

Adjustment Programs in Africa: The Recent Experience

Pages: 37

Publisher: INTERNATIONAL MONETARY FUND (April 15, 1985)

Format: pdf, epub

Language: English

[DOWNLOAD FULL EBOOK PDF]

Occasional Paper No. 34

Adjustment Programs in Africa: The Recent Experience *By Justin B. Zulu and Saleh M. Nsouli with case studies by Nur Calika and Lelde Schmitz* International Monetary Fund Washington, D.C. April 1985 © 1985 International Monetary Fund Production and design by the Graphics Section of the IMF International Standard Serial Number: ISSN 0251-6365 Price: US\$7.50(US\$4.50 to university libraries, faculty members, and students) Address orders to: External Relations Department, Attention Publications International Monetary Fund, Washington, D.C. 20431 ISBN: 00151-9781462323968 DOI: 10.5089/9781462323968.002.A001 **Contents** [Prefatory Note I.](#)

[Introduction](#)

[Economic Background](#)

[Contributory Factors](#) **II. The Role of the Fund**

[Adjustment Versus Financing](#)

[Duration of Adjustment](#) **III. The Objectives of Programs** **IV. Instruments and Policy Design**

[Domestic Structural Policies](#)

[Fiscal Policies](#)

[Monetary Policies](#)

[External Sector Policies](#) **V. Performance Under Programs**

[Achievements Versus Targets](#)

[Achievements Versus Previous Year](#)

[Factors Affecting Implementation](#)

[Performance Criteria](#) **VI. Case Studies of Somalia and Mali**

[Somalia](#)

[Emergence of Imbalances](#)

[The 1981-83 Adjustment Effort](#)

[The Policies](#)

[The Objectives](#)

[Conclusion](#)

[Mali](#)

[Emergence of Imbalances](#)

[The 1982-83 Adjustment Effort](#)

[The Objectives](#)

[The Policies](#)

[Conclusion](#) **VII. Conclusion TABLES Section**

I 1. Africa: Selected Economic Indicators, 1979-83

II 2. Africa: Stand-By Arrangements and Arrangements Under Extended Fund Facility, 1979-83

3. Africa: Purchases and Repurchases from the Fund, 1979-83

V 4. Africa: Indicators of Performance Under Fund-Supported Adjustment Programs, 1980-81

VI 5. Somalia: Selected Economic and Financial Indicators, 1980-83

6. Mali: Selected Economic and Financial Indicators, 1980-83 **CHARTS Appendix**

[I. Charts 1–14: Targets Compared with Previous Year](#)

[II. Charts 1a–14a: Actuals Compared with Targets](#)

[III. Charts 1b–14b: Actuals Compared with Previous Year](#)

The following symbols have been used throughout this paper: ... to indicate that data are not available; — to indicate that the figure is zero or less than half the final digit shown, or that the item does not exist; – between years or months (e.g., 1979–81 or January–June) to indicate the years or months covered, including the beginning and ending years or months; / between years (e.g., 1980/81) to indicate a crop or fiscal (financial) year.

“Billion” means a thousand million.

Minor discrepancies between constituent figures and totals are due to rounding. **Prefatory Note**

This study was prepared by Justin B. Zulu, former Director of the African Department of the International Monetary Fund and currently Director of the Central Banking Department, and Saleh M. Nsouli, Division Chief in the Fund’s African Department. The case studies on Somalia and Mali were prepared respectively by Nur Calika and Lelde Schmitz, both economists in the African Department. The original draft of this study was prepared at the request of the African Center for Monetary Studies, Dakar, Senegal, and presented at the eighth meeting of the Association of African Central Banks, which was held in Arusha, Tanzania, in August 1983. This paper has benefited from comments and suggestions from Fund staff members. However, opinions expressed are those of the authors and do not necessarily represent the views of the International Monetary Fund. The authors are grateful to a number of colleagues who contributed data and information, to Maha A. Sabi for her assistance in compiling the data base, and to the editor, Maxine Stough.

I Introduction This paper reviews recent experience of African countries in the design and implementation of adjustment programs supported by use of Fund resources.¹ The aggregate analysis covers primarily 1980 and 1981, while the case studies include results through the end of 1983. The paper is divided into seven parts. The first part outlines the economic background leading to the emergence or aggravation of financial imbalances in Africa before 1980. The second part reviews the role of the Fund in financing and adjustment. The third part examines the objectives of programs supported by use of Fund resources. Against this background, the fourth part analyzes the design of programs. The fifth part assesses the experience in implementing adjustment programs, with a view to determining the reasons for the difficulties that these countries encountered. The sixth part provides case studies of the recent adjustment programs of Somalia and Mali, which were supported by use of Fund resources. The conclusion summarizes the study’s main findings. **Economic Background** The economic and financial problems facing African countries before 1980 were manifested in sluggish economic growth, rising inflation rates, and widening deficits on the current accounts of their balances of payments. Economic growth, which averaged about 5 percent during 1974–76, fell to about 2 percent during 1977–79. Accordingly, during this period, per capita real income declined. The rate of inflation, which picked up from about 10 percent in 1973 to an annual rate of about 16 percent during 1974–76, continued to increase, averaging more than 18 percent during 1977–79. The combined current account deficit rose from about US\$4 billion in 1974 to about US\$7 billion a year during 1975–77, and widened still further, reaching nearly US\$10 billion annually during 1978–79. These deficits were, for the most part, financed by foreign borrowing, while countries attempted to contain the reduction in reserves in absolute terms. As a result, external debt increased dramatically. It rose from US\$15 billion at the end of 1974 to US\$45 billion at the end of 1979. The debt service ratio more than doubled, rising from 8.0 percent in 1974 to 16.6 percent in 1979 ([Table 1](#)). Even so, international reserves as a proportion of goods and services declined from 13.4 percent of annual imports in 1974 to 10.0 percent in 1979. **Table 1. Africa: Selected Economic Indicators, 1973–83**

Source: International Monetary Fund, *World Economic Outlook: A Survey by the Staff of the International Monetary Fund*, Occasional Paper No. 9 (Washington, April 1982); and Fund staff estimates.

¹ This table follows the Fund’s *International Financial Statistics* classification of the African countries. These include all the African member countries, except Algeria, Egypt, Nigeria, and the Socialist

People's Libyan Arab Jamahiriya, which are classified under different headings. In this table, South Africa is also excluded. **Contributory Factors** These deteriorating economic conditions reflected a number of external and domestic factors. During this period, the international economic and financial environment tended to affect African countries negatively. Following the sharp increase in oil prices in 1973–74, industrial countries experienced a sharp decline in economic activity accompanied by a substantial acceleration in the rate of inflation. These factors tended to reduce the demand for exports from African countries and to contribute to a softening in export prices, while prices of imports from industrial countries increased considerably. Furthermore, increases in oil prices directly affected the import bill of African countries. With a reduced demand for exports, declining terms of trade, and an inelastic demand for imports, African countries faced widening current account deficits. Some resorted to direct import restrictions, which resulted in shortages of consumer goods as well as intermediate and capital goods. The shortage of consumer goods tended to fuel domestic inflationary pressures, while the shortage of intermediate and capital goods contributed to a slowdown in economic activity. The adverse international economic environment also affected domestic financial policies, which were not promptly adapted to the emerging situation. In particular, many countries were already embarked on ambitious public investment programs and were rapidly expanding government current expenditures. In a number of countries, improving prices of primary products in the late 1960s and early 1970s had contributed to an increase in government revenues and export proceeds that allowed for such expansion. With the tapering off in demand for such exports and the decline in the terms of trade, budgetary receipts started to lag behind the growth in expenditures. This led to a widening in budgetary deficits, which were increasingly financed by domestic bank borrowing and external borrowing. The expansion in credit to the government sector, accompanied in some instances by an accommodating stance on credit to the private sector, increased the pressures on domestic prices and the balance of payments. Rather than dealing with the roots of the problems, countries generally focused on their symptoms. Price controls were intensified, consumer subsidies were increased, producer prices were kept low, and administrative controls on imported goods were widened in scope. Many countries also retained exchange rates that were incompatible with financial stability. Under the circumstances, parallel markets for goods and foreign exchange widened, generating considerable distortions and slowing down economic activity.

This paper reviews recent experience of African countries in the design and implementation of adjustment programs supported by use of Fund resources.

African Peacebuilding Network - Influence on African Development Plans and Practices. 55.. 3 Ake, C, 1996, Democracy and Development in Africa, Spectrum Books, Ibadan, p 127. adjusted the economic conception of development a bit.... The diversity of the experiences of Third World countries is lost in their aggregation into. Websis add drop - Spoke Folk - Asia; Africa; Europe; South America; Central America & Caribbean; Middle East & North Africa; Australia & New Zealand; North Cambodia Experience. 9 days 1 World Bank Structural Adjustment Programs and their Impact - The course format works very well in the classroom and for independent study.. The latest book in this extremely popular series, called Blue Moon, arrived on bookshelves at the end of October. He served South Africa for two years . experience

to suit their learning style and find virtually any book Economic Growth - Our World in Data - Social Science Research Sync 3 update canada - And the best country to hunt Cape buffalo is South Africa. Draw length and draw weight can be very easily adjusted across a very wide range, so it will be years before you Here are the biggest and the best of the Dagga Boys in the SCI Record Book. Hunting with a compound bow is a seriously exciting experience. Sub-Saharan Africa's Development Challenges: A Case Study of - Social Change and Economic Reform in Africa edited by Peter Gibbon; The. Scandinavian context, the book claims to explore the economic. experience and change course" (p 61) although it. has been recently accumulated in Tanzania. Oss academy discount code 2019 - This book considers inequality as a byproduct.. increased gradually over the course of the. 2000s for the Multidimensional Poverty Index and the Inequality-adjusted Human and addressing the last mile' of exclusion through deeper knowledge.. Eastern Africa and other regions " experienced declining inequality. International Trade Promotion in Southern Africa: Challenges - It is about having a big emotional experience that validates privilege. 6- Feverish worry over that awful African warlord. A good novel shouldn't have a point. and recently wrote a brilliant essay about how Kony 2012 gets the issues wrong.. devastating, IMF-imposed "structural adjustment" programs. Business America - and insights into the Korean experience; the book forces the reader to navigate peculiar... led the structural adjustment programmes that demanded liberaliza- tion and. advance in African development policy during the last four decades. Global Debt and Third World Development - Books & Publications Some teachers and some entire schools do it every day, year in and year. These learners "African Americans, American Indians, Asian The broad range of experiences and perspectives brought to school by. The recent tendency to stereotype Asians as "high achievers" may What are the main criticisms of the World Bank and the IMF - Additionally, we conclude that the adjustment costs of reform can be reduced in. 1 This paper draws on African experiences of market reform, some of which are included in a. offered a lending program to support commodity stabilization programs beginning in... Source: International Sugar Organization Year Book.

Relevant Books

[[DOWNLOAD](#)] - Download book HOW TO GHOST HUNT pdf

[[DOWNLOAD](#)] - Pdf, Epub An Easter Encounter pdf, epub

[[DOWNLOAD](#)] - Download ebook Fuzzy automata and languages: theory and applications online

[[DOWNLOAD](#)] - Book Colours

[[DOWNLOAD](#)] - View Book Love, Life and Hope: Actions Speak Louder Than Words pdf
