No-One Loves You The Way We Do – Poverty And The International Financial Institutions

Stream 14: Giving Public Voice to CMS

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Abstract

This paper tells the story of how the international financial institutions have forced poor countries to adopt their discourse (‘Poverty Reduction Strategy’), in order to provide a more palatable face to structural adjustment policies that have resulted in a dramatic worsening of the standard of living of people throughout the developing world. In this paper, the example of Niger is used as an illustration of the practice of the policy. The paper will assist in the understanding of the communications strategies of the international financial institutions, and will discuss ways in which critical academics and activists can forge an alliance with the peoples of developing countries to combat the New World Order.

Background

George Orwell was thinking of Stalinism and the Soviet Union when he coined the term Newspeak: the capture of vocabulary by the State and its recasting to meet the needs of the regime. The Communist edifice collapsed and with it the manufacture of anthrax to assure peace, along with other linguistic and material malignancies.

In the fantasy world of 'end of ideology' ideologues, the end of Soviet Newspeak was due to popular resistance, but in truth serious resistance occurred only in some isolated locations on the western and southern edges of the Empire. As countless ethnographies and popular histories retell, the end came when Gorbachev’s people sent instructions to the regions that Soviet Newspeak was now redundant and that the Soviet Union would be throwing its lot in with the Bretton Woods gang. The initial reaction of many citizens was shock and anomie – and it was only after a period of acclimatization that the people began recasting their discourse in line with the new Speak.  

Following the collapse of the Soviet Union, the discourse of neoliberalism was imposed throughout the world. Developing countries had built up large debts during the post-independence periods, like their former colonial masters. However, unlike them, they were unable to service those debts. As was the case with several of the ‘reform’ Communist countries, the insolvency crisis permitted the international financial institutions, under the leadership of the United States, to impose the New World Order of privatization, cuts to social services and transfers, and monetarist economics. Governments which had previously either explicitly sided with the Communist bloc, or which had resisted both state Communism and neoliberal restructuring by playing the two sides of the Cold War off against each other, were now required to play full obeisance to The One True Way.

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3 A term coined, or at least popularized, by Brazilian legal theorist Roberto Mangabeira Unger. See for example, Unger, [1998]. Democracy realized; the progressive alternative. New York: Verso.
It is often claimed that the new neoliberal discourse was adopted voluntarily by governments as they realized the error of communist, socialist, and social contract governance. This paper explores this claim through an ethnographic account of the construction of a key moment in new Speak in one of the poorest countries of the world, Niger.

**Niger**

Niger is a former French colony located in Sahelian Africa, granted independence in 1960. It was ruled by nondemocratic governments between 1960 to 1990 that followed a classic pattern of dictatorships in attempting to act as the balance between competing – and largely irreconcilable – interests; a developing country version of the social contract style of government typical of Europe from the end of the Second World War until the ascent of neoliberalism.

Despite the replacement of authoritarian rule beginning in 1990, neoliberal politics were not readily accepted in Niger. As a result of the agitation of leftist students and intellectuals, the National Convention that was created in 1991 in order to pave the way to democracy specifically rejected the adoption of IMF-World Bank structural adjustment policies. However in the absence of alternative sources of financing, the democratically elected government of 1993 was unable to accomplish its plans, and was reduced to dubious borrowing relationships. After another coup d’état in 1996, the Nigerien government acceded to the terms required in order to regain access to IMF-World Bank funds.

In 1999 the military ruler was shot dead by his own troops and under considerable pressure from the US and France the perpetrator and interim president called elections that resulted in the installation of a relatively stable majority coalition. This government remains committed to respecting the structural adjustment directions of the IMF/World Bank.

Of virtually no strategic importance to the West, the country’s sole exploited natural resource is uranium, which is suffering a two decade long price decline as a result of low oil prices and opposition within the West to nuclear energy. The country has only the most rudimentary infrastructure, no significant industry (even bottled water is imported) and little potential for local capital formation. Desertification has resulted in annual food shortages, and UNICEF estimates that 40% of Nigeriens are malnourished. 30% of Nigerien children die before the age of five. Seventy percent of the population is illiterate.

As a result of declining revenues and IFI mandated cuts, the government is unable to maintain infrastructure, such that even the main roads in the capital city are virtually

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5 Several students were shot dead by government forces in the capital city Niamey in 1990 while protesting against structural adjustment policies. The student leaders of that campaign remain the key figures in the Nigerien leftwing and union movement.

6 The 1993-1996 elected government under Mahmane Ousmane recognized the government of Taiwan as the authentic government of China and in return was granted a $15 million loan from a private Taiwan bank. Much of the money gathered through this exercise has never been properly accounted for. La Roue de la Histoire, 111, October 2 2002.
impassable by ordinary passenger cars (western aid agencies all use 4 by 4 trucks). The government is also unable to promptly pay the wage bill for its reduced public services, and the resultant public sector strikes and protests have resulted in further worsening of the quality of the education system.

Even with this low level of services, the Nigerien government is dependent upon foreign aid and international financial institution loans for about half of its annual budget, and debt servicing costs – even after various debt restructurings and write-offs – account for about 40% of government revenues.

Colonialization and forty-three years of independence have left Nigeriens a nation of beggars. On every street corner, people with every imaginable type of preventable disability, from polio to river blindness, rush to outdo each other in their demonstrations of incapacity and financial need. Local employees of expatriate aid agencies (the only employers who pay a living wage) present innumerable requests for additional wages or advances, because each salary must support up to thirty relatives. And similarly, the Nigerien government has become adept at requesting resources from international donors, whether the international financial institutions, multilateral institutions such as the United Nations, or individual donor countries.

Change of course

Partly as a result of the evident hardship caused by the policies of structural adjustment, large scale and sometime violent protests have been launched in many western countries. Ironically, in developing countries, including Niger, early resistance to structural adjustment has largely been replaced by resignation to the inevitability of structural adjustment. Each week, copies of The Economist carry advertisements for the selloff of state industries in developing countries. In Niger, the state water, electricity, telephone, and postal services have either been sold to foreign interests or are in a process of restructuring in preparation for sale.

Despite the virtual free reign of the World Bank/IMF in Niger and other poor countries, in the West the optics of imposed structural adjustment have become untenable. It has thus become necessary to adopt a new discourse. This discourse is that of the ‘Poverty Reduction Strategy’.

The Poverty Reduction Strategy is a document that all poor countries have been required to complete in order to access debt relief provided through the World Bank and IMF. An extensive process of consultations and dialogue has been organized by the Nigerien government’s Poverty Reduction Strategy committee in order to validate the contents of the Strategy, which essentially restates neoliberal policies in terms of their intended impact on poverty. This Strategy was then adopted as part of government policy, and civil society organizations are being encouraged to oversee its implementation and evaluation. Thus, the discourse and practice of community empowerment become tools to validate neoliberal policies designed in Washington.

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It is now not sufficient that the Nigerien government accepts the program of the IMF / World Bank. In order to receive ‘financial support’ it is now necessary that the Nigerien government insist that it, and the Nigerien people as a whole, want what the IFI’s want them to want. Any deviation from this script is unacceptable. This paper will demonstrate in painful detail how the Nigerien Strategy for the Reduction of Poverty is constructed by Nigeriens to satisfy the expectations of the IFI’s – without the IFI’s even having to request it. Just in case this is not the case, however, the SRP is ‘marked’ by a group of IMF/World Bank assessors before funds are released to allow the people of Niger to eat (sometimes).