementing economic reforms, such as Ghana or Guinea, and began to decline in some countries, such as Zambia, where reforms were avoided or reversed. On the other hand, certain countries having poor reform records but regarded as important to U.S. strategic interests in Africa (e.g., Zaire, Liberia, Somalia, and Kenya) continued to receive substantial amounts of economic assistance.

By the end of the decade, however, there was still no definitive "structural adjustment success" in sub-Saharan Africa. (The island state of Mauritius in the Indian Ocean is an exception, but for a number of reasons, including its history, sociocultural makeup, and politico-economic systems, it is generally regarded as *sui generis* in Africa.) Although Ghana, with one of the continent's longest adjustment programs, is often cited as a success (and, indeed, Ghanaian agricultural production and exports have expanded and national income has increased by over 5 percent per year for the past several years), the significant amounts of productive private investment necessary to sustain future growth and to provide the basis for a clear-cut adjustment "success" have not appeared—not even as investment by Ghanaians themselves. The question is why.

And Now "Governance." The reason for the lack of a definitive adjustment success in Africa most often given in Washington (and echoed in London, Tokyo, and even Paris) has been poor "governance." The World Bank raised the "governance" issue in a 1989 study, *Sub-Saharan Africa: From Crisis to Sustainable Growth.* A more recent Bank discussion paper ("Managing Development: The Governance Dimension," June 1991) defines governance as "the manner in which power is exercised in the management of a country's economic and social resources for development." This definition includes everything—and so is not very helpful.

What Bank staff appear most often to mean by "poor governance" is corruption and the absence of the rule of law. They hesitate to prescribe explicitly what is necessary to eliminate these problems, but the changes clearly involve democratization—free speech, freedom of the press, freedom of assembly, an independent judiciary and effective legal system.

Thus we encounter the newest focus in development thinking: the need for political democratization as a precondition for economic development. (This is the mirror image of a prominent school of thought in the 1960s that regarded economic development as key to achieving democracy.) The United States and other Western governments have taken today's development thinking one step farther, however, supporting democracy in Africa not only because it might stimulate development but because it is desirable in its own right. This approach is, in effect, an extension of earlier human rights policies to include political rights as a criterion for U.S. aid.

USAID in the 1990s

The Agency for International Development is reportedly now planning its future programs in Africa to reflect these new governance-democratization concerns as well as limited resources (including staff resources). The Agency has decided to identify "focus countries" in which to concentrate its aid. These countries are to be selected on the basis of three criteria, for some of which USAID staff are developing quantitative indicators: (1) economic need, (2) economic performance (stabilization, economic openness, existence of a structural adjustment program and environment for business), and (3) degree of democracy or quality of governance.

The list of focus countries as of mid-1992 includes Ghana, Guinea, Mali, Zambia, Zimbabwe, Senegal, Mozambique, Tanzania, Madagascar, Rwanda, and several others. A "watch list" of countries that might be added to the "focus list" if their policies improve includes Kenya and Malawi. A third group—countries of "special emphasis" (which the Bush administration has earmarked for significant amounts of aid even though they do not qualify for inclusion on the focus list)—includes the new Angola, the new Ethiopia, and a transitional South Africa.

There have also been reports from various administration officials (inside and outside AID) that the Agency plans to phase out USAID missions in some of the smaller African countries, especially those with populations of less than 5 million. Aid to these countries, if it is to continue at all, would be handled by a single USAID representative in the country, by private voluntary organizations, or by USAID regional offices.

What Next?

Several themes recur in the history of U.S. aid to Africa. The most obvious and unchanging one is the low priority given the region by U.S. policymakers. Such attention as various administrations have given to Africa largely derived from the diplomatic and strategic competition with the Soviet Union. This competition is now over. Russia, with its severe domestic economic problems, is unlikely to provide any further aid and is already beginning to close some of its embassies in Africa. (See "Russia's Third Discovery of Africa" by Leonid L. Fituni, *CSIS Africa Notes* no. 134, March 1992.)

A second set of themes emerging from the history of our aid to Africa involves the recurring shifts in our foreign aid policies (e.g., the shifts between a "scatteration" of our aid among large numbers of countries in the early 1960s and late 1970s and a concentration in a few key states in the 1980s). We appear to be in a period of concentration at present. There have been tensions between deploying aid in support of private investment (the 1960s and again in 1992) and deploying our aid to alleviate poverty (the policy focus of the 1970s and one supported by many development activists today). There have been periods during which our aid to Africa has expanded—during the early 1960s and the mid-1970s—and others, like the present, in which that aid has shrunk.

It may be tempting to assume that the story of U.S. aid to Africa will continue to be a cyclical one, and that the current period of contraction and contradiction will inevitably be followed by one of expansion. But the past is surely now a false prophet. With the end of the Cold War, the sudden reversals in the size and direction of U.S. aid to Africa that occurred in the past in response to changing security challenges are not likely to be repeated.

Moreover, it appears that the other motive for our aid and engagement in Africa—the promotion of development—has also faded. U.S. interest in helping poor countries worldwide to improve their economic well-being appears to have weakened greatly in recent years. There is some satisfaction with our past successes (e.g., Korea and Taiwan). There is discouragement and frustration with our failures, above all in Africa. And there are signs of impatience and fatigue on the part of the U.S. public toward recurring disasters in that unfortunate part of the world. Finally, as the current presidential and congressional election campaigns demonstrate, we are increasingly absorbed with our own difficult problems of recession and poverty and paralyzed by the legacy of excessive deficit spending of recent administrations.

Although the past may be a poor predictor of future aid policies toward Africa, current trends do suggest a likely evolution of the U.S. role in the region. Aid to Africa will decline in dollar and percentage terms. In addition to the possible elimination or merging of some USAID missions, there is a clear prospect that a number of diplomatic missions, unable to justify their existence and expense in the face of budgetary stringencies and demands for resources in other parts of the world, may be closed down or reorganized. The need for nearly 20 new embassies in the former Soviet Union and Yugoslavia will be a contributing factor. It seems likely that U.S. diplomats will play less of a role in trying to shape events in the region or—most important—helping Africans to resolve conflicts among themselves.

This is already evident in U.S. diffidence, and in some cases apparent indifference, toward the devastating conflicts in Liberia and Somalia (where we had until recently "special relationships"), the endgame for Zaire's President Mobutu Sese Seko (a longtime U.S. client), and the bloody and brutal civil war in Mozambique, which has resulted to date in an estimated million deaths. The end of the Cold War, while contributing to the resolution of some conflicts in Africa, has also diminished external pressures to settle others, leaving it to the unprepared

Organization of African Unity and smaller groupings of fragile African states to attempt to resolve their own regional and internal conflicts. The stalemate in Liberia and the neglect of Somalia are not reassuring.

What bilateral aid the United States does provide African countries seems likely to be deployed for a range of diverse purposes, including supporting economic reforms, encouraging democracy, promoting U.S. exports, and whatever other fads gain popularity. The lack of vision, coherence, consensus, and an effective constituency for U.S. aid to Africa will eventually make that aid vulnerable to future cuts by the Office of Management and Budget and the Congress, creating a vicious circle of decline. This is all happening at a time when interest in Africa on the part of other developed countries—including France, the principal past patron of many African countries—also appears to be diminishing.

Carol Lancaster, an assistant professor in the School of Foreign Service at Georgetown University, has published extensively on African economic problems and political change. Her books include *African Economic Reform: The External Dimension* (Washington, D.C.: Institute for International Economics, 1991) and the forthcoming *Foreign Aid, Diplomacy, and Development in Africa,* supported by the Twentieth Century Fund. From 1977 to 1980, she served on the Department of State's Policy Planning Staff and subsequently as a deputy assistant secretary in the Department's Bureau of African Affairs, focusing on U.S. economic relations with the continent. Her government experience also includes service in the Office of Management and Budget, in staff positions in both the House of Representatives and the Senate, and in the Agency for International Development (AID). She received her Ph.D. from the London School of Economics. Dr. Lancaster's previous contributions to *CSIS Africa Notes* include "The New Politics of U.S. Aid to Africa," issue no. 120 (January 1991), "The World Bank's Africa Update: Something Old, Something New, Something Borrowed, Something Blue," issue no. 108 (February 1990), "How the IMF and the World Bank Affect African Decision Making," issue no. 97 (April 1989), "U.S. Aid to Africa: A Time for Reassessment?," issue no. 91 (October 1988), "U.S. Aid to Africa: Who Gets What, When, and How," issue no. 25 (March 1984), and "ECOWAS: Problems and Prospects," issue no. 4 (October 1982).

African Studies at CSIS

CSIS attention to Africa has a long history. In the 1960s and 1970s, under the direction of Michael Samuels, the African agenda focused on the continent's relevance to the security of NATO's southern flank, Nigeria's Biafran war, and the role of African armies in politics and nation building. Chester Crocker headed the African Studies Program from 1975 until 1981. Helen Kitchen, who came to CSIS as Crocker's successor, has broadened the agenda to include all of Africa's 53 political entities, the substance and process of U.S. policy toward Africa, and the roles of the full range of other external actors. The following is a summary of key areas of 1991-1992 activity illustrative of the Program's undertaking over the past decade to "unsimplify" African stereotypes:

- *CSIS Africa Notes* is precisely what we say it is in the masthead on page 2 of each of the 138 issues published since 1982: "a briefing paper series designed to serve the special needs of decision makers and analysts with Africa-related responsibilities in governments, corporations, the media, research institutions, universities, and other arenas." The 12 issues (and occasional supplements) published each year go to subscribers throughout the United States and by airmail to subscribers in 30+ other countries. A sampling of recent titles: "Zimbabwe at a Crossroads," "Russia's Third Discovery of Africa," "South Africa in Transition: Pitfalls and Prospects," "Angola in Transition: The Cabinda Factor," "The Transition in Ethiopia," "Southern Africa in the Year 2000: An Optimistic Scenario," "Some Lessons from the Past and Some Thoughts for the Future on U.S. Policy in Africa," "Who's Who, and Where: A Guide to Key Personnel in U.S.-African Relations."

- In 1992, the African Studies Program continues its tradition of bringing together a diverse spectrum of individuals from the Washington policy community, corporations, academia, the media, and other interest groups to participate in "conversations" with visiting African heads of state and other senior officials. These meetings are structured (and chaired by Program Director Kitchen) with the objective of broadening participants' perceptions of African issues and personalities. Some examples from 1991-1992: "A Conversation with Alhaji Abdul Karim Koroma, Minister of Foreign Affairs, Sierra Leone," focused on developments in neighboring Liberia (April 1991, 57 participants); "A Conversation with President José Eduardo dos Santos of Angola" (September 1991, 140 participants); "A Conversation with Angola's Jonas Savimbi" (October 1991, 153 participants); "A Conversation with Dr. Pascoal Manuel Mocumbi, Minister of Foreign Affairs of Mozambique" (October 1991, 83 participants); "A Conversation with Dr. Amos Sawyer, Interim President of Liberia" (October 1991, 96 participants); "A Conversation with Prime Minister André Milongo of Congo" (December 1991, 55 participants); "A Conversation with President Frederick Chiluba of Zambia" (February 1992, 77 participants); "A Conversation with President Joaquim Chissano of Mozambique" (July 1992, 146 participants); and "A Conversation with Prime Minister Hage Geingob of Namibia" (July 1992, 134 participants). A meeting with Nigeria's President Ibrahim Babangida is tentatively scheduled for later in 1992.

- A Study Group on Angola (cochaired by Senator Nancy Kassebaum, Chester Crocker, and Maurice Tempelsman) was launched in February 1991 with the first of a series of half-day meetings on Capitol Hill. It won sufficient plaudits from its 40+ members to encourage extension of the project through 1992.

- A year-long Working Group on South Africa was launched in January 1992. This diverse 50-member roundtable meets periodically at CSIS for half-day sessions to monitor, analyze, and assess the implications of political and economic developments associated with the transition to a postapartheid society in South Africa. Membership includes (1) executives of corporations that either have a presence in South Africa or are following developments there, (2) current or former officials with South Africa-relevant expertise and/or responsibilities in the executive and legislative branches of the U.S. government, international financial institutions, PVOs, and policy-oriented research institutions, and (3) representatives (and periodic speakers) from the South African government, the ANC, Inkatha, and other organizations directly involved in the country's future. Cochairs are U.S. Permanent Representative to the United Nations Edward Perkins and Wayne Fredericks, Counselor-in-Residence for Africa, Institute of International Education (New York).