

## **Chapter 9**

### **SOUNDS FROM THE AFRICAN CHURCHES**

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The subject before us is not a simple one. Economists, politicians and rulers have wrestled with it. The church has also joined in the struggle. I am not competent to actually bring before you the sounds from the African churches. You are aware of the vastness of our continent. Her differences in religion, politics, culture, and physical features applies even to economics. However, it should be realized that, despite these differences, the similarities are more. I shall therefore attempt to interpret the waves and their notes and give at least a clue to what the churches are saying on this subject.

#### **INTRODUCTION TO THE CRISIS**

Africa's debt burden now stands at US \$256b. Sub-Saharan's debt is now US \$140b, which was only \$6b in 1970. The debt at the end of 1988 was equal to the continent's Gross National Product (GNP) and three and a half times its export earnings. This was no more severe than that of Latin America, whose debt was 59% of GNP. Since 1970, the Continent's long-term debt has increased 19 fold, while debt servicing obligations, the real measure of debt burden, rose to a point where they could not be met in the 1980s. The debt burden stood at 57% of export earnings in 1988. Not more than a dozen African countries have serviced their debts regularly since 1980. The rest of the countries have either rescheduled their debt service payments or accumulated arrears. The debt service payments are ranged 27% of the continents' exports during 1985 to 1988 but represented only three fifths of the region's obligations. Low income countries on the continent had an even higher debt service ratio - about 30% to their export earnings.

The debt burden for Africa is becoming more and more unbearable. Professor Adebayo Adedeji, the United Nations Under-Secretary General and ACA Executive Secretary, addressing the Standing Committee of the House of Commons on External Affairs and International Trade in October, 1989, in Canada, revealed that

Africa's external outstanding debt amounted in 1988 to over 81% of the region's GDP and over 314% of the exports of goods and services. Those indicators are significantly higher than those of the heavily - indebted countries at about 50% and 270% respectively. Africa's scheduled debt-servicing to exports ratio of 40% in 1988 compared to a similar ratio for the heavily indebted countries of about 25%, is also indicative of a heavier debt burden.

### **STRUCTURAL ADJUSTMENT PROGRAMMES (SAPs)**

Much has been discussed about SAPs so that we do not need repeat its genesis and operations. It is the effects of these programmes which we need to look at briefly. Professor Adedeji told the same Canadian Committee that "SAP has literally shackled African countries..., thus pressuring them to accept solutions that can only cope with the symptoms of the crisis and not with its core."

Briefly, the SAPs policies are:

- (a) Currency devaluation in order to increase exports and reduce imports.
- (b) High interest rates which would allocate investment to "most efficient" investors.
- (c) Restricted money supply to control inflation.
- (d) Government spending cuts to reduce excessive demand in social services, i.e., health, education, etc.
- (e) Lower tariffs and import quotas in order to increase international competitiveness and improve efficiency.
- (f) Privatization to make enterprises more efficient.
- (g) Export promotion to earn foreign exchange for debt repayment.

It should be remembered that SAPs have been devised by the IMF with full support of the World Bank. A closer examination of SAPs and their efficiency has actually created a negative image. They seem to be aimed at recolonizing Africa rather than liberating her. The Institute of African Alternatives rightly argues that

Under structural adjustment the IMF and the World Bank do not merely supervise individual sectors of the economy as in the past (Agriculture and social services by the Bank and external trade by the Fund)...They now manage each country entirely. They have to approve annual national budgets, post their representative to the Central Bank, Ministries of Finance and Trade of independent countries, approve monetary, trade and fiscal policies and give clearance certificates before countries can negotiate with other foreign lending agencies. This is the recolonization of Africa.

SAPs have also created inhuman conditions in countries where they have been introduced. There is the increase of misery and poverty, precarious health conditions, increase in adult and child prostitution, increase in illiteracy, increase of abandoned children, the increase in urban and rural violence. It has been observed, however, that the hardest hit are women and children. These conditions are biased against women in at least two ways. First, women bear the pain of adjustment, since they are the main providers of food and care for their families. Women are forced to adjust by growing more food, reducing their consumption of protein, spending more time fetching water, etc. and caring for the sick family members. Secondly, they are denied access to credit, land, education and training. I have elsewhere elaborated this in a study of Nehemiah 5:1-13. SAPs are responsible for the withdrawal of vital food subsidies, steep declines in real wages, massive lay-offs of public sector workers and severe cut-backs in social services as observed above. Between 1982-87, African countries sharply cut back on expenditure in attempts to stabilize and restructure their economics but their debt almost doubled to the present level of nearly \$240b, as new loans were mainly contracted to meet reimbursement and servicing obligations or rescheduling of debt accumulated in the previous years.

Therefore the debts are not being paid, since the truth of what is needed is not that the debts be paid but be serviced. The former President of Tanzania, Julius Nyerere, was quoted in 1988 to have said, "If you can pay debt, pay: it is honorable to pay debt. If you cannot afford it, it is a sin to

pay. It is immoral to repay loans and leave children starving." And recently he reiterated in Abuja, Nigeria, that "Third World debtor countries have become so economically handicapped, that the only course open to them is to repudiate their external debts.

These debts are 'mathematically unpayable' and the creditor nations are aware of this."

If the situation is all this desperate, should the Church be involved? Or is it too late?

## WHY THE CHURCH SHOULD BE INVOLVED

The effects of SAPs are not only the concern of the governments, but also of all people of good will. The Church, being the people, has to take a very active prophetic role in the liberation of the suffering people. It is the concern of the church that people live in conditions which permit economic and political freedom, equality, peace and development. This conviction springs from our faith in a living God and from our belief that the Gospel values are the basis for a just society, in which we can all enjoy the abundance of life to which we have been called.

In the Papal encyclical *Solitude Rei Socialis* of Pope John Paul II (1987), the debt crisis is discussed. The Pope states in this letter that the instrument of giving capital and accepting it as a loan, which was originally chosen to make a contribution to real development, "has turned into a counter productive mechanism." He adds,

This is because the debtor nations, in order to service their debts, find themselves obliged to export the capital needed for improving or at least maintaining their standard of living. It is also because, for the same reason, they are unable to obtain new and equally essential financing. Through this mechanism, the means intended for the development of peoples has turned into a brake upon development instead, and indeed in some cases has even aggravated underdevelopment (Para 9).

The Pope wrote this against the background of a profound analysis of what are called "structures of sin," which are described in this letter as

those economic, financial and social mechanisms which, although they are manipulated by people, often function almost automatically (thus) accentuating the situation of wealth for some and poverty for the rest. These mechanisms, which are manoeuvered directly or indirectly by the more developed countries, by their very function favor the interests of the people manipulating them. But in the end they suffocate...the economics

of the less developed countries (Para 16).

So we find in this papal letter critique of both present unjustified processes between the rich and the poor countries, and of the structures - *the structures of sin* - behind those processes. The Evangelical Lutheran Church in Tanzania, in August, 1989, probably taking the stand of their former president Nyerere, resolved:

To insist on such a massive transfer of resources from the poor to the rich countries is simply to create a hostage situation where the poor will always have to respond to conditions as determined and demanded by the rich...To insist on the repayment of the debt...is a prescription for destroying the very livelihood of our people.

Today both the rich and poor countries know that the debt cannot be repaid. But for the North, the crisis has now become a political tool for shaping the kind of world economic system that would be convenient to continue to exploit. Our stand is that the debt is no longer a technical issue...it is now a matter of life and death for a greater number of people on earth. Our people are not guilty. If anybody needs to be forgiven it is certainly not the poor in the villages or urban areas of Africa who do not know what happened to the money.

While this argument of the church in Tanzania may be valid, we have very little option. Once one has borrowed, he/she is obliged to pay back. It is with this consideration that the churches in Ghana have given support to Local Community efforts which have been augmented by provisions of the Programme of Actions to Mitigate the Social Cost of Adjustment (PAMSCAD).

The key components of PAMSCAD are:

- (a) Support to Community initiative projects.
- (b) Self-employment measures for retrenched workers.
- (c) Credit to small-scale entrepreneurs and farmers to boost local production.

(d) Nutrition and immunization programmes for under fives and school-feeding for older children.

(e) Priority public works for small-scale local infrastructural development such as feeder roads, safe drinking water and rural electrification.

It is argued that although PAMSCAD was designed as a two year "first aid" ameliorative programme, its concept was based on community initiatives inspired often by churches, para-church or Christian voluntary organizations. Perhaps then the voice of the church will be heard better once she has cooperated in these remedial activities.

The churches in Kenya have been co-operating with the government in projects similar to that above. It has mainly supported the informal sector (*jua kali*) and the focus on district development. The effects of SAPs mostly seen in education and health services, have painfully been accepted. The emphasis on privatization and exports over imports have been accepted. However, not many are aware of the genesis of those structural adjustments, because she brags on being in time to service her debts despite the suffering of the people.

The World Council of Churches' Convocation on Justice, Peace and Integration of Creation held in Seoul, Korea, this year felt that the Church should positively contribute in the following ways towards the alleviation of the debt crisis.

- a. The churches affirm that economic activates, like every other department of human life, stand under the judgment of Christ.
- b. The Churches exercise stewardship over their possessions e.g. lands, buildings and investments, and be guided in their policies by a preferential option for the poor.
- c. Churches adopt and apply the *Guidelines for An Ecumenical Sharing of Resources* worked out in a world consultation on this subject in El.Escorial, 1987.
- d. Churches increase their support for and investments in the Ecumenical Development Co-operative Society (EDCS), thereby expressing the conviction that social return from investment takes

priority over financial return.

- e. Churches and church-related organization develop "economic literacy campaigns" to educate their members with regard to the way economic policies and systems work and how they can be improved.

The convocation did covenant itself to several issues in an effort to alleviate the crisis.

Recently the All African Conference of Churches held a consultation on "Debt Crisis as it affects human rights" in Maseru, Lesotho. It is of great importance that we reproduce excerpts from that consultation as it has some points worthy of consideration by the churches in Africa:

#### **MASERU DECLARATION ON THE DEBT CRISIS AS IT AFFECTS HUMAN RIGHTS (EXCERPTS)**

We participants from twenty-four countries of Africa, Latin America, Europe and North America, meeting under the auspices of the All Africa Conference of Churches;

Asserting the right and responsibility of the Church, representing the people of God, to speak out on behalf of the weak, oppressed and poor, having met at Maseru, Lesotho, September 26-30, 1990. And having considered the Debt Crisis as it affects human rights in Africa,...

#### ***Editor's Note:***

***Since the Jos Conference decided to republish the Maseru Declaration in full as a separate chapter, there is no need to reproduce the extensive excerpts in Gathaka's lecture. While we appreciate Gathaka's partial reproduction, we skip that section and refer you to Chapter 11 of this book. We continue with the last part of his lecture.***

In addition to these—Editor: that is, the actions called for in the Maseru Declaration—we need also to shout louder on the idea of the Sabbatical Year and the Year of Jubilee, Deut. 15 and Lev. 25. The main purpose of these years was to prevent the utter ruin of debtors as it is happening now. In biblical times a man who incurred debt that he could

not repay could be forced to sell off his land or even his personal freedom by becoming a slave.

Today, in most capitalistic economies, in fact, the poor are losing their lands because they cannot repay their loans. When left unchecked, this process led to great social division in Israel with a class of rich land owners exploiting a mass of landless serfs. In the Jubilee year the land reverts to its original owner and the slave is given his freedom. However, at present the debt-equity swaps invites the sale of a country's assets to foreign owners, which is the opposite of the Jubilee principle. While advocating the year of Jubilee and debt forgiveness, we should not forget that the money belongs to creditor countries' tax payers and it is equally wrong not to want to pay.

## **CONCLUSION**

This is a general paper on the sounds from the African churches. We have seen that SAPs are not creating a movement "From crisis to sustainable economy" or towards liberation as the World Bank's recent report on sub-Saharan Africa wants us to believe. Rather SAPs are instituting recolonization. SAPs are only underdeveloping. Africa has the potential in natural resources, but she does not have the capital to process them. We can produce enough coffee, tea and cocoa for export, but in fact the markets for these are dominated by a few corporations that are properly called "oligopsonies," that is, markets here many sellers face only a few powerful buyers. We are therefore left in a desperate situation where the tiller of the land sleeps in hunger, the tailor wears rags and the builder sleeps outside.

Theology and economics as sciences must surely converge somewhere for the common good. Contextual theology and social analysis can serve as eye-openers as to how we can tackle the root causes of economic injustices. Our prophetic voice therefore must be heard loud and clear regardless the consequences, because we are in a situation where the masses are like sheep without a shepherd and if the shepherds are there, they are only feeding on the fat rams rather than protecting them. We have to speak against these SAPs which advocate privatization, which is likely to lead to increase in prices in a rush to make lucrative profits, while it is pretended that there will be more jobs. An unjust economy for a few who will only invite foreign investors to come and colonize us again. SAPs which will reduce our people to animals by denying them their human rights should be condemned. It is only by taking the action outlined above that

the Church under these conditions will be the Church and be seen as the Church that we shall let the Church to be the Church and the Church will be seen as the Church.