

Development Planning for Africa

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1.0 Introduction

The last 50 years of so-called development planning has proved that such kind of development policy could not bring the desired results which could revolutionise the human lives of the African Masses. In many African countries south of the Sahara, different approaches to tackle the ever-growing economic and social crises were undertaken. But it seems that the approaches themselves worsen the ever-existing problems rather than solving them.

After the second world war, the world market has begun experiencing a new kind of dynamism which the world has not seen hitherto. The reorganisation of the industries in most of the western countries including the United States did boost the demands for raw materials. Other nations have begun introducing new industrialisation strategies. Added to these factors, the Korea war had also played a major role by boosting the demand for raw materials, and industrial goods. After independence, many African countries had begun undertaking new development strategies which were dictated by the new economic order, which was installed after the second world war. New development theories which served as guidelines for these development strategies began expanding in the universities. The international division of labour with its free trade ideology became the main theoretical framework to draw national economic policies in most of the African countries.

In light of these facts which have governed state policies, most African countries began introducing the so-called import substitution industrialisation, which was solely based on light industries. The incomes from raw materials and the positive balance of payments of the 50s and mid 60s, allowed them to follow such kind of industrialisation policies. As is known, most of the industries and intermediate goods must be imported, without which the desired economic policy could not be materialised. Hence, these imported goods and know-how must be paid with hard currencies. Side by side with this policy of economic development, the intervention of the international institutions in the economic policies of the African countries has its own imprint in shaping the development strategy. The World Bank, and other donor nations financed major infrastructure policies. Small and big projects were laid here and there.

At the beginning all these policies and interventions seem good enough to bring

about an over all economic development by generating multiplier effect. After a decade of economic growth, which was defined and dictated at that time by the new world market arrangements, such policy could not prove viable enough to pave the way for a coherent and self generating economic development. After the failure of the first development strategies, especially at the end of the sixties, international institutions began formulating new strategies of economic growth. Basic Needs Approach strategy and the green revolution became the lingua franca of new growth model. Since all these models were designed from the perspectives of the old international division of labour and free trade policy, there were little room for African governments, to formulate their own internally oriented economic development strategy. Thus the Basic Needs and green revolution model could not enhance developments, and reduced poverty. Again, after all these “models” have failed, the World Bank and International Monetary Fund have forwarded another treacherous programs, which they call structural adjustment programs (SAP).

The introduction of the so-called structural adjustment policies in the 80s in most of African countries has even worsened these situations. Though literally structural adjustment means to eliminate structural hindrances which have arrested the economic structure of a given country, such a policy has introduced another mechanism which has sophisticated the existing problems. After a decade or more years of practices, most African countries are heavily indebted. Many African countries are still dependent on one or two raw materials for their income. In many countries, the deterioration of the trade balance has taken an unprecedented

Scale. The structural deformation of the economy has blocked the development of the internal market. Most countries are compelled to import goods which could wipe out the existing small scale and medium scale industries. The service sector and the so-called informal sectors, without well-defined structures and linkages, are dictating the lives of millions of Africans. Cities become heavily populated. Slums and plastic bag houses became the major shelter areas for most of the people, who are living in the cities. It seems that African people are condemned to live like that without seeing major changes in their style of living. Youths are rooming around the cities without any future perspectives. The rapid expansion of Aids and prostitution are distracting the very fundamental of the African society. Houses and big buildings are being built here and there without future perspectives. Existing streets could not be repaired because of lack of money and idea. Most African countries are engaged in an endless border conflicts and ethnic violence which are claiming more and more of the meagre resources of their governments. By these kinds of internal and external conflicts, the historical mission of the governments becomes destructive rather than constructive. In light of all these self made problems and externally induced distracting mechanisms, most African governments seem helpless; even it seems that most governments lack the will and the vigour to workout a viable

development strategy to get out of these shameful image and vicious-circle

Hence it is very important to analyse in detail the causes of these social and economic crises before one could give a coherent and well-defined development strategy.

Why did it fail?

2.0 The impact of colonialism and the structure of the state

It is a well-known fact that colonialism has pushed Africa towards a special kind of structural deformation which has still existed to day in many African countries. During the colonial time most African countries were compelled to produce raw materials and exotic goods, which were determined for the western countries for further processing. Though this kind of division of labour was theoretically founded and advanced by Adam Smith and David Ricardo, the allocation of resources during the colonial time was put into practice by means of extra economic-coercion. The majority of the African peasants were compelled to leave their traditional farms and other production activities in order to be employed in the white settler farms, so that they could produce export products. This kind of resource allocation in certain and very limited production activities had begun to arrest the development of the division of labour. The hitherto existing division of labour was completely banished, and hence it was practically impossible to introduce a new kind of production activity, which could enhance competition and the introduction of new technologies. This economic mechanism of resource allocation via extra economic-coercion and the absence of division of labour in all activities had blocked the development of a dynamic force, which could bring new ideas in the African society as a whole. In the absence of a dynamic force, the development of arts, science, technology and culture in every sphere of social life were practically impossible. As the African masses are condemned to work in rural areas, cities could not develop. The absence of well-developed cities means also that complex infrastructure which could communicate one area to the other, could not be developed. Hence abstract thinking and the creation of new ideas were impossible. In this case, the African economy was condemned to remain undeveloped. Internal market could not flourish. Money as a vehicle of facilitating economic activities, and mechanism of communication all the economic spheres, could not develop in such a way so that it could serve as a source of capital. This reality of the economic and social life in many African countries remained until independence.

Until political independence, the colonialists dictated the economic policy of black Africa, which had on one side robbed the vital resources of the continent; on the other hand it had practically blocked the development of internal social division of labour. As the colonialists controlled the banking sector, the smallholder economy did not have access to credit. The banking system was

organised in such a way, so that it could not serve as a financial base for the existing production activities. The de-linking of the production sector as a whole on the one hand, the non-existence of relationships between the production sector and the banking sector on the other hand, had reduced the African economy to purely subsistence economic activity. Even in most African economies, the subsistence economy had become the main base of social activity. In such kind of miniaturised activities, a country could not be developed as an organic whole. It will be condemned permanently to remain disorganised without building a nation-state. This was the main strategy of the colonialists to keep Africa small. This kind of undermining the African continent, and the devise system of dividing each state into ethnical lines was a long and well-studied plan of the colonialists. This state of affair is still governing the politics of many African countries, and foreign forces are behind this evil devise to let Africa ungoverned. In this respect many African governments are paving the way for foreign forces to intervene in the internal affairs of their respective country.

While the subsistence economy remained undeveloped and fragmented without clear division of labour, the big plantation system and the extractive activity had remained the major exploitation area and transfer of wealth from Africa to Europe until political independence. This was the first and old division of labour which had arrested the development of the production forces, and hence the development of science and technology. This system of transferring wealth from Africa to Europe was a one-way road, which was conducted under the umbrella of free trade As history has proved the extra economic-coercion had remained the vital force in organising the economic activity and transferring wealth to Europe. Thus the main function of the colonial state was to facilitate these activities from within, so that wealth could be transferred smoothly, and development of any kind could be blocked.

2.1 Political Independence and the impact of the new world order on the African Economy

2.1.1 The Impact of the IMF and the World Bank Policies on African Economy

After the Second world war England had lost its hegemonic position on all three fronts, namely on political, economic and military spheres. The pound could not serve any more as the only dominating currency in the world, because of the shifts of the balance of power towards the new emerging super-power and the deterioration of the economic base of England, the United Kingdom could not administrate her colonies any more. These combined with independent movements in certain parts of Africa, England was compelled to leave her colonies. But the independence of Black Africa was handicapped by a lack of

vision and coherent philosophy, which could free the continent from all sorts of manipulation and exploitation so that the African masses could shape their own historical fate.

In most of the newly independent countries, inexperienced politicians were installed from above. The new elite became practically a new master, which did not understand its historical role. Hence, the political independence did not bring any major changes on the lives of the people of Africa. This is due to the fact that the post colonial state became an extension of the old exploitation system which is fitted to the new circumstances, and which was designed to keep the old international division of labour by giving it new dynamism which could serve as a special type of accumulation for the centre. In order to understand this, it is very important to see the new mechanisms which were instituted in the centre to keep down Africa, as the main source of exporters of raw materials, without bringing any fundamental socio-economic changes from within.

As is known, in 1944 the two Breton -Woods organisations, namely the World Bank and the International Monetary Fund were organised as the promoter of world trade and development. The main architects of these new institutions were England and the United States of America. In the agreement, it was explicitly stated that, these institutions must be guided by the principles of free trade doctrine. The international division of labour of the old days must be fitted to the new conditions so as to enhance world trade, and transfer wealth in both directions. As the so-called third world countries are naturally endowed by primary products, their main specialisation should remain on extracting and exporting raw materials. According to the free trade philosophy, this kind of specialisation is advantageous to the third world countries, because the allocation of scarce resources through price mechanisms will be realised, and hence production costs will be reduced. On the other hand, capital and know-how as the main scarce resources in most of the third world countries will be transferred from the industrialised west to these countries so as to promote social transformation.

To promote world trade, and to put into practice the philosophy of free trade, the two Breton- Woods-organisations had began imposing on many African countries economic policies, which make Africa an appendage of world market. The main activity of the World Bank is to promote small projects and to engage in selected sectoral activities, which are profitable from the banks point of view. The social transformation of a given society become in this kind of economic calculation, secondary. Long term economic planning, which could integrate the whole society to dynamic market economy, and an integrated infrastructure programmes which link all areas of a given society are not considered in the economic activities of the World Bank. If one looks at in the economic engagements of the World Bank in the last 5 decades, one could witness that the activities remain scattered. and there are no multiplier effects from these

scattered economic activities, which could spill over to other areas of economic sectors. In essence, all the policies, starting from infrastructure programs through basic needs approaches to the present day structural adjustment program, one could witness that the foundation of all these programs is the neo-liberal market ideology. Hence, one could not wonder if all the programs have failed. The economic and social conditions of many African countries are clear evidence and manifestations of these systematic manipulations.

If we look closer to these policies of the World Bank, its main target is to tight African economies to the same old division of labour by subtly compelling them to specialise on one or two agricultural products or mineral resources. This systematic process of pushing Africa to the old division of labour occurs in the name of the so-called factor endowment theory. According to this theory, since all African countries are naturally endowed by those agricultural products and mineral resources, they must engage their activities only on this kind of division of labour. Accordingly they could reduce costs, which they otherwise allocate on other sectors, and could allocate these scarce resource so as to expand the same kind of specialisation. At the same time African countries should not invest their resources to develop

Science & technology from within, and should not allocate money for research and development, since capital goods come from the developed industrialised countries.

Such a refine and intriguing economic theory which was developed in the 18th century by Adam Smith and later on by Ricardo, was heavily refuted by those German patriotic political economists, like Friedrich List in the 19th century. Friedrich List has clearly demonstrated in his well-celebrated book about national economy, that if a country remains only agricultural, it is not able to produce her own technology; she could not build a sovereign state and is vulnerable to outside attack of any kind. It is no wonder to day that many African countries could not defend themselves from cultural invasion and other negative influences which are coming from outside. At the same time, a technologically backward country could not guarantee for her people higher standard of living. Since almost all African governments could not see all these complexities, they have thrown their people to slave like work so that their people produce for the world market. It is even an accepted fact that Africans are condemned by nature to live like that, without seeing better lives. Hence, the world market with this kind of division of labour became a kind of special holocaust. If we see to day the social conditions of the African masses and the expansion of special kinds of diseases, such as aids and other infectious diseases, the problem is purely connected with the technological backwardness of the continent. Therefore, there is no natural law, which compels the African countries to accept the Social-Darwinist neo-liberal theory of the World Bank.

as if their theories and policies are God-given.

The main major task of the International Monetary Fund is to allocate short-term credits, in case a country faces balance of payment deficits. But the policy of the Fund has shifted in the last 20 years more and more towards dictating the economic policies of African countries. Those countries which are in need of credits from the IMF, must accept the monetary economic policy of the Fund. Reducing budget deficits, devaluation of currency, liberalisation of foreign trade, privatisation state owned firms, reducing taxes etc. are some of the policies which the Fund insists to be realised. The economic policies of the Fund have proved that all these measures have worsened the African economy, instead of tackling the existing problems. Inflation and deflation become twin results of this bad policy. The country that is compelled to devalue its currency must now pay more of her currency, if she wants to buy a foreign currency in order to import consumer and capital goods. Those private businesses which could not afford to buy foreign currency, as they are needed, are compelled to reduce their economic activity. Hence low capacity production and unemployment become inevitable processes of such kind of devaluation policy. In addition to these, devaluation causes inflation, since firms are compelled to raise prices in order to compensate the idle capacities. In the long run, as a consequence of such rigid policy, de-industrialisation becomes inevitable. The internal market instead of expanding will be shrunk. People are pushed more and more towards the informal sectors and other illegal activities.

On the other hand the propagated liberalisation policy of the IMF, prepares the African market for the invasion of foreign products. As a consequence, small and medium size industries will be destroyed badly, and driven away from the market, since they could not compete against foreign products. Since devaluation could not automatically induce the demand for raw materials on the world market, liberalisation affects negatively the trade balance of the country which has devalued its own currency. Devaluation at the same time means that country must pay more for industrial products, where as she must also export more of her goods in order to gain at least equal amount of the past income. In addition to this, liberal trade of the IMF has changed the consumption pattern of a certain class. As a result, the import of luxury goods has not only consumed the meagre foreign currency, but the privileged class has become a puppet and is ready to sell Africa. All in all, the proposal of the IMF policies has devastated effects on the African socio-economic structures, and blocks any meaningful social and economic transformation. For a long time, the African people will be compelled to live under unbearable circumstances without seeing a bright full future. The surprise is, why African governments must adopt these kinds of policies, which destroy the economic and social foundation of their societies.

The social and the political consequences of such kind of draconian policies are clear. First of all, as a consequence of such kind of scientifically unproved policies. the tax base of the African governments will be contracted. Since lower

tax base means very low income, African governments will not be in a position to finance the already existing activities, let alone to finance wide range infrastructure programs. Cities could not be developed. Schools and hospitals will be compelled to reduce their activities. In such circumstances, existing cities will be turned to purely slum areas. As result of such very complex situations, many African governments could not administer their country. Since they lack the financial instruments, they are compelled to govern their people by means of guns. Lack of financial base means also lack of political vision. In many African countries, no workable institutions do exist, which could mitigate the existing social problems. The cultural consequence of such policy is even ferocious. Since most African countries do not have the financial base to support wide range cultural activities, especially the youth will be compelled to roam around the cities, with no future perspectives. Later on many of them will be engaged in criminal activities. If the situation remains unchecked, many African countries will be governed by bandits rather than by political wise men, which could not make history in the true sense of the word. If we see all in all, the neo-liberal ideology of the IMF and the World Bank is distracting the very fundamental of the African society.

2.2 The impact of World Trade on African Economy

From its outset the world trade was organised so as to worsen the position of the Third World countries, specially those of Africa. Most African countries have followed the division of labour as is stated in the economic book. After independence, they have widened the economic activity of the colonialists, instead of pursuing a well-defined industrialisation policy which could enhance social, cultural and economic integration. In order to get foreign currency, they have invested much on the export sector so as to induce import substitution industrialisation. In the 50s and the 60s, at the beginning of industrial reorganisation in the western hemisphere, things seemed positive. The demand of primary goods was higher enough to attract many governments to articulate on certain areas of economic activity. After the middle of the 60s things become changed. First of all, rationalisation of key industries in most of the industrialised countries has lowered the demand of primary goods. With that, prices of primary goods began to fall. Secondly, some industries could substitute some raw materials and produce efficiently which has reduced substantially the demand of raw materials. Thirdly, the competition among primary producing countries has lowered the prices of primary products. In this case, the trade balance of many African countries become deteriorating. They had to pay more and more for the industrial products which they have imported. The 1973 oil crises and the economic crises of 1974/1975 in major industrial countries has worsened this situation. African governments were compelled to look for other resources, in order to fill the gaps which they have lost through external trade.

The economic crises in many industrialised countries, the introduction of flexible exchange rate and the inflation of the Dollar have changed world

economic situation. In the industrialised countries firms were compelled to put their money on the financial market rather than investing on the real sector. This situation has created for many countries of the third world means of financing their industrialisation plan. On the other side, many African countries have turned their faces to governments, and international donor organisations for credits. As most African countries are not credit worthy, official resources and international institutions become the main credit source for financing projects. This mechanism of resource transfer from official sources and international organisations to African countries has strengthened the intervention of donor countries in the economic policies of African governments. As the debt problem is soaring, many African countries are compelled to be dictated by the policies of the IMF and the World Bank. The austerity program of the IMF and the structural adjustment program of the World Bank are clear manifestations of this interventionist policy, and the position of Africa on the world market. To day Africa's share on the world market is not more than two percent. This clearly demonstrates that without a clear cut scientifically based industrialisation policy, the economic position of the continent will be deteriorating, and her political influence will be meaningless.

2.3 The Paradigm of Import-substitution-industrialisation

After independence most African countries have followed a policy of import-substitution-industrialisation to modernise their economy. By following such kind of development policy, African governments were convinced that in the long run they reduce costs and create employment opportunities for the vast majority of the people. This policy of industrialisation were based solely on light industries, such as food processing industries, beverage factories, shoes industries & etc. These industries were controlled both by multinational firms and the governments concerned. That means, multinational firms could decide about the tempo and the kind of industrialisation that African governments should follow.

The modernisation approach of this kind was systematically organised so as to reach few areas. The multinational-firms which were involved in this process of modernising the African economy chose those selected areas which have got good infrastructure and market access. If one looks the African cities, for various reasons, only few cities could develop during the colonial era and in the 1950s, which could serve as magnets to pull people from the rural areas. In other words, for historical reasons most African countries lack sophisticated and interconnected cities which could fasten the development of capitalism. Thus multinational firms chose only those cities where the circulation of goods and capital is faster than the other areas. In this case the already existing cities, where investment took place could be developed and expanded, where as vast areas remained undeveloped. The inherent nature of this kind of industrialisation has also blocked the development and expansion of cities.

As is known, almost all industries were imported from outside. African countries could not develop the industries by themselves, since they lack the necessary machine building industries. As the industries come from abroad, input factors and know-how must also be imported so as to run industrial production. In other words, most of the installed industries are linked to the outside world rather than internally linked. Wide range empirical studies show, that most industries lack backward linkages. They could not create demand for the raw material producing sector. If this is the case, it is marginal. In the absence of backward linkage and inter-industrial trade, the development of capitalism is practically impossible. Empirical studies demonstrate that the import-substitution-industrialisation could not absorb the labour force which immigrated from the rural areas. In the phase of this kind of industrialisation, few cities become the focal point where thousands of people leave their home area and dwell there. The pull-up effect of few cities has begun to marginalise the rural areas and the small towns. On the other side, the population pressure on those few cities has taken an unprecedented scale. Thus the building up of slums become common in most African big cities

As is widely believed, import-substitution-industrialisation could not reduce import costs. Even in the phase of this kind of industrialisation, most African countries were compelled to pay more and more of their incomes for imported industrial inputs. The deterioration of the terms of trade have worsened this situation. In case of devaluation, firms which are dependent on imported goods, must reduce their production activity, and run the production process with very low capacity. Staring the oil crisis and after the fall of world market prices of primary products, many African countries began to ease their production activity. The industrialisation process of the 50s and the 60s became then halted. In the face of ever-growing debt problem and decreasing incomes from exports, the de-industrialisation process has taken a scale unknown to history. On the other hand there is no any substitution effect because of the de-industrialisation process. In other words, African countries cannot transform themselves from one form of technology to the other. Since the inner logic of the industrial process is entirely different from the capitalist economy, the introduction of new technologies is totally impossible. As multinational firms control most of the industries, widening the industrial plants, rationalisation and maintaining the existing industries were impossible. Of course, in the absence of strategic industrial sector and capitalist competition, widening, rationalising and maintaining to up to date level is impossible.

The import-substitution industrialisation has not only blocked wide range industrialisation; it has even pushed the indigenous bourgeoisie to areas where money accumulation is easily gained but capitalist accumulation is not possible. The indigenous bourgeoisie remained tied in export and import sectors. And as such this new class could not become a pioneer capitalist by imitating and introducing new technologies. All in all the import-substitution-industrialisation

has a negative impact on the African economy.

The past 50 years has taught us that the neo-liberal market economy ideology cannot be a panacea for the huge accumulated African social, cultural, economic and political problems. If Africa needs to march towards a complex industrial society and civilisation, it must choose another path of development. The experience of many countries has shown us, there is an alternative to the neo-liberal paradigm. Africa must choose between two roads; either the road of real civilisation or the road of self-destruction, and enslavement. Before I come to the alternative, which I am going to analyse in detail, I would like to analyse the so-called development aid and its negative impacts on African socio-economic development.

3.0 Development aid and its impacts

The development aid as it is politically and theoretically formulated, is a part and parcel of bringing Africa under the total domination of the developed countries. As is seen in the last 50 years, by corrupting the African bureaucracy, development aid organisations confuse real development efforts from within and even fight those organisations and individuals by branding them as irrational and unrealistic, though their methodology is unscientific and purely irrational one. Many studies and evidences show that the billions of dollars which are collected from the poor European people in the name of helping Africa are not invested in full. Most of the donations remain in the respective countries and help widen the administrations of the aid organisations.

Though development aid means to give the poor countries the necessary technological and scientific help so that they could get rid of all the hindrances of development, and march towards real social, economical and cultural transformation, the African masses become permanently dependent. In the last 50 years one could not see real transfer of technology and science. All helps are piece meal programs, which could keep Africa small, and permanently poor, so that the African masses remain disintegrated, without building a coherent economy, and scientifically based national state.

All development aid policies, either from the international institutions or government backed organisations, their philosophy is neo-liberalism and piece meal strategy. They are not designed to bring real emancipation for the African masses. Since they work under their own principles, and are not transparent, they are not ready to accept any constructive criticisms, and have only short-sighted attitudes. They cannot think for the coming generations, and they believe that the world remain unchanged. Their aim is not real development which induce permanent peace among nations, and which could save humanity from the vagaries of unforeseen catastrophes. It is a well known fact, without peace there could not be any real development. If there is real development, people will not be engaged in an endless war. But most of the so-called

development aid organisations and their respective governments are not governed by humanistic principles, and could not therefore transfer real knowledge to Africa so that the African masses could see the true light of peace and development.

The present attitude of development aid organisations could be changed, if there is real change on the world market and if a new Bretton-Woods-System organised, which could function according to the principle of one country one vote. The present financial structure of the world must be totally restructured; all nations of the world, either small or big must have equal rights. It is not in the interest of humanity, and specially in the interest of future generation that such kind of institutions are being dictated by few countries, which believe they could rotate the world as they wish. On the other hand, any future development aid must come under the strict control of the concerned countries, which receive aids. All development programs must be included under the national planning systems, so that development aid organisations could not swim, as they like. Therefore, any development aid programs must be subjected to revision and must be administered by the countries concerned. Any kind of development aid must be without any preconditions, and it is up to the concerned country to accept it or not, and it must be free out of any political calculation. If this is the case, any development aid could full fill its true aim. Human beings of the world live peacefully.

4.0 Internal factors which block real development-The structure of the state

Most African States are extensions of the old colonial structures, and they are designed from the outset to serve as the accumulation base of capitalist countries. The absence of any demarcation line between the political and economic structure, has pushed the state to a purely parasitic and not development oriented apparatus. Since the bureaucracy is not trained to bring science driven development, and in a very sophisticated manner, it could be easily manipulated by outside forces. At the same time many African states become purely the arena of power struggle, in order to execute the interests of foreign forces. This kind of power structure which does not have any philosophy to bring civilisation, could be easily destabilised. Thus in the last 30 years many African states have seen dozens of coup d'état, which have destabilised the state apparatus. As a result, many brilliant and charismatic leaders were either executed or compelled to leave their beloved countries. Instead, military dictators have taken the power and began to ruin their country, and sell out the precious resources the continent posses. We see to day in may African countries, not only abuse of power, but also total plundering of the existing resources. Many multinational firms, and individual companies, and even individual rich men are allowed to plunder the African resources. On the other side the African people are compelled to live like slaves. In the absence of emancipated social movements. foreign forces could do what ever they like. If the situation remains

unchecked, the social and cultural chaos which is governing Africa at the present will be changed to a total civil war, and the development perspective will be postponed for years.

The absence of any conscience governing class means that political handling will be reduced to pure power struggle, and shooting out the unwanted force. Many African governments, as they are practising politics in the last 30 years, it is no more an art of administrating the society in a very wise manner. The state and the governed masses in most African countries are two different categories, which are confronted each other. The leaders of most African countries do fill that they are entitled to govern permanently, and do not interested in improving the lives of their destitute people. Since there is no any check and balance system, most leaders are leading their countries to permanent destabilisation. As a result of this kind of political ignorance, billions of dollars and precious metals are leaving year after year the African soil, and are deposited in western banks. The case of Mobutu is a clear evidence, how unwise political leaders, could install permanent social chaos in their country, and leave the stolen resources in foreign banks.

Such kind of abuse of power is also due to lack of conscientiousness of justice and laws. The governing classes in many African countries believe that they are simply entitled to rule and plunder their country, instead of administering their society wisely, and pass it to the coming generation. In many African countries there exists no social politics, which guide the governing classes to follow balanced politics, so that social conflicts resolved peacefully among the different groups. Lack of social politics and justice means also that different groups do not fill that they have social duties which they cultivate and pass it to the coming generation. Due to the different draconian programs of the IMF and the World Bank in the last 15 years, specially the privileged ones have developed very individualistic mentality, which is endangering the social fabrics of African society.

The lack of any state philosophy means also that dynamic forces could not be developed from within. The aggressive nature of multinational firms and the import-substitution-industrialisation have pushed most of the indigenous groups to the service sector, where the turn over of capital is very fast. Most African businessmen are engaged in import-export activities, by leaving the industrial sector to their respective governments and foreign companies. The blocking of the development of dynamic force has by itself deformed the market structure. In many African countries, there are no competent institutions, which give clear investment guides and management training. Businessmen are left alone, and invest their capitals in spheres, where multiplier effects are very low. Since there is no clear-cut industrial location policy, and well-defined industrialisation policy, most of the businesses are concentrated in very few cities, where transport facilities are available. Hence. vast areas in many African countries are

undeveloped, and transport connections are very miserable.

Thus, the introduction of any meaning full civilisation oriented development policy needs the reform of the state apparatus, and the creation of new and diverse institutions in every villages and towns, so that the vast majority of the population could be attracted for wider and diversified investment and infrastructure activities. In this case one must define the real meaning of development, before one set the mechanisms and preconditions of development.

5.0 What is development?

In the last 50 years the meaning of development has been defined in different ways. The neo-liberal school of thought has defined development, simply as the transfer of capital and know-how from industrial countries to the less developed or backward countries. According to the ideology of the neo-liberal school, the transfer of capital via liberal trade could pull out the less developed countries from their backwardness to let them march on the path of western type of development. Such kind of development could occur without a profound cultural transformation from within, since western technology by itself induce social forces which are rational enough, and capable of bringing their respective society to the western style of development. Thus economic development is not an over all process of social, economic, and science driven technological transformation of a given society, but it is a process, which generates from one pole and spills over to the backward sector of the society. Economic development of this kind can be understood only in terms of quantitative growth, and is not a qualitative transformation of a given society.

As we have seen above, and as experience showed us, such kind of development theory and policy, has rather brought in many African countries unequal development and resource plundering. It has even destroyed the mentality of many intellectuals, since many of them were brought up by this kind of false paradigm, which has the capacity to arrest the cognitive ability of many intellectuals. As a result, the supposed rational individuals began behaving irrationally, and could not full fill their historical missions. To day many African countries are worse than 20 or 30 years ago.

The Marxists on the other hand see the neo-liberal ideology as simply an instrument of unequal exchange which is practised by the developed countries against the less developed countries. Hence due to this kind of unequal trade and the international division of labour, less developed countries were put in a position to exploit their resources and transfer it to the developed countries. In such kind of international division of labour, the multinational firms play unique role by exploiting the resources of Africa and by enforcing unequal development, in the countries where they are active. The solution of Marxists is simple. The less developed countries must dissociate themselves from the capitalist world market. Though the Marxist approach of the unequal trade is

empirically true, their theoretical analysis is diverse, and it is difficult to bring it to one coherent theory, so that one could derive a solution to the existing world economic structure and unequal development among nations. All in the entire Marxist approach of the last 30 years is more of economic, and the metaphysical and the political side is not adequately analysed. Hence, they lack concrete solutions to solve the social, economic and political problems, of the less developed countries, specially that of Africa.

It is time now to define the word development, how we understand it. As the well known philosopher and economist, Mr. LaRouche teaches us, the word development is nothing, but to develop the cognitive capacity of every individual so that he understands the laws of nature, and have the power over it, in order to transfer the resources to useable products of all sorts. Any person is accorded by nature that he has the ability to think and change his environment so that he could live in it comfortably. The development of new ideas is a continuous process, and any society must try to go from the lower to the higher from of development processes, so as to control and hinder unforeseen catastrophes. A society that is not able to change its technological knowledge every time, is condemned to natural calamities, and cannot control it to a certain extent so as to lessen the damages.

Science driven technological developments are the basis of mastering nature and transform the resources towards useable products. The development of science and technology are themselves products of the cognitive capacity of individuals, and emanate not from what one sees primarily, but it can be developed by inherently existing rational thinking of the mind. Hence, according to certain circumstances, individuals by using their rational kernel develop new ideas, and by that science and technology. Due to old traditional forms of lives and religion of various kinds, certain people are condemned not to develop new ideas by developing new technologies in order to master nature. During the whole period of social developments, certain groups who seize the power of a given society either introduce social transformations by introducing new technologies, by means of certain mechanisms or block social developments. Every society is an arena of struggle among different groups. Those forces who do not understand the role of social history, and their own place in history try to block consciously or unconsciously the development of their society. This kind of forces are being guided either by false beliefs or education, and think that they are on the power to govern and live isolated from the society. The history of humanity demonstrates, the majority of the world population have been governed by these kinds of socially and historically unconscious forces. That is why we see in the history of humanity social unrest and wars everywhere. Since certain ruling classes are driven by evil motives, they change their society to an arena of war, hunger and poverty.

Unfortunately, such countries which are permanently condemned to poverty and war. could be also manipulated from outside. It is clear evidence that the

exploitation of the world resources become a driving force to attract the evil forces so that they could create chaos everywhere in the world. Though the world resources are quite enough to all human beings in this world, if all the available technologies are applied to rationally exploit and use the given resources, those groups which are motivated by profit maximisation and hegemonic aspiration, create unnecessary chaos and wars. Today's war is nothing, but the struggle to control more of the world resources, and subjugate certain areas permanently so that they are not able to see the light of civilisation. The so-called free world market and the globalisation process which is undergoing are clear manifestations of certain irrational forces, whose short-term strategy is nothing, but pure profit maximisation. The present formula of share holding value which even twists, the democratic governments, is endangering world peace, and the development of science, technologies, culture and social developments across the world. There is no any natural law that condemns the African masses to transform their valuable lands to produce certain products, in order to get hard currencies for certain groups, who are leading luxurious lives. The whole globalisation process is nothing else, but to block technological changes across the world.

If we think in terms of development in Africa, we must start the development issue from the perspective point of technological development, and science driven industrialisation process. As the well known 19th century political economist intellectual, the German Friedrich List teaches us, as long as any country is not developed technologically, and introduce an overall industrialisation process, it can not develop a strong nation and could not defend herself from outside aggression. This theoretical and empirical approach of Friedrich List is purely humanistic, and is in conformity with natural laws. It is developed from the perspective point of seeing the whole human beings as the creation of God and as one family, and as such it is directed to global peace. That is why Friedrich List fought vehemently against the oligarchic thinking of English liberal traditions, as propagated by Adam Smith and David Ricardo. The whole empiricist tradition of the English intellectual thought arises from the vague construction of human beings, between those who are capable of fitting themselves to any circumstances and strong enough to arise above others and manipulate others as they need. The weakest ones which are not fit, will be overthrown out of the ring, and they are condemned to permanent misery. The philosophy of Hobbs, which see the individual fate as nothing else but a struggle to maximise to get the highest utility, is a clear manifestation of social Darwinist theory. This approach of the English empiricist school is fully against the humanistic attitude of the German classical school of thinking, and is responsible, specially for the underdevelopment of Africa, and the social miseries there. Since independent, most African colleges and universities are taught in accordance with this empiricist theory, and hence they are not in touch of the social reality of their respective society. The kind of education which is given either in schools or in the universities is no more practical and cannot solve the complex problems of the African society. Since development is an

overall strategy of bringing a nation towards understanding the laws of nature, every nation must aspire to be guided by humanistic principles of the German classical school of thought. In this way, African countries will be able to lay the ground for real development and peaceful transformation.

In short development is a cultural, social and political transformation of a given society, and is guided by the principles of science driven technological changes to master the laws of nature, and to live in peace and justice. In this principle, African Development Consulting proposes workable solutions to lay the basis of real development.

6.0 Alternative approach towards real development

Any alternative development strategy which could solve the complex political, social and political problems of the African society, must totally abandon the technocratic approach of the neo-liberal traditions, which sees the human factor as a mere factor of production. Human being is human being, and must not be equated either with capital or land. As human being is the creator or inventor of technology, his sole purpose is, by developing better instruments of labour to get mastery over nature, and improve his standard of living year after year. If this is the starting point, and at the same time the direction of the alternative development, the following measures are preconditions for its full materialisation.

6.1 Reforming the state apparatus

Social development which is based on science and technology needs the support of the state, without which any society could not develop. With the active support of the state, the development of science and technology will be fastened. As the state is the guarantee of its society, it is its duty to take the maximum possible effort to lay the grounds for science and technological development.

The above goal could be achieved, if the state apparatus detaches itself from the mall practices which destroy the basis of its society. Until now, nepotism, corruption, indifference, bureaucratic incompetence and philosophically undefined and unnecessary power struggle which resulted in bloodshed, have become the main characteristic of many African states. It is not as such the absence of democracy, which characterises the African state structure, but it is the absence of any defined philosophy, which is the main feature of the African states. Since in a very society the state apparatus is the focal point of power struggle, the absence of clearly defined philosophy and lawlessness, at the end block any meaningful development. In order to overcome this problem, it is necessary to reform the state by introducing new norms of work and legal measures which could serve as guidelines for every member of the governing class and the bureaucracy. According to this norms and philosophy, practical knowledge and full competence which could solve exiting social. economic and

political problems must be the main guide line, rather than belonging to this or that ethnic group or family affiliation. Besides this, the member of the bureaucracy and the governing class must partake in refreshment courses and re-education seminars in all aspects of social administration and philosophy. To replace the old bureaucracy, the state must recruit young professionals which are solely guided by the principles of serving their respective nation and people. The police force and the army must be trained in accordance with these principles, and must get the necessary education program to defend their country, and not to be instruments of this or that group. Without taking the above measures, it is practically impossible to bring fundamental technological transformations in the African society.

6.2 Creation of new institutions

Any society which seeks real social and economic development must have different development institutions, which promote science and technology. Such kinds of institutions must be organised nation wide, and should have their branches in every community or regional administration. Experiences in most African societies demonstrate that the few existing institutions are concentrated mainly in the capital cities, and have little in touch with the vast majority of the populations.

The dilemma of the existing institutions is that they are not real promoters of science and technologies, and do not have the necessary theoretical and philosophical basis. Hence, they could not develop workable solutions to promote science and technology to bring an overall economic development. African countries do not only lack the above institutions, they lack also political, social and cultural institutions to promote peaceful development in every area of the society. Without such kind of institutions, which study the prevailing ethnical conflicts, and promote conflict resolutions strategy, there can not be any peace full development.

Beyond these problems, which are crucial for the promotions of science based development, the existing municipalities and administrations are poorly equipped with modern thinking, and one could not see real divisions of labour within the existing administration. If we see the African society, because of lack of idea and management, the African governments are not capable to build new and sophisticated cities across their countries. Most of the towns are turned to villages and some even to rural areas, with no effective administrations. The people who are living in their perspective areas, are left alone, and in case of natural catastrophe it takes too much time until help reach them.

The introduction of alternative development strategy needs the revision of the existing institutions, and one should develop another frame work which could be the basis of new institutions. Building, construction and institute of architecture must be organised and allocated evervwhere so as to promote new cultural

cities. The organisation of such kind of institutions is vital for the transformation of the existing social structures, and revolutionise the traditional ideas which block any meaning full development. For most African countries, it seems very difficult to build new cities by themselves, and do not have the necessary initiative to expand and developed new beautiful cities. Since most African governments and their administrations do not think widely and are not equipped with the necessary scientific and philosophical theories, it seems difficult to build cultivated cities. As history clearly demonstrates, most of the existing cities and bridges in Europe were built during the middle and late middle ages. The building of cities were initiated by religious motives, and later on the expansion of internal and external trade could bring new wealth and dynamism, which help the building of marvellous cities. The peoples which had real religious motives and some rich men could finance the building of very sophisticated cathedrals and municipalities. As history proves again and again the motive force behind city buildings and technology is not money as such, but the creation of new ideas. The scientific basis of the present technological development was laid after renaissance, especially during the 16^h, 17th and 18th centuries. Most of the scientific investigations were not motivated by making profits, but in order to free human beings from the vagaries of nature. That was the great idea of Leibnitz and other classical philosophers. During that time technological developments are very low, and yet the European people guided by wise leaders could contribute their imagination and the existing scarce wealth to promote cultural cities. The creation of wealth were understood as the result of disciplined work and natural resources.

In this respect, the initiating of new ideas and imagination must be the basis of the new institutions, which could be organised across nation wide in every African country. The available and rich natural resources combined with the human resource could build dozens of cities everywhere across nation. Since Africans are not condemned to live like slaves, it is the crucial task of any African government to mobilise its people in order to construct new cities and bridges. The financing of the building of new cities can be organised nation wide in the form of special national fund, both in the form of money and kind.

6.3 Reforming the education system and introducing new curriculum

It is a clear evidence that the education system that was introduced by the colonial masters, such as England, and later on the introduction of the unscientific education system has destroyed the intellectual basis of Africa. It is a system of education which is designed to hold Africa backwards. The youth and the intellectuals must not think in a very profound manner in order to understand their history, their historical place and their environment by learning and understanding the meaning of science and technology to master nature. The new elite which is recruited in the new school establishments must serve as a

puppet of the post colonial master, and thus must be elevated above the society. This elite, in order to full fill his mission of suppression of the development of science and technology, must get certain social statues, which resembles of that of the European. And American oligarchic class.

In this way schools were introduced here and there, which were totally encapsulated from the social realities of the respective countries. Though the school systems vary from country to country, according to the relationships to the colonial masters, they all resemble in so many aspects. They are not practically oriented, and as such those who are brought up by such kinds of education system, could not solve social problems, by applying science and technology. They are not developmental oriented, and as such the educated were not in a position to pose questions, in order to get answer for the causes of the African backwardness. Most of the school systems are either academic oriented or commercial types. In some African countries there is a systematic campaign against science and technology. If there are certain vocational schools, there are inadequate laboratories and materials to equip the youth with the idea of creating new technologies. In certain universities, the teaching of physics, which is vital for science and technological development, was forbidden. In other countries, it is introduced as late as the 50s and at the beginning of the 60s. Even the introduction of physics as a new curriculum was not complete and profound. Since most African countries could not and must not learn all the natural sciences with their own mother tongue, they could not understand, and hence they could not put it into practice. This is the practice of the African school system until today. In the age of the information technology, the globalists are trying to confuse the already confused African education system. The propagation of the information technology and internet as a new media for the expansion of education are sheer nonsense, and it must be fought rigorously. Scientific education combined with experiments, are the basis of technological and industrial development.

From this point of view, the African education system must be reorganised and must be equipped with scientific and philosophical norms. Every African youth, starting from the kinder gardens should know, why he should go to school, and what are the purposes of being educated. The second point, which is to be stressed, if it is possible, it is preferable that all schoolbooks should be formulated with the languages that the children are brought up. Real progress can be introduced, if African countries use their own language for the expansion of education. Foreign languages, as long as they are not spoken and well understood by the majority of the population should not serve as the main basis of the whole education system. Thus beginning from the primary school to colleges and universities, all books must be translated in the respective languages of the African countries. The third aspect is the introduction and expansion of very sophisticated vocational schools everywhere in each country is crucial important for the development of science and technology. The existing emphasis on academic and commercial subjects must be reduced. and vocational

and engineering schools and colleges must be the basis of the education system. For this, it is an urgent task to recruit qualified teachers and trainers. The part of the business school must be organised under engineering colleges and must be reformulated so as to recruit new entrepreneurs with pioneer spirit.

6.3 Economic Policy

Many African countries seem to have no clear idea of formulating economic policies, which could enhance real social and technological developments. Most of the technocrats, who are advised by foreign experts are caught by the destructive neo-liberal ideology of market economy which throws Africa again and again to a one sided economic activity, namely the allocation of the scarce resources on the old export sector. As the economic policies of the last forty years clearly demonstrate, there is no real technological development, and as the result of such kind of policies the home markets of many African countries are dwindling, rather than expanding and encompassing the majority of the masses. Unless African countries break up from such neo-liberal and economic philosophy of social –Darwinism, real technological and industrial development is practically impossible. It is therefore, very crucial to completely dismantle the neo-liberal ideology from the universities and from the minds of the technocrats and introduce new economic policies which are based on physical science. Since economics is nothing else, but the creation of wealth by changing the forms of nature from one state to another by means of science, it is very important to understand the laws of nature in order to bring dynamic changes within a given society. Technological development can be introduced, if there exists a well-defined education system.

From this simple point of view, economic development must be understood as a system of bringing a given material wealth in combination of human labour to transform a given society from the lower stage of existence to the higher forms of living by controlling nature. As history proves, all present industrialised countries have passed more or less through different types of primitive accumulation. That means the people of Africa must be mobilised for all types of work in order to change their environment by creating again and again new wealth. At the beginning of industrialisation, one must not expect high income; and only through generations of hard and disciplined work improvements of standards of living for the majority of the masses could be seen. The present conditions in most industrialised countries is a result of long-range struggle and hard work. Thus, the states in different African countries must follow in general the following guidelines to bring political, social and economic transformation in their respective societies.

6.3.1 Mercantilist economic policy as guideline for inward looking development

Mercantilism is an economic policy, which is directed towards developing a home market by mobilising the given resources in a given country. In order to materialise this policy, the state should follow an active balance of payment policy, by at the same time restricting the importation of unnecessary and luxurious goods. Simultaneously, internally produced goods must be protected by diverse tariff systems, so as to boost the development of internal market. The high tariffs which are levied on certain luxurious goods and the strict pursuance of an active balance of payment policy could generate enough hard currency, to import selected capital goods which could serve as the basis of further technological development. At the same time the diversification of exportable products and the search of new market opportunities are vitally important in generating hard currency.

Internally, the state should follow a coherent strategy of developing wide range infrastructure activities which connect cities from other main cities and cities from rural areas. Without a well-defined and developed infrastructure, the movement of ideas, capital, labour and other resources are practically impossible. The development of sophisticated infrastructure must be also understood as a time factor, since the quick valorization of the produced goods is possible if the movements of resources are fastened. To finance these activities and industrialisation, the state should create a special kind of credit mechanism which is connected to production activities. Accordingly, the production of new commodities and technologies must be based on scientific research.

One of the most important mercantilist policies is the supporting of those active and creative forces with credits, ideas and organisational works to develop new technologies to engage in industrialisation activities. Without a specially privileged and motivated class, which could introduce science, arts, and new forms of culture and technologies, any society could not be developed. Hence not only the support of such a class, but also the cultivation and protection of such kind of active class must be the active policy of the state. If one see the policies of many African governments, it lack coherent and protracted idea how to create and support such an active force. On the contrary, many African governments are fighting against those culturally motivated and cultivated individuals or groups. By that, they are objectively serving the interests of foreign nations, who do not want to see an emancipated group in African society.

The cultivation of such force must come in relation with developing new technological foundations. In most African countries the lack of any sophisticated machine building industries is one of the major obstacle for industrialisation. The introduction of factories and machinery is also dependent on a growing foundation of metalworking, engineering and metal-extracting skills to build new machines and factories, and to devise, set up and run the svstem of power. Again without developing an efficient power svstem. and

without transformation from lower forms to higher forms of energy system, quick industrial development is practically impossible. Hence, the state could play an active role by laying the ground and financing machine building industries and high quality power systems.

6.3.2 Industrial location policy and private entrepreneurs

In most African countries, lack of state induced industrial location policy is one of the major obstacles for the development of home market. Most governments either do not have the intention to industrialise their countries or do not have the necessary know-how to motivate the existing private firms to invest in other areas of their countries other than the capital cities. Most so-called modern sectors are concentrated in few cities, specially in the capital cities, and the very few industries have very weak linkages in regional and small towns. Since the entire colonial and postcolonial infrastructures and other modern activities are concentrated in few cities, private business is tending to invest in already developing areas. Thus the already developed areas attract resources from the underdeveloped one, and the rest of the country remained underdeveloped. At the same time, African countries do lack any regional redistribution mechanisms, which allow the flow of resources from developed areas to undeveloped once. It is therefore very important to formulate a regional redistribution mechanism to enforce balanced development in a given country.

In order to spread industrial location across a given country, it is very important to formulate new laws and privileges for those private businessmen who invest in other regions other than in very few developed cities. Such kinds of industrial location policies must be also formulated to expand division of labour and the creation of new technologies. Existing administrations and municipalities must encourage businessmen to remain in their traditional areas by creating economic incentives. In this case too, the lack of efficient and wise infrastructure activities are major hindrances, which block the development of new activities. The existing administrations are either corrupt and backward or they lack any motivation to bring any radical transformations with their respective areas. From the point view of an equal development and technological diversification, it is very crucial to reform or radically change the existing administrations by recruiting new and dynamic forces. In order to equip the new recruits with modern administration backgrounds, it is also very important to introduce ethical norms in any administration works.

6.3.3 Restructuring the banking system and creating new credit mechanisms

In many African countries, the relationship between the banking system and the industrial sector is not well established. This is because that the role of money in a given society as part and parcel of the whole accumulation process is not well

understood. It is therefore very essential to define what money is and its role as process of accumulation.

The problem in many African countries is, as is also in many other developing countries, the development of banking system and the introduction of money is not a result of dialectical and historical process which has developed from the existing commodity production, by suppressing other forms of substitute money. Though, there was in history in many African countries the use of different kinds of money which have served also as commodities, but this dialectical process was completely destroyed by colonialism, so that one commodity form could not emerge as a denominator for all other commodities. During the colonial times, banks were not serving as instruments of capital accumulation from within, but they were connected to the outside world so as to facilitate capitalist accumulation in the centre.

In history, before the development of token money, different commodities have served as general denominators. Because of the limitations of the different commodities, and their use as direct commodities for personal use, their use as an exchange medium was interrupted. Later on, the use of gold as money could entirely facilitate capitalist expansion and accumulation, because as a natural resource its rapid circulation was dependent whenever new gold mines were somewhere found. This natural limitations and its use as jewellery has hampered to serve as the basis of real capitalist accumulation. Thus the development of credit money which is guaranteed by the state and issued by the central bank become the inevitable precondition for capitalist expansion, innovation and technological development.

The function of banks is nothing but to facilitate capitalist accumulation by forwarding credits to the capitalists. First of all, the central bank issues bank notes and supply it to the banks, which create credits. At the same time parts of private incomes which are deposited in the banks as savings, are given also as credits either to the consumers or to capitalist producers. In this way the credit system serves as a process of capitalist accumulation in two ways. In the first case, capitalists borrow money from their banks in order to invest, and sell the production. From their profit they pay a certain amount as interest to the banks. At the same time, banks give consumer credits for direct consumers, which serves in two ways as a process of capitalist accumulation. In the first case by buying consumer goods, they fasten the turnover of capitalist production. Since any produced good must be bought and consumed so that the process of capitalist production and reproduction will continue, banks give credits to the direct consumer at market interest. Secondly, banks give for the capitalists credits which is directly invested. In these two kinds of process, the capitalist system must function as a continuous process, without which capitalist production cannot continue as process of production and reproduction.

In any capitalist society, the state plays also a central role by injecting money in

the economy. First of all the wide tax base allows the state, to invest the income which it receives from the people on different projects. Since the state does not produce machines and other products which serve as investments, money flows to the direct producer. That means the taxed money flows again as medium of circulation to the capitalists, which deepens the capitalist process as a whole. At the same time, the money levied as tax is not sufficient for the state to engage in wide infrastructure projects, and it therefore borrows from the people by issuing different types of bonds. The issuing of bonds can take place either on regional, communal or state basis. The purpose is all the same. It facilitates the system to work very efficiently. That means, without massive state intervention, any capitalist system cannot continue to exist. In short, the capitalist production and reproduction system as a purely credit system, could be enhanced if credit mechanisms are created and allocated for those investors, who are willing to put their talents to develop new technology and engage in wide range industrial activities. Thus capitalist accumulation is nothing, but the production of physical goods in different forms which serve as investments in different areas. This can be possible, if a new type of credit system is organised, which supports all areas of investment activities This is the kernel point which must be studied in an undeveloped economy, whenever one talks about the role of money and banking systems.

The problem in many African economies is, the system works not like the capitalist economies. Banks are more attached to the export sector and to the service sector, rather than connected to the production sector. Banks are not motivated to facilitate credits to the direct producer so as to stimulate innovation. First of all, because of weak income base of the societies in many African countries, banks do not have the necessary savings, which they forward as credits to the direct producers. Secondly, money which is circulating in the economy does not pass through banks. Because of the very low-income base, money passes from the direct producer to the worker on hand-to-hand basis, which hampers capitalist production. Thirdly, money which is accumulated in the hands of businessmen cannot pass to the banks and saved there, and it remains as dead capital. Since the amount of money which could otherwise serves as accumulation base, remains idle and the production system dose not take a continuous process. Fourth, in many African countries, their is a lack of pioneer sprit and risk, which is the main motive force behind the capitalist production and accumulation. Fifth, the African states are sparely engaged in wide infrastructure activities, and the narrow tax base does not allow them to stimulate capitalist production. Six, capital markets and different saving mechanisms are not well developed, so as to motivate money holders to save their money in the banks.

In this case, the banking system in many African countries must be reformed so as to facilitate production activities, innovation, research and development. With the help of the state, the credit system must be organised, to allocate money capital with very low interest rates to investors, specially to those who could use their talents and introduce new technologies. At the same time laws and regulations must be formulated, which compel huge amount of money holders to save their money in the banks. The development of different banking systems in different parts of the country are crucially important, since in many African countries the majority of the people do not have relationship with banks, and do not have any access to credits. The effort of many African governments to reform their banking system with foreign experts does not help the expansion of capitalism and commodity production. It is simply an effort, in the name of reform to bring under the control of global financial system which ultimately excludes the majority of the people from the banking system. The reform of the banking system is not alone sufficient to facilitate capitalist accumulation. The reorganisation of the credit system must go side by side with the reorganisation of the whole production structure and the expansion of new forms of division of labour. That is why, foreign experts could not bring any miraculous results, if they sit as advisors in banks in different African countries, because they do not have any interest to bring a science driven technological change in Africa. All in all what the bank systems need is not a mere technocratic solution, but fundamental and essential changes which could bring real social and technological changes, so that the African masses do make history.

6.4 Conclusion

The development of a given society must be understood as a process which cannot be completed within one generation. Since development is a historical task and incorporates all activities of social life, development policy must not be formulated from the viewpoint of cost-benefit analysis. The task of any state is to guarantee every citizen a minimum standard of living and security, which facilitates his belongings to his nation and make him proud of his own nation. The state has nothing rather than maintaining the well being of his people and as such any government has the historical obligation to give and guarantee freedom of work, creative activities, involvement in political matters, and other nation-building activities. A government which cannot render securities for its citizen cannot defend its country from foreign aggression. If the living standard of a country is improved and scientifically established, the people of that country will be respected everywhere they go. It is no secret today that African peoples, not only in foreign countries but also in their mother countries are racially discriminated. Wherever they go, racist groups and institutions chase them. Institutional and political discriminations in the so-called civilised countries are

violating the real fundamental rights of black people. This is because, Africa has got weak governments, which are fighting for mere power and robbing the internal resources, rather than administrating their countries in a civilised manner so as to bring scientific based development. If any person is respected in his country and seen as a true citizen, he will be also respected in foreign countries. Only the development of technology and sophisticated industrialisation process could keep a country respected by outside forces, and her people will be respected. That is why Africa is excluded from technological developments by all means of devices. It is therefore very important to give a concerted effort to develop Africa, without postponing it. If present African leaders and intellectuals do not feel responsible to eradicate all the obstacles which block the transformation of their respective societies, eventually they will be asked by the next generation. The coming generation can develop his country, if present generation lays the foundation of development. In this spirit of making history, and pass it to the next generation, respective African governments have the moral and historical duty to investigate their deeds and formulate new strategy of social and economic development. This must be done to day but not some day in the future.

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