Destabilization and Debt in Latin America and Africa: Comparative Perspectives on "Economic Miracles"

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ABSTRACT
The focus of national media attention for most of 1989-90 has been the "collapse of communism" in Eastern Europe and the Soviet Union. Little attention was paid during the same time to the crisis of capitalism occurring in Latin America and Africa. Many factors contributed to the present climate of desperation in Latin America and Africa. The two most easily identified factors are debt and destabilization. The international failure to resolve these economic and political crises has put into doubt the ability of these regions to improve their quality of life in the near future.

In studying the quality of life concept geographers have attempted to measure internal phenomena as well as external phenomena. The perceptual component of a quality of life index is always a subjective measure. An areal approach as implied by the term "geography of well-being" would seem impossible to attempt. I am using two external phenomena to measure well-being: social unrest and voluntary migration.

Africa and Latin America began the 1980s with a plan of "horizontal cooperation" under the auspices of the United Nations. The objective was economic development through technical and economic cooperation between countries of the South. As we begin a new decade, the goal of the plan seems more distant than ever. The economic reversals of the last ten years have not only increased trade between the North and South, but have forced countries of the South to compete for the same markets with the same products. Structural readjustment programs combined with record low prices for agroexports have decimated social services. The removal of government subsidies for basic food items has resulted in major food riots in many countries, two of the most serious nearly toppling the governments of Venezuela and Zambia.

Low-intensity warfare has also caused social and environmental destruction, both directly through the use of defoliants, and indirectly through the creation of refugee populations. In both regions a pattern of people in crisis causing environmental crises is developing. Geographers desiring to study threatened environments will be required to study threatened people as well.

INTRODUCTION

The initial purpose of this paper was to review the geographical literature of the past decade on debt and destabilization in Latin America and Africa. This simple objective was thwarted by the fact that geographers have published very little on either topic, and nothing which attempts to examine both phenomena. There are two works, one regional and the other global, which address the issues indirectly. Wisner (1989) presents both debt and destabilization as causative factors of hunger in his examination of food insufficiency in Africa. Wallace's (1989) survey of the world economy includes a brief discussion of militarization and its effect on domestic budgets. This discussion is followed by a general overview of the international debt problem.

Wallace explained in his preface that his book had developed from classroom lectures and materials. I suspect this is an important clue. Geographers are concerned with debt and destabilization, and are lecturing on these topics across the globe, but as yet few have published. Consequently, this paper will present the dimensions of the problem of debt and destabilization in Latin America and Africa as these factors shape a geography of well-being, or not-so-well-being. The concluding discussion will consider the potential for future geographical research.

BACKGROUND

The rationale for a comparative study of the regions of Latin America and Africa revolves around two factors: 1) the parallels in their procession towards economic development; and 2) their own hopes for interdependent development. The parallels in their development are firstly, the historical resource exploitation by Europe and United States (or western powers) of the two regions; secondly, the persistence of colonial economic structures in **[end p. 239]** the post independence period; and thirdly, the social impact of the exchange of plant, human and animal species that has occurred since the fifteenth century. The hope for an interdependent development, most clearly elucidated in the phrase "horizontal cooperation," was promoted after a 1978 United Nations conference on Technical Cooperation between Developing Nations. Between 1977 and 1980 CEPAL (Economic Commission for Latin America) and CEPA (Economic Commission for Africa) prepared a joint project to promote economic and technical cooperation between the two regions. The project was initiated in January of 1981 with the principal objective to "examine the potential of cooperation in the following areas: 1) human resource capacitation (human capacity building); 2) interregional commerce; and 3) science and technology for economic development" (CEPAL 1982).

Little progress has been made, however, because of the crisis that erupted on the world scene in 1982 when Mexico declared it would not be able to meet interest payments on its international debt. This is considered to be the onset of the Latin American debt crisis which, since 1985, has become a world debt crisis involving even former creditor nations such as the United States.

Debt joined another specter in Latin America and Africa. Destabilization refers to the overall effects of low intensity conflict (LIC). LIC has become the preferred method of military coercion in countries of Latin America, Africa and Asia since the 1960s. Although I am primarily concerned with the military aspect of LIC, it must be stated that it is a "unified warfare strategy that has economic, psychological [and] diplomatic..." components as well (Nelson-Pallmeyer 1989, 49). It is this "total war" coloration of LIC that makes its ultimate victim the common person, and more and more frequently the average child (Klare and Kornbluh 1988, 8).

LIC is warfare conducted by a few against the masses. The few (whether they are the military establishment or guerrilla forces) rely inevitably on nonnational resources. The important international support for sustaining LIC is what makes destabilization a global problem rather than a domestic issue (O'Loughlin 1989, 326).

DEBT AND DESTABILIZATION

Debt and destabilization can be considered a two-pronged attack on the people of Latin America and Africa. These phenomena, and in many cases the solutions to them, have eliminated any hope in the immediate future for national development in both regions. Development is understood here to mean human development. I am defining human development as the process of enabling people to make life choices independent of concerns for their basic needs.

One of the international solutions to debt proposed to both regions has been increased productivity; that is, to exploit their "comparative advantage." The solution to destabilization has been "democratization." The fact that this has also become a condition of the World Bank for extending credit gives some indication of the close relationship between debt and destabilization.

The human cost of both problems has been reflected in the cost to the environment. The relationship between the two has been delineated explicitly by the Chilean economist, Jacobo Schatan. The production pattern necessitated by indebtedness "accelerates the rate of progressive exhaustion of available resources and increases the degree of pollution and environmental deteriorations" (Schatan 1987, 51). Consequently the practice of exploiting one's comparative advantage (the raw materials export) can be considered a form of slow suicide in that, according to Schatan, these countries "are condemned to an inexorable impoverishment" as they erode the material base which sustains them (Schatan 1987, 62).

If we look at statistics on the group of fifteen heavily indebted countries as defined by the International Monetary Fund (IMF), two from Africa (Ivory Coast and Nigeria) and ten from Latin America (Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Peru, Uruguay and Venezuela) we see that as a group their total external debt relative to exports and Gross Domestic Product in 1990 was estimated to be 36.3 percent (IMF 1990, 193). This figure does not include debt owed to the IMF. Debt service ratios as a percent of exports of goods and services in 1989 was 26.8 percent for Africa and 35.1 percent for Latin America. The estimated percentages for 1990 are 30.7 and 35.2 respectively (IMF 1990, 192).

Debt is a form of destabilization, and the process of destabilization has resulted in debt. Destabilization increases indebtedness in two ways: through 1) encouragement of deficit spending and 2) destruction of government infrastructure, private property and natural resources. The international support so essential to LIC is not ***gratis***. It is estimated that as much as 50 percent of the current debt of Latin America, Africa and Asia was incurred through armament purchases. Those without access to the government still have relied on using the common wealth to fund their activities. Drug trafficking has been one important method in Latin America. We are just beginning **[end p. 240]** to understand the cost of the drug trade to producer societies and environments (Healy 1985). In Africa, allegations about the role of Unita in the destruction of elephant herds and the illicit ivory trade have been virtually ignored. The second way has been easier to quantify. In southern Africa the frontline states have jointly suffered a loss of US $60 billion from the South African-led destabilization (Lone 1989, 6). Nicaragua's economy (the focus of United States destabilization) was destroyed at a loss of $15 billion (Nelson-Pallmeyer 1989, 92). In total, in 1988, the countries of Latin America, Africa and Asia remitted $178 billion in debt and interest payments and paid $145 billion for military purchases (Anon. 1989, 25). However, the failure of the export-led development model embraced by both regions has been blamed on government mismanagement and low productivity (World Bank 1989, xii).

The World Bank urged in 1989 "[c]ountries with a comparative advantage in export crop production [to] exploit it and import food if necessary" at the same time the price of maize on the world market had risen by two-thirds and the price of wheat by forty per cent (U.N. Chronicle 1989, 67). Putting this into practice rather than theory means that in 1989 when coffee (a major legitimate hard currency earner in both Latin America and Africa) prices for all types fell by more than 50 percent, governments who pursued their comparative advantage in coffee production will join other food deficit countries who were expected to spend an additional $2.5 billion in United States dollars that year simply to "maintain 1988 levels of wheat imports" (Anon. 1989, 22; U.N. Chronicle 1989, 67).

GEOGRAPHY OF WELL-BEING

Poverty on both rural and urban scenes is difficult to define. Geographers in studying the Quality of Life concept have attempted to measure internal as well as external phenomena (Cutter 1985). The perceptual component of a quality of life index is always a subjective measure. It is the sense of well-being that may not have an obvious correspondence with the more objective criteria of socioeconomic statistics. The "quality" of life is probably something that can truly be determined only by the individual and is relative to his/her life situation. An areal approach as implied by the term "geography of well-being" would seem impossible to attempt. I am using two external phenomena in this paper to measure the absence of well-being: social unrest and voluntary migration.

Migration in both regions is at an historic high. Africa at present has the largest refugee population in the world (Rogge 1987, 43). In countries which are the direct targets of destabilization efforts, Angola and Mozambique, at least half the population has been displaced at least once according to a U.N. sponsored study (Lone 1989, 6). Migrants from Central and South America form the fastest growing Hispanic group in the United States (McHugh 1989, 433). The estimated 40 percent increase in migrants between 1980 and 1987 is assumed to represent flight from areas experiencing LIC.

The outbreaks of riots in Venezuela, Peru, the Dominican Republic, Zambia, Kenya and Egypt over the last decades support Joyce Kolko's (1988) observation that these areas of the world are already in an economic depression. Austerity programs that theoretically attempt to save foreign exchange by reducing social expenditure and increase export earnings by decreasing wages and prices to producers have been rejected by the people of both regions.

The World Bank (1989) has taken a new approach and in its recent study of subsaharan Africa has stressed putting people first. The new strategy is alarming rather than reassuring, since the emphasis on peasant agricultural production in conjunction with a comparative advantage focus simply extends the practice of monoculture with its documented deleterious effects on soil and household economies (Hinderink and Sterkenburg 1987).

The potential contribution of geographers to this area of research is infinite. First of all, a re-evaluation of the export-led development model is essential. The validity of the concept of comparative advantage, which Chisholm (1982, 35) dates to the nineteenth century, has become increasingly questionable in the twenty-first century. The technological advantage of the North has superseded the comparative advantage of the South. Research in biotechnology has and will render worthless many of the exports of Latin America and Africa (Toffler 1990).

Secondly, the human and environmental fallout from the two-pronged war of debt and destabilization can be measured by the decimation of human, animal and plant species in both regions. Geographers need to document the carnage, and provide local, regional and national assessments of its effect on present and future development policies.

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Finally, the real issue is not what geographers study but how. Geographical research in the future will not separate the wounded environment from the equally wounded inhabitants. Bleeding people are making their environments bleed. While we individually can not stop the flow, our joint scholarship can help distinguish between placebos and prophylaxis.

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