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Lessons from Eastern and Southern Africa

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The initial reactions to the advent of the HIPC Initiative in 1996 was that it was a comprehensive and concerted programme that marked a total break with past piece-meal external debt relief. However, it soon became apparent that the Initiative's delivery of debt relief would not only be fairly slow and inflexible, but also that its impact on debt and poverty would be less than expected. Public pressure prompted IMF and World Bank-led reviews of the Initiative, which culminated in the significant enhancements at the turn of the millennium.

Notwithstanding the improvements in the Enhanced HIPC Initiative, it has not been able to speedily and fully achieve its objective of restoring external debt sustainability among the world's 42 HIPCs, of which 34 are African. The persistence of external debt problems in the first countries that reached the HIPC completion point clearly demonstrates that "we aren't out of the woods yet". This begs the question of how to further enhance the speed and depth of debt relief, to ensure a lasting impact on debt sustainability.

It is against this background and the concerns about the effectiveness of HIPC relief raised at various high-level *fora* that this chapter is revisiting the Initiative. The aim is to provoke additional thinking on which further improvements could be brought to bear on the Initiative to reinforce it into a re-enhanced HIPC Initiative.

Also, in recognition of the widely held view that the Enhanced HIPC Initiative will not be a panacea for attaining either long-term

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external debt sustainability or the Millennium Development Goals (MDGs),[1] I will discuss other national and international options for addressing long-term post-HIPC debt sustainability and, more broadly, the financing of development. In this regard, HIPC resources should be seen for what they are: they are one source of financial resources in addition to several others that must be explored.

1 The HIPC Initiative and Other Debt Initiatives in Africa

Debt Relief Measures Up to the HIPC Initiative

Since its inception, the Paris Club, as an informal grouping of mainly OECD countries chaired by the French Treasury, has attempted to address external debt problems by offering successively improved debt reorganisation terms, including among others: standard terms; Houston (1990); Toronto (1988); London (1991); Naples (1994); Lyon (1996); and Cologne (1999) terms or accords.

Historically, Paris Club arrangements have suffered mainly from lack of legal enforceability of its equitable burden-sharing principle outside the Club's membership. In spite of the Club's insistence on non-payment of debt service to non-compliant non-Club creditors, a number of non-OECD countries and some commercial creditors declined to be bound by the Club's principles. In some cases, the creditors have opted for litigation, much to the detriment of the debtor countries concerned.

Another historical setback to adequate Paris Club debt relief has been the limited eligibility of external debts for restructuring. The fixing of Paris Club debts' cutoff dates, excluding new debts from the restructuring process, blocked a more pragmatically addressing of more recently acquired but often equally heavy bilateral debt burdens. The Paris Club contends that maintaining fixed cutoff dates would avoid deterring creditors from advancing critical new lending to the HIPCs.

Prior to the HIPC Initiative, multilateral creditors, though not

1 The MDGs seek to address extreme poverty eradication; universal primary education; gender inequality; child mortality, maternal health; HIV/AIDS; environmental sustainability and global partnership for development by 2015.

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directly writing off their claims, also participated in ameliorating external debt problems in other ways, on a case-by-case basis. This has included the IDA's Debt Reduction and Debt Service Facility (often also co-funded by some bilateral donors) that has provided grants to repurchase some handsomely discounted external bilateral and commercial debts. New concessional financing has been another multilateral instrument.

Debt restructuring under the London Club, which successfully dealt with mostly Latin American commercial debts, has not significantly benefited African countries. The core external debt problems of the latter have been in the official category. Similar to the Paris Club, the London Club is also informal. Its composition and chair varies by debtor country, depending on the degree of exposure. On a case-by-case basis, the bank with the highest exposure would normally chair the restructuring process, which only reschedules principal. It also provides a variety of refinancing bonds, alongside market-based instruments, such as debt conversions and buy-backs, which would seek to meet the burden-sharing clause of the Paris Club.

Current Debt Relief Measures: The Enhanced HIPC Initiative

The Paris Club's Naples, Lyon and Cologne terms have been included in the overall framework of the HIPC Initiative. By targeting lower and sustainable thresholds of external debt ratios through concerted efforts from all creditors, the Enhanced HIPC Initiative has attempted to address the issue of inclusiveness that has bedeviled the Paris Club. It has sought to be more comprehensive and concerted in providing sustainability-linked levels of external debt relief from all creditors concerned, on an equitable burden-sharing basis. The question is: has this been adequate? Was the *modus operandi* adopted sufficient?

Assessment of HIPC

The objectives of the Enhanced HIPC Initiative were to achieve deeper, wider and faster debt relief; to promote economic growth and to ensure release of financial resources for increased social spending aimed at reducing poverty.

After completion point, HIPCs' debt levels remains precarious.

In other words, post-completion point is not yet synonymous with post-HIPC status, because debt relief has been too superficial.

There has been high-level recognition of the potential positive contributions of the Enhanced HIPC Initiative in Africa in as far as it helps reduce external debt burdens and unlocks aid for development.[2] It has increased the attention being paid to poverty reduction resources, their spending and monitoring, and linkages to debt, macroeconomic and social policies, including good governance and improved aid accountability.

There has been high-level concern, however, with the limited consultation of HIPCs in the design of the Initiative. In spite of the fact that external and domestic debt both constrain poverty reduction expenditure, domestic public debt has been left out of the core-HIPC Debt Sustainability Analysis (DSA), partly as a result of this limited consultation. This has constrained the Initiative to only a partial solution to the debt problem. In addition, delivery of debt relief has also been rather slow, while the risk of failed objectives and targets has remained high.

The Initiative also has a heavy baggage of rigid conditionalities that have become serious hurdles towards accessing relief for HIPCs. The overall effect has been that high expectations have been raised, but have not been matched by real and timely action, as well as attainment of effective results on the ground. This could jeopardise the credibility of the Initiative.

The above-mentioned concerns, however, need not detract attention from the significant improvements in the Enhanced HIPC Initiative. Noteworthy among these are the enhanced prospects for broader participation brought about by the lowering of thresholds of eligibility indicators, front-loading of interim debt relief; flexibility in the timeframe through use of floating completion points, and a greater link between debt relief and poverty reduction.

However, in spite of these steps forward, experience from Eastern and Southern Africa indicate that the HIPC process is still rather slow and remains inadequate in delivering sufficient and

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2 HIPC Finance Ministers' Perspectives expressed at Commonwealth HIPC Forum, February 20, 2000, Lilongwe, Malawi is one example. Further HIPC views have been expressed at other international *fora* such as the Commonwealth HIPC Review meetings held in London over the last few years, and the March 2002 international Conference on Financing for Development held in Monterrey, Mexico.

urgently required debt relief. Added to that, non-compliance from some non-OECD creditors is a real problem for the HIPCs in the sub-region. Ideally, debt relief should be flowing from *all* creditors. This includes the difficult issue of inter-HIPC debt relief.

Experiences of Eastern and Southern African Countries

Initially six of the eleven member countries of the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI), have been identified as HIPCs.

After recent World Bank and IMF evaluations, it was established that Angola's and Kenya's external debt were sustainable through the application of traditional relief mechanisms like rescheduling. The four remaining MEFMI countries eligible for HIPC debt relief are Uganda, Tanzania, Malawi and Zambia. As of January 2004, only Uganda and Tanzania had reached HIPC completion point. However, they cannot be considered to have permanently exited into a long-term sustainable debt realm. They remain vulnerable to exogenous shocks, such as adverse weather and deteriorating terms of trade, given their undiversified narrow-based export sector.[3] Uganda has been particularly adversely affected by a significant deterioration in market prices of her key exports.

Completion points for the two other cases (Malawi and Zambia) are still pending, owing largely to governance considerations. However, both have been recently disaster-stricken from severe drought later followed by floods that threatens to reverse poverty reduction efforts. For Zambia, the prospects have been further dampened by the problems in the mining sector. Export shortfalls relative to initial projections for years 2000-01 were considerable for Zambia, much as for Uganda.[4]

The situation of these countries clearly signals a glaring need for a review of the HIPC Initiative. What is needed is a more urgent and realistic approach that would lead to accelerated debt relief

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3 The percentage share in exports for three main products for the four MEFMI eligible HIPCs ranged from 63% for Uganda; 67% for Zambia; 40% for Tanzania; to as high as 75% for Malawi, as at 1999.

4 In fact, the IMF (April 2002) indicated that 16 out of 24 HIPCs experienced lower than projected exports in 2000-2001, raising questions about the realism of projections.

alongside emergency aid and increased official development assistance (ODA). Further delays in obtaining the requisite external financing would only tend to worsen debt sustainability at completion point. Also, under current circumstances, pressure to resort to domestic public debt financing could quickly build up, thus further exacerbating the already strained overall fiscal sustainability.

Angola, which is just emerging from armed conflict, has been treated as ineligible for HIPC relief so far. This is because it is considered to be sustainable once traditional debt relief measures are fully implemented and, also, due to the favourable price of oil exports. The country's situation however warrants close monitoring, and a flexible application of HIPC eligibility indicators, macroeconomic and social conditionality and external financing requirements for post-conflict reconstruction and poverty reduction.

As one would expect, resources from HIPC debt relief, while important for short to medium-term debt sustainability, will only constitute a small fraction of what the HIPCs actually need to cut poverty in half, consistent with the 2015 Millennium Development Goals. A poverty-reduction deficit seems imminent under the current approach.

It is of utmost importance that the HIPC Initiative be re-enhanced to, as far as possible, increase the amount and efficiency of HIPC resources that would be freed and channeled into poverty-reducing spending. The risk and costs of exogenous shocks need to be addressed, including the circumstances of countries in, emerging from or affected by armed conflict. Other extra-HIPC national and international development financing should be increased and used more efficiently.

Proposed HIPC Reinforcement Measures

As the foregoing review demonstrates, the international community is still in a learning process regarding how to provide debt relief that leads to debt sustainability and poverty reduction. While recognising the significant enhancements incorporated into HIPC II and accepting the fact that HIPC will not necessarily be a panacea for poverty eradication or development financing, the experiences with the Initiative to date suggest that there is ample room for further improvements. These could pave way for a re-enhanced HIPC Initiative. There are three areas that require further innovations: burden-sharing and funding, speed and formula of debt relief, and post-completion point debt sustainability.

Burden Sharing and Overall HIPC Funding

The HIPC Initiative is not legally binding or enforceable. HIPC burden-sharing could be improved by systematically addressing the negotiation problems of non-OECDs and inter-HIPC or, more broadly, inter-low-income country debt relief. To deepen debt relief, the Paris Club cutoff dates should be re-examined wherever warranted. Bilateral debt cancellations beyond the minimum HIPC requirements could also be intensified and widened to provide additional debt relief.

The same goes for ensuring adequate funding of the HIPC Initiative by all creditors. This could be achieved through concerted dialogue among creditors and through instituting legally binding arrangements. In this regard, international proposals for debt restructuring mechanisms need to be examined. These would bring about a more orderly legal process for debt restructuring.

A way of assisting HIPCs with legal expertise to discourage litigation should be devised. A soft facility should be created, or existing soft facilities could be extended and replenished, to be used by HIPCs in case they lose litigation. Meanwhile, the practice of publicising non-compliant creditors, as a deterrent against litigation, should be continued.

Speed and Formula for Debt Relief

Considering the human costs of delays in delivering debt relief, providing overall debt relief should be speeded up. Partly, this could be achieved through re-enhanced front-loading of future debt relief, in support of the attainment of the 2015 Millennium Development Goals, and the acceleration of assistance to post-conflict HIPCs. These measures should be synchronised with parallel higher development financing, which would take into account countries' absorptive capacities for maximum impact.

The formula for computing debt relief to be provided to the HIPCs has important implications for the actual quantum of debt relief each HIPC will ultimately obtain. In view of the unmitigated short and long-term risks of exogenous shocks on the HIPCs, the eligibility ratios, including related benchmarks and projections, need to be re-examined. Contingency provisions for additional funding in the event of significant impact from purely exogenous shocks should therefore be systematically built into the Initiative. The amount that would be set aside in this respect could be based on historical experiences, on a case-by-case basis.

In this regard, it is proposed to adjust the export data used to calculate PV debt-to-exports and debt service-to-exports ratios. Export earnings could be discounted with expenditures on essential imports (e.g. critical food and health related imports, capital goods and related supplies and raw materials, especially for the production of export products), minimum required foreign exchange reserves and offshore export earnings.

For pre-decision point countries, there is still an opportunity to use this suggested methodology when they do reach decision point, together with more realistic forecasts. For post-decision and post-completion point countries, this methodology can still be applied retroactively together with actual figures (outturn instead of forecasts). The results could then be used to determine minimum top-up debt relief for the period going back to the decision point. This would contribute towards making topping-up more objective and transparent. For current and future topping-up, this improved methodology using realistic forecasts and meticulous analysis of scenarios would suffice.

In broad terms, these proposals point to the need to increasingly focus on the external sector of the HIPCs for debt sustainability indicators. Experience shows that the dampening of the effects of the HIPC Initiative emanate from the external sector.

It would be of interest to see how else export revenue losses from exogenous shocks could be catered for. External factors that are to be addressed include effects of global economic slow-down, deteriorating terms of trade, protection and subsidies in developed industrial countries which tend to reduce external market access, costs of aid disbursement delays, etc.

Similar considerations could also be explored for the PV debt-to-revenue ratio. For instance, global economic slow-down, adverse terms of trade and protectionism all affect government budget revenues in different ways that constrain economic growth and trade. These in turn are key determinants of budget revenue performance. This is especially important in view of the usual heavy reliance by HIPCs and developing countries in general on indirect taxes, such as value-added tax or sales tax and external tariffs, for the bulk of their domestic budget revenues.

It is necessary to explore the possibility of shifting the HIPC objective from merely restoring external debt sustainability to achieving fiscal sustainability of total public debt. The latter would target the PV ratio of total public (domestic and external) debt in relation to appropriately adjusted domestic budget revenues. Domestic debt should be addressed, which does not necessarily implicate that it should be relieved from HIPC funds.

Finally, it is essential that debt sustainability leads to fiscal sustainability. Including both domestic and external debt in debt sustainability analyses would reflect the true picture of the burden on the fiscus. Countries are urged to adopt a risk-based sovereign balance sheet management approach. Mushrooming domestic debt is a matter of concern calling for full attention.

Long-Term Post-Completion Point Debt Sustainability

Several national, regional and international measures could be considered to assist in preventing HIPCs from slipping back into unsustainable levels of indebtedness, while ensuring that efforts to attain international development goals are not being compromised.

Sovereign debt has to be managed competently, efficiently and transparently, leading to a comprehensive, meticulous and preventive control of public debt. That would call for providing adequate funding to relevant regional organisations engaged in building sustainable debt management capacity and emphasising retention of well-trained staff. In this regard, consideration could be given to allocating part of HIPC debt relief for the strengthening of debt management capacity and closely related functions in the HIPCs. If this would 'crowd out' poverty reduction spending, then additional grant resources could be provided for capacity building in debt management in HIPCs and non-HIPCs as well.

Financing any gap above the annual sustainable financing levels should be restricted to grant financing, assuming that the decline in ODA would be arrested and reversed. Positive net resource flows should be at least maintained and preferably increased. Net new concessional debt accumulation should not exceed annual debt relief, in PV terms. The excess needs to be provided as grants, to avoid a net re-build-up of external debt over time, thus causing a relapse. Any exceptions to the rule would need to be justified and would need to take place only on a limited scale.

Creditors and borrowers jointly should seek ways of enforcing sustainability-linked external borrowing ceilings (for both amounts and terms) that would keep external debts within sustainable levels. In this way, they would stimulate a serious consideration of the costs, risks and returns for debt-financed activities, through monitoring and sharing of information on the uses of borrowed funds. Additional debt relief could be provided as a reward for channeling new debt into agreed social priorities and productive sectors, particularly in the export sector.

The aim would be to avoid post-HIPC debt re-building up beyond sustainable levels, thus causing a relapse into HIPC status. This, together with realistic sovereign credit ratings, would assist debtor countries to restore their international creditworthiness, thereby paving the way for accessing of capital markets and attracting foreign investment.

Although the HIPC Initiative will release only a small fraction of the required development financing, all avenues to increase the amount should be exhaustively explored. In particular, innovative measures need to be devised to enhance and accelerate the front-loading and topping-up of total debt relief, in a truly additional manner (e.g. a mix of debt moratoria and better-than-current HIPC debt cancellations). This is most pressing for countries that are experiencing pre and post-completion point shocks and for post-conflict HIPCs. These proposals may have higher cost implications for the HIPC Initiative. However, if this would solve this persisting debt problem, it would be worthwhile and pay-off to all down the line in the future.

2 Broader National and International Development

Over and above measures to re-enhance the HIPC Initiative, there are a number of public and private sector options that can be pursued at the national, regional and international levels by both developing countries and international development partners.

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National

It is reasonable to anticipate that, beyond HIPC debt relief, the HIPCs themselves will have a more important role to play in ensuring long-term debt sustainability. Already, there are growing calls for them to make effective use of any new official and private development financing. Therefore, a comprehensive and integrated risk-based approach to the monitoring of capital flows and management of entire public assets and liabilities is critical.

In addition, HIPCs and, indeed, all other low-income developing countries, need to foster sustainable growth for the purpose of poverty reduction and overall development. They should maintain course on necessary structural and environmental reforms, focusing on the development and diversification of competitive export sectors to broaden the export base and to make them more resilient to shocks. At the same time, this economic growth should be participatory, pro-poor and environmentally friendly.

To ensure growing and more stable government revenues the tax base should be broadened and the tax collection be improved. Similarly, the quality of public expenditure needs to be improved, with a fair share for social pro-poor programmes.

Developing the financial sector is important to enable economic growth. Mobilising domestic savings will make them available as credit and equity financing for the public and private sector entities. Primary and secondary domestic financial markets should develop into deeper, more active and stable low-risk and low-cost sources of additional development financing. Governance and institutional capacity should be reformed to enhance the competence, efficiency and stability of the financial sector. Financial sector surveillance should be strengthened to reduce the frequency and impact of financial crises and the need for government bail-outs for financial sector players. Monitoring private capital flows enables well-timed policies to ward-off financial crisis.

To encourage small and medium enterprises and integrate the informal sector, targeted sectoral policies and financing are required, e.g. through the provision of micro-finance at lower costs and less stringent or government-assisted collateral and guarantees.

To attract higher and stable external finance and investment an enabling political, macroeconomic, institutional and regulatory environment should be created. Carefully calculated and cautiously approached capital account liberalisation should be pursued as part of the enabling environment. A development-friendly legal framework should be put in place. Elimination of corruption and bureaucratic excesses would need to be addressed decisively, by taking measures that meet domestic and international standards and expectations in the areas of efficiency, accountability, consistency, transparency and absorptive capacity.

Investing in infrastructure and human resources, including addressing health and education requirements is important, not only to achieve economic growth. In this regard, funding for combating HIV/AIDS and malaria is urgently needed.

Finally, capacity building is needed to encourage and consolidate ownership of macroeconomic and social policies, to achieve stronger economic growth and policies that are more effective.

Regional

In the last two decades, regionalisation attempts have almost stalled in Africa. Very little progress is being made in exploiting benefits of symbiosis and synergies. There is need to re-invigorate regional integration and harmonisation of socio-economic, political and legal systems and standards, in line with adopted regional principles, e.g. African Union's New Partnership for Africa's Development (NEPAD),[5] SADC, etc. This could help to achieve sound public and corporate governance and stimulate cross-border trade, finance, and payments systems.

International

The international community should improve opportunities for increased market access for HIPC exports through transparent and equitable trade liberalisation and trade negotiations that take the special needs of the less developed countries into account. Initiatives such as the USA's Africa Growth Opportunity Act (AGOA) and

[5] NEPAD envisages attracting financing from capital flows (domestic resource mobilisation; debt relief, ODA reforms and private capital flows) and external market access for diversified exports (from mainly private sector-led growth and trade liberalisation) and global partnerships with industrialised countries and international financial institutions.

other direct export financing and guaranteeing facilities need to be expanded. These could be channeled through regional development banks. Trade will profit from mitigating international financial instability and cushioning its adverse effects.

The international community should ensure increased provision of predictable and appropriately concessional external financing for the attainment of the Millennium Development Goals, without contributing to debt unsustainability. In this regard, the UN target for ODA of 0.7 percent of the GNPs of developed countries needs to be followed up with concrete action in a truly additional way. The generous aid efforts of the Nordic countries and the Netherlands are worth emulating in this regard, while the recent announcements by some donors of their intention to increase aid resources are commendable and need to be followed up with concrete action. The international community should seriously consider arresting and reversing the declining trend of ODA in a financially and politically stable global environment.

Bilateral and multilateral donors should harmonise aid procedures and streamline conditionality, including untying aid and channeling aid through government budgets, especially in countries where accountability is guaranteed. They could promote more innovative financing arrangements, targeted particularly at boosting of export diversification, to mitigate the effects of financial volatility and shocks from changes in volume and terms of trade, aid financing and natural conditions.

The HIPC Initiative shows the need for legal mechanisms for orderly international debt restructuring and mediation.

3 Building Capacity for Debt Management

It should be reiterated that it is essential to manage sovereign debt competently, efficiently and transparently. To do this, human and institutional capacity should be built and maintained. HIPCs should not relapse back into unsustainability of debt after completion point just because of poor debt management. Non-HIPC low-income developing countries should not slip into HIPC status simply because of weak debt management.

Capacity building has been found to be superior to technical assistance. History has shown that technical assistance tends to perpetuate dependence. Capacity building tends to successfully wean the country off technical assistance addiction.

Experiences with the pervasiveness and urgency of the external debt problem, lately coupled with mushrooming domestic public debt, have heightened the need to put in place best practices in debt management in HIPCs and non-HIPCs alike. In 1994, these experiences culminated in a pilot project of Eastern and Southern African countries, to strengthen external debt management capacity in the sub-region. The project, then called the Eastern and Southern African Initiative in Debt and Reserves Management (ESAIDARM), prioritised capacity building in the area of external debt management. The management of the meagre external foreign exchange reserves was also prioritised in order to link the external debt liabilities to sovereign external assets.

With time, and as capacity to manage external debt improved in tandem with HIPC external debt relief efforts, it became imperative to introduce a more holistic and risk-based approach to the management of the entire sovereign balance sheet.

In pursuit of these broad objectives, ESAIDARM was transformed into the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) in 1997. Since its launch, MEFMI has contributed to capacity improvements, especially in the area of debt and aid management. These efforts have not been confined to HIPCs, but have included non-HIPCs as well. Current endeavours are geared at assisting HIPCs in obtaining debt relief while strengthening capacity to prevent non-HIPCs from falling into the debt trap.

The ultimate objective remains that of attaining best practice in all aspects of debt management, consistent with sound macroeconomic and financial management in the region. With unwavering support for the region's efforts from international development and technical partners, this objective will not be out of reach for HIPCs and non-HIPCs alike, within a reasonable timeframe.

4 Conclusion

The Enhanced HIPC Initiative has been beneficial to HIPCs. It has not, however, attained its objectives. Post-completion point HIPCs are still in a precarious position regarding external debt sustainability. Economic growth remains low to moderate in most post-completion point countries. Poverty reduction remains a monumental challenge.

Perhaps it should be noted that it has always been clear from the beginning that, given the demands and costs, the HIPC Initiative in its present, or hopefully re-enhanced, form would still not necessarily become a panacea for financing poverty eradication, including the attainment of the international development goals (see Chapter 6).

However, everything possible should be done to ensure that the Initiative at least realises its primary objective of restoring HIPCs' debt sustainability, thereby also enhancing their economic growth opportunities. In this regard, it needs to be emphasised that the export sector is key. Focus should fall on that sector when seeking to reinforce or re-enhance the HIPC Initiative. Both developing countries and international development partners need to be encouraged to each play their part in this respect.

Beyond the provision of HIPC debt relief, additional options should be explored to raise the necessary development financing that would be critical to the halving of world poverty by the year 2015 in keeping with the MDGs. Hopefully, goal posts will not have to be shifted for lack of sufficient mobilised financial resources and slow progress in achieving set objectives.

The HIPC Initiative, as pointed out at the beginning, is not, and was not intended to be panacea for all woes facing HIPCs. Other measures still have to come into play to ensure enduring debt sustainability, strong and sustained growth as well as poverty reduction. In the same spirit, dire assistance needs of non-HIPC low-income developing countries should not be forgotten and ignored. They too need meaningful assistance and reinforcement in their development effort.

Poverty is not mere statistics. It means actual suffering of a large part of humanity. The 1999-2001 momentum and enthusiasm, which were the result of pressure exerted by the new millennium related civil organisations, have lost steam. There is need to rekindle and maintain keen global interest in this important issue. The HIPC Initiative should be improved and decisively pursued to its logical conclusion.

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