

# ***SouthViews***

No. 74, 07 August 2013

**SOUTHVIEWS is a service of the South Centre to provide opinions and analysis of topical issues from a South perspective.**

Visit the South Centre's website: [www.southcentre.org](http://www.southcentre.org).

## **Africa Has Entered A New Season of Planning and Long-Term Development Thinking**

**This article, originally a background note for the “IDEP at 50” Conference, traces the history of economic planning in Africa and concludes that there is now a “new season” of planning and long-term development thinking in the region. This analysis is by the Director of the United Nations African Institute for Economic Development and Planning (IDEP).**

**By Adebayo Olukoshi**

The interest in, or the revamping of, development planning is increasing on the African continent. There are a lot of opportunities and challenges connected to the rebirth of long-term development visions and planning in Africa. For an appropriate development planning, African countries must have a look back to their experiences of development planning and update their strategies in the light of the lessons learnt. In doing so, it is important to recall the history of the practice of development planning in Africa from the independence era in the late 50s and the early 60s.

At the time African countries began to attain their independence, development planning was widely practiced by governments around the world. Among the countries of Western Europe fresh from the experience of the Great Depression and the crises of the inter-war years, there was a generalized recognition of the fact that major investments had to be made in reinventing public policy and the role of the public sector in the development process. Much of this thinking was eventually encapsulated in Keynesian economics and it translated into the allocation of a central role to planning in the theory and practice of economic management.

In Eastern Europe, especially among the countries that made up the old Soviet Bloc, centralized systems of planning were put in place as a socialist counter to the widespread market failures – and the social dislocations associated with them - that contributed in part to the spread of revolution.

The practices of development planning such as they existed after the Second World War were refracted in their different varieties into policy design and the economic management approaches of the countries of Africa, Asia, Latin America and the Caribbean as colonial rule ended. India stood out as a prime example among the former colonies where the institutions and processes of planning were strongly embedded but China was also to embrace planning following its Maoist revolution of 1949. African countries mostly joined the train in the period from the 1950s onwards even if in countries like Ghana, known as the Gold Coast at the time, the planning experience predated this period.

The arguments in support of development planning were numerous and were also at the heart of ideological arguments among economists about how best to govern an economy and manage the development

process. These arguments need not be repeated here as they will feature in the conference; suffice it to note that African countries adopted the planning approach to their development efforts in the conviction that it offered them a much better chance not only to master their nascent post-colonial economies but also speedily turn the table of underdevelopment.

Development planning remained in vogue across the continent until the end of the 1970s. Following the onset of economic crisis on the continent in the early 1980s, development planning was to come under a severe and sustained attack from the Bretton Woods institutions which, guided by the structural adjustment programmes that they designed, launched a determined effort to roll back the state and all semblance of state interventionism in preference for the “free” market. As part of this ideological and political onslaught, planning institutions were dismantled or downgraded and in their place, policies designed to “free” the market and roll back the frontiers of the state were promoted.

If the period from 1960 to 1980 could be described as the era of the growth and consolidation of development planning in Africa following its introduction in the post-War late colonial period, the period from the 1980s to the middle of the new millennium saw its decline and decimation. In place of the five yearly plans, and with the overarching objective of achieving and sustaining macroeconomic balance that was integral to the neo-liberal reform agenda on the continent, governments were, at best, encouraged to embrace Medium-Term Expenditure Frameworks and Poverty Reduction Strategy Papers (PRSPs), and in the worst cases, compelled to adopt cash budgeting.

In this policy climate, planning became taboo, treated almost as an unwanted relic of an equally unhappy past when the state not only held sway in the shaping and implementation of economic policy but also assumed an important regulatory role, and dominated the commanding heights of the economy.

Although episodes of crises in Africa, Latin America, and Asia occurred with varying intensity and a worrying frequency between the 1980s and the dawn of the new millennium as to caution against the untrammelled and unidirectional market liberalization policies which the Bretton Woods institutions were promoting with vigour and speed, helped by an array of conditionalities, these warnings were not seriously heeded until the financial and economic crises that struck in the United States in 2007/2008 and quickly spread to Europe.

Occurring as it did in the heart of global capitalism and shaking the economic foundations of the United States and Europe, the crises have had the effect of forcing a rethinking of development, the regulation and governance of the market, the developmental role of the state, the place of public policy, and the necessity of planning.

The context of global financial and economic crises, the relative weakening of the grip of the doctrine of neo-liberalism that it generated, the major increase in the economic performance and influence of countries like China, India, Brazil and Russia, and the resumption of noticeable levels of growth in many African countries after years of stagnation and decline all added up to create a new environment within which African policy officials could begin, once again, to develop long-term visions and adopt plans for realizing them.

Over the last five years, not less than 30 African countries have adopted new long-term visions and three to five-year plans for their realization. Institutions of development planning which had been dismantled or downgraded under the injunctions of the Bretton Woods institutions are being rebuilt and imbued with responsibilities for economic coordination.

Africa, it would seem, has entered a new season of planning and long-term development thinking. It is a season that has been boosted by the revival of efforts at regional cooperation and integration, efforts which have witnessed the design and implementation of multi-country economic projects that span various sectors and demand equally varying degrees of cross-border coordination.

It bears pointing out, however, that between the late 1950s and today, the world has undergone dramatic changes that mean that the contemporary context of planning is radically different from the earlier one. Rising to the challenges of the changes in context represents one of the historic tasks confronting today's development planner in Africa.

Meeting this challenge will require a careful attention not just to the generation and sustenance of growth but also its nature and quality, the distribution of its benefits, and the tapping of opportunities for structural transformation. An opportunity for development practitioners, senior policy officials, senior policy researchers, and other African leaders to strictly look back past experiences and prospect future directions of development planning is more than timely.

**This article was published in the South Bulletin ( 5 July 2013).**

To view other articles in SouthViews, please [click here](#).

For more information, please contact Vicente Paolo Yu of the South Centre: Email [yu@southcentre.org](mailto:yu@southcentre.org), or telephone +41 22 791 80 50.