

Lösch, Dieter

**Article — Digitized Version**  
**Socialism in Africa**

Intereconomics

*Suggested Citation:* Lösch, Dieter (1990) : Socialism in Africa, Intereconomics, ISSN 0020-5346, Verlag Weltarchiv, Hamburg, Vol. 25, Iss. 6, pp. 300-306, <https://doi.org/10.1007/BF02928799>

This Version is available at:

<https://hdl.handle.net/10419/140272>

**Standard-Nutzungsbedingungen:**

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

**Terms of use:**

*Documents in EconStor may be saved and copied for your personal and scholarly purposes.*

*You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.*

*If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.*

Dieter Lösch\*

## Socialism in Africa

*The failure of Marxist-Leninist socialism, which has become clearly apparent during the past year, has done undeniable harm to the worldwide appeal of "socialism". Even concepts of socialism which had always expressly set themselves apart from "real-world socialism" in the Stalinist mould are also affected. The following article analyses the situation in sub-Saharan Africa.<sup>1</sup>*

In Third World countries too, quite a number of which had until recently placed great hopes in what had been termed the "socialist road to development", socialism has now lost much of its earlier fascination. However, the spectacular upheavals in Eastern Europe are not the only reason, for the erosion of the socialist ideal began quite some time ago. The main factor lying behind the change of heart was the relative lack of development success in those countries which described themselves as socialist, or as following the socialist road to development; many have now said farewell to socialist ideology, whether abruptly and overtly as in some countries, or gradually and tacitly as in others.

It would be wrong to tar Third World socialism with the same brush as Marxist-Leninist socialism, for the simple reason that, with just a few exceptions, the former always claimed to be far removed from any mere attempt to copy the latter. This caveat applies all the more to attempts to develop a "non-capitalist road to development" which stemmed mainly from the quite honest intention that equal significance should be attached to growth and social objectives at an early stage in economic development. Indeed, even where attempts actually were made to follow the lead given by "real-world socialism" the systems which resulted had a character of their own. It is therefore essential that developing country socialism should be understood and analysed as a phenomenon in its own right. This article attempts to do exactly that, confining its attention to just part of the Third World, namely the African countries to the south of the Sahara.

Readers will presumably be aware that "socialism" is a term which originated in Europe.<sup>2</sup> When used as a

description of the order underlying society, it can only be defined in terms of what it is not, i.e. as "non-capitalism". Any attempt to reach an affirmative yet generally valid definition of socialism necessarily fails because of the inability to agree on the concrete substance of the term.<sup>3</sup> During the post-war period, socialism attained an extraordinary degree of popularity in sub-Saharan Africa. Paradoxically, the immediate motive which led many Black African nations to adopt the idea of socialism which had arisen in Europe was their wish to demonstrate African originality. Socialism, they argued, was in truth a quintessentially African idea, for pre-colonial African society, characterized by collective economic activity and grass-roots democratic decision-making, had been a precursor of socialism. So even if the term had never been applied to it, the substance of the matter was that socialism was inherently African, and it was only the name, not the idea, that they were borrowing from Europe.

All in all, it is possible to distinguish three chief motives underlying the African approach to socialism:

- The adoption of socialist concepts by African nations is primarily *idealistically* motivated. Africans, too, believe that socialism stands for an egalitarian, just, classless order of society, based on solidarity, encompassing a political system in which the leadership is pledged to the

<sup>1</sup> The author deals more comprehensively with this subject in his recently published book: *Sozialismus in Afrika*, Hamburg 1990. (Only available in German.)

<sup>2</sup> The term socialism refers both to an academic doctrine and to a movement giving rise to a particular phase in world history, and then again to a certain system of society, shaped by the economic system which accompanies it. On this, cf. Horst Stuke: *Sozialismus, I: Geschichte*, in: *Handwörterbuch der Wirtschaftswissenschaft (HdWW)*, Vol. 7, pp. 1-28, esp. p. 1 ff.

<sup>3</sup> Even more than half a century ago, in 1934, Werner Sombart listed 187 different forms of socialism. Cf. Werner Sombart: *Was ist Sozialismus?*, Berlin 1935.

\* Hamburg Institute for Economic Research (HWWA), Hamburg, Germany.

common good, the people are actively involved in the process of determining the will of society, and in which human rights and human dignity – especially the equal rights of different ethnic groups – are guaranteed.

□ In addition, Africans also had *pragmatic* and *opportunistic* reasons for turning to socialism. To add to their political independence, they embraced this approach with the aim of also establishing economic independence and signalling their desire to maintain a degree of distance from the West, particularly from their former colonial powers, while instead receiving “internationalist aid” from the Soviet Union and its allies. There are a number of cases in which there can be no mistaking the fact that allegiance to the principle of socialism was proclaimed because of the strong need to establish a political ideology which would legitimate the new rulers and promote the process of nation-building. Socialist ideology was recognized as an instrument for integrating, mobilizing and disciplining the people, and was deployed to no small degree to secure the authority of élites which lacked legitimacy and abused the undeniably positive undertones of the concept of socialism to defame any hints of opposition as “anti-socialist” and subject them to brutal suppression.

□ A final factor determining the African approach to socialism was a *rationalistic* motive, that is the faith placed in science by élites which had received modern educations and which were fascinated by the notion of “scientific socialism”. They had a genuine belief that it would be possible to shape both economy and society according to scientific methods, and to rapidly transform African states into modern, developed industrial societies.

### Manifestations of Socialism

Depending on which of the above motives were paramount in the decision to take the socialist road to development, a number of different types of socialism can be distinguished in sub-Saharan Africa. Before making any such classification, however, it is first necessary to establish what criteria should be applied when distinguishing socialist from non-socialist countries in the region. These are in fact relatively indistinct, but are as follows:

- a country’s officially declared adherence to the socialist road to development,
- some degree or other of affinity to the Soviet Union (and/or the People’s Republic of China) coupled with a relatively pronounced distance from the West, and
- particular elements of economic and social policy such as the formation of cooperatives, nationalization of

businesses, price controls etc., which would suggest some degree of orientation to Soviet-type socialism.

Given that none of these criteria is sufficient in itself, only countries which fulfil all three of them simultaneously ought to be classified as socialist countries. Although there is always room for a certain amount of subjective judgement at the end of the day, a certain convention has now evolved as to which African countries merit the description “socialist” or “socialist-oriented”.<sup>4</sup>

If the very small countries with a population of less than one million are left out (there are 10 of these among the 46 Black African countries), 15 countries remain which according to the three criteria listed above have followed a socialist course for at least some part of their existence since independence. These countries can be divided into the following three groups:

□ Firstly, the countries belonging to the first wave of socialism in Africa, which achieved independence by peaceful means at a relatively early stage and chose a socialist orientation shortly afterwards; this group includes countries with moderate first-generation leaders who might be described as “revisionist” socialists, who did not break off relations with their former colonial powers and were idealistically rather than pragmatically motivated to take the socialist route (Senegal, Mali, Tanzania and Zambia); the group also includes countries with more radical first-generation leaders who were largely pragmatically motivated in seeking a socialist orientation, in that it expressed either an extreme desire to break all dependence on the former colonial power (Guinea) or pan-African ambitions (Ghana).

□ Secondly a special group within the range of countries participating in the first wave of socialism constitutes those whose leaders came to power in military coups and declared people’s republics for largely pragmatic reasons (Congo, Benin, Madagascar, Somalia and, with some reservations, Burkina Faso).

□ Thirdly, the countries participating in the second wave of socialism in Africa did not gain their independence until some time later, and first had to go through a long struggle for liberation; the socialist orientation of their governments was the result of Marxist-Leninist oriented liberation movements supported by Moscow, Havana and/or Peking. The group includes Angola and Mozambique (which resemble one another in many respects) as well as

<sup>4</sup> On this, cf. the conclusions in the section on „Ergebnisse der ordnungspolitischen Einteilung schwarzafrikanischer Länder in verschiedenen Untersuchungen“, in: Frank Schäum: Wirtschaftspolitik als Entwicklungspolitik, Hamburg 1988, p. 88.

Ethiopia (which, strictly speaking, was never a completely dependent colony) and Zimbabwe.

A classification used more frequently than the above, however, is one which categorizes the socialist nations of sub-Saharan Africa in:

- African socialist countries: the first-wave countries whose first-generation leaders adopted a socialist line whilst being at pains to develop their own, autonomous, African socialist ideology;
- Afro-Marxist countries: those in which military dictators adopted the Marxist ideology and labelled them people's republics; for that reason, the system prevailing in these countries is also frequently referred to as "praetorian" or "scientific socialism";
- Afro-communist countries: countries which, in conjunction with a strong dependence on the USSR, attempted to varying degrees to copy the Soviet system.<sup>5</sup>

### Patterns of Development

Apart from Zimbabwe, none of the 15 countries considered here has pursued socialist policies continuously ever since independence. If the changes of course made from time to time are looked at more closely, the following patterns emerge:

- It is a typical feature of first-wave attempts to establish socialism that, over time, the countries concerned increasingly approached the same sort of economic and social policies as were being operated by non-socialist African states; they began to intensify their relations to the IMF, the World Bank and the Western world once again, and attempted to reduce and rationalize the influence of the state over the economy. These developments took different courses from case to case: Mali and Senegal took up a socialist course immediately upon gaining their independence, but even in the 1960s they had already begun to make pragmatic corrections to that course (in Mali's case, as a result of a change in government). Guinea began its socialist career earlier and in more radical terms, remaining heavily involved with it until the end of the 1970s, after which signs of liberalization occurred there too and then, immediately after Sekou Toures' death, the country turned its back on socialism. Tanzania and Zambia both began with a moderate socialist course, but in the mid-1960s, especially in Tanzania, this was intensified, only to be partly revoked once more as a result of crisis phenomena during the 1970s even though that crisis also had external causes. Both countries are still having problems even today in their attempts to deal with the consequences of their attempts to institute socialism

and of their policies towards the underlying structure of their economic systems. In Ghana, following moderate beginnings, the radicalization of the country's socialist ambitions proceeded in a number of stages which followed one another in quick succession between 1960 and 1966; the end of this first socialist phase came abruptly and violently in a political revolt. After that, the country alternated between non-socialist and socialist phases.

- In the Afro-Marxist people's republics, which were relatively late and hesitant in turning to socialist policies, the socialist rhetoric has remained relatively radical, in spite of some signs of relaxation towards the end of the 1980s, yet no visible progress has been made towards socialism in reality, however one might choose to define it. Benin has now turned away from socialism, and Somalia is also an exception in that, after breaking off its ties with the USSR in 1976, it also largely ceased any socialist rhetoric or mobilization campaigns, though this had no substantial influence on the conditions in the country as they had existed up to that time.

- In spite of their continuing civil wars, or perhaps rather because of them, the Afro-communist countries stuck to the path they had chosen towards socialism along Soviet lines right up to the end of the 1980s. But from the mid-eighties onward there were an increasing number of adjustments in direction, a greater tendency towards liberalization and renewed attempts to ease relations with the West. One can envisage that the political changes in the Soviet Union and Eastern Europe, which will also lead to reductions in military and economic aid from that quarter, will inevitably mean that these countries undertake a reorientation of economic and social policy at some stage or other. Mozambique has already officially cast off its Marxist-Leninist ideology.

- Zimbabwe, which has not pursued any radical policy in the direction of establishing a traditional Soviet model since becoming independent, and has endeavoured to maintain a roughly equal distance from East and West, has maintained the moderate course embarked upon in 1980 while practising relatively dogmatic socialist rhetoric. Even in 1990, Mugabe has declared his intention of preserving socialism in spite of events in Eastern Europe. However, the main progress in establishing Zimbabwean socialism has so far been confined to the political arena, i.e. the creation of the one-party state, and it is only to a limited extent that one can say there has been any socialist transformation of the Zimbabwean economic system.

If one seeks the factors responsible for these patterns in

<sup>5</sup> This classification is the same as the above, with the one exception that Zimbabwe does not fit into any of the three groups, and must therefore be treated as a special case.

African efforts to follow a socialist road to development, the following hypothesis emerges: During the 1960s, socialism was regarded as an instrument for achieving independence from the West and, above all, for generating rapid economic development whilst at the same time emphasizing specifically African values; during the 1970s, a different motive for propounding socialism became more prominent, namely the hope that its dogmas could be used for domestic purposes as a means of maintaining power. However, as Africans gradually began to realize that it was impossible for them to become truly independent economically and that their political independence was not necessarily threatened by their economic positions – since the West had no intentions of pressing them into “neo-colonial dependency” but, if anything, was tending to balk at the prospect of any greater economic or political involvement in Africa – socialism began to lose some of its attractiveness to them as a guiding principle. Once it also became clear that not only the development success they had hoped for would elude them, but also the massive support they had expected from the socialist countries in the Eastern bloc, the occasionally truly blind activism they had shown in erecting socialist structures began increasingly to give way to greater pragmatism in economic policy. This trend was further encouraged by the fact that the “socialist camp” became less and less zealous over time in its attempts to “convert” African countries to the socialist cause. The enthusiasm for socialist experiments on the part of left-wingers in the West was also in marked decline during the 1980s. On the strength of these various long-term trends and in view of the situation as it appears in 1990, one is tempted to predict a marked fall-off in African socialist ambitions.<sup>6</sup>

### Theoretical Deficits

The paramount objectives of efforts to establish socialism in Africa were:

- to attain equal status for the post-colonial states of sub-Saharan Africa on the international stage, which is the origin of their determined efforts to secure political

independence together with what has often appeared to Western eyes to be an exaggerated emphasis on economic independence;

- to overcome the problem of poverty by means of rapid economic development, and at the same time
- to transform society on to a “socialist” basis, which was taken to signify a harmonious, non-racist, egalitarian and participatory social order.

There is very little of African origin in the concrete concepts of socialist economic or social policies with which countries have sought to achieve the desired system. Those that have incorporated such elements to the greatest extent are the countries propounding African socialism, the quite different varieties of which usually represent a synthesis of Marxist and social-democratic ideas together with elements of enlightenment philosophy, civic humanism, Christian or Islamic religion, and what are now the first beginnings of a truly African philosophy of culture and society (*négritude*, black personality, *authenticité*), but none of which has actually arrived at its own authentic concept of the economic system. There has been hardly any obvious sign of how the alleged socialist predisposition of Africans, as is claimed to exist by what is known as the communalism hypothesis,<sup>7</sup> is supposed to be put to use in developing socialist economic and social structures.<sup>8</sup> Thus although the various forms of African socialism do at least partly process their own ideology, it has not been taken up across a broader front, either among the élites or among the people at large.<sup>9</sup> So-called scientific socialism and Afro-communism largely adopted the concepts of orthodox Marxism-Leninism as propounded in Eastern Europe or China without modification, though they were selective in the elements they chose to stress.

One characteristic that all variants of socialism in Africa have in common is that they believe socialism, whatever they understand it to mean in each case, is directly attainable without the need to pass through other forms of society first. Their position thus clearly contradicts that of the Marxist-Leninist theory of developing countries, which has always either denied such a possibility altogether or at least actively disputed it.<sup>10</sup> Yet neither the theoreticians nor the practitioners of socialism in Africa have managed to

<sup>6</sup> Although the ANC, arguably the strongest political grouping in the Republic of South Africa, and the South African Communist Party continue to propagate a socialist South Africa, there are many pointers which suggest that, in the event of the black community participating in or even taking over power in the country, it would proceed with extreme caution if it came to any structural changes, quite apart from the resistance which the whites might be expected to put up.

<sup>7</sup> The communalism hypothesis claims that pre-colonial African societies had a proto-socialist character. On this, cf. Kopytoff, in: William H. Friedland and Carl G. Rosberg, jr.: *African Socialism*, Stanford 1964, pp. 53-62. Cf. also Ehud Spinzak: *African Traditional Socialism – A Semantic Analysis of Political Ideology*, in: *The Journal of Modern African Studies*, Vol. 11 (1973), No. 4, pp. 629-647.

<sup>8</sup> Perhaps the one place, if anywhere, where some sort of idea is developed in this direction is in Nyerere's concept of *Ujamaa*!

<sup>9</sup> Kenneth Kaunda, for example, was even reluctant to decisively propagate the “humanism” which he had elaborated as the Zambian governmental ideology.

<sup>10</sup> Cf. Elizabeth Kridl Valkenier: *The Soviet Union and the Third World, An Economic Bind*, New York 1983.

develop their own autonomous African concept for socialist development and a socialist economic system.

### Dependency Theory

Certainly, a number of contributions to the theory of underdevelopment have been made in African economic literature, mainly based on dependency theory,<sup>11</sup> but the resulting formulae for overcoming underdevelopment have not managed to progress beyond propounding self-reliance and disengagement from the world economy. In terms of the overall economic order, African socialism both argues for and practises a system centred around development planning and unfettered government dirigism. As far as the ownership of the means of production is concerned, socialist theory in Africa is relatively undogmatic and the matter is dealt with pragmatically in practice; that is to say that, to varying degrees, moves to nationalize and collectivize the economy have been relatively modest. Nevertheless, there can be no mistaking the underlying orientation to the Eastern European type of socialism, i.e. to state ownership and planning, in all varieties of socialism in Africa. Prime importance has normally been attached to bringing key areas of the economy under direct state control (particularly mining and agriculture), and to the practice and implementation of state development planning.

Typical features of the development planning in African socialist countries in the past have been that it was oriented to the Soviet model of industrialization and to concepts based on dependency theory. According to the

Soviet accumulation model, the state is intended to cream off any surplus produced in the agricultural sector and use this to build up the industrial sector, giving priority to the development of heavy industry. One concept in particular which was taken from dependency theory is that every country, however small it might be, ought to endeavour to build up the entire range of economic activities currently found in developed industrial countries, and in order to do so should disengage itself from the world economy, for it would not be possible for African countries to "catch up" if they had to contend with competition from countries which were already developed.

### Government Intervention

One typical feature of the socialist African countries adopting this orientation was the establishment of state agricultural trading organizations which monopolized the purchase of agricultural produce and frequently also the trade in agricultural inputs. The inefficiency resulting from mismanagement, corruption and nepotism in these agricultural monopolies meant that even with the low prices they paid to their producers they earned only limited profits, if any, and indeed such organizations were increasingly having to be subsidized from government funds. Meanwhile, the low prices they were able to obtain

<sup>11</sup> For a critical survey of the literature on dependency theory, cf. Stuart Corbridge: *Capitalist World Development. A Critique of Radical Development Geography*, London etc. 1986. Cf. also Hermann Sautter: *Underdevelopment through Isolationism? Dependency Theory in Retrospect*, in: *INTERECONOMICS*, July/August 1985, pp. 180 ff.

## PUBLICATIONS OF THE HWWA-INSTITUT FÜR WIRTSCHAFTSFORSCHUNG-HAMBURG

Lü Jin-Sheng

### GESCHÄFTE MIT CHINA

Ein Leitfaden

Large octavo,  
357 pages, 1989,  
price paperbound  
DM 58,-  
ISBN 3-87895-376-3

The book is intended to serve as a guide to those who wish to do business with the People's Republic of China. Since it contains an abundance of data and facts, it is also an important reference work for researchers. The work was supervised by Prof. Dr. G. Franke from the University of Constance. The HWWA-Institute has included it in its series of publications because it represents an important supplement to the Institute's own studies on the subject of China.

VERLAG WELTARCHIV GMBH – HAMBURG

generally severely depressed levels of production by collective farms or peasants, whereas the black market flourished, including trade beyond countries' open borders.

The effort to achieve autarchy generated a paradoxical situation, for such policies discouraged foreign direct investment yet the development plans still firmly assumed that it would take place. Furthermore, it was attempted to substitute for imports but the establishment of import-substituting businesses and branches in fact created a veritable import boom – and this in a situation in which the failure of nationalized mining and state agricultural trading coupled with the downward trend in raw materials prices meant that the traditional sources of foreign exchange were increasingly drying up at the same time as the cost of imported energy rose drastically in the wake of the oil crises.

Moves towards nationalization and/or collectivization opened up spheres of varying size and importance within the domestic economy to direct intervention by the government, i.e. by the ruling tribal and/or party élite. This meant that management positions were given virtually as sinecures to fellow tribesmen and/or faithful party members; whether or not such managers were professionally qualified for the tasks in hand played, at best, a secondary part. Political factors came to govern business policies. State enterprises normally came under pressure from the government to take on more employees in order to reduce urban unemployment, and to pay increasingly high wages; when coupled with another widespread policy, namely government price controls, this inevitably drove such enterprises into the red. Instead of developing into the major source of wealth and the engine of development, the public sector thus became the cause of growing poverty and, as a result of uncontrolled increases in the money supply, of accelerating inflation.

### Causes of Failure

Though repeated attempts have been made to do so, it is very difficult to prove on the strength of empirical evidence that the socialist countries in Africa have fared substantially worse as far as economic development is concerned than their non-socialist counterparts.<sup>12</sup> This undoubtedly has to do with the fact that many African countries which cannot be classified as socialist according to the criteria set out earlier in this paper have nevertheless operated similar development and economic

policies to those aimed at by self-professed socialist countries. Further problems which stand in the way of any empirical proof that the economies of socialist-oriented African countries are more inefficient are posed by the existence of a whole series of factors apart from the development strategy, economic system or economic policies a country chooses to institute, factors which can have at least as lasting an influence on overall development progress. Such additional factors include differing starting conditions at the time independence is gained, differing development potential due to different resource endowments, different country sizes and geographical locations, different climatic conditions and other external influences not linked to the type of economic or political system.

However, another point which really is not open to doubt is that the socialist countries in Africa have quite patently failed to meet their own objectives. They came no closer to achieving rapid economic development by means of industrialization than they managed to eliminate poverty or to establish economic independence. Likewise, there is no country where truly democratic participation has developed, and instead of social integration, the reduction of the urban-rural divide and an easing of enmity between ethnic groups, the trend now generally apparent is one of growing social disintegration.

The underlying causes of such problems are both economic and political, and there is a mutual influence between the two. Weak governments sought to mobilize and discipline society by proclaiming the socialist path to development. In the event, however, the expectations which had been aroused by their socialist propaganda, when taken together with the socialist economic policy indirectly described above, led to the stagnation of the development process.

The socialist orientation thus ultimately proved counterproductive, since it violated the most rudimentary laws of economic rationality:

□ Political leaderships which socialist ideology had alienated from economically rational modes of thinking were generally not prepared to accept that businesses need to make profits if they are to be expected to make a positive contribution to economic development. It was not unusual, nor is it unusual today, to find the view that socialist enterprises do not need to be profitable; the view is that it is their task simply to employ people and pay their wages, and that in performing that task they make their contribution to the elimination of poverty. Accordingly, "profit" became a dirty word, and even in those cases where governments showed more sense in that regard, they still found it increasingly difficult in practice, if not

---

<sup>12</sup> Cf. Dieter Schumacher: *The Market Economy: No Panacea for Developing Countries*, in: *INTERECONOMICS*, March/April 1986, pp. 81 ff.

impossible, to subject state enterprises to hard budgetary restraints. The consequence for African socialism, therefore, was that it harboured an in-built microeconomic inefficiency. The *de facto* behaviour of state-owned enterprises in the socialist countries of Black Africa, in essence at least, is precisely the same as that of their counterparts in the Soviet type of state socialism: the practice of providing government subsidies means they are not subjected to sufficient pressure to minimize their costs and due to lack of competition they do not find it necessary to maximize their production or to develop a product range and quality which they are able to market at prices which cover costs.

□ In their practical implementation of economic policy, the African socialist countries completely neglect the problem of the optimal allocation of resources. The assumption made is that the price mechanism does not function, or at least does not do so satisfactorily, in African countries because, it is claimed, there are no properly functioning competitive markets, or because participants in economic transactions, especially subsistence farmers, do not respond to price incentives. For that reason, market pricing is replaced in many spheres of the economy by government regulation and control of markets. Such measures are taken on the basis of social or political considerations, but without taking into account the allocation effects they generate. In contrast to the position in the real-world socialism of Eastern Europe, the authorities do not even attempt to influence resource allocation by means of a central economic plan in a rational way according to the preferences of development policy. That is a task which is left to development planning, but demands too much of it, not only in theory but also in practice. Since development planning is essentially budgetary planning, it deals only with the resources allocated via the government and development budgets, without attempting to evaluate such resources in terms of their relative scarcities or, in other words, without undertaking any macroeconomic calculations. The consequence of this lack of a scarcity-based price system is that rational (from the point of view of resource allocation) economic development planning is simply not possible. Moreover, even for purely practical reasons development planning is in no position to encourage rapid, balanced economic growth by means of rational allocative decisions. The instability of the political system means that African governments are constantly forced to indulge in day-to-day conflict management, with the result that

medium-term development plans can rarely even be drawn up, let alone implemented – and then the difficulty of obtaining reliable information, the incompetence or corruption of the administrative authorities, and the continual changes in the external conditions affecting planning constitute another major set of problems in their own right.<sup>13</sup>

□ Apart from the disdain in which microeconomic efficiency and the macroeconomic problem of allocation are held, another important reason for the economic failure of the socialist-oriented African countries is their erroneous view, influenced by dependencia theory, of the role of developing countries within the international division of labour. The theory takes it as a matter of established fact that trade between industrial and developing countries serves only to allow the exploitation of the latter, and that it reinforces their underdevelopment rather than helping them to overcome it. Instead of cooperation on the basis of the principle of comparative advantage, they have pursued the same foreign trade policy which proved so disastrous even for countries as large and rich in resources as the USSR and China, namely the attempt to move as far as possible towards autarchic development, characterized by the virtual elimination of foreign direct investment and by total state control of foreign trading relations, which are regarded as fulfilling merely a stop-gap function.

□ A final characteristic feature of socialist policy in African countries is massive redistribution measures, many of which damage efficiency and indeed may even ultimately be counter-productive. Unnecessarily high minimum wages and maximum prices for staple goods are decreed for social reasons, excessive taxes are levied on income from capital and on so-called luxury goods, while a steadily growing public sector with overpaid employees is funded by printing more money.

All in all, then, it ought to be apparent that the economic malaise afflicting socialist African countries is no matter of mere coincidence. In fact, it is the logical consequence of a state dirigisme which completely disregards economic rationality. Even if the socialist state really did possess the moral qualities normally attributed to it, and even with the best will in the world, it still would not be in a position to operate a successful development policy until such time as it ceased denying the home truths, interconnections and basic laws of economics. Especially in Africa, the idea of giving the state the task of planning and guiding development for fear of market failure is tantamount to committing suicide for fear of death itself. As Tony Killick once put it, "Getting prices right is not the end of development; but getting them wrong often is."

<sup>13</sup> For a more comprehensive account of the problems with development planning, cf. Tony Killick: *The Possibilities of Development Planning*, in: *Oxford Economic Papers*, Vol. 28 (1976), No. 2, pp. 161-184.