

ON "THE TRANSITION TO MARKET ECONOMY AND THE TRANSITION OF MARKET ECONOMY" IN AFRICA

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In listening to the papers on Africa, two questions came to mind. The first deals with the approach to Africa whilst the second includes Africa but extends to all the discussions held thus far on what a market economy entails.

First, it strikes me that dealing with "Africa", in just one session, presents a mammoth task for the presenters. Presenters in the Asian sessions have dealt with individual countries and the individual characteristics of their market economies. This, of course, reflects the organisers awareness of Japan's position as a fully integrated member of Asia and her need to understand the individual problems and characteristics of her neighbouring markets in order to survive within the larger regional market of Asia. However, for Japan, Africa is still an unknown quantity far removed in both distance and similarities concerning markets and economies, and indeed fundamental cultural practices. Mr. Horie has told us that Japan is playing an important but rather quiet role in the development of certain African countries but the scale of that role, compared to that of her involvement in Asia, is many times smaller. We are thus left with an image of "Africa" as a conglomerate whole with the accompanying stereotypes—rather than an image of a continent comprised of a number of different countries with a diversity of cultures and economies.

Thus my first question becomes, is it really possible to deal with "Africa" as the organisers have asked the presenters to do. A continent comprised of over 50 countries, with vast differences in environment and many differences in culture, history (including colonial history) and levels of development must surely produce different economic conditions. I realise that the presenters have attempted to give as broad a perspective as possible by introducing a number of case studies but I still find it very difficult to conceive that these cases are representative of *all* of Africa. Would it not, therefore, be much more productive if, in future sessions of this kind, "Africa" be divided into more specific categories that are at least representative of perhaps a region or countries that enjoy similar conditions, modes of production, etc? Dr. Cliffe has told us that political demarcations are of little use as Marxist and Capitalist governments all tend to blend into the same grey colour. Nevertheless, considering the fervent bid by so many African countries to develop new economies and more stable societies, it seems imperative that "Africa" be dealt with under

more specific categories in order that not only market economies can be discussed in more detail, but that methods involved in aiding the development of these countries can become more focussed. Discussing Africa within the framework of such a wide all-encompassing concept can only be misleading (as, for example, are the concepts occidental and oriental)—unless, of course, we fully take to heart the idea that this is the age of borderless economies and that market economies are a universal phenomenon.

Thus, following on from my query concerning the approach to Africa as a homogeneous block and the development there of a market economy, I find myself questioning the assumptions concerning a “market economy”. Not being an economist, I have no forgone concept of what a market economy entails. However listening to the discussion that has gone on here at the conference, I am still unable to grasp any conception or definition of a market economy that seems to be commonly held. I am therefore led to believe that there is no universal understanding of what a market economy should actually be; and hence, no doubt, the need for a conference such as this to discuss the subject more fully. Listening to various papers on the subject, I have to conclude that because each country operates under a diverse number of conditions that include differences in environment, level of development, history, language, national objectives, and so on, it will be very difficult, if at all possible, to attain consensus on what a market economy should be.

Yet, the general atmosphere here seems to point toward what has been termed a “free” market economy. The adjective “free” seems to embrace a myriad of connotations, of which government interference-“free” has been emphasised here on more than one occasion. Whilst I do not think that state control or dictatorship produces a healthy economy, I also find it difficult to believe that governments should leave the markets to play out economic Darwinism as this inevitably will lead to breakdown within society. As Dr. Ikiara has stated in the case of Africa, “the emergence of free markets [has] tended to create considerable pressure on the low income groups”.

The papers on Africa have pinpointed a number of social problems that can occur when economic rationality is allowed to run rampant, not least of which are matters of health care and education—matters which can be considered fundamental to the well-being of any society. Again, when it has been stated that African countries have only practised economics for only a very limited period, it seems inevitable that a bizarre scenario will unfold if no form of government control or involvement occurs in the development of these relatively new economies. Mr. Horie and Dr. Cliffe have stated that “good governance” is an important objective which African countries must achieve. I fully agree with the need for the instigation of such an agenda. However, although not openly stated, it has been implied throughout that

governments should withdraw into to the background where the matter of economic issues is concerned. This has also been made a condition for much of the aid offered by the already developed countries.

These demands, however, strike me as arrogant as they do not to take into account that this seemingly *a priori* condition for a market economy is very much steeped in long periods of tried and tested periods of government involvement in economic markets. In the United States “big government” is a term that is often used with disdain and spurned as though it were a pox upon the nation. However, there are other examples of active government involvement (rather than interference) in other countries where governments do not necessarily encroach severely upon economic principles. In the developed world, in countries such as Australia, Japan and even France, government involvement in the economy is actively carried out and has been as much a matter of guiding and manipulating markets as it has been a matter of ensuring a healthy state of affairs for the nation as a whole. Such involvement has also shown that there is less to fear than proponents of “free” would trade and “free” world markets in the United States and other developed countries would have us believe.

As we have heard, “Africa” is in a myriad of stages of development. We have been told that issues concerning “Africa” in the immediate future are: corrupt and weak democracies; small scale private sector and entrepreneurs; education and health; externally initiated policies and reforms; economic reforms which do not seem to correlate with significant success; a limited period of time, thus far, to practice economics. Is such a climate capable of maintaining a “free” market economy when such an economy actually depends on rules and regulations which become the premises on which the economy operates? Governments taking the initiative does not necessarily preclude an active market economy; and a “free” market economy does not necessarily ensure a stable society that provides for the majority of its members.

For many African countries, which are still fighting to ensure the survival of their people after famine, ethnic cleansing and other major internal wars, is a market economy indeed the answer to their many woes? Even if it is attainable. This is a question that faces the world as a whole today. Faced by the distinct possibility of having to face numerous environmental disasters in the coming future, it may in fact be politic to review and revise our understanding of “market economies” before pressing on with suggestions for the implementation of them. We have heard what the necessary measurements entail for the development of a market economy in Africa, but we have failed to discuss the basic premises upon which we base these suggestions. Although this conference has introduced us to the many characteristics, problems and sought-after solutions for the development of market economies, this

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discussion has centred largely on the transition *to* market economies. Discussion concerning the transition *of* market economies has largely been left by the way, but it nevertheless remains an important issue deserving further in-depth discussion at a future date.