Current Path

Efforts to ignite development in Africa: 1980 to 2063

Jakkie Cilliers

Last updated 19 April 2024 using IFs v7.84

Efforts to ignite development in Africa: 1980 to 2063

If Africa could have talked itself into a higher level of development, it would be doing very well. But only rarely do the many plans and visions translate into reality. These range from the 1980 Lagos Plan of Action for the Economic Development of Africa to Agenda 2063, the current long-term development vision of the African Union (AU). Today, these ambitions extend to the regional level. For example, the Southern African Development Community (SADC) and the Economic Community of West African States (ECOWAS) have each embarked on a Vision 2050 process.

Although the decolonisation of most of Africa was largely complete by the 1960s, outside influence on African development trajectories had not ended. By the 1970s, Africa had hosted numerous proxy wars sponsored by the opposing sides of the Cold War and former colonial overlords and had also suffered from the oil and debt crises in which it did not have representation. Southern Africa was particularly challenged: Portugal still retained its various colonies, such as Angola and Mozambique, and Namibia was under the control of apartheid South Africa, which, in alliance with Rhodesia under Ian Smith, violently resisted efforts at majority rule. In an effort to regain agency in the face of externally imposed constraints on economic and political development, African countries agreed in 1980 to implement the Lagos Plan of Action. By and large, the intention was to establish a self-reliant regional African economy, with greater independence from the global economy and ultimately to establish an African Economic Community.

The Lagos Plan of Action was arguably a pan-Africanist response to the economic problems of Africa, with the underlying assumption that Africa's economic problems arose primarily from the structure of the international economic system. Independence from this system was thus the answer. The counter-argument is that Africa's economic problems arose primarily from the internal structures of their economies, as well as ineffective and corrupt governance structures. This would subsequently inform the Bretton Woods Institutions' conceptualisation of their Structural Adjustment Programmes (SAPs) in the wake of Africa's debt crises in the early 1980s. Accordingly, the World Bank and the IMF—the two global financial institutions mandated to respond to under-development—created loan packages for highly indebted poor countries that required them to reduce spending on health and education in favour of debt repayment and the liberalisation of the economy through privatisation and other means.

These measures were not new. The World Bank and the IMF had been attaching conditionalities to their loans since the early 1950s, and their policy prescriptions inevitably closely aligned with the free-market economics dominant in the US, where their secretariats are located and who is the largest contributor to both.

Chart 7: Strategies/frameworks to ignite development in Africa

1980s: Structural Adjustment Programmes (IMF and World Bank)
1990s: Lagos Plan of Action and Abuja Treaty (pan-Africanist solution)
1990s: Poverty Reduction and Growth Strategy (World Bank programme)
2000s: Millennium Development Goals (global and UN led)
2001: NEPAD, combining separate plans from Presidents of South Africa and Senegal
2013: Agenda 2063
2015–2030: Sustainable Development Goals (global and UN led)

In return for budget and balance of payments support, the Bank and the Fund required African governments to adhere to an agreed set of policy reforms to achieve macroeconomic stability. Perhaps the most significant impact of these SAPs was the devaluation of many of Africa's overvalued currencies to more reasonable levels. But it also included other requirements, such as capital account liberalisation, which has subsequently facilitated illicit financial flows and easy entry for multinational companies with little or no requirements for local knowledge transfers.

The negative impact on the curbs on government expenditure in key sectors such as health and education, their impact on poverty and lack of focus on agriculture would resonate for many years and earn both institutions the enduring enmity of many Africans in what has been described as an effective 'race to the bottom'. The associated reforms painfully impacted large populations in the recipient countries and offered African leaders, activists and academics a ready target in externalising the reasons for slow development.

The conditionalities, generally known as the Washington Consensus, put an effective end to national industrial policies that countries as diverse as Ethiopia, Ghana, Kenya, Mauritius, Mozambique, Nigeria, Senegal and Tanzania had tried to implement, albeit with limited success. Consequently, industrialisation as a development option for Africa was replaced by trade liberalisation, deregulation, the free market and a small state. The Washington Consensus shifted the development framework away from the state as the main engine and instigator of growth to a reliance on markets and the private sector for resource allocation. The state's role subsequently became limited to policymaking and regulatory functions, based on many African states' inability, in the view of the Bank and the Fund, to effectively deliver public goods and to limit the abuse of funds.

Whereas development elsewhere had been facilitated through an active role for the state, including clear industrial policy, the corruption of and mismanagement by African governments now presented the continent with an impossible situation. It had to develop without the guiding hand of the government and depend on the benefits of trade liberalisation at an early stage of development. The inevitable results—lack of industrialisation, poor growth and unequal development—soon became clear.

Unable to rapidly improve productivity and with a fast-growing and youthful population, per capita average income levels in Africa peaked in 1980. They declined until 1994 as trade shocks and economic crises took their toll. The percentage of people living in poverty in Africa followed suit and steadily increased.

As these initiatives unfolded, the United Nations Secretary-General, Javier Pérez de Cuéllar, appointed the World Commission on Environment and Development in 1983, also known as the Brundtland Commission, named after its chairwoman, Gro Harlem Brundtland, the Prime Minister of Norway. The purpose was to chart and agree on a common sustainable development pathway at a time of deep pessimism about the environment and Africa's development prospects. Its report, titled 'Our Common Future' and released in October 1987, popularised the notion of 'sustainable development' by establishing a clear relationship between economic growth, the environment and social equality. It eventually led to the 1992 Earth Summit in Rio de Janeiro, Brazil.

The Brundtland Report, and the broader context within which the debates around poverty occurred, also had a wider impact. It led to deep introspection by the World Bank and the IMF about the effectiveness of their SAPs.

From 1989 onwards, the focus of development assistance from the West—which several African states had become addicted to—had shifted to the importance of democracy, good governance and anti-corruption as part of the efforts to correct some of the egregious misuses of public money and abuse of power by many African governments.

Africa's (Western) development partners subsequently invested in civil service reform and efforts to improve public financial management and helped to set up anti-corruption watchdogs and public audit bodies. Multiparty elections, decentralisation and other methods to encourage greater citizen participation were equally popular. In the process, democracy became associated with liberal economic policies that envisioned a small state and a dominant role for the private sector, trade and open markets in development. The problem is that poor countries need an activist, developmental state if they are to engineer an escape from poverty.

By 1999, the IMF had replaced its SAPs with the Poverty Reduction and Growth Facility and placed poverty alleviation at the heart of its efforts. The following year, the World Bank admitted that the poor are better off without structural adjustment. Writing for the African Development Bank, John Page notes that 'structural adjustment had taken place without producing structural change'.

Donors and sponsors

Hanns Seidel Foundation · Sweden Sverige · AUDA-NEPAD African Union Development Agency

Reuse our work

Cite this research

Jakkie Cilliers (2024) Current Path. Published online at futures.issafrica.org. Retrieved from https://futures.issafrica.org/thematic/01-africas-current-path/ [Online Resource] Updated 19 April 2024.

About the authors

Dr Jakkie Cilliers is the ISS's founder and former executive director of the ISS. He currently serves as chair of the ISS Board of Trustees and head of the African Futures and Innovation (AFI) programme at the Pretoria oce of the ISS. His 2017 best-seller Fate of the Nation addresses South Africa's futures from political, economic and social perspectives. His three most recent books, Africa First! Igniting a Growth Revolution (March 2020), The Future of Africa: Challenges and Opportunities (April 2021), and Africa Tomorrow: Pathways to Prosperity (June 2022) take a rigorous look at the continent as a whole.

About African Futures & Innovation

Scenarios and forecasting can help Africa identify and respond to opportunities and threats. The work of the African Futures & Innovation (AFI) program at the Institute for Security Studies aims to understand and address a widening gap between indices of wellbeing in Africa and elsewhere in the world. The AFI helps stakeholders understand likely future developments. Research findings and their policy implications are widely disseminated, often in collaboration with in-country partners. Forecasting tools inspire debate and provide insights into possible trajectories that inform planning, prioritisation and effective resource allocation. Africa's future depends on today's choices and actions by governments and their non-governmental and international partners. The AFI provides empirical data that informs short- and medium-term decisions with long-term implications. The AFI enhances Africa's capacity to prepare for and respond to future challenges. The program is headed by Dr Jakkie Cilliers.