Structural Adjustment Reconsidered: Economic Policy and Poverty in Africa:

This book provides a detailed empirical analysis and neo-classical economic assessment of the manner in which three major areas of structural adjustment in 10 selected Sub-Saharan African countries have impacted upon the national economies and the poor of those countries. The publication is the product of substantial research conducted between 1989 and 1993 by economists from Cornell University in the USA.

Compared with the more widespread awareness of economic developments in much of Asia during the 1990s, much less is generally known about recent developments in Africa. This book provides a timely contribution.

The principal chapters first address the topic of poverty in each of the selected countries, and then the implications for the poor are considered under each of three broad areas of reform: trade and exchange rate; fiscal (changes in government revenue and expenditure) policy; and agricultural and food marketing policy. The authors identify a range of economic indicators which record inadequate performance across the selected 10 African countries, with economic growth slow or nonexistent, and poverty remaining widespread. Page 240 records the rather sombre comment that ‘The simple unweighted average of food production per capita in the ten countries... shows a decline of 12 percent between 1975–1977 and 1989–1991.’ Given the significance of the role of agriculture within most of these economies, then the lacklustre performance of the agricultural sectors can be expected to be a major determinant of the identified widespread decline in exports, savings, and investment. Labour productivity has also lagged behind other developing regions. The authors caution the significance of their range of findings given the quality and quantity limitations of the available data. Again on page 240 they note that ‘Improvements in survey data and information systems are necessary for improving agricultural policy evaluation and planning in most African countries.’

The authors acknowledge the limitations of adopting methodology to assess the effects of policy changes using a ‘before [policy] and after [policy]’ technique, and adopt a preferred ‘with [policy] and without [policy]’ outcomes approach examined independently of other external and internal shocks (see page 251), using input–output models.

In addition to agriculture and/or mining as a major economic activity and a major component of exports, the selected countries also have other ‘developing nation’ characteristics which include: significant proportions of the workforce are employed in agriculture; food consumption represents a very high proportion of personal consumer expenditure; and people have inadequate provision and access to health and education services.

Poverty (especially rural poverty... which the authors acknowledge on page 27 to be ‘the most striking feature of Africa’s poor’), and land management are examples of significant policy issues which flow from such developing nation profiles. The authors address the first issue, in which they come to the conclusion that the three major areas of reform have yielded small net gains to the poor, but have failed to reduce the poverty problem to any significant extent.
The topic of land management is not addressed in any detail. This topic can be expected to be of some significance given the high proportion of rural poverty. The authors infer this issue as being important when they acknowledge on page 32 that ‘Land is... a critical asset, determining household welfare and coming under increasing pressure due to rising population densities and environmental degradation.’ and when on page 246 they refer to ‘Any resurgence of rapid growth in agriculture will thus require more attention to micro-economic factors, including... agro-ecological conditions’.

The authors note that African farmers are private entrepreneurs, who will respond to incentives and more efficient markets. They note on page 245 that ‘Lack of [farmer] access to information, inputs, and technology and high transaction costs due to deteriorating infrastructure, in addition to price distortions, all work to the detriment of the poor.’ Improvements in access to education and health, and improvements in labour productivity and land productivity are essential. For each country this broad set of issues makes for a major agenda of continuing economic reform.

The book will be particularly relevant for economic development economists and policy makers, and postgraduate students. Because the text does not give any detailed consideration to the implications of economic development for ecosystems and the natural environment, the book may have only limited interest for many readers of this Journal.

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