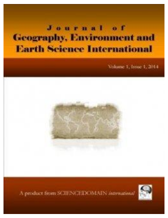

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Colonial History and Geography have been the Main Determinants of Africa's Poor Economic Growth: An Experience of Lost Decades (1980-2000)

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Author's contribution

The sole author designed, analysed, interpreted and prepared the manuscript.

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ABSTRACT

Many states in Africa have experienced particularly painful growth trajectories and transitions to post-independence democracy. In particular many writers have noted the 'lost decades' for democratic consolidation and economic growth in Africa between 1980 and 2000. Current perceptions of Africa are framed by high levels of absolute poverty and low levels of life expectancy, and significant national debt burdens. Many countries have experienced extended periods of devastating political and military conflict, as well as unsuccessful attempts with Marxist-Leninist and free market economic policy, further exacerbating the painful nature of post-independence development. The development paths of many African countries have also been significantly conditioned by regional militarism as well as international geopolitical developments, furthering conflict and development trauma. This paper therefore seeks to identify some of the root causes of the poor economic growth that many post-independence African nations have experienced, specifically between 1980 to 2000. It argues that colonial (and neo-colonial) history and geography have played a significant role in Africa's lagging growth rate and peripheral regional status in a hostile and competitive global economy.

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1. INTRODUCTION

Many states in Africa have experienced particularly painful growth trajectories and transitions to post-independence democracy. In particular a number of writers [1,2,3,4,5,6,7,8] have noted the 'lost decades' for democratic consolidation and economic growth in Africa between 1980 and 2000. Current perceptions of Africa are framed by high levels of absolute poverty (e.g. 61% of Angola's population [9] and 59% of Mozambique's population [10], low levels of life expectancy (39 years in Mozambique and 38 years in Angola [11]), and significant national debt burdens ($4.5 billion in the case of Mozambique and $9.4 billion for Angola (ibid)). Many countries have experienced extended periods of devastating political and military conflict, (particularly in the case of Angola, Mozambique, South Africa, the Democratic Republic of the Congo, Zimbabwe, Sudan), as well as unsuccessful attempts with Marxist-Leninist and free market economic policy, further exacerbating the painful nature of post-independence development. The development paths of many African countries have also been significantly conditioned by regional militarism as well as international geopolitical developments, furthering conflict and development trauma [8]. This paper therefore seeks to identify some of the root causes of the poor economic growth that many post-independence African nations have experienced. It argues that colonial (and neo-colonial) history and geography have played a significant role in Africa's lagging growth rate and peripheral regional status in a hostile and competitive global economy [2,5,12,13,14,15,16,17]. In particular colonial and neo-colonial control over space has significantly affected many state's abilities to generate cohesive societies, strong economies and correct the considerable inequities created during the colonial period.

Table 1 highlights trends in real Gross Domestic Product growth over the post-independence period. It is important to note that many countries (e.g. Angola (1975) and Mozambique (1975)) did not gain independence until the mid 1970s and some countries (e.g. South Africa (1994)) not until the early 1990s. Notwithstanding its sole focus on Sub-Saharan Africa, the table does highlight poor economic growth performance for African countries over the post-independence period. Ha-Joon Chang (2003) [6] however notes a greater complexity in the African growth pattern. He identifies that prior to 1980, African growth was below average for low and middle income countries. However, Africa's poor economic performance became particularly pronounced from 1980-2000 (see Table 1). Ha-Joon Chang (2003) [6] argues that the most significant explanation for this was the effects of the enforced free-market doctrine on vulnerable African economies which came hand in hand with structural adjustment loans in the late 1970s and 1980s. The effect of this, he argues, was to 'kick away the ladder' (ibid.) of protection to vulnerable infant industries afforded through previous policies of protective tariffs and import substitution. As a result, the 1980s and 90s have come to be seen as the lost decades for African growth and economic development. It is also important to note the significance of considerable regional unrest over the period, most notably extended civil wars in Angola, Mozambique, the

Table 1. Trends in real GDP growth: regions and the world 1965-2000 (average percentage growth)

	1965- 1980	1980-1990	1990-2000
Latin America	6	1.7	3.3
Sub-Saharan Africa	4.2	1.7	2.4
South Asia	3.6	5.7	5.6
East Asia & Pacific	7.3	8.0	7.2
All low & middle income economies	5.9	3.4	3.6
High income economies	3.8	3.1	2.4
US	2.7	3.0	3.4
Japan	6.6	4.0	1.3
Germany	3.3	2.2	1.5
World	4.1	3.2	2.6

Source: [18]

DRC and instability in South Africa and Zimbabwe, which have played a significant role in constraining economic growth (see later section).

Table 2's focus on per capita GDP growth particularly highlights the poor growth of African economies. Both North African and Sub-Saharan Africa experienced negative per capita GDP growth rates during the lost decades, and were consistently the worst economically performing regions. It is therefore possible to identify a clear lag in African economic growth in comparison to both other low and middle income countries and higher income countries. In assessing the key determinants of this poor economic growth performance, the significance of European colonialism must be noted as having played a significant role. However European colonialism reached across the globe and was not confined to Africa, therefore highlighting the significance of other post-colonial factors in determining Africa's poor economic growth trajectory. This paper will argue however that many alternative factors have their roots in Africa's colonial past.

2. THE COLONIAL PAST

Colonialism can be seen as an act of destruction of civilisation [1,5,10,17]. Indigenous populations were regarded as indispensable for economic exploitation, and therefore the management of the colonial economy purely for colonial ends resulted in the weak integration of local populations apart from as proletariat labour [19]. The colonial regime rejected any notion of indigenous people running the state, and colonial institutions were staffed overwhelmingly by European administrators at the technical and managerial levels. Despite this characterisation, it is important to note that colonialism took very different forms in different locations. Many postcolonial writers [2,5,8,12,17,19] have therefore challenged some of the generalisations and stereotypes associated with colonialism, aiming to focus on the situated perspectives and diversity of experiences. The scramble for Africa (following the Berlin Conference 1885) and clash of rivalry imperialisms resulted in a division of territory and ownership by one of the major European powers. Different European countries 'developed' their colonies in contrasting ways, which had significant implications for the post-independence economic development of many states. Sidaway (1992) [20] notes the contrast between British imperialism, with its focus on development of infrastructure and indigenous production, with that of Portuguese colonialism. They note that the latter was largely based around commercial ransacking to serve the needs of the metropole. The result was a highly uneven geography of concentration of development around major hubs of economic activity (particularly ports) in Angola and Mozambique, and marginalisation of the periphery and peripheral populations [21]. This would have significant implications for the post-independence economic trajectory of these states. In addition different colonial histories would have significant implications for many African states' ability to generate economic growth after independence. Many (e.g. 1; 2; 5; 8; 17) have written about the legacy of the policy of Apartheid in South Africa in constraining economic growth due to a combination of labour inefficiencies, mounting international sanctions and internal and external security costs. Similarly the Ian Smith regime (1965-79) in Rhodesia (now Zimbabwe) following the signing of the Unilateral Declaration of Independence caused international condemnation and the economic isolation of the Rhodesian economy until it collapsed in the late 1970s.

A number of legacies of colonialism in Africa can therefore be identified with significant implications for post-independence economic growth in many states. Firstly, colonialism

Table 2. Per capita GDP growth rates in developing countries, 1980-2000

	1980-1990	1980-2000
Developing Countries	1.4	1.7
East Asia & Pacific	6.4	6.2
Europe & Central Asia	1.5	-0.2
Latin America & Caribbean	-0.3	0.7
Middle East & North Africa	-1.1	-0.1
South Asia	3.5	3.6
Sub-Saharan Africa	-1.2	-0.7
Developed Countries	2.5	2.1

Source: [18]

created a highly inequitable distribution of resources within states, and subsequent marginalisation of the indigenous populations [1,2; also see 5; 8]. A classic example is the issue of land in Zimbabwe where the Land Apportionment Act (1930) set aside 51% of the land area of Zimbabwe for just 3,000 white European settlers, with the indigenous population allocated drier, agriculturally less suitable regions away from the central watershed, or confined to overcrowded African reserves (at densities of over 60 people/ sq km) [15]. A major problem for post-independence governments has therefore been the task of promoting indigenous economic empowerment and greater socio-economic equity [1,5,22]. The failure of many of these attempts (e.g. in Zimbabwe and South Africa) has resulted in the failure to create sustained economic growth across the region. Secondly, colonial economic control produced a highly uneven pattern of development, both between colony and core, and within colonies, creating major urban core areas and marginalised periphery. This can be clearly identified in the case of South Africa where economic development centred largely in the ports of Cape Town and Durban, and in the mineral rich areas of the Witwatersrand (Johannesburg). Such patterns of development have been exacerbated with post-independence state's incorporation into the global economy. This has created new forms of uneven development with many states remaining peripheral and vulnerable to global economic processes (see later section). The final major legacy in many states was the situation created by the rapid dismantling of colonial infrastructure and governance at independence [12,22,23]. This left a number of arbitrarily created economically disempowered states with significant internal ethno-nationalist tensions, creating the context for civil strife, civil war and resulting severe economic disruption. The colonial history and geography of colonialism, and their implications for the post-colonial trajectory of many African states have therefore been a major determinant of Africa's poor growth.

Box: 1
The impact of colonialism on African economic development

The imposition of colonialism on Africa altered its history forever. African modes of thought, patterns of cultural development, and ways of life were forever impacted by the change in political structure brought about by colonialism. The African economy was significantly changed by the Atlantic slave trade through the process of imperialism and the economic policies that accompanied colonization. Prior to the "Scramble for Africa," or the official partition of Africa by the major European nations, African economies were advancing in every area, particularly in the area of trade. The aim of colonialism was to exploit the physical, human, and economic resources of an area to benefit the colonizing nation. European powers pursued this goal by encouraging the development of a commodity based trading system, a cash crop agriculture system, and by building a trade network linking the total economic output of a region to the demands of the colonizing state. The development of colonialism and the partition of Africa by the European colonial powers arrested the natural development of the African economic system.

However, even more significant to the era of colonialism is the era of the Atlantic slave trade.

The Atlantic slave trade existed in Africa for over three hundred years and introduced to the continent sophisticated systems of credit, exchange and unbalanced trade. This pattern of unbalanced trade continued into the period of colonialism and remains today. The demise of the slave trade began in 1807 when the British government made it illegal for British subjects to engage in the slave trade.

The era of "legitimate trade" began and Africa became a source of raw materials for the rapidly industrializing European powers. The nineteenth century and the end of slaving saw the commercial integration of the entire continent of Africa: north, west, south, and central. The economic goals of colonialism were simple: to provide maximum economic benefit to the colonizing power at the lowest possible price. As the effects of the Berlin Conference which establish the "rules" of the partition game became clear, those areas of Africa which had previously been developing significant trade and economies of their own were brought under the control of European economic policies. Europe was still rapidly developing and therefore needed the raw materials that Africa had to offer.

Colonialism was not just about economic subjugation, but about the ability to wrest control of the local economy from African rulers. Improving the production methods or strengthening the economy was not important. [...].Colonial powers instituted trade controls that limited colonial imports to those from the colonizing power and restricted exports to that same market. [...]. One of the most significant reasons for such stringent economic controls was the desire for colonies to be self supporting. Although originally European nations took great interest in Africa, they felt that the main duty of the colonial governments was to maintain law and order at the lowest possible cost. Economic development and education were considered unimportant and were left to the private sector..[...].Education reforms were introduced and in many areas, modem state systems implemented. However, the long term economic impact of European development held some very negative consequences for Africa also. The infrastructure that was developed was designed to exploit the natural resources of the colonies. Also, the technological and industrial development that had been occurring in Africa was stalled by the imposition of colonialism. Prior to the partition of Africa, local production provided Africans with a wide variety of consumer goods. The policies of colonialism forced the demise of African industry and created a reliance on imported goods from Europe. The most significant negative impact of colonialism on Africa was the overemphasis on single cash crop production. Colonial African economies were focused on the production of one or two agricultural products for consumption in the world markets. ..[..].. Other consequences of colonialism are the destruction of trans - African trade and cooperation. Prior to the partition of Africa, the continent had become increasingly integrated economically, with trade occurring north - south and east -west. The policies of the governing powers redirected all African trade to the international export market. Thus today, there is little in the way of inter - African trade, and the pattern of economic dependence continues. The imposition of colonialism on the continent of Africa occurred for many reasons, not the least of which was economic. Prior to this development, Africa was advancing and progressing economically and politically. Colonialism encouraged this development in some areas, but in many others severely retarded the natural progress of the continent. Had colonialism never been imposed on Africa, its development would be significantly different and many of the problems that plague it today would not exist.

Source: [24].

3. CIVIL WAR AND CIVIL STRIFE

A clear constraining factor on economic growth and welfare in many African post-independence states has been extended periods of civil strife and civil war [25; 26; 27; 28]. As stated above, these have their roots directly in the colonial past, and in particular the rapid and disorderly way in which many colonial empires were dismantled. Colonialism enforced an entirely Eurocentric conception of territory on indigenous populations, although remaining contested on the ground. The colonial map produced an imposed order on African territory and, in the process, a control of the geographies of indigenous populations. It is, however, easy to forget that the creation of empires and African states did not correspond to the geography of Africa prior to colonialism. When the colonial enterprise was dismantled, therefore, this left different ethno-nationalist groups with competing claims for territory and valuable resources [25]. The implications have been catastrophic, creating humanitarian suffering as well as destroying the conditions for sustained economic growth.

Civil wars and conflicts have been a constant feature of a number of post-independence African nations [29,30]. In Angola and Mozambique civil war between divided nationalist movements has raged for an extended period (sixteen years in case of Mozambique and even longer in Angola due to failed peace attempts in 1992 and 1998), having a profound effect in creating social and humanitarian disaster, death and destruction, and failure of state modernisation plans [2,31]. Simon (2001) [31] states that the seemingly endless civil war in Angola between the ruling party (MPLA) and dissident nationalist movement (UNITA) has generated untold human suffering through death, injury, displacement of populations and economic destruction. The humanitarian crisis has been worsened by rising levels of poverty throughout the country and poor infrastructure to rural areas due to artillery bombardment and heavy government expenditure on the military (over \$5billion has reportedly been spent by Angolan government on military equipment [32]. Tvedten (1997) [33] has assessed the costs of war up to 1994 to be in excess thirty billion dollars in materials damage and loss of productivity. In addition, approximately one million people have died due to a combination of fighting and secondary effects; forty percent of whom were children (ibid). Similarly in Mozambique, the activities of RENAMO provided a major security threat to the FRELIMO government, with extensive fighting, destruction of key infrastructure, and terrorisation of the Mozambican rural population in an attempt to destabilise the ruling government. Prolonged conflict in the Democratic Republic of the Congo, has also caused considerable economic and social damage, was well as limiting the prospects of stable peace in the region.

3.1 The Democratic Republic of Congo (1980 to 2000) as a Case Study

The Democratic Republic of Congo (DRC) has emerged from a terrible war that has wrought havoc in Central Africa – and from a decade of crisis. Just after the war of 1998 and the appointment of Joseph Kabila, new hopes have emerged, and there has been progress towards peace and reconciliation. The international community was re-asserting its support, in particular by deploying United Nations (UN) troops [34]. And a new, technocratic Government was taking courageous economic measures. A window of opportunity has opened. But massive external assistance was needed to accompany the peace process and consolidate a still very fragile situation. The social situation remains explosive. The fiscal situation was catastrophic. The Government alone cannot address the challenges the country was facing. Support by the international community was key to stabilizing the situation, and to ending a war which has wrought havoc in Central Africa, and has undermined development prospects in a number of neighboring countries.

3.1.1 Political and economic context of democratic republic of Congo

The DRC is the third largest country in Africa, with an area of 2.3 million square kilometers (about one fourth of the United States, more than two thirds of the European Union). Its population, estimated at about 50 million (including more than 350 ethnic groups), ranks fourth in Africa. The country occupies the basin of the 4,300-kilometer long Congo River, with eleven highly-diverse provinces stretching from the Great Lakes to the Atlantic Ocean (see Box 2)[1] [35]. With a rapidly-growing population estimated at about 8 million, Kinshasa is one of the largest and most dynamic cities in Africa.

Box 2: The DRC's eleven province

Province	**Main City**	**Area (Sq. km.)**	**Population (Million)**	**main activities**	**Remark**
Kinshasa	Kinshasa	10,000	6-8	Capital city	-
Bas Congo	Matadi	54,000	3.3	Agriculture, port	Access to Ocean
Bandundu	Bandundu	296,000	5.6	Agriculture	Kinshasa's granary
Equateur	Mbandaka	403,000	4.9	Coffee, wood	MLC-controlled
Province Orientale	Kisangani	503,000	5.7	Gold	MLC/RCD-controlled
Kasai Occidental	Kananga	154,000	3.8	Diamond, agriculture	-
Kasai Oriental	Mbuji-Mayi	170,000	4.1	Diamond, agriculture	-
Katanga	Lubumbashi	497,000	6.2	Minerals (copper, etc.)	-
Nord Kivu	Goma	59,000	3.7	Agriculture	RCD-controlled
Sud Kivu	Bukavu	65,000	3.3	Agriculture	RCD-controlled
Maniema	Kindu	132,000	1.4	Agriculture, minerals	RCD-controlled

Source: [34]

[1] *This box is based on the "Rapport des Conseillers Economiques de l'Union Européenne en République Démocratiquie du Congo", 1999.*

The Democratic Republic of Congo is potentially one of Africa's richest countries, but successive governments have failed to translate this potential into satisfactory living conditions for the Congolese. Indeed, even before the most recent wars, social indicators were very low (see Box 3), and a large part of the population relied on informal activities to survive (mainly small-scale trading and cultivation of small plots). The formal economy rests on four pillars:

- **Agriculture:** This sector accounts for about 58 percent of GDP and employs about 68 percent of the labor force. It includes both subsistence farming (and fishing) and large-scale production for export (e.g., coffee). Forestry also provides substantial resources (the DRC contains 6 percent of the world's forests).
- **Mining:** The DRC has extensive mineral resources, including copper, cobalt, industrial diamonds, uranium, tin, gold, silver, coal, zinc, manganese, tungsten, cadmium, as well as offshore petroleum. Mining accounts for about 90 percent of the DRC's export earnings.
- **Manufacturing:** Manufacturing activities remain limited (about 5 percent of GDP before the war). The main activities include mineral processing, followed by petroleum and cement production – and also tires, shoes, textiles, cigarettes, beer, and processed food.
- **Services:** Services account for about 25 percent of GDP and 19 percent of employment, including transportation, government, communication, and banking. Tourism was never significant.

Box 3: Key Social Indicators

Even before the wars living conditions were worse in the DRC than in many other African countries (reliable statistics on the current situation are not available):

- Life expectancy (1995): 53 years in the cities, 43 years in rural areas.
- Illiteracy (1995): 32.7% overall, 42% for women (school attendance fell from 72% in 1979 to 59% in 1995).
- Infant mortality (1995): 101 per 1,000 in the cities, 161 per 1,000 in rural areas.

HIV/AIDS prevalence has increased over the last years to reach 5%, i.e. over 2 million people, with large disparities across regions (4.6% in Kinshasa, 0.6% in Kasai, 8.6% in Katanga, 16% in Goma). In Kinshasa, 15% of the infants less than 5 years old are infected.[2]

Source: [34]

3.1.2 Historical background of democratic republic of Congo

The Democratic Republic of Congo has had a troubled history. At the time of independence, in 1960, the DRC had the same GDP and population as South Korea [34]. Political instability and secessionist conflicts (in Kasai and Katanga) marked the first five years of independence. In 1965, Mobutu Sese Seko came to power. During his 32-year rule, a massive program of education and training was implemented. But the country also went through a succession of economic crisis ("zairianisation", "radicalization", and the eventual "retrocession" between 1971 and 1976; terms of trade shocks during the 1980s) compounded by widespread corruption [34].

The crisis heightened during the 1990s. The early 1990s were a time of hyper-inflation, high indebtedness, weak investment[3], and economic dislocation (e.g., Kasai rejected the new currency introduced in 1993) [34]. Between 1990 and 1993, most bilateral and multilateral institutions, including the IMF and the World Bank, suspended their economic assistance programs. In 1991 and again in 1993, large-scale riots and plundering by the armed forces resulted in losses estimated at about 25 percent of GDP. After the 1994 genocide in Rwanda, a large number of refugees came to the Eastern part of the country, aggravating the economic crisis and fueling insecurity. At the end of 1996, a rebel movement, the "*Alliance des Forces Démocratiques de Liberation du Congo*" (AFDL), supported by Uganda and Rwanda, launched a military offensive, which led to the fall of Kinshasa in

[2] *Data provided by the "Programme National de Lutte contre le SIDA".*
[3] *Investment was estimated at 7 percent of GDP a year, compared to 20 percent in sub-Saharan Africa.*

May 1997 [34]. One of the leaders of the movement, Laurent-Desire Kabila became the Head of State.

3.1.3 The war of 1998

In 1998, a new war started, which was accompanied by political fragmentation, and warlordism, and rapidly engulfed seven other countries (Angola, Zimbabwe, and to a lesser extent Chad and Namibia, with the Government, Rwanda, Uganda, and to a lesser extent Burundi on the side of the rebels) [34]. The conflict eventually became fueled by the exploitation of the DRC's mineral wealth (see Box 4).

In August 1999 an accord to end the conflict was reached in Lusaka. The Lusaka Agreement called for a cease-fire, a withdrawal of foreign troops, the disarmament and repatriation of foreign rebel groups based in the DRC (especially the Rwandan Interahamwe and ex-FAR) and an inter-Congolese dialogue [34]. But implementation stalled.

Box 4. War and natural resources
Several recent reports have cast some light on the interplay of war and natural resources in the DRC:
• The mismanagement of natural wealth, especially mineral resources, is one of the causes of the conflict. Cronyism, corruption, and deep inequalities in the distribution of the benefits associated with mining activities fueled tensions.
• The appropriation of mineral resources, once begun, has become a key objective of some parties to the conflict. A number of key actors in the conflict are allegedly involved in exploiting the DRC's mineral wealth, often for personal benefit – and have little interest in the restoration of peace and stability.
• The conflict has become self-financing. Armed groups who have access to natural resources can use these resources to finance troops and equipment and no longer depend on external financial support to go on fighting.
This suggests that transparent allocation of mining rights and proper management of the revenues generated by mining activities will be key to the DRC's sustainable stabilization and recovery.
Source: [34]

The war has taken a heavy toll on the country. Although detailed data are missing, about 200,000 persons, mostly civilians may have been killed. The increased mortality associated with the collapse of physical and social infrastructure is estimated at 1.5 to 3 million deaths since 1997 [36]. The Food and Agriculture Organization (FAO) estimates that about a third of the population (i.e. 16 million people) were starving or malnourished. HIV/AIDS was spreading rapidly, particularly in the Eastern provinces. Damage on infrastructure has also been extensive, in particular because of the lack of maintenance [34]. Transport infrastructure has collapsed. As a result, farmers could no longer commercialize their surplus while food prices in urban centers were high. Damage on other infrastructure (e.g., power, water) was also extensive, in particular in the Eastern provinces. The impact on public administration was also severe. The dislocation of public administration has allowed for large fiscal evasion, in particular for export duties, and government's resources have shrunk to 5-7% of GDP [34]. Most social sectors were no longer financed, while civil servants' salaries have dropped to about US$3 a month (compared to about $150 a month needed to feed an average household in Kinshasa) [34]. The country was facing a deep economic crisis (see Box 5).

Box 5. Key Indicators of a severe Economic Crisis

GDP (1999): About US$3.9 billion, compared to about US$10 billion in 1990.
GDP per capita (1999): US$78, compared to US$250 in 1990.
GDP growth (1999): - 15%
i.e. agriculture: - 16%, manufacturing: - 46%, mining: - 34%, services: - 21%.
Balance of trade (1999): - US$104.5 million, compared to + US$679.2 million in 1997.
Exports (1997 – 1999): -45%
i.e. diamonds: -31%, gold: -42%, copper and cobalt: -79%, crude oil: -43%, coffee: -21%, wood: -80%.

Budget deficit (1999): 117% of receipts, compared to 50% in 1998 and 15% in 1997.
Inflation: in excess of 500% in 2000
Exchange rate (Congolese franc to US$): about 350 (mid June) – compared to 200 at end March 2001, 50 in June 2000, and 1.35 in June 1998.
Debt: US$12.860 million, as of December 31, 2000, i.e. about 225% of GDP and 900% of exports – 25% of this debt is due to multilateral institutions, 72% to the Paris Club members, and 3% to non-Paris Club members and commercial creditors.
Arrears: 75% of the debt, including about US$300 million to the World Bank, US$500 million to the IMF, and US$800 million to the African Development Bank Group).

Source: [34]

3.1.4 The strategic challenges immediately after the year 2000

With the changes in Kinshasa, a window of opportunity has opened. There was renewed hope that the end of the conflict was in view. Although nearly half of the DRC territory was still controlled by rebel forces, a political process was underway to develop a constitutional framework broadly supported by all key stakeholders [34]. The appointment of technocrats in key ministerial positions suggests a strong commitment to breaking with past practices, improving governance and transparency, and pursuing economic reform [34]. Overall, the degree of consensus achieved both internally and externally, and the level of Government commitment to dialogue and reform was evidently much stronger than ever before. But the situation remains very fragile and the process could easily be derailed [34]. The UN forces were not staffed and equipped to fight, and they could not prevent a resumption of fighting. The lack of economic perspectives as well as the continued deterioration of living conditions may further fuel social instability [34]. The government lacks the necessary resources to mitigate the social costs of its initial reforms and of those which have to be taken in the coming months. In this context, external support was critical to ensure the success of the stabilization effort.

3.1.5 The challenges

The interim actions already taken were just a beginning. The task ahead was to rebuild an economy that can provide peace and prosperity for all Congolese, with the private sector driving the recovery. This requires addressing some of the issues that were at the root of the conflict and putting the country on the path of high and equitable growth. The lessons of other post-conflict situations indicate that this would not be easily or quickly done, and that time and speed were of the essence.

The government has set up a priority program for the short-term, in close consultation with the World Bank, the IMF, and key donors [34]. This strategy was aimed at "early wins", to establish a credible policy environment in the eyes of civil society, the private sector, international investors, and donors, as well as to lay the foundation for rapid and equitable growth [34]. It was based on a three-fold agenda:

- **Improve governance**, with a focus on (i) promoting democratization and decentralization; (ii) redefining the role of the State and building partnerships with the private sector; (iii) ensuring an effective control over military forces and implementing a demobilization and reintegration program; (ii) strengthening the judiciary system; and (v) building capacity within public institutions.
- **Restore macro-economic stability**. In this context, significant measures have already been taken.
- **Implement priority activities.** The Government has defined a list of activities to accompany its economic stabilization efforts, which includes: (i) urgent and visible projects, in the infrastructure, social, and agriculture sectors, which can be implemented within the next 6 to 12 months; (ii) institutional support, including to improve the environment for private investments; and (iii) preparatory activities for the next phase (e.g., technical studies).

The design and pace of assistance should reflect implementation constraints. Both administrative capacity and the indigenous private sector in the DRC have been weakened by years of conflict, and efforts should aim to rebuild and strengthen the country's implementation capacity early on. Three (partly overlapping) phases could be distinguished:

- **Stabilization.** This phase could be relatively short, until, say, the end of 2001.

During this period, the DRC could progress towards political stability (through the inter-Congolese dialogue) and economic reform. Donors could finance emergency projects aimed at both alleviating the Congolese's suffering and mitigating social instability. They could also prepare for further, broader involvement (which often requires several months, to mobilize funds, prepare projects, staff teams, etc.). By the end of this period, a pledging conference could be organized, to mobilize larger-scale support.

- **Recovery.** This phase could last two to three years. It could aim to gradually, but rapidly, put the DRC back on a development track. Assistance could focus on building essential administrative capacity (in particular to increase project implementation capacity), removing key bottlenecks to economic recovery (including regulatory and transport constraints), and addressing the most urgent issues that could affect the DRC's long-term development prospects (e.g., HIV/AIDS, demobilization, basic social services and infrastructure).
- **Development.** After two to three years, political stability should have been consolidated, and the administrative capacity strengthened. A more ambitious, and traditional, development program could be designed and implemented, to help put the DRC on the path of high, broadly-shared, and sustainable economic growth.

3.1.5.1 Particular attention should have been paid to three factors immediately after year 2000

- **Political progress.** The liberalization of political life, the success of the inter-Congolese dialogue, the implementation of the Lusaka Agreement, and the effective restoration of security through the deployment of the MONUC, are key conditions for successful economic recovery. The Government and other key stakeholders should be encouraged to move further ahead on the political dialogue.
- **Treatment of the various parts of the country**. The Government had requested that assistance be provided throughout the country. The level, nature, and modalities of development assistance should be adapted to the specific situation of each province (and adjusted as the situation evolves), to reflect needs, capacity (to implement, but also to maintain and operate), and effectiveness criteria. Capacity building in public institutions should support the integration of administrative structures within a comprehensive, country-wide system.
- **Regional framework.** Ultimately, the DRC's recovery was both conditional to and a condition for progress towards peace and stability in the sub-region. International assistance to the DRC should be seen within the framework of a broader effort, aimed at stabilizing the sub-region through a combination of political, security, and economic actions.

3.1.6 The implementation challenges

Efforts should have been made to help DRC rapidly qualify for the Highly Indebted Poor Countries (HIPC) initiative, so as to free up resources for development activities. DRC's total external debt was at about $12 billion, most of which in arrears [34]. The economic measures taken recently were a first step towards building the necessary track record to open the way for an IMF Poverty Reduction and Growth Facility (PRGF) and eventually to qualify for the HIPC Decision Point – and these efforts should be pursued and deepened [34]. Arrears to multi-lateral institutions should have been cleared (in particular for the African Development Bank), which was a pre-condition for new lending. Bilateral assistance may be needed to that effect, possibly through bridge loans or a debt fund (or both). Negotiations should also be initiated with the Paris and London Clubs [34]. And an Interim Poverty Reduction Strategy Paper (I-PRSP) or equivalent should be rapidly prepared.

3.1.6.1 Dealing with a weak implementation capacity

The DRC's implementation capacity may appear limited in relation to needs. Administrative capacity was weak, and corruption was still widespread. Private contractors have closed down, and there were huge logistical bottlenecks, in particular due to the collapse of the transport network. Early efforts should have been made to address these issues, so that implementation capacity does not become a major constraint to successful recovery [34].

For both the donor communities and the Government, the challenge over the successive years were to identify, test, develop, and adjust effective implementation mechanisms. During the stabilization and recovery phases, ad hoc solutions could be found for implementing projects, including:

- **Making extensive use of the vibrant civil society**, and of the extensive networks of community-based and religious organizations, in particular to access populations in rural areas and in small urban centers.
- **Relying on turn-key contracts with reputable international companies** for the most complex and expensive projects (e.g., in infrastructure).
- **Encouraging the partnering of local and international companies** and helping local companies develop their capacities (e.g., technical assistance, advance payments to procure key equipment).
- **Providing intensive, hands-on technical assistance** to help prepare and supervise projects, and over time to strengthen institutions – although attention should be paid to avoid jeopardizing local ownership of the programs.

3.2 Zimbabwe and South Africa Crisis

Incidences of post-independence civil strife have also had a significant impact in limiting economic growth across Africa [25,29,37,38,39,40]. The most notable example is Zimbabwe where the scale of the humanitarian crisis obscures the massive economic crisis that the country also currently faces. The Zimbabwean crisis and political and social instability, particularly from 2000 onwards, has created soaring inflation (with inflation figures in the millions despite currency corrections) as well as an escalating economic and social crisis (including a famine crisis and a shrinking economy (GDP -7% (2007 CIA World Fact Book)) making Zimbabwe the worst performing economy in the world with continuous negative growth since 2000 [15]. The Zimbabwean crisis has also affected foreign perceptions of the region and has had a negative impact on foreign direct investment to South Africa, especially between 1999 and 2000 [see 15]. Zimbabwe therefore serves to compromise economic growth and spread instability across the region.

A significant reason for the failure to successfully create regional economic growth has therefore been the failure to maintain stability and security, as foreign investors have been reluctant to invest in unstable regions or corrupt governments. Managing conflict across Africa is a daunting challenge [2; 31; 41]. It is however the most important non-economic factor which should be included in economic policy thinking, vital for investor confidence, and therefore the economic health and growth of African regional economies. Security is more than just about preventing wars, or achieving a basic level of peace [31]. The very concept of development involves issues of security, stability, and freedom (ibid) crucial to the whole continent. Conflict and regional instability has to date had a devastating impact on economic development across the region. Many have looked to South Africa as the largest economy to promote peaceful regional integration, particularly in Southern Africa. South Africa has committed itself to an 'African Renaissance' through participation in peacekeeping operations on the continent and has stated aims to focus on improving freedom and empowerment and governance across sub-Saharan Africa.

South Africa therefore identifies the importance of its commitment to regional security and stability as a fundamental driving force in the engine of growth, as FDI will only be attracted to a stable regional polity. A number of serious challenges to the quest for continental security and stability have however been posed within the region. Involvement by a number of states on different sides in the conflict in the DRC removed the region's sense of collective solidarity and relatively positive momentum to that point. In addition, the major regional challenge remains in Zimbabwe, where an escalating humanitarian crisis will continue to hinder regional stability, integration and growth. Thus far, however, there has been reluctance from neighbouring states (especially from South Africa) to actively intervene.

4. NEOLIBERALISM AND THE FAILURE TO PRODUCE GROWTH

As stated above, a major challenge of governments has been to promote economic empowerment and growth after independence. Some states (e.g. Mozambique) attempted ambitious and ultimately failed attempts at Soviet-influenced state socialism and development planning. Initiatives involved the creation of large state-owned companies, the creation of state-owned agro-industrial plantations, communal village systems and collectivisation of peasantry in rural areas, and state controlled trade and exchange. Despite the socialist rhetoric of many post-independence governments (e.g. South Africa, Zimbabwe), many government have however adopted the neoliberal development approach (including privatisation, market liberalisation, currency devaluation and cuts to government spending) in return for development money, aiming to create rapid economic growth and economic empowerment.

Table 3. Economic growth in South Africa under GEAR

	Growth rate
1996	2.6%
1997	2.6%
1998	0.8%
1999	1.9%
2002	3.6%
2003	2.8%
2004	3.7%
2005	4.3%
Expected Growth Rate	6%

Source: [42,43]

This approach has however received an extensive critical literature across countries in the region [see 3,22,44]. In South Africa, Peet [42] has argued that neo-liberal initiatives for restructuring the South African space economy have limited scope for producing economic growth and much needed socio-economic redistribution, due to the limited nature of wealth 'trickle down' to the very poorest and most vulnerable. GEAR (the ANC's neoliberal development strategy) has come under considerable criticism in its failure to provide growth and employment. The program was criticised initially for failing to create sustained economic growth, however in the longer term is showing some signs of improvement (see Table 3). Such recovery is however significantly short of government targets of a sustained 6% growth by 2000. Unemployment is also showing disappointing progress. Significant job losses were experienced initially (350,000 jobs lost 1996-99 [43], and more recently unemployment rates remain high (2003- 41.8% according to the expanded definition of unemployment, and 39.0% in March 2006 (ibid.)). The poverty and inequality reducing drive of mass employment creation through growth has therefore not been facilitated by the GEAR program, and Marais [3] and others have argued that the government strategy is actually serving to worsen inequality, undermining the redistributive effects of the budget. Similarly in Zimbabwe, Bond [44] has documented the significant economic decline in the early 1990s, as a result of structural adjustment, leading to a failure to create growth as well as universal increases in poverty and sliding social development amongst marginal urban and rural groups. Bond [44] states that due to the implementation of ESAP, poverty and hunger increased due to slow growth of employment opportunities, sharp increases in food prices due to inflation and significant retrenchments in the public and private sector. There were also ominous reversals in social provision, with the introduction of fees in rural clinics and primary education. Market-based development initiatives have therefore arguably been the cause of the growth problem of many African countries, not the solution to it [also see 45,46,47]. Many governments have had the unintended consequence of creating economic disempowerment and increasing inequality as a result of their policies [see 48,49,50,51]. This has in many cases failed to create growth as domestic markets have not expanded due to continuing high levels of poverty and inequality.

5. CONCLUSIONS

This paper argues that colonial (and neo-colonial) history and geography have played a significant role in Africa's lagging growth rate and peripheral regional status in the global economy. Whilst it has sought to identify a number of postcolonial factors which have blighted growth across a number of African nations, it argues that many of these additional factors have their roots in Africa's colonial past. In particular, the numerous instances of civil war and civil strife can be directly linked back to the colonial project and disorderly way in which many states were hastily decolonised. Newly independent countries were therefore unable to generate cohesive societies, strong economies and correct the considerable inequities created during the colonial period. The neoliberal doctrine, enforced on many vulnerable postcolonial developing economies, has also significantly affected the growth trajectory of many African nations, with notable failures in Zimbabwe and South Africa. It can, however, be argued that this reflects a neo-colonial control over space by dominant financial actors in the global economy. The colonial legacy therefore remains a significant factor in post-colonial Africa. This could remain a major impediment to growth and an African renaissance in the future.

COMPETING INTERESTS

Author has declared that no competing interests exist.

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