Debt Cancellation Is Not Enough!

Repairing Economic Colonial Injustices through Radical Reform of the International Financial Architecture

AFRICAN FUTURES LAB

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Executive summary

The objective of this report is to examine demands for reparations in connection with the cancellation of Southern African states' sovereign debts and the decolonization of multilateral financial institutions. These demands are not new but have been expressed by states and regional institutions since the 1960s. In Southern Africa, the same demands for reform have been made by governments, as a way of undoing the legacies of colonization, but without the use of the term "reparations" specifically. This report shows these are not calls to repair the past, but rather calls to put an end to contemporary injustices, which have concrete effects on the socio-political and economic future of these societies.

This research also shows that civil society organizations in Southern Africa are not unanimous on how to put an end to these colonial injustices, nor indeed on the sharing of responsibility between states and international financial institutions. The majority of the actors interviewed consider that debt cancellation can only be considered a form of reparation for colonial injustices if the international financial architecture is overhauled. In other words, there is no point in cancelling debt without taking structural measures, as there is a risk of states falling back into the same patterns of indebtedness a few years later. Others, on the other hand, believe that debt cancellation and the reform of financial institutions, while necessary, must not ignore the responsibility of states towards their own populations, both in terms of the choices they make with regards to debt management and to racial inequalities within their populations.

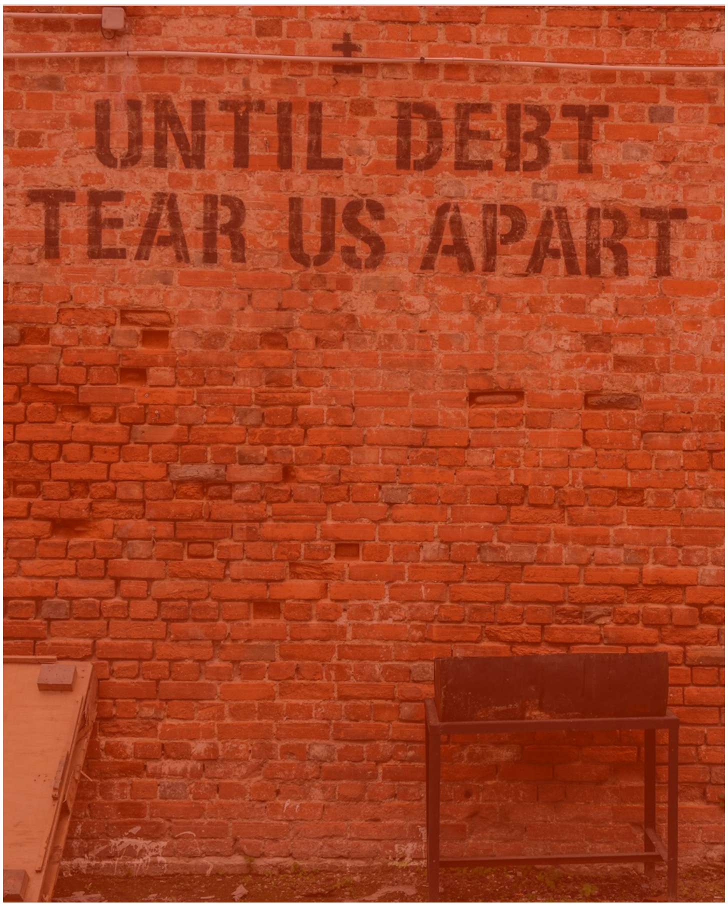


Image by Alice Pasqual

01 Introduction

In recent years, debates on debt relief and on the reform of multilateral economic systems have gained renewed interest in light of the multiple crises currently facing the African continent, in particular the economic crisis caused by the Covid pandemic, price rises resulting from the invasion of Ukraine by Russia, and the climate crisis.[1] The combination of these phenomena has contributed to the ballooning of public debt in several African countries, the repayment of which makes it difficult to provide public services and to effectively deal with the multiple socio-economic, political, and climatic challenges the countries face.[2]

Debates on debt relief and the reform of multilateral economic systems are not new, however. Rather, they echo demands made by African states since the end of the colonial period. Over the last sixty years, African states have denounced the injustices of colonization, and in particular the lack of decolonization of the international political and economic order into which new African states were collectively integrated in the aftermath of their political independence.[3] Although independence enabled the states to gain sovereignty, political autonomy was only guaranteed on condition that the states comply with international law – the very system of norms and institutions that had made the appropriation and exploitation of African populations and resources possible in the first place.

This means, for instance, that several states not only inherited the debts contracted by former colonial administrations, but they also had to join multilateral institutions whose governance and operating methods position formerly colonized states as second-class states.[4] Another consequence of this truncated decolonization is that economic and commercial commitments made by former colonial administrations to implement their colonial project (e.g. concession contracts or loans from international institutions) were maintained.[5]

While this colonial continuity was challenged on several occasions at the United Nations (UN) in the 1970s, leading, for example, to the establishment of the New International Economic Order, it was only clearly formulated as a form of reparations demand in the early nineties at the Abuja Conference.[6] This conference, organized by the Panel of Eminent Persons and the Reparations Commission of the Organization of African Unity and the State of Nigeria, called for the reform of the world political and economic order inherited from slavery and colonization as a form of reparations. The declaration of this conference stressed that: "[this] First Pan-African Conference on Reparations urges the Organization of the African Union (OAU) to call for the full monetary payment of reparations through capital transfer and debt cancellation".[7] The same declaration "urges the OAU to intensify its efforts to restructure the international system in the pursuit of justice, with particular reference to a permanent African seat on the UN Security Council."[8] More recently, the African Union has expressed similar demands for debt relief and for the reform of multilateral institutions as a way of repairing the historical injustices of colonialism and slavery by European States.[9]

The objective of this research is to examine the resonance of these criticisms, within the specific context of Southern African states. We analyze the ways in which demands for debt cancellation and for the reform of the international political and economic order as a form of reparations have been expressed within the context of Southern African States. We examine the trajectory of these demands, looking at how they have been expressed by States and how they are perceived by civil society actors. We also consider the support as well as the reservations that these demands for reparations have aroused.

The recent negotiations between the Namibian State and the German State have highlighted the importance of considering civil society perspectives when negotiations for reparations are taking place between states. Indeed, the Namibian-German case showed that states can overlook the concerns of affected populations.[10] Our approach in this research is thus to pay close attention to the perspectives of civil society actors.

Our analysis adopts a qualitative approach and case study research design. Nineteen semi-structured interviews were conducted with civil society organizations, officials, and academics working in the areas of economic and social justice, debt relief, and related matters. These interviews were conducted with actors based in South Africa, Zimbabwe, Namibia, Malawi and Mozambique in April, May and June 2023.

This research shows that while civil society actors partly support the efforts of states, they nevertheless stress that demands should not be limited to tackling economic inequalities at the international level, but that they should also address racial disparities in national contexts. In other words, for Southern African civil society actors, demands for reparations in the form of debt cancellation and the reform of multilateral institutions must go hand in hand with reforms to address racial inequalities affecting the indigenous peoples of Southern Africa. This means that demands made by states should not absolve them of their responsibilities to redress colonial legacies within the country itself.

02 Colonial international financial architecture and its disastrous consequences

This section provides historical context for demands to decolonize the international economic system and to cancel the sovereign debts of Southern African states. It exposes how these countries inherited structures and debt at the time of independence, which have since had an impact on their political and economic trajectories.

With few exceptions (i.e. South Africa colonized in 1652, Mozambique colonized in 1752, and Angola colonized in 1575), the member countries of the Southern African Development Community (SADC) were colonized following the conclusion of the Berlin Conference held in Berlin from 15 November 1884 to 26 February 1885.[11] The partitioning of Africa at this Conference saw South Africa, Zimbabwe, Botswana, Zambia, and Malawi under British imperial rule; Mozambique and Angola under Portugal; and Tanzania and Namibia under Germany. Despite the variety of colonial powers, the policies implemented to subdue African populations were very similar. They centered on primitive methods of accumulation: genocide, stealing, plundering, looting, pillaging, dispossession, displacements and other forms of violence.[12]

In this region, the political economy of imperialism and colonialism was based on white settlers expropriating black natives without compensation. The immediate consequence of this logic was that all the means and factors of production in all key economic sectors (i.e. mining, agriculture, manufacturing and land, etc.) were forcefully transferred from Africans to a handful of new white settlers. This exclusivity pushed Africans out of the mainstream economy, reducing them to either cheap or free labourers in the expropriated mines, farms and factories, or to the status of lumpenproletariat.

The outcomes of independence negotiations for many SADC countries continued to put the colonial powers and their citizens – who, after Independence, claimed nativity and indigeneity in SADC[13] - at a strategic advantage, while correspondingly and continuously putting the so-called independent Southern African countries and their citizens at a strategic disadvantage.

While various measures have been adopted, such as the Broad-Based Black Economic Empowerment Programme (BB-BEE) in South Africa, or Zimbabwe's 2010 Indigenization and Economic Empowerment Program, these measures have not succeeded in correcting the historical inequalities that structure many Southern African countries; much remains to be said about the intrinsic limits of these schemes. Nonetheless, they illustrate the attempts of Southern African states to deal with the structural, profound, and widespread consequences of slavery and colonization on their countries in contemporary times.

Besides these domestic measures, Southern African states have also expressed the need to reform and decolonize global financial and political institutions such as the World Bank, the International Monetary Fund (IMF), and the UN Security Council as a way to redress colonial injustices.[14] The region is demanding these reforms on the grounds that, while colonialism may be over, these global institutions embody colonial domination; their function is to perpetuate an unequal global governance system between the Global North and Global South, such that political and economic injustices by the former continue to occur unimpeded.

Although there are numerous criticisms of the way the current financial architecture works, we decided to focus on two aspects that SADC states have regularly put forward, namely the representation of African states in multilateral institutions and debt cancellation.

Colonial governance: Representation of African states in international financial institutions

With regards to international financial institutions, one of the longest-standing criticisms concerns the representation of African states in organizations such as the IMF and the World Bank. The IMF and the World Bank were created in 1944 under the Bretton Woods Agreement, at a time when most countries in the Global South were still under the yoke of colonial empires. Established in 1946, the IMF's original mission was to "promote international monetary cooperation, exchange stability and orderly exchange arrangements; to foster economic growth and high levels of employment; and to provide temporary financial assistance to countries to help ease balance of payments adjustment."[15] The original mission of the World Bank, then known as the International Bank for Reconstruction and Development, was to help Europe and Japan rebuild after the Second World War.[16]

In both institutions, participation in governance depends on two types of votes: basic votes and votes resulting from the share of quotas. The number of basic votes has remained the same since the inception of these institutions, with 250 votes allocated to each member state. In addition to these 250 basic votes, each member state has one additional vote for each share held. These shares are allocated to countries according to their weight in the world economy. When new share-based votes are allocated, member states are free not to buy them.

As a result of this voting system, the G7 countries hold almost half the votes at the IMF (44.5) and 42% at the World Bank. The United States of America has 15.86% at the World Bank and 16.50% at the IMF; Japan has 7.45% at the World Bank and 6.14% at the IMF; Germany has 4.25% at the World Bank and 5.31% at the IMF; France has 3.93% at the World Bank and 4.03% at the IMF; and Great Britain has 3.93% and 4.03% at the IMF. On the other hand, all African countries together account for just 6.21% of World Bank votes[17] and 6.44% of votes at the IMF.

This unequal distribution of voting rights is highly problematic, as most decisions require 50% of votes, while the most important decisions require 70% or 85%. For example, the distribution of Special Drawing Rights (SDRs) requires 85% of votes.[18] This means that the United States' sweeping 15.86% and 16.20% in the World Bank and IMF, respectively, are enough to block the distribution of these SDRs or the extension of loans to other countries.

This over-representation carries political weight, as was illustrated by the case of Zimbabwe. Following the country's fast-track land reform program of 2000-2003, the Congress of the United States of America enacted the Zimbabwe Democracy and Recovery Act, whose section 4(c)(1) and (2) is meant to block any loan or financial aid extension to the Government of Zimbabwe in multilateral banks and financial institutions.[19] The section reads:

> "(c) Multilateral financing restriction.—Until the President makes the certification described in subsection (d), and except as may be required to meet basic human needs or for good governance, the Secretary of the Treasury shall instruct the United States executive director to each international financial institution to oppose and vote against— (1) any extension by the respective institution of any loan, credit, or guarantee to the Government of Zimbabwe; or (2) any cancellation or reduction of indebtedness owed by the Government of Zimbabwe to the United States or any international financial institution"[20] .

In the same vein, the governing bodies of these institutions are structurally unequal. Much of the decision-making power is vested in the Board of Governors, a group of executive directors presided over by a Managing Director (IMF) and a President (World Bank). The customary rule is that the Managing Director of the IMF is European, while the President of the World Bank is American.[21] There are 24 executive directors (IMF) and 25 executive directors (World Bank). In each institution, eight executive directors represent the following countries: US, Germany, France, UK, China, Russia, and Saudi Arabia. The remaining 16-17 directors are from the 183 member countries.

This situation, in which African states are virtually unrepresented, is even more problematic given that a large proportion of the policies of these institutions concern Africa, and that they have come to interfere in most public policies in Africa.[22]

Image by Christine Roy

Southern African countries have questioned this system of global governance for decades. At the turn of the 2000s, for example, former South African Finance Minister Trevor Manuel pointed out that the voices of the poorest states – the institutions' client-states – are ignored. He also questioned the informal arrangement by which the heads of these two institutions are chosen. As he put it: "We will continue to argue for a review of the institutions and how they operate. Developing countries need to have voices and need to be taken account of."[23]

However, the reforms made to the voting and representation system in recent years have not restored any fairness. On the contrary, a two-round reform was organized at the turn of the 2010s, resulting in a meagre transfer of votes, with only 4.59 points being transferred from economically advanced countries to the Developing and Transition countries (DTC) in the case of the World Bank.[24] As far as low-income countries are concerned, a category which includes many African countries, the reform has brought about no significant change: all these countries together have gone from 3.45 per cent of the vote to 3.84 per cent.[25]

As a result, the reforms adopted in recent years have failed to challenge inequalities between states.

Historically unjust debt architecture

The debt overhang that SADC member-countries are suffering from is but one legacy of colonial economic injustices, violence, and crimes. To begin with, many countries in the region inherited colonial debts that, in most cases, were acquired by colonial governments to finance their wars against nationalist movements. Zimbabwe, South Africa, and the DRC are but a few examples of independent regional states that suffered a “false start” as a result of inherited colonial debt.[26] These inherited debts decapitated newly independent African states by compromising post-colonial African states’ efforts to foster strong markets capable of accumulating capital. Consequently, the states’ fiscal policies became dependent on debt.

Colonial debts left these countries as high-risk countries when it comes to gauging their credit worthiness. As a result, many of them access loans from multilateral institutions such as the IMF and the World Bank at a premium, as, according to these institutions, they are high-risk borrowers. Moreover, it should be noted that the legacies of colonial economic violence and crimes left former colonies in Southern Africa with no option but to borrow, further putting themselves into debt distress and further compromising their already compromised creditworthiness.

In the SADC region, a combination of factors, including exchange rate fluctuations and natural calamities, contributed to external debt crises in both the 1980s and 2000s.[27] In the 1980s, Malawi, Tanzania, and Zambia had debt-to-GDP ratios exceeding 100% when the crisis occurred between 1982 and 1986.[28] Zambia’s debt-to-GDP ratio was particularly dire, surpassing 400% in 1986.

It is important to note that in 1996, international multilateral institutions responded to the issue of mounting debt in developing countries through the Highly Indebted Poor Countries (HIPC) debt relief program. In SADC, Malawi, Tanzania and Zambia were included in the group of eligible countries for this program, and subsequently experienced a reduction in their official debt levels to a point where they were deemed to be sustainable: down to 40% by 2013, less than the regional target of 60%.[29]

Currently, the following countries are classified as highly indebted poor countries (HIPC) in Southern Africa: Angola, the Comoro Islands, Madagascar, Malawi, Mozambique, Tanzania, and Zambia. Many SADC countries (e.g. Malawi, Mozambique, Tanzania and Zambia) have been beneficiaries of past debt relief initiatives, e.g. the HIPC and Multilateral Debt Relief Initiative (MDRI).[30] But due to their high credit risk status, they’ve attracted high-interest loans from these multilateral international institutions while countries with low credit risk – more developed nations - attract low interest loans. This leads to a situation where the developing nations that need loans to grow their economies are targeted by punitive measures. The system is problematic: African countries will continue to drown in debt, and hence never achieve their economic development goals.

Furthermore, following the debt crises of the 1980s and 1990s that devasted the economies of the region, Southern Africa underwent a process of accelerated market liberalization facilitated by the structural adjustment programs engineered by the Bretton Woods institutions’ 10 Washington Consensus principles.[31] The 10 principles are: (a) Legal security for property rights (b) Fiscal discipline (c) Competitive exchange rates (d) Market-determined interest rates (e) Trade liberalisation (f) Inward Foreign Direct Investment liberalization (g) Tax reform (h) Privatisation (i) Deregulation, and (j) Cutting subsidies. The relaxation of regulations, reductions in public expenditure, privatisation initiatives, implementation of tax reductions for wealthy individuals and corporations, and the pursuit of a “race to the bottom” approach towards labour rights, contributed to a further entrenchment of inequality and an increase in poverty and hunger across many Southern African member countries.[32]

The intrinsic limitations of the different debt relief mechanisms have been highlighted over the last decade and relate in particular to the fact that: i) selection criteria are restrictive, leaving out several countries that could benefit from them; ii) the procedure for benefiting from this mechanism is slow; iii) the mechanisms ignore external shocks to countries that have an impact on debt sustainability; iv) the mechanisms are used by creditor countries to intervene in the economic and social policies of beneficiary countries.[33]

03 Repairing colonial economic injustices: perspectives of Southern African civil society actors

On the basis of a survey conducted in South Africa, Zimbabwe, Namibia, Mozambique, and Malawi, this research sought to find out what civil society actors made of demands for justice made by the State, and of the will to rid themselves of colonial legacies. Our analysis leads us to conclude that civil society actors promote a holistic approach, considering demands expressed at both the domestic and the global levels. In other words, for Southern African civil society actors, demands for reparations in the form of debt cancellation and the reform of multilateral institutions must go hand in hand with reforms to address racial inequalities affecting the indigenous peoples of Southern Africa. This means that demands made by states should not absolve them of their responsibilities to redress colonial legacies within the country itself.

Debt cancellation is not enough! Civil society calls for radical and decolonial reform

Our survey of civil society actors revealed two different positions on the issue of debt cancellation as a form of redress for colonial injustice. The first position is that debt cancellation alone is insufficient. If it is to be done, it must be accompanied by an overhaul of the institutions, standards, and mechanisms that govern the international financial architecture. Many civil society actors are moving in this direction, by demanding the reform of these institutions. Others, however, are more circumspect and believe that African states are using colonization as an excuse to shirk their responsibilities for the mismanagement of public resources.

Several respondents began by stressing that the current indebtedness of African states is the result of colonial injustices, the fact that the states inherited debt that was contracted by colonial administrations to deploy colonial violence. This constitutes a double injustice, since not only did they suffer the colonial crimes, but they now must also pay for the financial resources that were mobilized to perpetrate these crimes. This is what one of our respondents had to say about Zimbabwe:

> "A country like Zimbabwe inherited over $700 million in 1980 and that debt really was a problem because it accrued as a result of the war. And some businesspeople, some other multilateral institutions gave the Rhodesian government money when they were not supposed to lend to Rhodesia because the country was under legal sanctions by the United Nations, just like South Africa also. I mean, it inherited an illegal debt, an odious debt. And that debt is still part of the debt that the country has."[34]

Another respondent, referring to the same debt situation inherited by Southern African countries, said:

> "Quite a few Southern African countries inherited colonial debts. Zimbabwe inherited US$ 700 million to be precise, from the Rhodesian government, and South Africa inherited US$25 billion from the apartheid government."[35]

In support of this perspective, many scholars have argued that to repay these odious debts, governments have been forced to take out new loans. In the case of South Africa, as part of the Convention for a Democratic South Africa (CODESA)[36] negotiations, the government was compelled to borrow US$850 million from the IMF with tough conditions that persisted for years.[37] The post-independence economic situation has been shaped significantly by this double penalty.

Many respondents emphasized that this debt situation was a double blow to Africans as, first, these odious loans were borrowed by colonial regimes to crush black nationalist movements during wars of liberation and, second, because of this debt burden, the newly independent African states had a false start: They started off already "in the red."

This false start was obviously not without consequences, since the resources invested in debt repayment could not give rise to other major investments for these countries - the very investments that could have enabled the State to have more sustainable debts.

This situation of structural over-indebtedness has had disastrous consequences for countries, further undermining their ability to borrow. According to a 2023 UN Report, the average interest rates for African countries are eight times higher than those for Germany and four times those for the USA.[38] Furthermore, African countries spend more on interest rate payments than they do on either health or education.[39] To further put this issue into perspective, "on average, low-income countries are likely to allocate more than twice as much funding to servicing net interest payments as they do to social assistance, and 1.4 times more than to healthcare. Debt servicing accounts for 60% of education expenditures in these nations."[40] Angola is a good case in point as it currently spends 44% of its total revenue on servicing external debt, with public health receiving only 6% of the total government revenue.[41]

Criticizing these high interest rates, one respondent said:

> "How can you label a continent that you depend very much on for your raw materials to power your economic technological advancement, a risk investment destination? Given that you are the one who invaded that country, plundered this human asset, plundered its natural resources, colonized the people, and then you have the audacity to label that continent a risk investment?"[42]

However, several of our respondents pointed out that it would be pointless to cancel debts as a form of reparation for colonial injustices. Debt cancellation is not a new idea, they argue, and previous debt cancellation measures have not prevented governments from falling back into cycles of debt. As one respondent put it, regarding Zimbabwe:

> "Cancelling debts in Zimbabwe will not help because the structures that create debt continue; even after cancelling the debt, the debt will continue to accrue. We saw that when the Heavily Indebted Poor Countries (HIPC) initiative was introduced, over 30 countries had their debt cancelled, but today most of those countries are in debt distress. So, cancelling the debt is not an answer, it is not a solution to African problems. The problem is in the systemic and structural factors of the economy."[43]

Another participant shares the same perspective about Mozambique:

> "So, my point is that debt cancellation is not a new idea. It will not be the first time that it is happening to Mozambique. Mozambique has gone through a process of debt cancellation, under a previous global project that was called HIPC. That was in early 2000. Now, in terms of the implications and the relevance of the initiative of cancelling the debt, it is important, in my view, to cancel the debt poor countries have, but it never helps."[44]

A number of interviewees said that debt cancellation as a form of reparation is far from sufficient, in that it has no effect and does not prevent countries from falling back into cycles of debt. They argue that the processes around the issuance, administration, distribution, and repayment of international public debt, are, in fact, largely a function of colonial capitalism.[45] They consider that the systems, structures, and asymmetrical power dynamics that created the multiple debt crisis are still in place.

As such, because the logic and raison d'etre of global financial and lending multilateral institutions guarantee recidivism, without a complete overhaul, without decolonizing and reforming these institutions, many Southern African States' efforts to have their debts restructured and cancelled are dead in the water.

For many participants in our survey, the current situation and previous debts are an outcome of failed global economic and financial frameworks regarding debt, international trade, tax, climate financing, and foreign direct investment.

They also consider the current situation to be a product of the protocols and conventions of international multilateral institutions that were not meant for Africa and Africans. In this regard, as argued by one of the civil society respondents, truly atoning for colonial crimes and slavery in Southern Africa through debt relief as a form of reparations would look like "Africa changing from being a 'rule-taker' to being a 'rule-maker' in every important debt-related decision and process that affects the continent."[46]

For example, another participant in our study said:

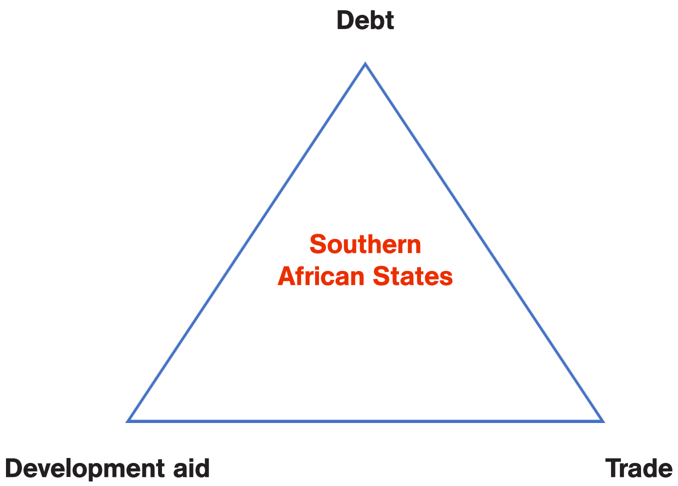
> "You cannot have your debt cancelled without true and proper reforms in international trade and removal of aid conditionalities, and then expect any meaningful improvements in that country's politics, social, and economic developments."[47]

For this participant, in order for debt cancellation to be interpreted as a practical and real form of reparations for colonial crimes and slavery in the region, the three measures – debt cancellation, reform of international trade policy, and removal of aid conditionalities – should be undertaken simultaneously and unconditionally. Short of that, reforms in the international governance system are just a farce, and will ultimately be meaningless to Southern Africans.

The case of Malawi is revealing and illustrative here. The Southern African country had 90% of its US$2.9 billion debt cancelled in 2006 (with only US$400 million outstanding). However, today it is in a worse-off situation than in 2006, before the cancellation of the debt. One of the participants says of the situation:

> "By 1999, Malawi owed $2.8 billion to lenders. Whether private or multilateral or bilateral, it was 2.8 billion when the debt cancellation was finally given. By 2008, when the debt was cancelled, we only remained with $400 million dollars, which was private debt. By today, we are way beyond $2.8 billion again. So, imagine: from independence in 1964 to 2000, we owed $2.8 billion. When the debt was cancelled by 2008 to date, yeah, this is 2023, a period of about, let's just say 15 or 18 years. Our debt is more than what we owed from independence to the debt when the debt was cancelled. The question is why?"[48]

The reason for this ballooning, according to our interviewee, is the lack of a "Triangle Approach" when negotiating these deals. The conditions given to Malawi for debt relief were practically to decapitate the economy to the point that it would not be able to sustain itself, and thus would be forced to borrow continuously. According to this interviewee, a triangle approach is a critical tool to be deployed when analyzing and demanding colonial reparations in (Southern) Africa.



The Triangle has Debt, Aid, and Trade at its three points. Countries are placed in the center, and their position in relation to each of the three points reveals imbalances between these three components of their economies. According to this schema, debt, development policies, and trade are interlinked. A country cannot have debt cancelled without true and proper reforms in international trade as well as the removal of aid conditionalities, and expect any meaningful improvements in that country's politics and social and economic development.

Interview participants argued that the protracted debt overhang in Southern Africa can be attributed to the region's lack of economic agency in all strategic decisions made in international economic markets by global financial and economic institutions. Without exception, all SADC member countries lack influence when it comes to recommending borrowing terms, and **only act as rule-takers rather than rule-makers**.

Overall, most of the participants in the survey considered it essential not to dissociate the question of debt cancellation from the issue of overhauling multilateral institutions. In fact, they asserted that the current structure and architecture of the global governance system are designed to advance, protect, and maintain what scholars such as Cedric J Robinson have referred to as 'racial capitalism' or what Charles W. Mills called 'The Racial Contract.'[49] Put differently, the supra-national institutions and the laws, conventions, protocols, and covenants that govern them (which these institutions unilaterally formulate) are a function of colonial capitalism. The foundational logic and philosophy of their Euro-American canonical approaches to global governance promote white privilege and white supremacy in both formal and informal, direct and indirect ways that permit the continued and unbridled appropriation and subjugation of non-white populations even long after colonization.

The participants in this survey considered these international multilateral institutions as creations of the developed North that have, as their founding objective, the goal of further developing the Global North by under-developing the Global South. One participant expressed this perspective in the following way:

> "The World Bank was created for Europe in 1944. It was only after that, they said, OK, So what else can we do? Then they tried to look for other countries, the poor countries. Has it ever been reformed since then? No. the IMF, it's also the same thing."[50]

Commenting on this point, one participant supports what he termed 'a radical and decolonial reformation' of these institutions. If reform is carried out, Africa's voice should both be heard and heeded. Corroborating this viewpoint, another participant argued that reforming and decolonizing international multilateral institutions is one form of reparation for colonial crimes and slavery that Southern Africans need now. He argued that the institutionalization and entrenchment of non-racialized, just, and fair relational

Image by Pawal Janiak

capital into multilateralism is one significant way of repairing the damage caused by colonial violence and slavery in the region.

Global multilateral financial institutions are still heavily dominated by former colonial powers and other Global North countries, and the laws and conventions that govern them support the interests of these countries. It is against this backdrop that many participants in this study argued that it is only once the UN, WTO, the World Bank, the IMF and many other multilateral institutions open up to Global South countries in an equal, just, and fair process that we will be able to say that colonial and slavery reparations have been fully paid to (Southern) Africans.

Domestic reforms first and foremost

While some civil society actors argued in favor of debt cancellation and the reform of multilateral institutions as a form of alternative reparations, others expressed more skepticism. As we shall see in this section, these individuals: 1) warn against the instrumentalization of colonization by Southern African political decision-makers to evade their responsibilities; and 2) they stress that a policy of indigenization of the economy is necessary if we are to talk of genuine reparations.

Some of the participants in our study argued that (Southern) African leaders are scapegoating their incompetence, corruption, mismanagement, and leadership failure on colonialism. For them, while colonizers committed many unspeakable atrocities in (Southern) Africa, hence owing us a lot, it should be noted that it is senseless to demand colonial reparations now – more than 40 years after independence. The following submissions from the two participants are telling and revealing:

> "I know that colonialism did very big damage to the indigenous people, to the economies, to the countries. I am not denying that, but I'm saying that there are things that could be changed if the liberators wanted to change. I mean, they changed the names of stadiums, of avenues, of cities, many other things were changed. But in the case of Mozambique, they have never invested in building a new road that would connect a province that produces more food with other provinces that have less arable land. The politicians should look after those issues before we go on to reparations. I mean, we need the reparations. But let us not be naive and stupid and think that things we should have done should be blamed on the lack of reparations.[51]"

For these participants, to challenge the relevance of articulating reparations demands today does not mean absolving former colonial powers from their responsibility in the precarity and depravity in which Southern African countries find themselves today. Their argument is rather that African leaders are also partly to blame for the debt trap the region is grappling with today and that it is important to hold them accountable for this wrongdoing so that they take responsibility and fix it. If these leaders are senselessly borrowing, and the money is spent on conspicuous consumption rather than what it was loaned for, they should take responsibility for their mismanagement.

For these participants, colonial reparations demands are a problem that Southern African countries may deal with after they have addressed their internal issues, which are more detrimental to the continent's underdevelopment than these external problems.

Among the arguments that call for attention to be paid first and foremost to the domestic dynamics of countries, we find those that consider the nationalization and indigenization of the economy as the most important form of reparation for colonial crimes. The argument advanced here is that proper atonement for the crimes of colonialism and slavery that Africans suffered is wealth restoration, restitution, and reparations. Put differently, it is only when Africans are real owners, managers, and controllers of both the means and factors of production, distribution, exchange, and consumption in all sectors of the economy in their motherland that we can deem reparations of colonial violence and slavery to have been fully paid.

Many participants in this study agreed that the economic structure of the region, i.e. ownership, control and management of both the means and factors of production, continue to reflect pre-independence distinctiveness: indigenous Africans remain excluded in mainstream economic activities while foreign nationals and transnational corporations are at the commanding heights of the economy.[52]

One participant in our study said, for instance:

> "In our constitutions, we are the owners. But in terms of really driving economic and fiscal benefits, we do not have control. So, part of the reparations must make sure that Africans have got control of their natural resources, which include the land, which include minerals, which include water. We need systems that appreciate that there should be not just ownership but you don't have control."[53]

According to this viewpoint, the (Southern) African problem is not only global multilateral organizations per se. The problem is also the internal structures of national economies. It is on these grounds that proponents of this viewpoint argue that reforming the international multilateral institutions and debt cancellation without the reorganization and reform of internal socioeconomic and political systems is a meaningless and futile act for (Southern) Africans.

04 Conclusion and recommendations

The purpose of this report was to examine demands for reparations in connection with the cancellation of Southern African states' sovereign debts and the decolonisation of multilateral financial institutions. As highlighted in the report, these demands are not new but have been expressed by states and regional institutions since the 1960s. In Southern Africa, the same demands for reform have been made by governments, as a way of undoing the legacies of colonization, but without the use of the term "reparations" specifically. We have, however, shown to what extent these demands are not about the past but, on the contrary, about the contemporary situation of Southern African states. In other words, these are not calls to repair the past, but rather calls to put an end to contemporary injustices, which have concrete effects on the socio-political and economic future of these societies.

That said, this research also shows that civil societies in Southern Africa are not unanimous on how to put an end to these colonial injustices, nor indeed on the sharing of responsibility between states and international financial institutions. As indicated, majority of the actors interviewed consider that debt cancellation can only be considered a form of reparation for colonial injustices if the international financial architecture is overhauled. In other words, there is no point in cancelling debt without taking structural measures, as there is a risk of states falling back into the same patterns of indebtedness a few years later. Others, on the other hand, believe that debt cancellation and the reform of financial institutions, while necessary, must not ignore the responsibility of states towards their own populations, both in terms of the choices they make with regards to debt management and to racial inequalities within their populations.

This research thus reveals one of the tensions that characterizes the debate on reparations for colonial injustices, namely the role of post-colonial states in Africa. For certain forms of colonial injustice, and particularly those forms played out at the international level, states play a key role because only they can take part in international treaties. Civil society can only play a secondary role. However, this situation becomes difficult when states are a source of distrust for civil society players, and when civil society actors fear the instrumentalization of these demands. This research shows that to move forward with demands for reparation, these sources of mistrust will have to be tackled, and not neglected, so that joint action between states and civil society will be possible.

Recommendations

Against the backdrop of a Southern African region that is still suffering from the injustices, atrocities, and crimes of colonialism, and that is currently demanding forms of reparations, this research report makes the following recommendations:

To Southern African States

- Collaborate with civil society, activists, and academics to formulate a collective strategy to decolonize the international financial infrastructure.

- Engage with national and international media to enhance public awareness of the matter.

- Coordinate with other regional organizations that are leading calls for reparations, including the African Union and CARICOM, to establish a unified stance on this topic.

- Increase awareness of this vision for reparations among international actors, including the United Nations and major international NGOs.

- Identify prominent political and media figures who can advocate for this vision of reparations.

To civil society actors

- **Build regional and international solidarity** to call for debt cancellation and for the reform and decolonization of multilateral governance structures. Isolated cases in individual countries have proven fruitless. A single voice coming from social movements, students, civil society, political parties, trade unions, and governments demanding these two alternative forms of reparations in unison, however, would be difficult to ignore.

- **Develop a holistic approach to reparations claims**. Unconditional debt relief without decolonizing or reforming multilateral institutions or vice versa means nothing as it generates and guarantees recidivism. The current uneven structure and form of multilateral institutions (e.g. the World Bank and IMF) make it a non-event to cancel sovereign debts for SADC countries because the conditions that put these countries in debt distress remain intact.

Endnotes

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3 Naitsu TAYLOR SAITO, Decolonization, Development and Denial, 6, Florida A&M University Law Review, 1, 2010, p.9`

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13 Manduna K. (2022), id.

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16 https://www.worldbank.org/en/news/feature/2012/07/26/getting_to_know_theworldbank

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18 Special Drawing Rights are coupons that countries can buy or sell with other countries for hard currency such as dollars, pounds, or euros, when they need immediate funds to acquire essential supplies and support their economies.

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