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The Paradox of State Retrenchment in Sub-Saharan Africa: The Micro-Level Experience of Public Social Service Provision

LAUREN M. MACLEAN *
Indiana University, Bloomington, IN, USA

Summary. — Over the past 30 years in Africa, neoliberal economic reform has meant a major retrenchment of the state provision of health and education with paradoxical local effects. Based on an analysis of 2005 Afrobarometer data, the study finds that the rural poor are more likely to use public schools and clinics than the urban, better-off. The data suggest that a two-tiered social service system now exists across many African countries where the rural poor may have little choice but to use public social services while the urban, better-off choose to pay for private alternatives. The author argues that concerns about ensuring absolute levels of access have obscured attention to the micro-experience and quality of social service delivery.

Key words — Africa, social policy, poverty, state retrenchment, public goods provision

1. INTRODUCTION

Over the past 30 years, neoliberal globalization and the adoption of economic reform have meant a major retrenchment of the state in Africa with paradoxical effects at the local level. In particular, African states have implemented significant cutbacks in the public provision of health and education services (UNRISD, 2006). Even where the initial austerity policies of structural adjustment programs begun in the 1980s were in later years softened, many citizens have continued to confront the increased costs and declining quality of health and education services. While integration into global trade networks is neither new to the continent (Cooper, 2001), nor evenly experienced across African communities (Ferguson, 2006), this study's focus on the retrenchment of public social services reveals experiences that are both new and widespread. Individuals in remote, rural communities, who had never been touched by foreign direct investment, were still coping with significant changes in the delivery of health care and schooling.

Critics of neoliberal reform have expressed concern since the mid-1980s about the access of the poor and other vulnerable groups to essential social services (Cornia, Jolly, & Stewart, 1987). But this analysis of 2005 Afrobarometer data from 18 sub-Saharan African countries confounds the expectation that it is the rural poor who have little or no access to public services. Rather, poor, rural Africans relied on public schools and clinics to a greater extent than more well-to-do, urban Africans. The data suggest that a two-tiered social service system now exists across many African countries where the rural poor may have little choice but to use public social services while the urban, better-off choose to pay for private alternatives.

This paper contributes to the literature by focusing on *the micro-experience of state retrenchment*. The analysis investigates whether and why there were systematic patterns in who was included and excluded from public service provision. Until now, much of the literature on the impacts of globalization on social welfare in the developing world has drawn on cross-national analyses of aggregate social spending over time. These macro-level studies have concealed important micro-level variations in the everyday experience of social service delivery during periods of state retrenchment.

The illumination of the micro-level dynamics of social service provision also has important consequences for future policymaking. Past efforts to humanize structural adjustment reforms have concentrated almost exclusively on the question of access, in particular, reducing the financial hardships associated with cost recovery fees for certain vulnerable populations (World Bank, 1997). This study's analysis highlights two important points that have often been missed. First, further empirical research is necessary to document which individuals and social groups are actually being left out and why. And, second, concerns about ensuring absolute levels of *access* have obscured attention to the *quality* of social service provision. Perceptions of the quality (or lack thereof) of social services appear to be critical determinants of individual decisions to choose public or private social services (Prata, Montagu, & Fefferys, 2005; Tooley & Dixon, 2006).

2. HISTORICAL CONTEXT OF NEOLIBERAL STATE RETRENCHMENT

In the immediate post-independence period of the 1960s, many African governments used their booming export revenues to finance the expansion of free health and education for their recently enfranchised citizens (Dixon, 1987). Many of these newly-elected leaders of nascent and fragile democracies borrowed extensively to build roads, utilities, schools, and clinics in the cities and countryside.

In the 1970s, despite falling commodity prices for African exports, African leaders continued to borrow from willing lenders (Gordon, 1993). African debts further ballooned because of the combined effects of the oil shocks and rising interest rates (Gibbon, 1995). By the early 1980s, most African governments could barely service the interest on their debts

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and their domestic economies were in crisis. Worried that these countries would soon default on their loans, the World Bank and International Monetary Fund, with the backing of bi-lateral and commercial lenders, pushed African governments to adopt neoliberal economic reforms, also known as structural adjustment programs (SAPs) (Husain & Faruqee, 1994; World Bank, 1981).

While these reform packages included a multitude of policy changes in different arenas, a unifying theme was for African governments to reduce what was viewed as an overly interventionist role in the market economy, for example, by liberalizing prices, removing trade barriers, and privatizing previously state-owned enterprises (Collier & Gunning, 1999). Most analysts concur that African governments have only partially implemented most of these neoliberal reforms (Van de Walle, 2001; World Bank, 1994).

And, yet, these same observers acknowledge dramatic changes in the area of social welfare, which have frequently hurt the poor (Van de Walle, 2001, pp. 97–101; World Bank, 1994, pp. 164–174). Hence, even if public sector employment was not significantly reduced overall, donor pressure to cut fiscal expenditures still meant that the salaries of many teachers, nurses, doctors, and other healthcare workers were capped and eroded by the rising cost of living. In addition, new systems of cost recovery required local people to pay fees for education and health services that previously had either been free or highly subsidized by the state. In some countries, criticism of early adjustment policies stimulated greater subsequent attention to the level and composition of social expenditures (World Bank, 1994). For example, new policies of targeted social subsidies or universal free primary education were frequently added in the mid-1990s. Nevertheless, aggregate social expenditures remained relatively flat or declined (Sahn, Dorosh & Younger, 1999, pp. 95–102). Better indicators of the individual-level experience of social sector reform, however, are that primary school enrollments have continued to drop, and, more worrisome, the proportion of school leavers who can read and write appears to be declining (Appleton & MacKinnon, 1996; Samoff, 1991; Van de Walle, 2001; World Bank, 1995).

This paper thus investigates how individual people in Africa differentially experienced these cutbacks and reforms in the public service provision of health and education. Indeed, this study's analysis of recent Afrobarometer public opinion data reveals that a substantial number of Africans did not have *any* experience of public social services *at all*. Notably, many Africans were reporting this lack of interaction with public schools and clinics in 2005–06, well after the intended relaxation of structural adjustment programs. The paper's next section turns to the theoretical literature to explore the current understandings of the experience of state retrenchment and its hypothesized effects on access to public social services.

3. THEORETICAL UNDERSTANDINGS OF STATE RETRENCHMENT AND DIFFERENTIAL ACCESS TO SOCIAL SERVICES

A great number of scholars from a diversity of disciplines have debated the conceptualization of the contemporary era of neoliberal globalization and its impacts in sub-Saharan Africa. While their analytic points differ considerably, the majority of scholars have focused on one or two sub-dimensions of economic globalization—the amount of global trade and/or the extent of foreign direct investment (Cooper, 2001; Ferguson, 2006; Stiglitz, 2002). Very few have theorized the connections between neoliberal globalization and the experience of state social service retrenchment on the ground as this study does. Thus, as a historian, Cooper (2001) challenges the utility of the concept of globalization by usefully reminding us of Africa's long history of global interdependence through international trade. Ferguson (2006) makes an important point that globalization is not a free-flowing force of nature but is politically constructed in ways that hop and skip, leaving many African communities and individuals *disconnected*. But again, Ferguson's anthropologically-grounded critique revolves primarily around the reach of foreign investment, not the more pervasive local experience of state retrenchment of social services. Perhaps not surprisingly, Stiglitz (2002) and other development economists have been less critical and reflexive about the concept of globalization but have questioned empirically the extent to which African economies have become more integrated into the global capitalist marketplace.

Only very lately have a few scholars turned their attention to the issue of state *retrenchment*. Most of the initial work focused on OECD countries and investigated whether social service cutbacks were actually occurring in advanced welfare states (Huber & Stephens, 2001; Pierson, 1994).[1] More recently, a handful of scholars have attempted to include developing countries in the analysis of social policy change (Dani & de Haan, 2008; Gough et al., 2004; Haggard & Kaufman, 2008; Kaufmann and Nelson, 2004; Rudra, 2002). But much like their counterparts studying the more "traditional" welfare states in Western Europe, these studies have focused at the macro-level and have often used cross-national aggregate welfare spending and outcomes as measures of change. Similarly, the literature on the politics of neoliberal reform has investigated whether and why certain African governments have adopted reform, again concentrating at the level of elite decision-making and the formulation of macro-policy outcomes (Callaghy & Ravenhill, 1993; Nelson, 1990; Van de Walle, 2001). Almost no attention in political science has yet been dedicated to studying the individual-level consequences of these retrenchment policies in developing countries.

To be sure, the micro-level impacts of neoliberal economic reforms *as a whole* have been hotly debated by both economists and policymakers since the mid-1980s. But again, both the proponents and critics of SAPs have tended to examine the effects of these neoliberal policies as a package rather than isolating the individual experiences of sectoral retrenchment in public social service provision. Nevertheless, this study draws on these earlier debates to generate hypotheses about what factors would influence whether an individual had experience with public schools or clinics during this period of state retrenchment.

The most common and powerful concern expressed early on by scholars was that SAPs hurt the poor (Cornia *et al.*, 1987). Indeed, the initial criticisms elicited a massive empirical data collection effort by the World Bank and subsequently the defense of structural adjustment reforms—either arguing that the partial implementation prevented their ultimate success (Husain & Faruqee, 1994), or, more simply that the newly available data did not support the critiques (Sahn *et al.*, 1999). A number of scholars continue to challenge the standard operationalizations of poverty and maintain that SAPs have indeed worsened poverty in Africa (Ali, 2003). For this study, the lived experience of poverty is the primary hypothesis to be tested in the analysis. Furthermore, since *rural* poverty continues to vex policymakers despite macro-economic growth in many African contexts (World Bank, 1997), the analysis also evaluates the role of rural versus urban residence in the use of public social services.