

World Socialist Party U.S. World Socialist Movement

Globalization & Debt in Ghana

In the 1990s when, under the cunning guidance of the IMF and the World Bank, the Ghanaian people were literally being strangled by the Economic Recovery Programme of the Structural Adjustment Programme, the financial advisers to President Jerry Rawlings always managed to conjure figures and statistics which indicated that the economy was doing excellently well. These statistics not only earned Ghana the epithet “darling state” of the West but Rawlings himself was so glad with his economists that he bestowed upon the title “financial wizards”. But the truth is that these accolades were for the purpose of damage control. Rawlings knew deep within his heart that his “wizards” were in reality great pretenders like himself as together they had been stashing away huge sums in foreign banks.

The history of the struggle for economic development in Africa and the forces dictating the pace thereof are not in the least different from the scenario that the West, Rawlings and the economic advisers enacted in Ghana.

Groping in the dark

Immediately African countries were pronounced independent by the colonial masters, the leaders rolled up their sleeves and set to the arduous task of nation-building. Although a few may have seemed to genuinely have the welfare of the masses at heart, many of these leaders and their ministers were deeply engaged in stomach politics. Be that as it may, these leaders, day in day out, saw the plight of the masses getting worse and worse.

A great number of African countries became independent in the sixties. This period also happened to be the peak of the so-called “cold war”. The West and the East struggled to control these newly-independent nations to enhance their (West and East) own economic interests. The result was that these African countries found themselves in a kind of trial-and-error methods of trying to extricate themselves from growing poverty.

At first the state got involved in business by setting up marketing boards. These bought up cash crops from the farmers and exported them. The state thus acted as a middleman. The state also created development boards, authorities and

corporations in the hope of making money to move their countries forward. In some extreme cases some governments resorted to outright nationalisation of private business. However all these efforts by no means arrested the downward trend in the living standards of the masses. They still paid dearly for imports and received peanuts for their exports.

To overcome this problem of high prices of imports, the policy of import substitution was introduced. By this, companies producing such imported commodities as milk, beverages, matches, canned foods, bottled drinks, etc were encouraged to come and establish factories and carry out production here in Africa. Many companies responded positively but the outcome of this policy was a deepening impoverishment of the masses. They served as cheap labour in these factories. In fact only a few could afford to furnish their families with the commodities they got involved in producing. African leaders were baffled as what tended to happen was that nothing happened. No wonder there were lots of attempts at and successful coups d'état during the sixties and seventies.

It was during this period of beating about the bush for economic direction that the IMF and the World Bank joined in the fray. They came along with a novel package that was going to miraculously propel African economies to the highest degree of development. This new policy was the Structural Adjustment Programme (SAP). This SAP idea condemned the previous method of development as unworkable and maintained instead that making structural changes, including the expansion and re-orientation of production, was the only way forward. African nations were to put the production of “non-traditional exports” and tourism into a higher gear. Thus in a country like Ghana where the traditional exports were mainly cocoa, timber and gold, under the SAP crops like pepper, pineapples, yams, maize, and oranges were to be turned into cash crops and exported. SAP also stipulated that private capital was to be the “engine of growth” and that “governments have no business doing business”. It did not however take long for the people to understand that they were once again fooled by official policy. Hardship and suffering increased a thousandfold. The masses had been moved from the frying pan into the fire.

Today the SAP is still the invisible hand directing affairs at our finance ministries in the interests of the owners of the World Bank and the IMF and to the detriment of the masses of Africa. However this time around there is a formidable group of foot soldiers preparing the grounds for, facilitating implementation and soothing the pains of these anti-people policies. These are the NGOs. There are hordes of them in every African country. All the misinformation propagated in the form of catchy phrases and slogans by the IMF and WB are picked up unquestioningly by these NGOs and parroted all over the place. The NGOs assist governments in deceiving the people by embarking on projects which are either white elephants or never even take off the ground. Meanwhile the wealthy companies keep selling their obsolete equipment to Africa in the name of appropriate technology.

Socialists or capitalists?

On Thursday 23 August the BBC Focus On Africa programme broadcast the news that Jose Edouardo dos Santos of Angola had announced that he would not be standing for re-election in the next presidential elections. Interestingly the BBC referred to the man as a “former Marxist”. This reminded me of others like Kwame Nkrumah of Ghana, Kenneth Kaunda of Zambia, Julius Nyerere of Tanzania and a host of them who were also said to be “Marxists” by which they meant “communists” or “socialists”. Of course the West and East tagged these people thus for obvious reasons — whereas the West saw the as “dangerous”, the East considered them “good boys”. But the truth is that none of these leaders who championed the struggle for independence actually understood the global system. At best they only had hazy and confused ideas of soviet-style “socialism” (state capitalism). And, sadly, the present crop of leaders are even more bankrupt and myopic than their predecessors. If so, who gave the precursors advice and who advises the current leaders?

On the attainment of independence many African countries still depended on the former colonial masters for advice and guidance. In fact this is true of most of the francophone nations. Others, like Gamel Nasser's Egypt, Nkrumah's Ghana and Sekou Toure's Guinea were so radical (though not revolutionary) that they openly

castigated the West and courted the friendship of the former USSR. But in reality they did not escape the domineering influence of the existing global economic system since the East also practised capitalism. The finance ministers and economic advisers thought there were differences between the West and East in their theories and strategies for development and that thinking was partly responsible for the trial-and-error methods of development the newly-independent countries adopted – they were just variations of the same rule of capital.

The situation is different is different today. There are thousands of “experts” working day and night in seemingly harmless institutions and commissions and advising governments on their economic policies. The IMF and WB are still the main determinants of the path African economies must chart. But in order to lend some credence to their nefarious activities, they keep creating, from behind the scenes, economic institutions which are outwardly African in nature. And even if the IMF and WB have no hands in the creation of some of such institutions, they still manage to control them by picking up some of their bills. These bodies serve as economic think-tanks and advisers to governments. Some of them even assist in soliciting loans for governments. These include the Economic Commission for Africa; Economic Commission of West African States (ECOWAS); African Development Bank (ADB); Southern African Development Committee (SADEC); West African Monetary Institute, etc. There are groups spearheaded by individuals like Adebayo Adedeji, Julius Nyerere and others. The experts in these institutions hold regular meetings not to seek genuine ways and means of salvaging the African masses but, pretenders as they are, to wine, dine and go home with per diems which are sometimes higher than the monthly salaries of employees in the high income category. They waste huge quantities of paper-producing volumes of reports which sit on shelves gathering dust. But even if these “experts” are genuinely engaged in helping, their efforts will always come to nil.

The reason is that like their bosses in the IMF and World Bank, they are trying to reform a system which is inherently flawed. The system in operation in today’s world is profit oriented. Every idea put across and every step taken is to make profit not to satisfy human needs. Based on

money, the belief is that without money nothing can work. Therefore governments are advised and sometimes coerced to take loans. The few with big money invest in our countries. Since investors are looking for profits the end result is that the human and material resources are mercilessly plundered.

But the truth is that production is carried out by people not money. Problems are solved by human beings, not money. The main problems Africans face are food, healthcare, shelter, education, clothes, and so on. These are produced by human labour acting on natural resources. Africa has more than enough of these human and natural resources but because they system is based on money, these resources are accessible to only those who have money. These are a negligible minority who own all the means of production and distribution of wealth. But since they will use their wealth to produce only what will fetch them more money, they may produce what people do not need. For instance vast tracts of land are used to cultivate cash crops like tobacco, cashew, and cocoa for factories in the West yet what we need more here are maize, rice and other food crops. These latter are not very profitable so despite their importance, they are not produced. This is capitalism.

Any hope for Africa?

In the increasing problems facing Africans are a result of the economic arrangement in which every action is determined by money and profit, then the surest way of arresting the sorry situation is doing away with money. This is only possible on a global basis. The profit system is universal and so getting it off our backs requires the concerted efforts of the global working class not just in Africa, Asia or Europe. When the means of production and distribution of wealth pass from private ownership to collective ownership then the products will also be collectively shared. People will, in this higher and humane system of ownership, willingly contribute whatever efforts they are capable of providing since they know they can freely take from the produce how much they need. In this new social organisation money will have no place and all institutions and people related to money like markets, banks, credit cards, cheques, tickets, bills, accountants, cashiers, sales-girls, etc, etc will vanish. The people

engaged here will be available to get involved in the real work of producing clothes, food, medicines, education, etc. This is socialism.

However, this civilised system of production relations can only materialise when the majority get to understand it and want it implemented. It is only then that Africa and the whole world will rid itself of pretenders posing as financial wizards.

Suhuyini

World Socialist Movement- Ghana

The World Socialist Party

is part of a global socialist movement that believes capitalism cannot meet the needs of the majority of the people in the world, however “progressive” it might become.

To meet these needs, capitalism must be replaced by socialism.

The only way to achieve socialism is for the working class to recognize this and consciously and politically work to replace capitalism with socialism. The World Socialist Party of the United States does not support the idea of reforming capitalism and therefore does not work for reforms. There are plenty of other organizations that do and yet the problems remain. By relegating socialism to the future, it is relegated to never. Only a party dedicated only to socialism can promote socialism in any real, honest manner.

Among all the political parties in the U.S., only the World Socialist Party is dedicated to socialism as an immediate goal. It is this objective that makes the World Socialist Party revolutionary - our dedication to peaceful, democratic and immediate change.

The World Socialist Party rejects the theory of permanent leadership and vanguards.

The World Socialist Party is, therefore, engaged in a war of ideas against all other parties. Those other parties, no matter what they claim, are supporting the capitalist system and opposing the immediate establishment of socialism.

Only the conscious support of the working class will create socialism, and to this end the World Socialist Party seeks to increase understanding of, and mobilize support for, socialism.

The World Socialist Party calls upon every worker to support these efforts in any way that they can.

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