A Tale of Two Debt Crises: The IMF, World Bank and Sustainable Development of Sub-Saharan Africa

Silverwood, J. & Moulton, J.

Accepted manuscript PDF deposited in Coventry University's Repository

Original citation:
'A Tale of Two Debt Crises: The IMF, World Bank and Sustainable Development of Sub-Saharan Africa', in *Sustainable Economy and Emerging Markets*, ed. by S Paladini & S George, pub 2019 (ISBN 9780429437304)

Publisher: Routledge

Copyright © and Moral Rights are retained by the author(s) and/ or other copyright owners. A copy can be downloaded for personal non-commercial research or study, without prior permission or charge. This item cannot be reproduced or quoted extensively from without first obtaining permission in writing from the copyright holder(s). The content must not be changed in any way or sold commercially in any format or medium without the formal permission of the copyright holders.

A Tale of Two Debt Crises: The IMF, World Bank and the Sustainable Development of Sub-Saharan Africa

Abstract

Discussions of emerging markets have become ubiquitous in modern business literature. Critical analysis of the factors that will lead to the sustainable development of emerging markets, however, has focused overwhelmingly on the national business environment. Absent from discussion has been an exploration of external factors that lead to sustainable development. In particular, study of how the sustainable development of emerging markets is conditioned by the structure of the international business environment has been neglected. This chapter will address this issue. Specifically, the chapter will examine the role of external factors on the sustainable development of emerging markets through a case study of the impact of the International Monetary Fund (IMF) and World Bank on Sub-Saharan Africa since 1980. Analysis of the IMF and World Bank is important because these institutions have been integral to the radical transformation of the structure of the international business environment in the last four decades.

Introduction

Recent decades has have seen the contemporary literature on global business replete with discussion of emerging markets, defined as countries that are 'in a transition phase from developing to developed markets due to rapid growth and industrialization' (Cavusgil, Ghauri & Akcal, 2013: 5). This is unsurprising given the rapid growth of emerging markets since the term was first coined by World Bank economist Antoine Van Agtmael in 1981. Since then countries that were peripheral to the international business environment in the early 1980s, the lead example being China, are now among the most powerful economies in the world. Whilst emerging markets are now integral feature of literature on the international business

environment, critical analysis of the factors that promote sustainable development has overwhelmingly focused on domestic factors related to the national business environment. Sustainable development is defined in this chapter as development 'that meets the needs of the present without compromising the ability of future generations to meet their own needs', the same definition adopted by the United Nations (World Commission on Environment and Development, 1987)

Absent from the business literature is exploration of how the sustainable development of emerging markets is affected by external factors. In particular, how the sustainable development of emerging markets is conditioned by the structure of the international business environment has been neglected. For example, despite the literature making ample use of the economic data they produce, with notable exceptions (Kvint, 2010), it is largely bereft of in-depth analysis of the role global institutions play in the international business environment. When global institutions are mentioned in the business literature on emerging markets discussion tends to fixate on the World Trade Organisation (WTO) (El-Hadi Arouri, Boubaker & Nguyen, 2011; Gamble, 2011; Grosse, 2016; Hadjikauni, Elg & Ghuar, 2012; Poillon, 2001; Rammamurti & Singh, 2009)

Critical analysis of the role of global institutions in the international business environment, however, is often non-existent and it is necessary to delve into literature on international political economy, where the debate is mature, to discern their influence on emerging markets (Santiso, 2004). For instance, one leading book on *Doing Business in Emerging Markets* has only two references to global institutions, both of which are considered as apolitical and value-free arbiters of the international business environment that 'recommend and enforce a liberalisation of trade, support regulations which contribute to a stable economic environment, and try to ensure that the

market system is fair and efficient' (Cavusgil, Ghauri & Akcal, 2013: 18). This is particularly neglectful in the case of the IMF and World Bank. These institutions have been central to the decades-long, radical transformation of the international business environment in which emerging markets have conducted their search for sustainable development.

This chapter will address the absence of external factors from our understanding of sustainable development of emerging markets through a case study of the impact of the International Monetary Fund (IMF) and World Bank on Sub-Saharan Africa since 1980. The chapter will be organised in the following manner. It will begin with discussion of the 1980s debt crisis in the global economy, which saw the IMF and World Bank take a leading role in the transformation of the international business environment through the implementation of the 'Washington Consensus' model of development in emerging markets. The chapter will then proceed to document the disastrous impact of the Washington Consensus on sustainable development in Sub-Saharan Africa in the last two decades of the twentieth century. The final section will present the case of Ghana through which prospects for the sustainable development of Sub-Saharan in the twenty-first century are considered. In this section, discussion will focus on the emergence of a new debt crisis in Sub-Saharan Africa. The chapter will conclude that consideration of external factors is integral to our understanding of sustainable development in emerging markets.

The 1980s Debt Crisis and the Washington Consensus of the IMF and World Bank

Based on classical liberal economic theory of Adam Smith and David Riccardo, the 1970s and 1980s saw neoliberal critique of state-led approaches to the development of emerging markets (Balassa, 1971, 1981; Lal, 1983). At the heart of this neoliberal critique was the belief that

involvement of the state in the economy led to inefficiency and slower economic growth. The route to both economic and social development, according to neoliberalism, was through markets, the price signals emanating from unencumbered economic exchange provide incentives to entrepreneurs ensuring the efficient allocation of economic resources and social good. Consequently, neoliberal ideology focuses on the need for structural reform of national business environments to free markets, increase the competitiveness of domestic firms, and open the economy to global trade and capital. Whilst neoliberalism gained ascendancy in several advanced economies as a consequence of systematic capitalist crises of the 1970s, neoliberalism was exported to emerging markets by the IMF and World Bank. Integral in the transmission of neoliberalism from the advanced economies to emerging markets was the debt crisis of the early 1980s (Simon, 2008: 86-87), which led to a radical transformation in the international business environment.

The origin of the debt crisis lay in the 1960s and 1970s, which saw a steep rise in lending to emerging markets to fund infrastructure projects. Whilst in the 1960s most lending was conducted with bilateral donors in North America and Europe, by the 1970s emerging markets began to borrow from multinational banks. The lending by multinational banks was only possible due to the growth of the oil producing exporting countries, rising oil prices leading to large fiscal surpluses in those Middle Eastern emerging markets, which were deposited multinational banks. The late 1970s, however, saw drastic falls in commodity prices in world trade. This was particularly dangerous for emerging markets whose government revenue largely consisted of the proceeds from commodity exports. As interest rates went up in the international business environment, emerging markets began to suffer from capital flight as investors withdrew capital back to domestic markets (Willis, 2005: 49-51).

The debt crisis came to the fore in the international business environment with Brazil and Mexico's announcement that they could no longer service their foreign debt in 1982. This triggered panic among creditor governments and multinational banks of the advanced economies. It was feared that, without strict countermeasures imposed upon debtor countries, crisis would spread throughout the international business environment that would drive banks to bankruptcy and lead to recession. Analysis by the IMF, echoed by creditor governments and multinational banks, placed the blame for the debt crisis on emerging markets, which were considered to be corrupt, bureaucratic and interventionist producing inefficient economies (Simon, 2008: 87). In response to the debt crisis, the IMF and World Bank made emergency funding to emerging markets conditional upon agreement of a structural adjustment programme (SAP) (Killing, 2008; Willis, 2005: 51-54). The debt crisis was thus the catalyst for a new era of market-based development for emerging markets founded on neoliberal economic policy (Milward, 2000), which became termed the Washington Consensus (Williamson, 1990; 2004).

The neoliberal economic policy implemented through SAPs fell into two categories. Short-term stabilisation measures were designed to arrest immediate economic problems. Policy in this category included public sector wage freezes, reduced subsidies on food, health, education and currency devaluation. Meanwhile, long-term adjustment measures were implemented to achieve structural reform of the national business environment. Policy in this category included liberalisation, privatisation of state-owned enterprises and reduction of taxation. Meanwhile, the objectives of the SAPs were two-fold. The first objective was to improve economic efficiency through a reduction of the role of the state in economy, which would promote competitiveness in the global economy. The second objective was to induce export-orientated growth, which would

generate foreign exchange reserves through economic diversification and commodity trade (Simon, 2008: 87-88).

The IMF and World Bank expected emerging markets to follow initial SAPs for three to four years. Once a SAP was completed, emerging markets then had to follow an economic recovery programme (ERP) of similar duration, which was designed to promote broader economic restructuring. SAPs and ERPs were later replaced by the introduction of poverty reduction strategies (PRSs). In contrast to previous SAPs and ERPs, and in response to vociferous criticism by civil society groups and non-governmental organisations, PRSs had to prioritise antipoverty expenditure by government, supposedly agreed in consultation with civil society in the donor country. In reality, however, consultation by the IMF and World Bank was often minimal and superficial (Simon, 2008: 90). The 1990s also saw the Washington Consensus broadened through conditionality to promote 'good governance', which involved restructuring state institutions, such as the civil service and legal reform, to enhance democracy and 'support market-led development' (Jenkins, 2008: 516).

The evolution of the Washington Consensus in the latter part of the twentieth century has thus been described as 'pragmatic neoliberalism' on the part of the IMF and World Bank (Eyoh & Sandrook, 2003). The Washington Consensus did change after the 1980s to allow for a stronger role for the state in the national business environment of emerging markets. Whilst this did differ from the original Washington Consensus, the IMF and World Bank still held a neoliberal perspective on the route to development. The state was limited in the later version of Washington Consensus to intervention in the national business environment through the provision of education and health to improve competitiveness (Eyoh & Sandbrook, 2003: 228-232). Consequently, the Washington Consensus pursued by the IMF and World Bank was still a

‘market-based strategy’ designed to expose emerging markets and developing countries to global trade and capital (Eyoh & Sandbrook, 2003: 229).

The Impact of the Washington Consensus on the Sustainable Development of Sub-Saharan Africa in the Twentieth Century

Studies increasingly identified the disastrous economic and social impact of the Washington Consensus on emerging markets (Simon, 2008). The imposition of the Washington Consensus led to vast increases in income and wealth inequality (Chang & Gradel, 2004: 19-23) and degradation of the environment (Reed, 1992). Importantly, the Washington Consensus was demonstrated to be unsuccessful when judged against the economic objectives for its implementation. Indeed, economic growth in many emerging markets slowed after 1980 when compared with the three decades previous to 1950, which had seen emerging markets adopt Keynesian and state-led models of development (Chang & Gradel, 2004: Chp. 2). Neither did the Washington Consensus lead to social good through a significant reduction in poverty within the international business environment. Reduction in poverty from 1980-2000 can almost entirely be explained by the rise of China and India, two countries that did not develop according to the neoliberal development model advanced in the Washington Consensus (Chang & Gradel, 2004: Chp. 4). At the close of the twentieth century, questions were being asked as to whether the Washington Consensus could deliver development, never mind sustainable development.

The IMF and World Bank were also accused of engaging in geopolitics through the Washington Consensus. The IMF and World Bank argued to be ‘kicking away the ladder’ from emerging markets. The imposition of neoliberalism through the Washington Consensus said to be denying

to emerging markets the state-led development models through which the now advanced economies had reached their ascendant position in the international business environment (Chang, 2003).The conditional nature of the SAPs were a particular subject of criticism highlighted as an invasion of the national sovereignty of emerging markets to determine their own economic policy (Bracking, 1999). Conditionality was presented as further evidence that the IMF and World Bank were not disinterested guardians of the international business environment, but rather bipartisan actors acting in the economic interests of the advanced economies of North America and Europe. The imposition of neoliberalism through SAPs was criticised by African non-governmental organisations as no less than a form of re-colonization by the advanced economies, which allowed 'the pillage of what remains of Africa's economic wealth' (Hoogvelt, 2001: 181).

The negative impact of the Washington Consensus on sustainable development was nowhere more evident than in Sub-Saharan Africa, making it a vital research subject. The 1980s saw 29 Sub-Saharan African countries accept a SAP with the IMF and World Bank, which amounted to an almost continent-wide application of SAPs and ERPs after 1980 (Simon, 1995). Indeed, after 1980 'more countries in Sub-Saharan Africa' than any other region of the international business environment implemented SAPs and ERPs (Dixon, Simon & Narman, 1995: 2). The purpose of the Washington Consensus was 'to shatter the dominant post-war state-led development paradigm', which had driven growth in Sub-Saharan Africa in the post-war period, and 'overcome the problems of development stagnation by promoting open and free competitive market economies, supervised by minimal states' (Hoogvelt, 2001: 181). By the mid-1990s, Sub-Saharan Africa was 'the poorest continental region in the world' (Dixon, Simon & Narman, 1995: 2). By the Millennium, one scholar posited that the introduction of the Washington

Consensus to Sub-Saharan Africa from 1980-2000 caused a 'calamitous reversal of economic conditions', which had seen the whole continent of Africa 'become structurally irrelevant to the present global economic order' (Hoogvelt, 2001: 175).

Quite the opposite from overcoming developmental stagnation, the Washington Consensus accelerated the process of economic decline of Sub-Saharan Africa. Under previous post-war state-led developmental model gross domestic product (GDP) per capita grew by 34% from 1960-1980. The corresponding two decades from 1980-2000 saw Sub-Saharan African GDP per capita fall by 15% (Chang & Gradel, 2004). Per capita income across Sub-Saharan Africa declined in the 1980s by an astonishing 30% alone. By the end of the millennium the average growth rate of the continent had not caught population growth. Meanwhile, debt burden in relation to gross domestic product had risen steeply to the highest for any emerging region and private investment into Sub-Saharan Africa remained weak (Hoogvelt, 2001: 181). The Washington Consensus also failed to achieve economic diversification within Sub-Saharan Africa, which is shown by the declining performance of the region in international trade. By the 1990s, Sub-Saharan African share of international trade in primary commodities collapsed to 0.5% from the 7% it enjoyed in the mid-1970s. Meanwhile, the share of Sub-Saharan Africa trade in manufacturing goods fell from 1.2% in 1970 to 0.4% in the late 1990s. 1975-1990 also saw the regions share of agricultural and food exports in international markets fall from 21% to 8%. Such was the overall collapse of international trade in the region that by 1997 Sub-Saharan Africa accounted for lower share of world exports than Belgium (Hoogvelt, 2001: 173; Eyoh & Sandbrook, 2003: 237-242).

Sub-Saharan Africa was not only excluded from international trade, but also from international capital. The share of total foreign direct investment to developing countries flowing to Sub-

Saharan Africa fell from 13% in the 1980s to 5% in the late 1990s. Foreign direct investment that did reach the region went to South Africa and Nigeria in the majority and was directed primarily at the extractive industries of mining and petroleum (Hoogvelt, 2001: 173-174). The Washington Consensus thus led Sub-Saharan Africa states to became 'dependent' on foreign aid as a source of inward investment, which accounted for virtually all expenditure on infrastructure and social projects in the 1980s and 1990s (Eyoh & Sandbrook, 2003: 237-242).

Criticism of the impact of the Washington Consensus on Sub-Saharan Africa extends beyond economic indicators of sustainable development. SAPs were linked to increasing social instability in Sub-Saharan Africa (Jones, 1994; Narman, 1995). Indeed, such was the instability induced by the SAP agreed with Ghana in the mid-1980s, which required significant reduction in expenditure on health and education, the IMF had to implement palliative measures to ensure Ghanaian society did not descend into anarchy (Simon, 2008). The implementation of SAPs also led to increasing food insecurity in Sub-Saharan Africa (Pearce, 1994). Adequate supply of food was undermined by IMF insistence that food production switch to crops for export. For example, Zimbabwe was pressured into selling maize from the bumper harvest of 1991-1992, rather than ensure sustainable supply over forthcoming years. When the harvest failed two years later due to lack of rain, Zimbabwe was forced to import maize at a far highest cost than it had obtained selling its surplus in the global business environment (Simon, 2008).

Sub-Saharan Africa, Sustainable Development and the Debt Crisis of the Twenty-First Century: The Case of Ghana

Sub-Saharan Africa thus entered the twenty-first century with declining growth of national business environments, marginalised from global trade and finance, and little hope for

sustainable development. The opening years of the new century, however, saw a new wave of optimism for the economic future of Sub-Saharan Africa such that the Economist (2000; 2013) magazine re-branded the continent from ‘hopeless’ to ‘hopeful’. The 2000s saw Sub-Saharan Africa expand into the second fastest growing region in the international business environment behind Asia with a growth rate of 5.7%. This was aided by economic reforms across Sub-Saharan Africa, which has seen the cost of doing business across the whole continent fall by two-thirds and time taken to start a business was more than halved since 2006. Importantly, these economic achievements translated into social development. Those living in poverty on the continent of Africa fell from 56% in 1990 to 43% in 2012. Meanwhile, life expectancy grew by six years from 1995 to 2012 (Woodward, 2016). Furthermore, optimism for the economic future of Sub-Saharan Africa is considered to arise from its favourable demographics, which is driving urbanization and growth of consumer markets (UN, 2017; 2017a).

Despite this initial economic success, average economic growth across Sub-Saharan Africa has fallen progressively since mid-2010s to just 2.6% GDP in 2017 (IMF, 2017, p. ix). One of the many Sub-Saharan countries to be afflicted by recent economic difficulties has been Ghana. Previously lauded as a ‘model nation’ by the IMF and World Bank for the vigorous implementation of its SAP in the 1980s, liberalization of the Ghanaian economy and adjustment to multi-party democracy (Opoku-Dapaah, 2011), recent economic problems in Ghana has led to questions about the sustainability of its developmental model (Vergne, 2015). The cause of the recent economic downturn in Ghana is the fresh debt crisis in the international business environment. Reflecting a mirror image of the Sub-Saharan African experience during the 1980s, but also the lack of sustainable development in the region since that decade, the contemporary

debt crisis has the same causes and has once again led to involvement of the IMF and a new wave of SAPs throughout the continent.

The first cause of the current debt crisis in the international business environment is the significant influx of lending that has flowed to some of the most impoverished nations around the world since the global financial crisis (Jubilee Debt Campaign, 2015). This was nowhere more apparent than Ghana. Significant cancellation of Ghanaian debt in 2005 made Ghana a more attractive proposition as a debtor in global financial markets. This led to increased lending to the country, gradually from 2008-2011, before increasingly rapidly from 2013-2015. Ghana was the recipient of significant direct lending from multinational banks, and other commercial and private lenders, and multilateral donors like the IMF and World Bank. The Ghanaian government contributed to the influx of lending into the economy through the $1billion worth of Dollar denominated bonds it sold in financial markets prior to 2015 (Jubilee Debt Campaign, 2016). The has meant a rise in Ghanaian external debt from 10% GDP in 2006 to 52.9% GDP in 2016 (IMF, 2017a).

The second cause of the debt crisis is continued dependence of Sub-Saharan Africa on commodity exports. The SAP agreed between Ghana and the IMF in the 1980s, with its emphasis on the need to generate export-orientated growth, sought to achieve economic diversification and a rise in commodity exports. In order to achieve the latter objective the IMF and World Bank have championed the extractive industries as agents of export creation in emerging markets. Following this advice, Ghanaian governments since the 1980s have promoted large-scale mining by Transnational corporations as a fundamental aspect of development strategy (Ayelazuno, 2014). However, this has hindered attempts to achieve economic diversification within the Ghanaian economy. The result has been a falling share of

manufacturing in the Ghanaian economy since the millennium, which has exacerbated Ghanaian dependence on commodity exports and left Ghana anchored near the bottom of global supply chains. Ghanaian government revenue is now dependent on three commodities, gold, oil and cocoa, which accounts for 80% of all exports. (Jubilee Debt Campaign, 2016). Commodity dependence is a major source of economic vulnerability not only for Ghana, but the whole of Sub-Saharan Africa, exposing countries to volatile commodity prices as it was during the 1980s.

Of the 47 countries in Sub-Saharan Africa, 11 are dependent on the export of only one commodity for revenue, whilst three-quarters are dependent on the export of three commodities (Woodward, 2016). Commodity dependence has meant Sub-Saharan economic growth has been a mirage, built upon the shaky foundation's of a commodity boom in the international business environment, which began in the mid-2000s and led to rising commodity prices in global trade that inflated government revenue across the region. When the commodity boom ended in 2014 and prices of commodities fell, the dependence of Sub-Saharan African countries on commodity exports translated into declining government revenue. In turn, this made repayments of external debt harder to finance. Subsequent currency devaluation across Sub-Saharan Africa due to falling export incomes, including the Ghanaian Cedi, has only served to increase the size of external debt and made debt repayments more expensive (Jubilee Debt Campaign, 2015; 2016). Chad, Gambia, Sudan and Zimbabwe have all defaulted on some of its external debt over the last couple of years (Jubilee Debt Campaign, 2015, p. 5; 2016a: 1-3), Mozambique external debt is now considered 'unpayable' (Jubilee Debt Campaign, 2016c) and Ethiopia, Sao Tome, Senegal, Tanzania and Uganda are considered at 'high risk' of debt crisis (Jubilee Debt Campaign, 2015: 12).

The debt crisis in Sub-Saharan Africa has led the IMF to once again administer its economic medicine to the continent. In April 2015, Ghana agreed funding with the IMF worth $930million, the only way Ghana could pay the interest on its external debt to private creditors in the international business environment (Jubilee Debt Campaign, 2016). Meanwhile, subsequent investigation has found the integral role of the World Bank in creating the debt crisis in Ghana in the first place. World Bank rules state that a country classed as a medium-term debt risk should have at least 50% of lending provided in the form of grants. However, 93% of funding to Ghana from 2007-2015, when Ghana was classed as at medium debt risk, took the form of repayable loans. In October 2015, the World Bank guaranteed $400million payment on $1billion bond sold by Ghanaian government to private speculators in global financial markets despite Ghana now classed as a 'high-risk' by the World Bank, which should have been prohibited under its own rules (Jubilee Debt Campaign, 2016b).

Funding from the IMF in April 2015 was conditional upon the acceptance of another SAP by Ghana, which mandated that government expenditure should be reduced to achieve a 2.9% GDP surplus in its primary balance, a 17.5% tax on petroleum introduced, subsidies on utilities and fuel eliminated and a net freeze on public sector employment introduced outside of health and education. Acting on IMF advice, real term government spending per person in Ghana has fallen by 20% per person by 2017 (Jubilee Debt Campaign, 2016: 23-27). This echoes IMF (2017, Chp. 2) advice to the wider Sub-Saharan region regarding the need to implement fiscal consolidation, entailing cuts to government expenditure and fiscal deficits, in order to reduce elevated public debt levels and achieve debt sustainability.

The involvement of the IMF and World Bank in Sub-Saharan Africa since 1980s has been disastrous. Instead of the global competitiveness, economic diversification and resilience to

turbulence in the international business environment promised by the IMF designed SAP implemented in Sub-Saharan Africa, four decades later the region has been plunged into another debt crisis. This contemporary debt crisis has not only been caused in part by loans offered by the IMF and World Bank, but also dependence on commodity exports to which IMF SAPs contributed. Sub-Saharan African economic growth in the twenty-first century has proved illusory and to add insult to injury has been unable to provide the resources for the current generation, never mind the next generation of its population, the definition of sustainable development. 302.7million of the Sub-Saharan African population live in extreme poverty of less than $1.90 per day, 170million of which are children (World Bank & Unicef, 2016). Meanwhile, 23.2% of the Sub-Saharan African population are undernourished (United Nations Food & Agriculture Organization, 2015). Given that current IMF policy in Ghana and Sub-Saharan African represents continuation of the neoliberal market-based strategy of the Washington Consensus, which has delivered four decades of lost development and contributed to another debt crisis in the region, the people of Sub-Saharan African could be forgiven for despondency regarding its prospects for sustainable development.

Conclusion

This chapter has noted that absent from discussion of emerging markets is the external factors that contribute to their potential for sustainable development. In particular, critical analysis of how the sustainable development of emerging markets is conditioned by the structure of the international business environment has been neglected. This chapter has addressed that absence through a case study of the impact of the IMF and World Bank on the sustainable development of Sub-Saharan Africa since 1980. Analysis of the IMF and World Bank is vital because the institutions have been integral to the radical transformation of the structure of the international

business environment in the last four decades. The chapter has found that the IMF and World Bank have been a consistent barrier to the sustainable development of the region. The response of the IMF to the debt crisis of the early 1980s through SAPs delivered economic decline and social instability to Sub-Saharan Africa. When economic growth did arrive in Sub-Saharan Africa in the twenty-first century, instead of evidence of global competitiveness and economic diversification as promised by the Washington Consensus, it was illusory and predicated on continued commodity dependence that IMF and World Bank advice and SAPs exacerbated. The lost opportunity for the sustainable development of Sub-Saharan Africa under the constraints of the Washington Consensus is demonstrated by the resurgence of a new debt crisis nearly four decades after the last. In response, the IMF has introduced a new round of SAPs to the region, which suggests it has learnt nothing from experience over the last four decades. If we are to increase our understanding of the causes of sustainable development in emerging markets it is necessary to consider external factors in the international business environment. Analyses that exclude the impact of external actors are likely to imply overly-negative economic governance on the part of emerging-market actors. This serves to further their continued economic marginalization, whilst also failing to fully understand international power relations at play in attempts at sustainable development.

Reference List

Ayelazuno, J.A. (2014) 'The New Extractivism in Ghana: A Critical Review of its Development Prospects', *The Extractive Industries and Society*, 1: 292-302.

Balassa, B (1971) 'Trade Policies in Developing Countries', *American Economic Review*, 61(May): 178-187.

Balassa, B (1981) *The Newly Industrialising Countries in the World Economy* (Oxford: Pergamon).

Bracking, S (1999) 'Structural Adjustment: Why it wasn't Necessary and Why it didn't Work', *Review of African Political Economy*, 26(80): 207-226.

Cavusgil, S.T., Ghauri, P.N & Akcal, A.A (2013) *Doing Business in Emerging Markets*, 2nd Edition (London: Sage).

Chang, H-J & Gradel, I (2004) *Reclaiming Development: An Alternative Economic Policy Manual* (London: Zed Books).

Dixon, C., Simon, D & Narman, A (1995) Introduction: The Nature of Structural Adjustment in D. Simon., W.V. Spengen., C. Dixon & A. Narman, eds. Structurally Adjusted Africa: Poverty, Debt and Basic Needs (London: Pluto Press) 1-16.

Economist (2000) 'The Hopeless Continent', *The Economist*, 13th May www.economist.com/node/21519234 [Accessed on 9th December].

Economist (2013) 'A Hopeful Continent', *The Economist,* 2nd March www.economist.com/sites/default/files/20130203-emerging-africa.pdf [Accessed on 9th December 2017].

El-Hadi Arouri, M., Boubaker, S & Nguyen, D.K (2011) *Emerging Markets and the Global Economy* (Burlington: Elsevir Science).

Eyoh, D & Sandbrook, R (2003) Pragmatic Neo-Liberalism and Just Development in Africa in A. Kholi, C-I. Moon & G. Sorensen, eds. States, Markets, and Just Growth: Development in the Twenty-First Century (New York: UN) 227-257.

Gamble, W.B (2011) *Investing in Emerging Markets* (Berkeley, CA: A Press).

Grosse, R (2016) *Emerging Markets: Strategies for Competing in the Global Value Chain* (London: KoganPage).

Hadjikhauni, A., Elg, U & Ghauri, P.M (2012) *Business, Society & Politics: Multinationals in Emerging Markets* (Bradford: Emerald).

Hoogvelt, A (2001) Globalization and the Postcolonial World: The New Political Economy of Development, 2nd Edition (Basingstoke: Palgrave).

IMF (2016) *Sub-Saharan Africa: Time for a Policy Reset* (Washington, DC: IMF).

IMF (2017) *Sub-Saharan Africa: Fiscal Adjustment and Economic Diversification* (Washington, DC: IMF).

IMF (2017a) *Ghana: Debt Sustainability Analysis*, IMF Country Report No. 17/262, September https://www.imf.org/external/pubs/ft/dsa/pdf/2017/dsacr17262.pdf [Accessed on 9th December 2017].

Jenkins, R (2008) The Emergence of the Governance Agenda: Sovereignty, Neoliberal Bias and the Politics of International Development in V. Desai & R.B. Potter, eds. *The Companion to Development Studies,* 2nd Edition (London: Hodder Education) 516-519.

Jones, S (1994) 'Structural Adjustment in Zambia' in W. Van Der Geest, ed. *Negotiating Structural Adjustment in Africa* (London: UNDP) 25-46.

Jubilee Debt Campaign (2015) *The New Debt Trap: How the Response to the Last Global Financial Crisis has Laid the Ground for the Next* (London: JDC) www.jubileedebt.org.uk/wp-content/upload/2015/07/the-new-debt-trap-report.pdf [Accessed on 9th December 2017].

Jubilee Debt Campaign (2016) *The Fall and Rise of Ghana's Debt: How a New Debt Trap has been Set* (London: JDC) http://jubileedebt.org.uk/wp-content/uploads/2016/10/The-fall-and-rise-of-Ghanas-debt_10.16.pdf [Accessed on 9th December 2017].

Jubilee Debt Campaign (2016a) *The New Developing World Debt Crisis* (London: JDC) http://jubileedebt.org.uk/wp-content/uploads/2016/11/The-new-developing-world-debt-crisis_Final-version_11.16.pdf [Accessed on 9th December 2017].

Jubilee Debt Campaign (2016b) 'World Bank Broke its Own Rules over High Interest Loans to Ghana', *Jubilee Debt Campaign Press Release*, 9th October www.jubileedebt.org.uk/press-release/world-bank-broke-rules-high-interest-loans-ghana [Accessed on 9th December 2017].

Jubilee Debt Campaign (2016c) 'Mozambique debt is Unpayable and the UK needs to Act', *Jubilee Debt Campaign Blog*, 25th October http://jubileedebt.org.uk/press-release/mozambique-debt-unpayable-uk-needs-act [Accessed on 9th December 2017].

Killing, T (2008) 'Aid Conditionality' in V. Desai & R.B. Potter, eds. *The Companion to Development Studies*, 2nd Edition (London: Hodder Education) 511-515.

Kvint, V (2010) *The Global Emerging Market: Strategic Management and Economics* (Hoboken: Taylor and Francis).

Lal, D (1983) *The Poverty of Developmental Economics* (London: The Institute of Economic Affairs).

Milward, B (2000) 'What is Structural Adjustment' in B. Milward & A.B. Zack-Williams, eds. *Structural Adjustment: Theory, Practice and Impacts* (London: Routledge) 24-38.

Narman, A (1995) 'Fighting Fire with Petrol: How to Counter Social Ills in Africa with Economic Structural Adjustment' in D. Simon., W.V. Spengen., C. Dixon & A. Narman, eds. *Structurally Adjusted Africa: Poverty, Debt and Basic Needs* (London: Pluto Press) 45-56.

Opoku-Dapaah, E (2011) 'Ghana: Beyond the Model Nation Image', *Ghana Journal of Development Studies*, 8(2): 17-37.

Pearce, R (1994) 'Food Consumption and Adjustment in Zambia' in W. Van Der Geest, ed. *Negotiating Structural Adjustment in Africa* (London: UNDP) 84-98.

Poillon, C (2001). *Getting Started in Emerging Markets* (Chichester: Wiley).

Ramamurti, R & Singh, J.V. (2009) *Emerging Multinationals in Emerging Markets* (Cambridge: Cambridge University Press).

Reed, D (1992) Structural Adjustment and the Environment (London: Earthscan).

Santiso, C (2004) 'The Contentious Washington Consensus: Reforming the Reforms in Emerging Markets', *Review of International Political Economy,* 11(4): 828-844.

Simon, D (1995) 'Debt, Democracy and Development: Sub-Saharan Africa in the 1990s' in D. Simon., W.V. Spengen., C. Dixon & A. Narman, eds. *Structurally Adjusted Africa: Poverty, Debt and Basic Needs* (London: Pluto Press) 17-44.

Simon, D (2008) 'Neoliberalism, Structural Adjustment and Poverty Reduction Strategies' in V. Desai & R.B. Potter, eds. *The Companion to Development Studies*, 2nd Edition (London: Hodder Education) 86-91.

United Nations (2017) 'With Fast-Growing Youth Population, Africa Boasts Enormous Market Potential – UN Deputy Chief', *UN News Centre*, 18th October www.un.org/sustainabledevelopment/blog/2017/10/with-fast-growing-youth-population-africa-boasts-enormous-market-potential-un-deputy-chief/ [Accessed on 9th December 2017].

United Nations (2017) 'Africa's Rapid Urbanization Can Drive Industrialization, says New UN Report', *UN News Centre*, 19th October www.un.org/sustainabledevelopment.org/blog/2017/10/africas-rapid-urbanization-can-drive-industrialization-says-new-un-report [Accessed on 9th December 2017].

United Nations Food & Agricultural Organisation (2015) *The State of Food Insecurity in the World 2015* (Rome: FAO).

Vergne, Clemence (2015) 'Ghana: What Medium-Term Development Model?, *Ideas for Development*, 21st April www.ideas4development.org/en/ghana-what-medium-term-development-model/ [Accessed on 9th December 2017].

Williamson, J. Ed. (1990) *Latin American Adjustment: How much has Happened?* (Washington DC: Institute for International Economics).

Williamson, J (2004) 'The Washington Consensus as Policy Prescription for Development', *Lecture delivered at the World Bank*, Washington DC, 13th January citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.118.9690&rep=rep1&type=pdf [Accessed on 8th November 2017].

Willis, K (2005) *Theories and Practices of Development* (Abingdon: Routledge).

Woodward, R (2016) 'Tomorrow Never Comes: Why Africa's Economic Rise May Yet Fall Flat', *Trends Research and Advisory*, 21st June www.trendsinstitution.org/tomorrow-never-comes-why-africas-rise-may-yet-fall-flat/ [Accessed on 9th December 2017].

World Bank & Unicef (2016) 'Ending Extreme Poverty: A Focus on Children', *World Bank & Unicef Briefing Note*, October https://www.unicef.org/publications/files/Ending_Extreme_Poverty_A_Focus_on_Children_Oct_2016.pdf [Accessed on 9th December 2017].

World Commission on Environment & Development (1987) *Our Common Future* (UN: Geneva).