

**CONCEPTUALIZING AND IMPLEMENTING THE MEANING OF
AFRICA'S NEW PARTNERSHIP WITH THE INDUSTRIALIZED NORTH:
IMPLICATIONS AND POSSIBILITIES FOR THE RENAISSANCE**

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By

ZAMOKWAKHE LUDIDI SOMHLABA

Supervisor: Professor Rok Ajulu

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TO

My mother, Nolulama Hlangabezo-Somhlaba

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ABSTRACT

This study is a contribution to the on-going debate about the path that Africa has taken in realising the vision of its renewal. The central theme of the study is the idea of Africa's 'new partnership' with the industrialised North, which is envisaged under the *New Partnership for Africa's Development* (NEPAD). Acknowledging that asymmetrical partnerships have existed between Africa and the North, particularly in the last century, the question this study poses is: to what extent does the idea of the 'new partnership' represent something new? The study argues two points. Firstly, it argues that the idea of the new partnership has become a terrain of contestation between the Africanist and the post-modernist social forces. Secondly, the study argues that it is unlikely that conceptualising the idea of the new partnership in post-modernist terms will result in sustainable development and rebirth of Africa. That is particularly the case, because post-modernity suggests a certain degree of loyalty to the prevailing and asymmetrical global order. Against this background, the study concludes that the extent to which Africa will enjoy the benefits of a truly revised partnership with the North, and thus fulfil the vision of its rebirth, will be determined, by and large, by the modalities of accommodation and struggle between these social forces.

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CHAPTER 1

A GENERAL INTRODUCTION

1.1. Introduction

The *New Partnership for Africa's Development* (NEPAD) adopted in Abuja, Nigeria, in October 2001, has captured the imaginations of politicians; policy-makers; scholars; and civil society formations, both in Africa and abroad. Some have greeted it enthusiastically as the first African-owned economic initiative ever, that not only places a duty on African leaders to set anew the continent's political and economic image, but also recognises that sustainable development and ultimate integration of Africa into the world economy depend, by and large, on changed investor perceptions of the continent. Hence conscious and deliberate efforts are being made by the architects of NEPAD, particularly South Africa, to, among other things, promote good governance; reduce the scourge of conflicts in Africa and; promote regional integration, with a view to making the continent "more attractive to investment and a better place in which to do business" (Games, 2003:1). On the contrary, others have expressed considerable scepticism, pointing to the national and continental forces that drive the NEPAD project.

While the former group perceives NEPAD as a continental project that embraces all the peoples of Africa in an endeavour to reverse their marginalisation in the face of globalisation, the latter, it would seem, perceives it as a project that is driven by a bourgeois economic ethos that seeks to promote the interests of global capital by placing the continent within the neo-liberal orthodoxy, upon which the contemporary world economy is founded.

It can be deduced from the afore-going that even though NEPAD is still in its embryonic stage, it has become a terrain of contestation between different social

forces. Against this background, it is therefore vital that input and contribution from different sectors of society is welcome to inform debates among policy-makers in individual African countries, the leadership of the continent as a whole, and the different societal formations, about the consequences of their deliberations in pursuit of this developmental project.

The significance of this thesis, therefore, must be seen in this light. The thesis is a contribution to the on-going debate about the path that African leaders have taken in realising the vision of an African rebirth. It seeks to provide a more nuanced reading of NEPAD in an attempt to interrogate certain ambiguities and contradictions that underpin it. Its central focus is the idea of the new partnership between Africa and the industrialised North. The relevant and crucial question the thesis seeks to answer is: what does the idea of the new partnership entail that is likely to have meaning for Africa's development this time around? In other words, what is new about this partnership?

Since NEPAD is a programme that falls within the ambit of the rebirth and renewal of Africa (Ajulu, 2002:9), it is imperative that the thesis sets the context of the discussion by teasing out the central features of, and the debates that inform, the African Renaissance.

1.2. The African Renaissance

The term 'African Renaissance' has become popular in African political discourse in the past seven years, or so. It has been given different meanings by different sectors of society, both at local and global levels. In South Africa's ruling party, the African National Congress (ANC), it is described as a 'concept', a 'policy' as well as a 'vision' of Africa in years to come. To others, it is a marketing tool for Africa to the rest of the world (*Enterprise*, cited in Independent Projects Trust, 1999). Others still, refer to it as a 'grand geo-strategy' for Africa's renewal that

seeks to challenge the contemporary geo-political order, particularly the northern-dominated hegemonic nirvana (Independent Projects Trust, 1999).

However one chooses to describe it, there is at least consensus on one fact; namely that the renaissance of Africa has been an on-going historical process. Of course, scholars and politicians alike differ on the actual phases of this process. For instance, Michael Muendane (cited in Ajulu, 2001:30-31) identifies the first Pan African Congress, held in London, in 1900, as the beginning of the African Renaissance. In a somewhat concurring tone, Ajulu (2001:31), citing Mamdani (1998), reminds us that "...from its inception in the Diaspora, the Pan-African movement was a reaction to slavery and colonialism and sought to reassert African dignity and humanity". Nabudere (2001) and Ndi-Zambo (2001) seem to be in agreement with this view.

Others argue that the renaissance of Africa started a bit later. Moeletsi Mbeki (1997), for instance, points to the emergence of an African educated elite, which propagated the idea of Negritude in the 1930s, and the voices heard in the African Diaspora from the likes of Marcus Garvey. From the 1930s onwards, he argues, there were numerous efforts by the African educated elite to return to the sources of African civilisation. In this regard, he cites A.C. Jordan's famous *Ingqumbo YemiNyanya*; the establishment of the ANC Youth League in 1944; and Okot'p Bitek's *Wer pa Lawino*, all of which gave impetus to the idea of the renaissance.

Notwithstanding the differences of opinion about the beginning of the African Renaissance, there is consensus about its second phase; namely the independence period. At no time did the idea of a rebirth of Africa gain more momentum than during the independence period. This can be attributed to the fact that Africans happened to share a common heritage of colonialism (Milazi, 2001:43) and were therefore united in their struggles to eradicate it. Precisely because they considered colonialism to be the extension of capitalist exploitation

on their continent, Africans were determined to eradicate it in all its forms and reassert African dignity and humanity. Thus, whatever differences that prevailed on the continent, Africans were at least united by that vision.

The rebirth of Africa, according to independence leaders, would be achieved through the unity and solidarity of the African states and the eradication of all forms of colonialism. The independence of Ghana in 1957 was seen as phenomenal in that it gave an impetus to the furtherance of this cause. In his much quoted speech, Kwame Nkrumah of Ghana said "Seek ye first political kingdom and all else shall be given!". Convinced that the independence of Ghana would be meaningless if it was not linked to the total liberation of Africa (Legum, 1962:44), Nkrumah called on all African states to unite. He declared:

... the twentieth century has become the century of colonial emancipation, the century of continuing revolution which must finally witness the total liberation of Africa from colonial rule and imperialist exploitation ... (Nkrumah, cited in Ajulu, 2001:31).

To achieve unity on the continent, Nkrumah called on African states to pool together, as it were, their resources in order to be able to challenge global inequalities, failing which the continent would be "subject to neo-colonialism and balkanisation" (Southall, 1999:151). He stressed:

At present most of the independent African states are moving in directions which expose us to the dangers of imperialism and neo-colonialism. We therefore need a common political basis for the integration of our policies in economic planning, defence, foreign and diplomatic relations. The basis for political action need not infringe the essential sovereignty of the separate African states. These states would exercise independent authority, except in the fields defined and reserved for common action in the interests of the security and orderly development of the whole continent (Nkrumah, 1963, cited in Maloka, 2001:1).

However, like the renaissance of Europe in the 15th century, the African Renaissance was marked by controversial debates. Of importance were qualitative (and not substantive) ideological differences. While the critical perspective¹ was a dominant force of the independence period, it was interpreted in various ways and applied to various degrees, depending on the balance of forces in place. This had profound implications for the form and course in which the renaissance debate could be pursued.

In one form, the renaissance of Africa was based on a discourse that understood (neo) colonialism essentially as the subjection of the continent to the whims of growing global capital. This conceptualisation was evident in the promotion of economic nationalism as the central feature of the renaissance of the independence period (Ajulu, 2001:31). Julius Nyerere's *Ujaama Vijijini* (Socialism in Villages) must have arisen out of this particular context. Through this programme, Nyerere sought to find appropriate ways and means of tackling the central question of Africa's politico-economic backwardness (Ajulu, 2001:32). For him, the key to the problem of neo-colonialism was a people-centred and people-owned form of development. This vision was influenced, to a significant degree, by a Marxist- Leninist reading of history, particularly that of imperialism.

For Nyerere, as for many neo-Marxists, in stratified colonial societies means of production were owned and controlled by the colonial ruling elite. This relationship to the means of production provided the basis of its dominance (Haralambos and Holborn, 1995:524). Therefore, it would seem that the Pan-African vision of development, as understood by Nyerere, was one that emphasized the communal character of indigenous systems of production and distribution.

¹ Critical theorists, in particular the *Dependencia* school of thought, were very critical of the shortcomings of the prevailing modern world system. For them, development in Africa could ensue only once the system was overthrown and replaced by world system based on socialist principles. It must be stressed, however, that post-independence Africa has never been a homogeneous entity. As will be shown shortly, in some countries, more capitalist socio-economic policies were adopted in pursuit of the goals of development and empowerment.

It is important to note, however, that Nyerere did not call his development paradigm Marxist or communist. Neither did he refer to it as Socialism as understood in the West. Rather, he preferred to label it "African socialism", thus emphasizing the 'Africaness' of Tanzanian Socialism. This idea was shared by the likes of Tom Mboya of Kenya. Mboya once noted: "African socialism was not just socialism". Rather, it

...was bound up with African reaction against colonialism. The African is anxious that his attitude of mind, his approach to problems, should be identified as an African approach. After independence...he wants to see that Africa is recognised in her right and on her own merits...(Cited in Ajulu, 2001:31)

Indeed, Nyerere was not a Marxist. Unlike many Marxists who saw the elimination of the state as a historical necessity, Nyerere, like many African leaders of his time, seems to have believed that, for development to ensue, the state had to play a central role. Not that such a state would be an honest broker between competing interests, for Nyerere was not a pluralist by conviction. Indeed, the privatisation of state assets and the creation of a *de facto* one party state in Tanzania under his rule suggest he was not. The state, for Nyerere, would be biased towards the poor precisely because "[it was] the principal hegemonic and organising force in Africa's socio-economic and political change" (Milazi, 2001:41).

In the other form, the renaissance was based on a discourse that understood (neo) colonialism as the perpetuation of so-called western modernity at the expense of Africa's ancestral heritage. Modernization theorists had argued that Africa could develop and 'catch-up' with the industrialised Western countries if it pursued liberal developmental methods. This argument was based on, among others, Walt Rostow's (1960) analysis of the stages of development of Western countries over centuries (Schraeder, 2000:24). Rostow (cited in Schraeder, 2000:24) claimed that "all countries evolve through the same 'stages of growth'

as leaders seek to transform 'backward' agriculturally based societies into modern industrial economies".

But the 'modernisation' of Africa and the imposition of Western civilisation *par excellence* on the African way of life during the colonial era did more harm than good. Africa's way of life, production and trading patterns were significantly "blunted, halted, and turned back" (Rodney, 1982:224. See also Ajulu, 2002). It is within this reading of historical socio-economic and political modernisation that Mobutu Sese Seko's *recours a l'authenticite* (recourse to authenticity) emerged. Mobutu's *recours a l'authenticite*, as elaborated by Young and Turner (cited in Ajulu, 2001:32), was a movement that sought to reinvigorate the moral, cultural, philosophical, social and economic values that were distinctly reflective of a Zairian nation. In other words, as Young and Turner perceive it, it was a call for a return to Africa's ancestral heritage so that economic modernity could be pursued outside the dictates of the western capitalist system that had deleterious effects on the African way of life.

While Nyerere's *Ujamaa Vijijini* and Mobutu's *recours a l'authenticite*, had a qualitative difference in form and method of approach to the renaissance discourse, they shared a strong sense of both nationalism and Socialism (to the extent that the latter concept was defined as distinctly African). Sese Seko, too, may not have made reference to Marxism or Socialism in his renaissance course. In fact, it is not uncommon to find politicians, scholars and individuals denouncing, in theory, their Marxist stance while in practice advocating it in at least one of its various forms. Sese Seko's strong anti-imperialist, and by extension anti-capitalist, stance located him, albeit not entirely, within the critical tradition.

Of course, confusion arises with regards to the conceptualisation and actual implementation of Socialism as an ideology. Heywood (1992) helps us to understand at least one dimension of this confusion. He contends that while

socialism in Europe arose out of the harsh social and economic conditions created by the growth of industrial capitalism, in Africa it developed as a reaction to colonialism rather than class exploitation *per se* (Heywood, 1992:93-94). In the case of Africa, he continues, the idea of class exploitation was substituted by that of colonial exploitation, thus resulting in the emergence of a potent fusion of nationalism and socialism (Heywood, 1992:93-94). Concurring with him, Tordoff (2002:8) argues, "Socialism was a loose concept in Africa and was subject to varying interpretations". Milazi (2001:47) takes the point even further, and argues that adherence to Socialism in Africa "is more rhetoric than anything else". As he laments, "While adherents of [Socialism] are all united by a common desire, to abolish the exploitation of man by man, the difference ... is on how this great and noble aim can be achieved" (Milazi, 2001:47).

From the afore-going, three important points are worth noting. First, "... the notion of African Renaissance has historically been a terrain of contestation between different social forces..." (Ajulu, 2001:33). Second, that notwithstanding, at least two central pillars of African rebirth during the independence period can be identified: retaining the distinct African culture on the one hand, and breaking the imperialist stranglehold on the other. Third, these two pillars provided a glimpse of the declaration of intent, coupled with celebrated patriotism and a sense of belonging, to help set out a Pan-African route to tackling the central question of Africa's politico-economic backwardness.

It was not too long, however, before the spirit of the renaissance withered. To help us understand the underlying complementary forces of this interregnum, Moeletsi Mbeki (1997), cites the emergence of a new class division among Africans and the East-West rivalry during the Cold War. Not that the latter is unimportant, but for the purposes of the thesis, discussion must be confined to the former cause.

There is resounding consensus among scholars of African politics that, since independence, development in Africa has been characterised by significant shifts

and ideological dynamics (Among others see Milazi, 2001; Tordoff, 2002; Olukoshi, 2002; Adesina, 2002a). The post-independence state was preoccupied with commitment to the nationalist project, as a means of achieving development (Tordoff, 2002; Adesina, 2002a). The Tanzanian and Zairian cases to which I have referred are classic examples of this sort. The state played a critical entrepreneurial role, especially given that the private sector was severely underdeveloped. The consequence was a plethora of public parastatals "... consistent with nationalist efforts to establish domestic control over productive forces and accelerate economic development" (Fatton Jr., 1992:124). In Olukoshi's terms, this was the essence of the "post-colonial social contract" (cited in Adesina, 2002a:7).

However, different economic visions underscored this contract (Adesina, 2002a:7). There was African Socialism in Tanzania and Zambia, and Capitalism in Kenya² and Cote d'Ivoire. But as Adesina (2002a:7) argues, even in this latter 'capitalist camp' there was a strong state, deeply rooted in the Keynesian economic system. This was characterised by "commitment to social policy outcomes and growth [and] commitment to nation-building was an overriding and common vision" (Adesina, 2002a:7).

The two dominant facets of post-independence Africa (bourgeois and Africanist) were to be found in the dynamics of the state itself and the extra-continental forces. It is interesting to note how the ruling elite was somehow caught between the two strands. According to Milazi (2002:44), the ruling elite was made up of the state bourgeoisie and the private bourgeoisie. The latter consisted of private industrial and commercial capital). Amilcar Cabral (1979) provided an insight into the conflicting ideological characterisation of this elite. He argued that, at the end

² There is overwhelming evidence to suggest that, since independence, Kenya has pursued a mixed economic strategy of both privately owned and state-owned enterprises. This enabled that country to build up its economy. Between 1964 and 1973, Kenya's economy was growing at significant rate of 6,5 percent (Adepoju, 1993:1). Hence it also became well placed to play a critical economic leadership role in East Africa.

of formal colonial rule, the African ruling elite was faced with two conflicting options. Either it had “to give free rein to its natural tendencies to become ‘bourgeois’, ... and necessarily to subject itself to the imperialist capital ... [a] betrayal of the objectives of national liberation” (Cabral, cited in Adesina, 2002a:8). Or, it had to do what he calls “committing *suicide* as a class, to be restored to life in the condition of a revolutionary worker completely identified with the deepest aspirations of the people to which [it] belongs”, and this, he argued, involves “repudiating the temptations to become ‘bourgeois’ and the natural pretensions of its class mentality” (Cited in Adesina, 2002a:8) The latter was the essence of what is often referred to as the ‘sympathetic bourgeoisie’.

While for some time in the 1970s alternative politics in Africa were dominated by this injunction, there was a paradigm shift to the dominant aspirations of the bourgeois class in the 1980s and, in particular in the 1990s³ (Adesina, 2002a:8). Thus, the African ruling elite underwent what Ralph Miliband (1978) calls the process of ‘bourgeoisification’ and therefore became a comprador bourgeoisie. It assumed a particular class identity – informed by a consciousness that had a distinctive class character. By cooperating with certain global forces, and continually maintaining, strengthening and extending its domination over the working / peasant class, the African ruling elite became an instrument of the global bourgeois class. The interests it defended became class interests.

The afore-going analysis is important in understanding the dynamics of the renaissance of Africa in its historical perspective. It shows that while the post-colonial social contract provided the basis for the pursuit of an African rebirth, the systemic convergence of certain national bourgeois elements and international forces undermined the very ideal of the ‘nationalist’ developmental cause. According to Fatton Jr. (1992:129), this convergence was “based on an

³ The underlying causes of this shift are diverse. Adesina (2002a:8) correctly mentions the ascendancy of neo-classicalism in Europe and America and the beginning of the debt crisis in Africa and Latin America. These heralded a new global balance of forces and provided a basis for a systemic convergence of national bourgeois elements and international forces, in pursuit of the interests of global capital.

opportunistic alliance of transnational [and domestic] agents that share roughly similar interests and ideological outlook". He continues:

Thus, when African ruling classes enter into relations of dependence, it is not necessarily because they succumb to the inherent forces of imperialism but rather because their priorities and values tend to coincide with those embodied in these forces. The African state, however much it may be moulded by extra-continental agents, is above all a domestic structure of repression through which indigenous ruling classes organise their dominance *however covert it may be* (Fatton Jr., 1992:129. *Emphasis mine*).

1.3. South Africa and the third African Renaissance debate

The revival of the African Renaissance – as the notion is now used - started in South Africa⁴ from 1996, the year when Thabo Mbeki, as South Africa's then Executive Deputy President, delivered his famous "*I am an African!*" speech, on the occasion of the adoption of the new constitution (Maloka, 2001:2; Ajulu, 2001:33). According to Ajulu (2001:33), "[t]his speech was significant not only because it sparked off the [third] renaissance debate, but more profoundly because it prompted South Africans to reflect on their identity crisis – were they part of Africa or Europe".

The African Renaissance, as elaborated by Thabo Mbeki in the "*Attracting Capital to Africa*" Summit, held in Chantilly, Virginia, in April 1997, sought to promote on the one hand socio-cultural, political and economic regeneration of the continent, and on the other to improve Africa's geo-political standing in global affairs (Mbeki, 1997, cited in Maloka, 2000:2-3). Peter Vale and Siphosiso Maseko interpreted Mbeki's notion of the renaissance in two ways: Africanist and globalist

⁴ It is important to note that while in the independence period the renaissance was championed by countries like Ghana, Zaire, Togo - among others, the new renaissance is championed by a once pariah state – South Africa. South Africa's lead in the current renaissance revival is significant in that it somehow provides a glimpse of the role this country can play in the socio-economic and political re-engineering of the continent, given the relative competitiveness and size of its economy.

(Maloka, 2000:3). It was with the latter interpretation that Mbeki was associated, mainly because the African National Congress (ANC), of which he is now the President, describes the African Renaissance interchangeably as a 'vision' and a 'policy' "not only relating to Africa but in all our international relations globally" (ANC, *Strategy and Tactics*⁵, December 1997, cited in Mbeki, 1997).

Within the globalist perspective, Mbeki was very clear on what he saw as imperative. On the one hand, there was a need for political and economical re-engineering of the continent, by which he meant the nurturing of African business, which could stand on its own or in partnership with international corporations in the extraction of Africa's natural resources. On the other hand, he talked of the urgent need for the transformation of the world political and economic order, including its institutions (Maloka, 2000:3). In the latter spirit, South Africa's former President, Nelson Rholihlahla Mandela hailed the African Renaissance as "the creation of a new world order..." (Seale, cited in Independent Projects Trust, 1999). For President Robert Mugabe of Zimbabwe, it meant "a rebirth and renewal that is reshaping not only African societies but also African relations with the rest of the world" (*Africa News Online*, cited in Independent Projects Trust, 1999).

The idea of the renaissance was consolidated and popularised on such occasions as the World Economic Forum. It then laid the foundation and became the central pillar of *The Millennium Partnership for the African Recovery*

⁵The five important elements of the African Renaissance that were developed by the ANC, in its *Developing Strategic Perspectives on South African Foreign Policy* document, centred around the following:

- 1) Recovering the continent as a whole;
- 2) Establishing political democracy on the continent;
- 3) Breaking the west / imperialist stranglehold on the continent;
- 4) Mobilising the peoples of Africa in order that they took their destiny into their own hands, with the further objective of insulating themselves and the continent from the geo-strategic interests of the west;
- 5) Developing people-centred development approaches so as to meet people's basic needs.

Programme (MAP), signed in March 2000, in Pretoria, by Presidents Thabo Mbeki, Olusegun Obasanjo of Nigeria and Abdelaziz Bouteflika of Algeria.

At the 37th OAU Summit held in Lusaka, in July 2001, MAP was merged with the OMEGA Plan (that had been developed by President Abdoulaye Wade of Senegal. This Plan was similar to MAP in terms of vision and objectives.) to form the *New Africa Initiative* (NAI). In the same month, leaders of the Group of Eight industrialised countries (G-8) endorsed this programme. The Heads of State Implementation Committee in Abuja, Nigeria, agreed to its Policy Framework in October 2001. It was at that meeting that the name *New Partnership for Africa's Development* (NEPAD) was adopted (Ohiorhenuan, 2002: 6).

1.4. The New Partnership for Africa's Development

It is common knowledge that NEPAD is a project of African development. However, a closer reading of the NEPAD document, which provides a guide to how this development is to be pursued and achieved, reveals that different interests underpin this developmental project. It also suggests, at least by implication, that there has not been consensus on the part of the peoples of Africa on how exactly the continent should be extricated from the malaise of poverty and underdevelopment. I have found out that the NEPAD document can be broken down into two main different and often conflicting, interpretations.

The first is the Africanist interpretation, which is informed mainly by the critical theory. This interpretation casts doubt on the possibility of Africa developing in an environment where the central ideological underpinnings that characterise Africa's relations with the North remain unchanged.

The second interpretation is what I refer to as the post-modernist interpretation, mainly because it either regards critical theory as obsolete in the contemporary, global and competitive world, or takes the International Monetary Fund's and the

World Bank's diagnosis of the African situation at face value. This interpretation, while acknowledging the development chasm between Africa and North, emphasises endogenous transformation processes in political and economic governance in Africa. It perceives development in Africa ensuing primarily because of such transformation.

It must be stated from the very outset that however much consensus may have been sought between these interpretations, the influence of the outside world, which, as I have noted, manifested itself much more clearly in the 1980s and into the 1990s, has had a critical role to play in the final draft of the NEPAD document. No wonder then the document is characterised by both radicalism and humility.

Against the background of these two broad interpretations, it is important that we examine the NEPAD document in order to interrogate the ambiguities and contradictions that underpin it.

The opening paragraph of the document reads:

The New Partnership for Africa's Development is a pledge by African leaders to eradicate poverty on the continent and to place African countries, both individually and collectively, on a path of sustainable growth and development and thus halt the marginalisation of Africa in the globalisation process (NEPAD, 2001: para 1).

To this noble end, NEPAD seeks to establish peace and security, democracy and political governance, and economic and corporate governance, as essential requirements for addressing Africa's developmental needs. Having learned from their own experiences that peace, security, democracy, good governance, human rights and sound economic management are conditions for sustainable development, African leaders, through NEPAD, are making a pledge to work,

both individually and collectively, to promote these principles in their countries and sub-regions and on the continent (NEPAD, 2001: para 71).

NEPAD identifies the following as key sectoral priorities towards achieving the goal of sustainable development on the continent: bridging the infrastructural gap between Africa and the developed world, and the development of human resources, including the reversal of the brain drain.

Recognising, however, the small size of most African countries, both in terms of populations and per capita incomes (something which makes them less attractive to foreign investors) (NEPAD, 2001: para 90), NEPAD places a duty on African countries to pool together, as it were, their resources to enhance regional development and economic integration on the continent, so as to improve international competitiveness. In this regard, NEPAD calls for the strengthening of the already existing sub-regional economic groupings (NEPAD, 2001: para 91).⁶ Priority is to be given to building capacity so as to enhance the effectiveness of existing regional structures and rationalisation of existing regional organisations. A leading role in financing regional studies, programmes and projects, will be played by the African Development Bank (NEPAD, 2001: para 93). This programme focuses on the following priority areas: infrastructure, especially information communications technology (ICT) and energy; human resources, including education, skills development and reversing the brain drain; health; agriculture; and access to the markets of the developed world for African exports (NEPAD, 2001: para 94).

The document goes as far as saying that the objective, in each sector, is to bridge the existing gaps between Africa and the developed world, so that the

⁶ These groups are the Arab Maghreb Union (AMU), the Economic Community of Central African States (ECCAS), the Common Market of Eastern and Southern Africa (COMESA), the Southern African Development Community (SADC), and the Economic Community of West African States (ECOWAS).

continent's international competitiveness is improved and that it is able to participate meaningfully in the globalisation process (NEPAD, 2001: para 95).

There is a realisation in the document that critical to Africans taking responsibility for the continent's destiny, there is a need to establish a new relationship between Africa and its Northern development partners, including multilateral institutions (NEPAD, 2001: para 183). This new partnership is a call for combined efforts between Africa and developed countries to improve the quality of life of Africa's people as a matter of greatest urgency (NEPAD, 2001: para 171).

A number of responsibilities and obligations on the part of the developed world and multilateral institutions are expected by Africa. These include supporting peace processes on the continent; debt reduction; an increase in Official Development Assistance (ODA); the involvement of multilateral institutions, such as the World Bank and International Monetary Fund (IMF), in key infrastructure projects on the continent; admission of goods from Africa into the markets of the developed world; and governance reforms of multilateral institutions to better cater for the needs of Africa (NEPAD, para 185).

These responsibilities and obligations are based on the recognition of the centuries-old historical injustice and the need to correct it. Therefore, as the document reads, the new partnership is about overcoming the development chasm that has existed between Africa and the developed world over centuries (NEPAD, 2001: para 8). The merit of this realisation is that it raises concerns about the Africa – North dichotomy, and the global system in general, without prejudice. It acknowledges that the impoverishment of the continent is not only as a result of the inadequacies of, and shortcomings in, the policies pursued by many countries in the post-independence era, but that it was also accentuated by the legacy of colonialism and the operations of the international economic system (NEPAD, 2001: para 18). The latter continue to thwart Africa's path to sustainable development. In this regard, the document reads:

In the absence of fair and just global rules globalisation has increased the ability of the strong to advance their interests to the detriment of the weak, especially in the areas of trade, finance, and technology. It has limited the space for developing countries to control their development, as the system has no provision for compensating the weak. The conditions of those marginalized in this process have worsened in real terms. A fissure between inclusion and exclusion has emerged within and among nations (NEPAD, 2001: para 33).

For this reason, African leaders propose the transformation of the international order, including its institutions. They say, "We hold that it is within the capacity of the international community to create fair and just conditions in which Africa can participate effectively in the global economic and body politic" (NEPAD, 2001: para 41).

The extent to which Africa presses for such transformation, and the extent to which the North is prepared to heed to it is not entirely clear. Two things are certain. Firstly, for their part, African leaders do not state how such transformation is to be effected and to what degree is it going to benefit the peoples of Africa. Secondly, the hostile attitude of the North towards the spirit of the new international economic order (NIEO) of the 1970s has not waned.

While leaders of the G-8 declare that "We accept the invitation from African Leaders ... to build a new partnership between the countries of Africa and our own, based on mutual responsibility and respect" (*G-8 Africa Action Plan, 2002*⁷: para 1), they tend to emphasize what Africa must do more than what should be done to address the global politico-economic set-up. G-8 leaders express their enthusiasm about the commitment African leaders have made to good governance, human rights, investment-driven economic growth and economic governance as the key to poverty reduction (*G-8 Africa Action Plan, 2002*: para 3). They declare:

⁷ G-8 Africa Action Plan was adopted by the Group of Eight (G-8) industrialised countries, at the Kananaskis Summit, held in Canada, in June 2002. Through this Plan, G-8 leaders endorsed the NEPAD programme.

We welcome this commitment. In support of the NEPAD objectives, we each undertake to establish enhanced partnerships with African countries whose performance reflects the NEPAD commitments. Our partners will be selected on the basis of measured results. This will lead us to focus our efforts on countries that demonstrate a political and financial commitment to good governance and the rule of law, investing in their people, and pursuing policies that spur economic growth and alleviate poverty. We will match their commitment with a commitment on our own part to promote peace and security in Africa, to boost expertise and capacity, to encourage trade and direct growth-oriented investment, and to provide more effective official development assistance (*G-8 Africa Action Plan, 2002: para 4*).

Emphasizing the importance of good governance, G-8 leaders hail NEPAD because, they say, it acknowledges that the primary responsibility for the future of Africa lies with Africa itself⁸ (*G-8 Africa Action Plan, 2002: para 6*). For this reason, they support the adoption, on 11 June 2002, of the Declaration on Democracy, Political, Economic and Corporate Governance (DDPECG) and the African Peer Review Mechanism (APRM). They perceive the APRM as a mechanism that will help inform their considerations of eligibility for enhanced partnerships (*G-8 Africa Action Plan, 2002: para 7*). To this extent, G-8 leaders' perceptions about the constraints to Africa's development coincide with those of some sections of African society, the post-modernists to be exact.

In support of the new partnership, the G-8 countries, have committed themselves to do the following, among other things: fostering trade, investment, economic growth and sustainable development; and implementing debt relief.

In terms of fostering trade, investment, economic growth and sustainable development, G-8 leaders acknowledge that:

⁸For some elements in the North, underdevelopment in Africa is the result of lack of political will to transform and 'catch up' with the developed world. For some US leaders, most of the problems in Africa are of its own making. They say poor economic performance on the continent is as a result of Africa's poor governance (*Sunday Times, 2 November 2002*). Reversing this trend, according to this line of thinking, requires that Africa 'sets its house into order' by being good.

In order to achieve adequate growth rates, Africa must have broader access to markets. The launch of multilateral trade negotiations by World Trade Organisation (WTO) members in Doha, which placed the needs and interests of developing countries at the heart of the negotiations, will help create a framework for the integration of African countries into the world trading system and the global economy, thus creating increased opportunities for trade-based growth. We are committed to the Doha development agenda and to implementing fully the WTO work programme, as well as to providing increased trade-related technical assistance to help African countries participate effectively in these negotiations... (*G-8 Africa Action Plan*, 2002: para 11, Article III).

Against this background, G-8 countries undertake to help Africa attract investment, both from within Africa and from abroad, and to implement policies conducive to economic growth. This means, among other things, supporting those African initiatives that are aimed at improving the climate for investment, including sound economic policies and efforts to improve the security of goods and transactions, consolidate property rights, modernise customs, institute legal and judicial reforms, and help mitigate risks for investors (*G-8 Africa Action Plan*, 2002: para 11 Article III.3.1).

With regard to debt relief, G-8 countries undertake to assist the Highly Indebted Poor Countries (HIPC) to reduce poverty by enabling them to exit the HIPC process with a sustainable level of debt (*G-8 Africa Action Plan*, 2002: para 11 Article IV 4.1). However, they say that debt relief alone is not sufficient for long-term debt sustainability. According to them, sound policies; good governance; prudent new borrowing and sound debt management by HIPC, as well as responsible financing by creditors must complement debt relief. In that context these countries must continue to demonstrate a commitment to poverty reduction, sound financial management, and good governance (*G-8 Africa Action Plan*, 2002: para 11 Article IV 4.2).

It must be noted, however, that no mention of debt cancellation, which is necessary to enable Africa's development to get off the ground, is made here. In fact, it is not clear why the architects of NEPAD themselves opted for the IMF

and World Bank – managed HIPC initiative and not for total debt cancellation. Perhaps, they, like the Fund, the Bank and the G-8, do not see debt relief as a necessary step and a pre-requisite for a fresh start to relations between Africa and the North.

1.5. The problem area

While there is consensus about the need for a new partnership between Africa and the North, the precise meaning of what is 'new' has increasingly become nebulous and highly polemical due to conceptual and ideological interpretative differences this has received both in Africa and abroad.

On the one hand, recognising the centuries-old historical injustice and the need to correct it, Africanists seem to define the new partnership mainly in terms of the transformation of the world's political and economic order in favour of Africa's development. On the other hand, there are those sections – found both in Africa and abroad – that define it in post-modernist terms according to which Africa must make a commitment to good governance as a measure to change investor perceptions about the continent, with a view, in the long-term, to integrating into the global economy.

1.6. Object of the thesis

The objective of the thesis is a modest critique of the idea of the new partnership between Africa and the industrialised North, as envisaged in the NEPAD project.

The thesis argues that there is no reason to believe that conceptualising and implementing the new partnership in post-modernist terms will result in sustainable development in Africa. On the contrary, there are indications that Africa's position in the globalisation process will deteriorate further, and surely

this will fall foul of the objectives of an African rebirth and renewal, which NEPAD is meant to achieve.

This argument is based on the premise that the post-modernist interpretation does not systematically and rigorously problematize the central ideological currents that underpin Africa's relations with the North. This is mainly because this interpretation is moulded by the historical bourgeois circumstances in which it developed, and by the political ambitions it seeks to serve. This can be seen in its tendency to emphasize good governance in Africa, which is narrowly defined as the provision of stable environments for private capital, guarantee the sanctity of contracts and the independence of central bankers (Adesina, 2002b:7). Rather than making agents of private capital and central bankers politically accountable to the people, this notion of 'good governance' promotes what Adesina (2003) calls "clusters of authoritarianism" with various structures of governance.

Moreover, good governance is now made a requirement that Africa must meet before receiving financial support from the North. However, this 'trade-off' or *quid-pro-quo* element, which is reminiscent of the Structural Adjustment Programmes (SAPs) logic, fails to give Africa's developmental needs the serious attention they deserve. Rather, it continues to integrate the continent into the global economy in a manner that reflects neo-colonialism and subordination (Keet, 2000:24). Therefore, the good governance that is tiresomely emphasized both in the NEPAD project and in the *G-8 Africa Action Plan* is emblematic of the post-modernist orthodoxy that permeates the contemporary global political discourse.

Against this background, the thesis further argues that genuine sustainable development and the renaissance of Africa depend entirely on two complementary bases. The one is the transformation and adjustment of the international order to the priority demands for development of the South. This is more relevant today than ever before, given the unprecedented global political

and economic instability, these being an epochal consequence of the systemic crisis of neo-liberal capitalism. The other relates to the promotion of socio-economic and political accountability and responsiveness in Africa – this being a genuine democratic need of the people of the continent.

1.7. Research methods and methodology

This work does not pretend to break any new ground. Rather, it significantly relies on secondary material to provide an in-depth analysis of the relations between Africa and the North, both in historical and contemporary contexts, so as to make sense of the idea of the new partnership.

1.8. Structure of the thesis

The thesis is divided into four main chapters, while the general introduction and conclusion make up chapter one and chapter six, respectively.

Chapter Two: Africa's quest for development

Essentially, this chapter traces historical developmental efforts (and the debates that informed them) in Africa since independence and the problems thereof. The objective of this undertaking is to provide the context within which NEPAD emerged.

Chapter Three: The New Partnership for Africa's Development

This chapter is an in-depth examination of the NEPAD strategy and approach in support of Africa's development. The objective of this undertaking is to establish the context for a discussion of certain ambiguities and contradictions that underpin this programme of African renewal.

Chapter Four: The New Partnership for Africa's Development and the fallacy of neo-liberalism: A theoretical appraisal

This chapter provides a more nuanced reading of NEPAD and teases out its central ideological underpinnings. Firstly, it argues that while NEPAD is *prima facie* characterised by the injunction of Africanist and bourgeois facets, it is more inclined to the latter. This inclination is mainly the result of Africa's large dependence on foreign aid, and consequently the convergence of domestic and global forces that generally adhere to neo-liberal capitalism as an engine of growth and development. Secondly, the chapter critically evaluates the validity and pitfalls of neo-liberalism. Thirdly and lastly, it concludes by arguing that neo-liberal capitalism has entered a systemic crisis – a crisis that cannot be overcome within the broader framework of neo-liberalism itself.

Chapter Five: A new partnership or another false start? Implications and possibilities for the Renaissance

This chapter critically evaluates each of the interpretations of the new partnership against the objectives of the African Renaissance. It argues that the adherents of the post-modernist interpretation naïvely declare their confidence on neo-liberalism without providing compelling empirical evidence of its wholesome successes, particularly in Africa where the unique socio-economic and political conditions bear testimony to the contrary. Consequently, their 'prescribed' path to Africa's development will damage the objectives of rebirth and renewal.

Against this background, the chapter argues that central to sustainable development and renewal of Africa are two complementary bases: the one, improved systems of governance on the continent *in its own right*, and the other, the transformation of the current global order into one with humankind as its central dimension. These two bases provide a glimpse of a strategic partnership between Africa and the North.

Chapter Six: Conclusion

This is essentially the summary of the main arguments of the thesis.

CHAPTER 2

AFRICA'S QUEST FOR DEVELOPMENT

2.1. Introduction

The development chasm between Africa and the North is more conspicuous today than ever before. "The poverty and backwardness of Africa stand in stark contrast to the prosperity of the developed world" (NEPAD, 2001: para 2). Africa's position in the global economy is that of "dependence, underdevelopment and servitude" (Rodney, 1982:25). To help reverse this rather abysmal situation, African leaders and peoples alike have long been engaged in politically conscious efforts to find ways and means of bringing about sustainable development on their continent.

This chapter, therefore, traces historical developmental efforts in Africa. The main objective of this undertaking is not only to demonstrate that Africa's quest for development has been an on-going historical process, but importantly, it is to provide a context within which the idea of NEPAD emerged. The argument of the chapter is that, the idea of NEPAD emerged at a particular critical juncture, when the international community, particularly countries of the South, sought to promote an understanding of what development beyond mere growth in gross domestic product (GDP) terms should be precisely about. The essence of this new global consensus culminated in the adoption of the Millennium Development Goals (MDGs) at the 56th Session of the UN General Assembly in September 2001. To that extent parallels can be drawn between Africa's renewal programme and MDGs.

2.2. Conflicting developmental debates in historical perspective

The development of Africa has been the subject of contentious debate between the advocates of modernization and critical theorists. In the 1950s, a liberal

tradition dominated the African developmental discourse. Liberal scholars assumed that the development of Africa, as well as of other developing regions of the world, would ensue if the continent were to follow similar political and economic methods to those pursued in Europe and other developed countries over centuries. This was the essence of the Modernization theory. One of the proponents of this theory was Walt Rostow (1960), whose analysis of the stages of development of Western countries over centuries was that, "all countries evolve through the same 'stages of growth' as leaders seek to transform 'backward' agriculturally based societies into modern industrial economies" (Rostow cited in Schraeder, 2000:24). The standard measure of modernization was the growth of a country's gross domestic product (GDP) (Schraeder, 2000:24-25). The assumption was that African states were at the starting point of a developmental path. As such, they still had to undergo the mechanization of agriculture and industrialization of most urban areas (Schraeder, 2000:24). The end result of modernization, according to its advocates, would be the melting away of 'traditional' ways of life and the corresponding rise of 'modernity'. The latter would be marked by the emergence of "industrialized, modern, and pluralist democracies" (Schraeder, 2000:25).

The economic difficulties, the rise of political extremism, religious intolerance, ethnic conflicts and other problems of the independence era discredited modernization. Instead, critical theorists emerged in the 1960s, whose approach to development was Marxist in its orientation. They challenged the very prevailing global order on the basis of its inherent exploitative nature. Many critical theorists subscribed to the body of literature called Dependency theory⁹. This theory essentially assumes that the modern world system is characterized by the

⁹ Of course, dependency theory has got some variants, such as the World Systems Theory. The latter does not perceive the world system as polarised between the wealthy core and the subservient and impoverished periphery. Rather there is an intermediate semi-peripheral area, which has some similarities with the core (complexity of economic activities, strength of the state machinery and cultural integrity – among other features), but at the same time is exploited by the core, the fact that it can too exploit the periphery notwithstanding (Wallerstein, 1974:349). For the purposes of the discussion in context, the thesis ignores this variant. It focuses on dependency theory in general.

exchange of goods and services in the global market. Because in this system there is extensive division of labour, this exchange takes place between the different geographical zones of the system. There is a core, which produces and trades high-wage, advanced technology goods. There is a periphery, which is weak (because it is modelled in a colonial form and sometimes lacks some degree of autonomy) and that produces and trades low-wage, low technology commodities, such as agriculture and mineral products. The exchange is therefore unequal and exploitative because the core politically controls the system. The periphery is exploited, impoverished and politically controlled by the core.

Dependency is analyzed mostly as an economic condition and is thus considered to be the result of the flow of the economic surplus from the Third World to Western capitalist countries. It is therefore considered to be a component of the regional polarization of the global economy (For an in-depth discussion on dependency see Wallerstein¹⁰, 1974; Caporaso, 1978; So, 1990; Amin, 1990; Hout, 1993).

Putting this theory into the African context, Walter Rodney (1982) argues that, long before the spread of global capitalism by the end of the 16th century, Africa, like other regions of the non-European world, was developing politically and economically. But as Europe invaded Africa, thus bringing in direct colonial rule, the African continent was increasingly included within the global capitalist system. All forms of independent development on the continent were extinguished because European domination led to the development of underdevelopment: the gradual impoverishment of the African continent as previous African development was "blunted, halted, and turned back (Rodney cited in Schraeder, 2000: 47).

¹⁰ Wallerstein goes a step further to discuss the role of the semi-periphery in the world system.

The thesis will argue that, while the critical perspective was a dominant force during the independence period in Africa, the ascendancy of rightwing monetarism and conservative politics in Britain and America in the early 1980s precipitated a paradigm shift towards a post-modernist orthodoxy, as neo-classicalism began to permeate the global political discourse. It will argue further that, this shift has worsened the position of Africa in the global economy in real terms, something that makes a new global consensus on matters of development the real necessity. While NEPAD is supposed to serve as a building block for this consensus, some forces, locally and internationally, persistently seek to fit it within the prevailing post-modernist orthodoxy.

2.3. Independence and the politics of African development

There is a prevailing view that, long before the Organization of African Unity (OAU) was established, African leaders had acknowledged the importance of cooperation and integration among African states in the economic, social and cultural fields. These fields were considered very crucial in expediting transformation and sustained development of the African continent (South African government website: <http://www.gov.za/2001>; Economic Co-operation and Development Department (ECDD) of the African Economic Community (AEC) 2000: <http://www.panafricanperspective.com/aec.html>).

Conscious and deliberate efforts to this end were made as early as in April 1958 when the *Conference of Independent African States* was held in Accra, Ghana. This was followed by the *All African Peoples Conference*, held in December 1958 in the same country. These conferences provided a glimpse of how transformed and developed Africa could become were it to realistically implement their objectives. In the *All African Peoples Conference*, three elements of Pan-Africanism were identified. These included the rejection of violence as a means of struggle; the promotion of inter-racial cooperation in the continent, while maintaining that Africa remained for Africans and; the linking up of Ghana's

independence with the total liberation of the whole continent (Legum, 1962). Nkrumah's ideas of African unity were very crucial in the latter element.

Even though there was a considerable divergence of opinion between the Casablanca Block (the proponents of a revolutionary African unity or the Nkrumahists) and the Monrovia Block (the gradualists or reformers) on how transformation and sustained development on the continent were to be attained, the proposal for an African Union, as put forward by Dr. Okpara (the Premier of the Eastern Region of Nigeria) in London in August 1961, provided a road map. This proposal was centered on three main elements. The first envisaged Africa as organized into five Economic Regions (North, East, Central, South and West) with common customs, currency, transport and research organizations. The second element envisaged these regions as welded into political unions. The third element envisaged that these regions should form a Federation, a Confederation, or a Common Market (Legum, 1962:59).

Consequently, after considerable deliberations and discussions, an historic compromise between the gradualists and Nkrumahists was reached. Thirty-two African Heads of State signed the Charter of the Organization of African Unity (OAU) at the Addis Ababa Conference, on 25 May 1963. Thus, a continental organization had been born, with Headquarters in Addis Ababa. To this extent, unity – however defined – had been achieved for the first time. Perhaps, that is why some praised the formation of the OAU as phenomenal. However, whether such sentiments were based on the common vision of African leaders, or merely on the romanticisation of the concept of 'unity', would be proved by the political and socio-economic dynamics of the post independence era.

Before one can cast an eye on the developments since the 'phenomenal' formation of the OAU, it is imperative that we understand what the Charter of the organization entailed. Article II (1) of the Charter states that, the Organization shall have the following purposes:

- a. To promote the unity and solidarity of the African States;
- b. To coordinate and intensify their cooperation and efforts to achieve a better life for the peoples of Africa;
- c. To defend their sovereignty, territorial integrity and independence;
- d. To eradicate all forms of colonialism from Africa; and
- e. To promote international cooperation, having due regard to the Charter of the United Nations and the Universal Declaration of Human Rights.

In Article II (2), the Charter says, to the ends mentioned above, the Member States shall coordinate and harmonize their general policies, especially in the following fields:

- a. Political and diplomatic cooperation;
- b. Economic cooperation, including transport and communications;
- c. Educational and cultural cooperation;
- d. Health, sanitation and natural cooperation;
- e. Scientific and technical cooperation; and
- f. Cooperation for defence and security.

Under Article III, the Member States, in pursuit of the purposes stated in Article II solemnly affirm and declare their adherence to the following principles:

1. The sovereignty of all Member States;
2. Non-interference in the internal affairs of States;
3. Respect for the sovereignty and territorial integrity of each State and its inalienable right to independent existence;
4. Peaceful settlement of disputes by negotiation, mediation, conciliation or arbitration;
5. Unreserved condemnation, in all its forms, of political assassination as well as of subversive activities on the part of neighbouring States or any other States;

6. Absolute dedication to the total emancipation of the African territories which are still dependent; and
7. Affirmation of a policy of non-alignment with regard to all blocks.

As can be seen from the above selected summary of the Charter, the establishment of the OAU was an important historical compromise, given that the interests of both the Casablanca and the Monrovia groups had been accommodated. Also important were the goals stated in Article II (2) of the Charter.

Having established a continental organization, African leaders were now hoping that they had made a major breakout from peripheralization and had marked the entry of their continent on to the stage of world politics. This hope had its basis in figures like Kwame Nkrumah, who had a Pan-African ideal (Rich, 2000:18). However, rather than seeing Africa becoming free from the vagaries of imperialism and neo-colonialism, Africans saw their continent's continued occupation of a peripheral position in the global system. Thus, relations of dependence between the continent and Europe were further entrenched.

Many explanations have been advanced for Africa's abysmal situation and structural position in the global economy. Some tend to emphasize internal problems, such as the absence of participatory democratic governance, alarming levels of corruption, and bad economic policies adopted by some African leaders (see Osaghae, 1999; Szeftel, 2000a; Szeftel, 2000b; Szeftel, 2000c; Nabudere, 2001; Ndi-Zambo, 2001). Others emphasize the structural problems of the capitalist world economy, which perpetuate Africa's dependence on its former colonial powers or other industrialized states. According to this explanation, this engenders an unfavourable global terrain, in which Africa is bereft of the political and economic influence needed to change the system in its favour (Lambrechts, 2001:31; see also Dependency theorists).

It is my contention that, rather than seeing these explanations as contradictory, it is important that they are seen as complementary. Onimode (1992) and Osaghae (1999) concur. The first scholar reasons that the internal factors alone did not cause crises in Africa. It is necessary, therefore, in the campus of this debate to try and ponder some of these explanations in an attempt to understand the dynamics of the post-independence political economy.

Perhaps the first problem with post-independence Africa, which ultimately led to economic decline and caused the crisis, was the nature of the African state itself. Towards the end of the 19th century, when colonialism was taking root, European colonialists secured metropolitan structural power over Africa (Rich, 2000:16). This structural power was designed to help facilitate an expanding capitalist sector, which was rooted in the cheap labour of the colonized indigenous peoples and the extraction of raw materials (Donald cited in Rich, 2000:16-17; Gutkind and Wallerstein, 1976:12; NEPAD, 2001: para 19). It was “only those sectors producing for export, in the import trade, and in the structures and services required to collect raw materials and distribute imports...” that were developed (Gutkind and Wallerstein, 1976:12). As such, there could not be national economic structures that would create sustained increases in per capita productivity. Consequently, at independence, the continent was left with a huge wreckage of fragmented, retarded and virtually undeveloped economies (Green and Seidman, 1982:251).

As Osaghae (1999:186) correctly argues, it was natural to expect the new African leaders to change or do away with the structures that had distorted the African state, but they failed to transform these inherited perverse colonial economic and social structures (Onimode, 1992:8). Instead, they simply replaced the old colonial rulers “without any fundamental change in the character of the colonial state (Ake, cited in Osaghae, 1999:186). The failure to transform the state, therefore, had deleterious implications for the economic and political future of the continent. For instance, when the real prices of primary commodities collapsed in

the mid-1970s, coupled with the oil crisis of the same period, Africa's economic performance started deteriorating (Ajulu, 2001:28). Also important is that, weak neo-colonial states could not empower people, they could not govern effectively and could not develop long-term policies. This inability became one of the constraints to sustainable development on the continent (NEPAD, 2001: para 23).

The second problem with post-independence Africa relates to the continued existence of an authoritarian state and its denial of democracy. The late 1960s were characterized by a move away from plural politics towards the centralization of power, usually in the hands of one party. Crucial differences existed, however, between one-party systems: how they came into being; whether they were *de facto* or *de jure*; whether they had a strong ideological base or not; and whether or not they made certain provisions for inner-party democratic participation (Tordoff, 2002:7). In many countries, inner-party participation increasingly became rare, as was the case with Convention People's Party (CPP) in Ghana and in Malawi under Hastings Kamuzu Banda. Even though some countries, such as Tanzania, were less authoritarian, they were characterized by a complete absence of political pluralism and therefore, arguably, lack of participatory democracy.

Of course, links can be made between the lack of participatory democracy and a lack of accountability and transparency. As the private sector was severely underdeveloped in Africa, the state had to assume a developmental role. This resulted in the emergence of a plethora of bureaucracies. Given the dominance of one party in many African states, bureaucrats were highly politicized. According to Adedeji (cited in Hope Sir., 2000: 18), this provided an opportunity for personalism and patronage as the means through which authority and influence were exercised. Politicians and bureaucrats began to forge dependent patron-client relationships, through which administrative decision-making occurred. "This process, inevitably, led to a cooperative and institutionalized

abuse of public office for private and personal gain” (Hope Sir., 2000:18). Consequently, kleptocratic or vampire states emerged, where the ruling elite and their associates systematically looted their countries’ wealth, diverting billions of dollars of state funds into private foreign bank accounts (Hope Sir., 2000:19; Onimode, 1992:11). Many stories about Mobutu Sese Seko of Zaire and Sani Abacha of Nigeria, who are alleged to have each stolen large sums of money from their governments, continue to be told even today.

The consequences of corruption are detrimental for the process of development. Politically, entrenched corruption necessitates the suppression of political opposition and public criticism through the state instruments of law and order. Not only does this reduce the capacity of the state to deliver basic social services, but it also creates a legitimacy crisis and ultimately protracted social conflicts, causing untold human suffering and a quagmire of economic decay.

The third policy problem with post-independence Africa relates to unproductive investment activity expenditures. Governments often failed to set their priorities right. “Besides distorted national priorities, due partly to lack of democratic participation in the choice of these national priorities, there [was] also excessive politicisation of essentially technical and economic questions” (Onimide, 1992:10). Table 1 below shows the extent of the damage caused by distorted national prioritisation.

Table 1: Unproductive investment in Africa – net rates of return on capital

Region	1961- 73	1973- 80	1980 – 87
Sub-Saharan Africa	83.8	23.5	6.2
South Asia	47.8	38.5	36.5

Source: World Bank, Sub-Saharan Africa: From Crisis to Sustainable Growth- A Long-term Perspective Study, LTPS, 1989:26 cited in Onimode, 1992:10.

Looking outside the continent and the failures of the post-independence state, one finds the structural constraints of the modern capitalist world system, which,

as we have already noted, deprive the continent of the political and economic influence necessary to change the system in its favour.

After the Second World War, the US emerged as the global superpower, while Britain had to recover from the economic devastation caused by war. At the top of the US's priorities was the creation of a stable international financial order, in particular the stability of currencies; the upholding of the stability of the contemporary capitalist world system; and the reconstruction of Europe (Leysens and Thompson, 1999:34). To this end, the International Bank for Reconstruction and Development (IBRD) (or the World Bank), the International Monetary Fund (IMF) and the General Agreements on Tariffs and Trade (GATT) were established as the international financial institutions and a trading forum respectively.

The World Bank's role was two-fold: The primary role was to help reconstruct devastated Europe. The secondary role was to help former colonies build their economies in the same manner as Western Europe had built theirs. In line with its intention of reconstructing Europe, the US went ahead of the World Bank and channelled one per cent of its national income every year, for four years, into Europe – in total the equivalent in today's money of US\$75 billion - through the Marshall Plan under the aegis of the Organization for Economic Cooperation and Development (OECD) (Brown, 2002). Because of this aid, Western Europe managed to develop as a result of such protectionist measures as the Schuman Plan of 1950, which laid the foundation for the European Coal and Steel Community (ECSC), an historic economic cooperation that brought France and Germany together. The ECSC laid the foundation for the European Economic Community in 1957 (or the European Union, as we know it today) (Leysens and Thompson, 1999:40).

The role of the IMF was to help with short-term balance-of-payments problems and other currency-related problems in countries that experienced difficulties with

the value of their currencies. Since its establishment, GATT was aimed at creating a liberal international trading system.

With these institutions created, the US exerted its influence and dominance in finance, production and trade structures, and managed to entrench the rules, regulations and norms governing the international political economy. Such rules and regulations, however, were to favour the dominant players in the international system, notably the US. Thus, the world's political and economic climate changed considerably. Against this background, it is imperative that we assess the implications for the developing world, particularly Africa.

When the war ended in 1945, the US had control of more than 70 percent of the world's gold and foreign exchange reserves, and more than 40 per cent of its industrial output. Most of the Third World was still colonised and contained just less than 1 per cent of the world's industrial capacity (Brett, 1985:63).

The US had set the gold exchange standard, in terms of which it undertook to peg the value of the dollar to gold at a rate of US\$35 to an ounce (Leysens and Thompson, 1999:35). In 1971, US President, Richard Nixon, announced that America was changing from a fixed exchange rate for the dollar to a floating exchange rate system. In terms of the latter, currency values were to be largely linked to, and determined by, market forces and increasingly by financial market speculation (Leysens and Thompson, 1999:37).

The problem with the floating exchange rate system was that, it created a lot of uncertainty in the international economic system, with disastrous consequences for the newly independent African states. Financial market speculation is determined by a number of factors, which include political stability, the economic viability of a country, and its economic policies. Under a floating exchange rate system, market forces and financial market speculation determine the value of, say gold, on the basis of what banks and other private buyers are willing to pay

for it. This means that they can buy gold at US\$10 an ounce if they so choose, given, of course, their satisfaction or dissatisfaction with any of the above mentioned factors.

Since many newly independent African states were barely large enough to be economically viable, had Socialist-oriented economic policies, and some were politically unstable, the value of their currencies was subjected to a profound fluctuation. And since many of them depended on one or two non-petroleum primary commodities: cocoa, rubber, etc, (and the demand for such commodities was determined by market forces) they ended up producing more for little. This was the beginning of the collapse of their commodity prices, which became more intense in the early 1970s. According to Bond (2001a:61), there was a 77 percent decline of non-petroleum commodity prices from 1973 to 1988.

The collapse of commodity prices was exacerbated by the oil shocks of 1973. In that year, the Organisation of Petroleum Exporting Countries (OPEC) decided to raise the price of oil by 400 per cent. The OPEC countries deposited their riches in the banks in the West. These banks lent vast sums of money to the developing world so that the latter could meet their import needs, particularly of oil. While the developing world benefited from these loans, this only lasted up until 1979, when OPEC once again raised the price of oil. The response of the US and Western Europe was to raise interest rates from -4 percent to 4 percent (see Leysens and Thompson, 1999: 38; Bond, 2001a:61). Since many developing countries, particularly those of Africa, were getting barely enough from their commodities, they could hardly service their debt. Mexico, in 1982, declared a moratorium on its international debt repayments and this marked the beginning of the debt crisis. In Africa, the onset of the debt crisis "dashed any hopes of sustainable economic growth" (Ajulu, 2001:28).

2.4. The emergence of the New International Economic Order (NIEO) ideology

Convinced that the liberal international economic order that was set up at Bretton Woods perpetuated the dependency of the South on the North, and convinced that the countries of the North “promoted the principle of free trade to serve their own interests, but engaged in protectionist economic policies when it suited them” the Group of 77 (G-77) at the United Nations Conference on Trade and Development I (UNCTAD I) proposed the New International Economic Order (NIEO)¹¹. They proposed that this conference should be a forum to discuss matters relating to trade, production and financial issues with the developed world, instead of discussing them through GATT (Leysens and Thompson, 1999:39).

Thus the G-77 proposed the following: an integrated programme for commodities (IPC) to control and stabilize commodity prices; extension of the generalized system of preferences (GSPs) on tariffs for developing country exports; a debt relief programme; increasing official development assistance (ODA) flows to the South; democratization of the UN, IMF and the Bank in favour of the developing world and the promotion of the economic sovereignty of the developing world by, *inter alia*, giving them more control over their own natural resources, and giving them enough access to technology, regulation of multinational corporations, and allowing developing country exports greater access to the markets of the developed world (Kukreja cited in Leysens and Thompson, 1999:39; see also Murphy, 1983).

2.5. Africa’s silent revolution: Towards the Lagos Plan of Action

Recalling the historical goals stated in Article II (2) of the Charter of the OAU, and having due regard for the crises of the post- war international economic order

¹¹ The NIEO had been inspired by dependency theory.

(coupled with the G-77's reaction thereto) the OAU convened its 16th Summit in Monrovia, in July 1979. At that Summit, African leaders discussed and examined economic and political problems facing the continent. They reached very historical decisions. They resolved, *inter alia*, (1) to take concrete measures to realize national and collective self-reliance in the economic and social domains faced by the New International Economic Order, (2) to recognize the need to take urgent measures in giving indispensable political support to the process of realizing rapid economic growth in the context of collective self-reliant development (Anyang' Nyong' o, 2002:1). Against these ends, it was resolved that the following were essential:

1. Promotion of economic and social integration of African economies to enhance self-reliance and self-centred development;
2. Creation of national, sub-regional and regional institutions in pursuit of this self-reliance;
3. Giving primacy to human resources development;
4. Placing science and technology at the centre of Africa's development processes;
5. Ensuring self-reliance in food production and guaranteeing the African people proper and adequate nutrition, together with other basic needs of a civilized standard of living;
6. Undertaking proper planning in all sectors of development - with more emphasis on agriculture, industry, an environmentally sound use of natural resources – with the aim of achieving modern economies at the national, sub-regional and regional levels by the year 2000.

At the request of the African Heads of State and Government for a sound plan to put these objectives into practice, the Secretary General of the OAU and the Executive Secretary of the Economic Commission for Africa organized the

Second Extraordinary Session of the Heads of State and Government in Lagos, Nigeria in July 1980. The Session passed the *Lagos Plan of Action* (LPA) and the *Final Act of Lagos* for the economic development of Africa (Anyang' Nyong' o, 2002:1). The LPA, anchored on principles of self-reliance and self-sustaining development and economic growth, explained in detail, sector by sector, on how Africa could achieve its targets (Maloka, 2001:2; Anyang' Nyong' o, 2002:2; Ndulu *et al*, 1998:4). At the same time, it declared the aim of economic and even cultural and social integration for the continent. It identified the following priority areas: food and agriculture; human resources development; transport and communications and industry. At the core of the LPA, was the creation of sub-regional bodies throughout the continent and the establishment of an African Common Market, and in the end, an African Economic Community (Maloka, 2001:2). The Treaty establishing the AEC was later signed in Abuja, Nigeria, in June 1991.

When the LPA draft was presented to the World Bank, the latter criticized it for "not giving enough room to the private sector, not conceding to the reforms necessary in the public sector to stimulate economic growth and being too ambitious in its projections of what Africa could achieve in terms of industrial growth" (Anyang' Nyong' o, 2002:2). This criticism, as Anyang' Nyong' o correctly admits, was based on the hostile behavior of the Bank towards the idea of NIEO.

The Bank came up with an alternative. It appointed a commission of assessors to evaluate African economies, ostensibly to provide a panacea to the problem of underdevelopment. The commission was headed by Professor Elliot Berg. On the basis of this evaluation, the Berg Report titled *Accelerated Development in Sub-Saharan Africa: An Agenda for Action*, identified the cause of underdevelopment as lying in the involvement of the African state in the economy, what it called 'bad governance' and corruption, resulting from overblown bureaucracies (Anyang' Nyong' o, 2002:2). The report, therefore, recommended the rolling back of the state from the economy through

privatization and the opening up of the economy to private sector participation through liberalization (Anyang' Nyong' o, 2002:2).

These economic reform policy packages ultimately became the conditions that African states had to meet in return for financial aid from the Bank and the Northern donor community (see Watts, 1999; Duncan and Howell, 1992; Baylies, 1995). Rather than enter a self-reliant path of development, as was initially thought, African states had thus entered into the *Structural Adjustment Programmes (SAPs)* of the Bank and the International Monetary Fund (IMF), which were later to become notorious as a result of their impact.

2.6. The impact of SAPs in Africa: Re-visiting the developmental debates

The impact of SAPs in African economies has varied considerably. While there are a few countries that managed to register growth gains in the early 1990s under SAPs (NEPAD, 2001: para 24), the number of the so-called Least Developed Countries (LDCs) in Africa grew from 21 in 1980 to 32 in 1995 (Rugumamu, 1999:11). Even in situations where there were modest growth rates, SAPs hardly contained any measures to protect the poor against the negative consequences of such economic growth (Lensik, 1996:116). In fact, other shortcomings of SAPs are well documented: rising unemployment, declining wages, rising poverty and economic stagnation or decline (see Adepoju, 1993; Kanji and Jazdowska, 1993; Bromley and Bush, 1994; Williams, 1994; Krugman, 1995; Dembele, 1998; NEPAD, para 24). Consequently, Africa's share in global trade fell from half to 0.3 percent in the 20 years of IMF and World Bank 'rescue' packages (*Mail & Guardian*, 12 – 18, April 2002).

While SAPs were doing mainly the reverse of what they were geared to achieve,¹² the multinational financial institutions and donor community alike

¹² SAPs were meant to induce long-term economic growth by changing the relative prices and the structure of production and consumption, through such measures as privatisation policies; reduction of the public sector; and generally the rationalisation of institutions of the state

argued that, the failure of these programmes was the result of inappropriate application. It would seem, on the one hand, that Africa's external dependence had denied her the opportunity to develop, both economically and politically. On the other, such dependence enabled the North and multinational financial institutions to shape the economic and political design of the continent. The latter is very true because in some instances, the imposition of SAPs compromised the very sovereignty of African countries, as they began to be run by the multinational financial institutions. In this respect, Merle reminds us of the situation in one of the countries that adjusted:

[In] Mozambique, the programme of structural adjustment has ensured that Western financial institutions (aided by their agencies) have effectively taken over the running of the country's economic policy while at the same time forcing the ruling FRELIMO regime to break its alliance with its former support base among the peasantry and working class ... (Cited in Rich, 2000:23).

The conflict between the LPA and the Berg Report, and ultimately the introduction of SAPs, demonstrates a conflict of developmental debates in Africa between different schools of thought. While the LPA was based on more conventional state-managed models of development, geared toward a greater degree of African regional self-reliance in the longer run, the Berg Report was based on greater economic liberalization of African economies and a significant shift to agricultural production for export (Rich, 2000:20).

The recommendations of the Berg Report were reflective of the resurgence of neo-classicalism in Britain and America under Thatcher and Reagan. The ascendancy of rightwing monetarism and conservative politics in these countries in the 1980s had two major consequences on domestic and global politics. At the domestic level, the state, which had once been considered a crucial player in the economy, was 'rolled back' and its role assumed by the invisible hand of the

(Rugumamu, 1997:11). NEPAD (2001: para 24) hails SAPs in this regard, for removing serious price distortions

market. Consequently, the welfare gains of the people came under attack from these governments, as they implemented policies of privatization, reduced social spending, reduced taxation on the rich, deregulation and liberalization.

At the global level, the Thatcher and Reagan regimes promoted the transformation of the IMF and the World Bank, particularly in their operations in the developing world; hence the structural adjustment. However, embedded in orthodox neo-classical theory, SAPs were based on a mistaken (or more precisely lack of) analysis of African conditions. They assumed that, by modelling African economies on those of Western Europe and North America the problem of underdevelopment and indebtedness in Africa would be addressed.

A more realistic programme that took Africa's conditions into consideration was required. For its part, the LPA had failed to do so. While it sought to promote individual and collective self-reliance as a measure of linking Africa's development to Africa's genuine needs, the LPA was characterized by numerous problems. The critical one was the lack of resources to kick-start self-reliant development. The LPA had to rely heavily on the international financial institutions (IFIs) and international donor community in general, hence the political conditionalities with ludicrous results. Another problem with the LPA was that, it set its goals without any declaration of intent to transform the domestic structures of governance and production (Fatton. Jr, 1992:130). Consequently, the LPA came to naught as it did very little to improve the lot of the African masses (Fatton. Jr, 1992:130).

It was against this background that attempts were made at the 21st Summit of the OAU in 1985, to revitalize the spirit of the LPA. The Summit adopted an *African Priority Programme for Economic Recovery*. These efforts resulted in the Economic Commission for Africa in conjunction with African governments adopting a *Programme of Action for African Economic Recovery and Development, 1986 –1990* (APPER) (Maloka, 2001:2; Anyang' Nyong' o, 2002:3). Later, this was converted into the *United Nations Programme of Action*

for *Africa's Economic Recovery and Development (UN-PAAERD)* (Anyang' Nyong' o, 2002:3).

"In these documents, African leaders tried to come to terms with SAPs and to propose economic programmes and objectives according to which their governments could engage the external world in a joint endeavour to tackle economic and social backwardness in Africa" (Anyang' Nyong' o, 2002:3). They tried to address the problem of external debt, inadequacy of investment resources and unequal exchange in trade.

It was argued by the Bank that, African governments should take the issue of 'good governance' very seriously in addressing the continent's developmental needs. Furthermore, the Bank recommended that, SAPs needed to be taken on their own, and that African governments, ECA and the OAU needed to spell out in clear terms how APPER and UN-PAARED could be implemented (Anyang' Nyong'o, 2002:3). It was in this spirit that the ECA, in 1989, produced *The African Alternative Framework to Structural Adjustment Program for Socio-Economic Recovery and Transformation (AAF-SAP)*, in which African governments conceded to the demands of the Bank (Fatton. Jr, 2000:130; Anyong' Nyong' o, 2002:3). This compromise was, however, to be interpreted by some quarters of the African community as a shift away from the LPA.

2.7. Global change and new patterns of integration in Africa

After a very long political and economic wrangle between Africa and the North on the one hand, and Africa and multilateral financial institutions on the other, attempts were made to translate the commitments of the LPA into more concrete form in the early 1990s through the establishment of the African Economic Community. By this time, a new global balance of forces had emerged. The Cold War and ideological dualism had ended; huge politico-economic blocks had been established in Western Europe, North America and South East Asia; the pace of

globalisation had accelerated, the market had become the single organising principle of the world economy and Africa's position in the global economy had deteriorated very considerably (see Stallings, 1995; McCarthy, 1996; Ajulu, 2001; Ndi-Zambo, 2001). This had a number of implications for Africa's path towards development.

The first implication was that, Africa could no longer rely on the Soviet Union as a source of support and an alternative model of development. The US had re-emerged¹³ as the world's superpower, with market capitalism being viewed as the only model of development. The collapse of the Soviet Union was very instrumental in that the attitudes of aid donors were changed:

The Soviet donors were no longer able, and the Western donors no longer felt obliged, to bolster corrupt and tyrannical regimes on the grounds that those regimes were friends or allies. Equally, the tyrants could no longer count on such support (Rimmer, 1993:13).

Against this background, Africa could no longer avoid the issue of governance, which had long been overdue. Acknowledging this fact, the ECA held the Arusha Conference on *Popular Participation for Democracy in Africa* and later produced *The African Charter for Popular Participation for Development (1990)*. Appreciating these developments, the UN produced a *New Agenda for Development of Africa in the 1990s (UN NADAF, 1991)*, which stressed in no uncertain terms that, good governance is a *sine qua non* for Africa's economic recovery (Anyang' Nyong' o, 2002:3).

The second implication was that the formation of huge regional blocks in Europe, the Americas and in East Asia posed a threat to multilateralism and to the trade position of the countries naturally outside these blocks (McCarthy, 1996:212;

¹³ In the history of political economy, the US emerged for the first time as the major superpower in 1945 after Europe and Japan had been completely devastated by war. But soon afterwards, it had to be involved in a deep ideological confrontation with the Soviet Union during the Cold War, thus making the world bipolar. When the latter ended in 1989, the world became unipolar with the US re-emerging as the single superpower.

Asante, 1997:1). The revival of the spirit of regionalism in the last quarter of the century was started by Europe, when it decided to move quickly with economic integration. Contributing to this decision was the slow progress made in the GATT deliberations, the beginning of negotiations over the North American Free Trade Agreement (NAFTA), and a number of proposals for an Asian integration (Stallings, 1995:7). These regional blocks, particularly the European Union and the NAFTA, tended to resort to protectionist measures when it suited them.

Now that multilateralism was under severe threat, Africa foresaw the possibility of becoming more marginal in the global economic and political landscape. This realisation triggered a new¹⁴ wave of regional integration in Africa.

The first integration arrangements differed from the new ones on a number of grounds, however. The first forms of integration were either legacies of the past – such as the East African Community (EAC) and Southern African Customs Union (SACU) - or new arrangements based on the predominant development theories of the day. The latter put more emphasis on industrialisation through protectionism and the development of closed markets in state-run economies financed to a greater extent by official development assistance (ODA) or domestic commercial borrowing (Mistry, 2000:557).

The new integration arrangements, by contrast, had a common market element. They were started by the creation of a Free Trade Area (FTA), aimed at a Customs Union as a secondary step, and a Common Market as a third step. When all the sub-regional groups¹⁵ had achieved the common market, they

¹⁴ The first wave of regionalism globally started in 1957 with the establishment of the European Economic Community, the forerunner of the European Union (Asante, 1997:2). In Africa, regional integration's first wave was in the early 1960s with the establishment of the OAU, followed in the early 1970s by the East African Community and the West African Economic Community. It is important to stress that regionalism was also central to the OAU agenda, the Monrovia Summit and the LPA.

¹⁵ These sub-regional groups include the Arab Maghreb Union (AMU), the Economic Community of West African States (ECOWAS), the Common Market of Eastern and South Africa (COMESA),

would then take the most advanced form of economic integration, that is an Economic Union (McCarthy, 1996:214). The last two steps of integration were embodied in the LPA and were followed up in 1991 by the Abuja Treaty, establishing the African Economic Community (AEC).¹⁶

The AEC Treaty came into force in May 1994. In its objectives, the AEC aims to promote economic, social and cultural development and the integration of African economies in order to increase economic self-reliance and promote an endogenous and self-sustained development (AEC Treaty, Article IV 1(a)). It further aims to establish, on a continental scale, a framework for the development, mobilisation and utilisation of the human and material resources of Africa in order to achieve self-reliant development (Article IV (b); see also South African government website, at www.gov.za/yearbook/2001/foreign.html).¹⁷

Despite these efforts, the deep fault line that divides the peoples of the globe between rich and poor has continued to widen, and this is a major threat to global prosperity, security and stability. The widening of this divide has been precipitated by globalization, with the resultant re-emergence of the market as the single organizing force of the global economy. This brings us to the third implication of the dramatic international re-arrangement in the last decade of the last century.

Globalization, as an evolving historical process, is driven by policies of liberalization in trade and finance. It is also characterized by the global dominance of multinational corporations (MNCs) and multilateral institutions, such as the WB, IMF and WTO. These institutions insist on the gospel (based on a mistaken “trickle-down” theory of economics) that, for Third world countries to

the Southern African Development Coordination Conference (SADCC, later transformed into Southern African Development Community –SADC).

¹⁶ There is a resounding consensus that, a journey towards this goal has been characterised by delays, lack of resources and political differences (See Mistry, 2000; Bell, 1986; McCarthy, 1996). For a brief overview of new patterns of integration in Africa and shortcomings thereof see Annexure A.

¹⁷ For further details on the AEC and its implementation schedule see Annexure B.

meet the demands of the current global order they must liberalize their economies.

This theory, however, has been proven wrong by empirical evidence. Since African countries began liberalizing in the early 1980s, the capacity of the state to deliver basic social services has been significantly reduced, Africa's external debt has escalated and today has reached alarming levels (See Tiepoh, 2000; Tordoff, 2002; ACBF, 2002), and consequently, Africa's ability to achieve its developmental goals has been constrained (See Jones and Wittingham, 1998; Keet, 2000; Keet, 2002a). The continent's contribution to global trade and its position in the global economy continue to decline. This has a negative bearing on the future of the world economy.

In the light of the continent's rather appalling economic performance and deteriorating position in the global economy, African leaders have made yet other conscious and deliberate efforts in the new century to place their continent on a path of sustainable growth and development. Such efforts culminated in the adoption of the *New Partnership for Africa's Development* (NEPAD) in 2001, as a programme of African economic recovery, and in the transformation of the OAU into the African Union in July 2002. The adoption of NEPAD coincided with the adoption of UN Millennium Development Goals (MDGs).¹⁸ The latter was

¹⁸ These goals are:

- The eradication of extreme poverty and hunger. This means halving the proportion of people whose income is less than US\$1 a day and the proportion of people who suffer from hunger between 1990 and 2015;
- Achieving universal primary education. This means ensuring that children everywhere will be able to complete a full course of primary schooling by 2015;
- The promotion of gender equality and empowerment of women through the elimination of gender disparities in primary and secondary education by 2005, and to all levels of education by no later than 2015;
- Reducing child mortality rate by two-thirds between 1990 and 2015;

preceded by important UN Conferences since the 1990s, which have popularised various concepts and promoted a better understanding of the complex relationship and interaction between various factors, which contribute to development beyond mere GDP growth (Ohiorhenuan, 2002:4). Recalling these conferences and underscoring the importance of sustainable development, Africanist elements within the leadership of Africa are convinced that:

While growth rates are important, they are not in themselves sufficient to enable African countries to achieve the goal of poverty reduction. The challenge for Africa, therefore, is to develop the capacity to sustain growth at levels required to achieve poverty reduction and sustainable development. This, in turn, depends on other factors such as infrastructure, capital accumulation, human capital, institutions, structural diversification, competitiveness, health, and good stewardship of the environment (NEPAD, 2001: para 64).

In many quarters, NEPAD is hailed as the most comprehensive initiative to transform the political and economic standing of the continent. For their part, African leaders emphasize that, NEPAD “differs in its approach and strategy from all previous plans and initiatives in support of Africa’s development, although the problems to be addressed remain largely the same” (NEPAD, 2001: para 59). In other words, they see it as an initiative that combines strategies and means identified, and tries to build on the gains made; while at the same time it avoids the mistakes committed by the earlier initiatives.

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- Improving maternal health by reducing by three quarters the maternal mortality ratio between 1990 and 2015;
 - Combating HIV/ AIDS, malaria and other diseases;
 - Ensuring environmental sustainability, including halving the proportion of people without sustainable access to safe drinking water by 2015, and to have achieved a significant improvement in the lives of at least 100 million slum dwellers by 2020; and
 - Developing a global partnership for development (Ohiorhenuan, 2002:5; Brown, 2002).

2.8. In conclusion

This chapter has been concerned mainly with the efforts made thus far in Africa towards the goals of economic development. These include the phenomenal establishment of the OAU in 1963, the adoption of the LPA (1980), the coming into being of the AEC in 1994, and the adoption of NEPAD in 2001, coupled with the transformation of the OAU into the AU in an attempt to make it respond more promptly to Africa's pressing demands.

It would seem that NEPAD emerged at a particularly critical juncture when Africa's needs for development had become desperate, and when the majority of the international community had become unanimous in acknowledging the failures associated with orthodox neo-classicalism and in pursuit of more people-centred development. The MDGs are precisely about this new global consensus. While NEPAD should be intended, from an African point of view, to chart a new way, build on MDGs, and to promote a pan-African development, some forces seek to reduce it into yet another way of conceding to the prevailing neo-classical global order. These forces are not only found abroad, but are also present in Africa. However, before any critique is made, it is imperative that we examine in detail the NEPAD project in terms of its approach and strategy in support of Africa's development. The following chapter is dedicated precisely to that.

CHAPTER 3

THE NEW PARTNERSHIP FOR AFRICA'S DEVELOPMENT

3.1. Introduction

This chapter is an examination of the NEPAD strategy and approach. It examines what NEPAD is all about, what it proposes to do and how it proposes it. The objective of this undertaking is to set the context within which to discuss the problematic areas, not only in the document, but also in the programme itself. This chapter is basically the original NEPAD document as adopted in Abuja in October 2001. However, a few minor editorial changes and explanatory footnotes are inserted to make the chapter flow thematically.

3.2. The New Partnership for Africa's Development

The *New Partnership for Africa's Development* is a programme, a vision and a strategy of Africa's renewal. It is an outcome of the conscious and deliberate efforts made by African leaders to address the current socio-economic and political challenges facing the continent. Such challenges as poverty, underdevelopment and the continued marginalisation of Africa in the globalisation process needed a radical intervention, spearheaded by African leaders, to develop a new vision that would drive and guarantee Africa's rebirth.

The central objectives of NEPAD are to eradicate poverty; to place African countries, both individually and collectively, on a path of sustainable growth and development; to halt the marginalisation of Africa in the globalisation process and enhance its full and beneficial integration into the world economy and; to accelerate the empowerment of women.

3.3. Programme of action: the strategy for achieving sustainable development in the 21st century

The *New Partnership for Africa's Development* sets out the following goals:

- To achieve and sustain an average GDP growth rate of over 7 per cent per annum for the next 15 years;
- To ensure that Africa achieves the agreed International Development Goals (IGDs)¹⁹/ MDGs, to which the previous chapter referred (NEPAD, 2001: para 68).

The strategy of the *New Partnership for Africa's Development* has the following expected outcomes: economic growth and development and increased employment; reduction in poverty and inequality; diversification of productive activities, enhanced international competitiveness and increased exports and; increased African integration (NEPAD, 2001: para 69).

3.4. Conditions for sustainable development

3.4.1. Peace and Security Initiative

This Initiative comprises three elements (NEPAD, 2001: para 72). The first is the promotion of long-term goals for development and security. The second is the enhancement of Africa's institutions to respond more promptly to early warnings and deal more effectively with conflict prevention, management and resolution. This is envisaged in four main areas: prevention, management and resolution of conflicts; peacemaking, peacekeeping and peace enforcement; post-conflict reconciliation, rehabilitation and reconstruction; combating the proliferation of illicit arms, weapons and landmines (NEPAD, para 74). The third is the setting up

¹⁹ It must be noted that the NEPAD document makes reference to International Development Goals (IGDs), and not to MDGs, because it was published before the 56th UN General Assembly of September 2001 (Ohirohenuan, 2002:7).

of an institutional framework within which African leaders can commit themselves to the core values of NEPAD.

3.4.2. Democracy and Political Governance Initiative

NEPAD acknowledges that democracy is necessary for development (NEPAD, 2001: para 79). Therefore, this Initiative is intended to build the political and administrative framework of African countries, in accordance with the core principles of democracy: transparency, accountability, integrity, respect of human rights and promotion of the rule of law (NEPAD, 2001: para 80). Target areas of reform include administrative and civil services, strengthening parliamentary oversight, promotion of participatory decision-making, adoption of effective mechanisms aimed at combating corruption, and setting up of measures to promote judicial reform (NEPAD, 2001: para 83). For these reasons and the ones cited below, under the Economic and Corporate Governance Initiative, African leaders adopted the *Declaration on Democracy, Political, Economic and Corporate Governance*²⁰ and the *African Peer Review Mechanism (APRM)*²¹ in June 2002.

²⁰ In terms of this Declaration, the participating Heads of State and Government of the member states of the African Union agreed to work together in policy and action in pursuit of the following objectives:

- Democracy and Good Political Governance
- Economic and Corporate Governance
- Socio- Economic Development
- African Peer Review Mechanism (DDPECG, 2002: para 6).

²¹ The APRM is an instrument that is voluntarily acceded to by Member States of the African Union as an African self-monitoring mechanism (APRM, 2002: para 1). Its mandate is to ensure that the policies and practices of participating states conform to the agreed political, economic and corporate governance values, codes and standards contained in the Declaration for Democracy, Political, Economic and Corporate Governance (APRM, 2002: para 2). The main objective of the APRM is to help foster the adoption of policies, standards and practices that lead to political stability, high economic growth, sustainable development and accelerated sub-regional and continental economic integration through the sharing of experiences and the reinforcement of successful and best practice, including identifying deficiencies and assessing the needs for capacity building (APRM, 2002: para 3).

3.4.3. Economic and Corporate Governance Initiative

Recognising that the capacity of the state is of critical importance in creating conditions for economic growth and sustainable development (NEPAD, 2001: para 86), this initiative aims to promote concrete programmes to enhance the quality of economic and public financial management and corporate governance (NEPAD, 2001: para 88). For this reason, a Task Force of Ministers of Finance and Central Banks was given the responsibility to review economic and corporate practices in various African countries and regions and to make recommendations on the appropriate standards and codes of good practice. Such recommendations were brought to the attention of the Heads of State Implementation Committee whose responsibility is to mobilise resources necessary for the building of capacity so that all countries complied with the mutually agreed standards and codes of conduct (NEPAD, 2001: para 89).

3.5. Regional and sub-regional approaches to Development

Recognising the small size of most African countries, both in terms of populations and per capita incomes (something which makes them less attractive to foreign investors), NEPAD places a duty on African countries to pool together, as it were, their resources to enhance regional development and economic integration on the continent, so as to improve international competitiveness (NEPAD, 2001: para 90). In this regard, NEPAD calls for the strengthening of the already existing sub-regional economic groupings (NEPAD, 2001: para 91).²² Priority is on building the capacity so as to enhance the effectiveness of existing regional structures and rationalisation of existing regional organisations. A leading role in financing regional studies, programmes and projects, will be played by the African Development Bank (NEPAD, 2001: para 93). This programme focuses on

²² These groups are the Arab Maghreb Union (AMU), the Economic Community of Central African States (ECCAS), the Common Market of Eastern and Southern Africa (COMESA), the Southern African Development Community (SADC), and the Economic Community of West African States (ECOWAS).

the following priority areas: infrastructure, especially information and communications technology (ICT) and energy; human resources, including education, skills development and reversing the brain drain; health; agriculture and access to the markets of the developed world for African exports (NEPAD, 2001: para 94). The objective, in each sector, is to bridge the existing gaps between Africa and the developed world, so that the continent's international competitiveness is improved and that it is able to participate meaningfully in the globalisation process (NEPAD, 2001: para 95).

3.6. Sectoral priorities of NEPAD

NEPAD identifies the following as key sectoral priorities towards achieving the goal of sustainable development on the continent: bridging the infrastructural gap between Africa and the developed world and development of human resources, including the reversal of the brain drain. In addition to these, it pays particular attention to agriculture, the environment, culture and science and technology.

3.6.1. Bridging the infrastructural gap

Here emphasis is on five aspects:

(a) All infrastructure sectors

These infrastructure sectors include roads, highways, airports, seaports, railways, waterways, and telecommunications facilities – at sub-regional or continental levels (NEPAD, 2001: para 96). The objectives in this respect include improving access to, and the affordability and reliability of, infrastructural services for firms and households; enhancing regional cooperation and trade through the expanded cross-border development of infrastructure; increasing financial investments in infrastructure by reducing the risks facing private investors, especially in the area of policy and regulatory frameworks; building adequate

knowledge and skills in technology and engineering with a further objective of installing and maintaining 'hard' infrastructural networks in Africa (NEPAD, 2001: para 102). In meeting these objectives, means to be pursued include increasing investment in infrastructure, especially in refurbishment, and improving system maintenance practices that will sustain infrastructure; working with the African Development Bank and other development finance institutions in Africa with a view to mobilising sustainable financing; promoting public-private partnerships (PPPs) as a means of attracting private investors, and focusing public funding on the pressing needs of the poor (NEPAD, 2001: para 103).

(b) Bridging the digital divide: investing in information and communication technologies

Understanding the importance of ICTs in enhancing Africa's comparative advantage, NEPAD has set itself the objectives of doubling the teledensity of 2 lines per 100 people by 2005, with more emphasis on household access; lowering the cost and improving reliability of service; achieving e-readiness in Africa; developing and producing a significant portion of ICT-proficient youth and students from which Africa can draw trainee ICT engineers, programmers and soft-ware developers and developing local-content software, based especially on Africa's cultural legacy (NEPAD, 2001: para 107). To this end, NEPAD identifies the need to work with regional agencies such as the African Telecommunications Union and the Africa Connection to help design model policy and legislation for telecommunications reform, and protocols and templates for e-readiness assessments; work with regional agencies to help build a strong regulatory capacity; establish a network of training and research institutions to help build high-level manpower; promote and accelerate existing projects to connect schools and youth centres; work with development finance institutions in Africa, multilateral initiatives (G-8 DotForce, UN Task Force) and bilateral donors to help establish financial mechanisms for mitigating and reducing sector risks (NEPAD, 2001: para 108).

(c) Energy

Given the critical importance of energy, both for domestic use and for production purposes, NEPAD focuses on the rationalisation of the territorial distribution of existing, but unevenly allocated, energy resources. The intended consequence is the increase in Africa's access to reliable and affordable commercial energy supply from 10 to 35 percent or more in the next 20 years; the reversal of environmental degradation that is accompanied by traditional use in rural areas; the exploitation of and development of the hydropower potential of river basins in the continent; the integration of transmission grids and gas pipes in order to facilitate cross-border energy flows; the reformation and harmonization of petroleum regulations and legislations in Africa (NEPAD, 2001: para 109).

To these ends, NEPAD acknowledges the need to establish an African Forum for Utility Regulation and regional regulatory associations and; to establish a task team to accelerate the development of energy supply to low income housing, among other things (NEPAD, 2001: para 110).

(d) Transport

Underscoring the importance of transport towards achieving the goals of sustainable development, NEPAD aims to help facilitate the cross-border movement of people, goods and services (NEPAD, 2001: para 111). To this end, it seeks to establish and promote PPPs in such areas as the construction, development and maintenance of ports, roads, railways and maritime transportation; the development of transport corridors; and the rationalisation of the airline industry and the building of capacity for air traffic control (NEPAD, 2001: para 112).

(e) Water and sanitation

In accordance with the IGDs / MDGs, NEPAD aims to improve access to adequate and clean drinking water supply, in particular to the poor; and to manage water resources so that they contribute to national and regional development initiatives (NEPAD, 2001: para, 113). To these ends, it identifies four important actions: accelerating work on multipurpose water resource projects, such as the SADC Water Secretariat's investigation of the use of the Congo River and the Nile River Basin Initiative; mitigating the effects of climate change in Africa; collaboration with the Global Environmental Sanitation Initiative (GESI) so as to promote sanitary waste disposal methods and projects; and supporting the UN Habitat programme on water conservation in African cities (NEPAD, 2001: para, 114).

3.6.2. Human resource development initiative, including reversing brain drain

Here, the focus is on poverty reduction, bridging the education gap, reversing the brain drain, and improving the health system.

(a) Poverty reduction

Given the centrality of poverty reduction in sustainable development, NEPAD sets out to provide quality leadership that will give priority to this very need; to pay particular attention to women, mainly because they are the ones who have borne the brunt of poverty for centuries in Africa; put the empowerment of the poor in any poverty reduction strategies and to support the existing poverty reduction initiatives at the multilateral level, such as the Comprehensive Development Framework of the World Bank and the Poverty Reduction Strategy approach linked to the debt relief programme for the Highly Indebted Poor Countries (HIPC's) (NEPAD, 2001: para, 115).

To meet these stated objectives, NEPAD identifies the need for country plans that are aimed at poverty reduction; to work with the World Bank, the IMF, the African Development Bank and UN agencies, so as to accelerate the adoption and implementation of the Comprehensive Development Framework, the Poverty Reduction Strategy and other related approaches; to help create a gender task team that will focus mainly on issues affecting women and to establish a task team that will look into the adoption and acceleration of participatory and decentralised processes for the provision of infrastructural and social services (NEPAD, 2001: para 116).

(b) Bridging the education gap

Acknowledging the importance of education towards the realisation of the goals of sustainable development, NEPAD sets out to work with donors and multilateral institutions with a view to ensuring that the IDG of achieving universal primary education by 2015 is realised; to help improve curriculum development, quality improvement and access to ICT; to help expand access to secondary education and to improve its relevance to Africa's development and to help promote networks of specialised research and institutions of higher learning (NEPAD, 2001: para 117).

To these ends, NEPAD, with the help of the United Nations Educational Scientific and Cultural Organization (UNESCO) and other major international donors, seeks to review the current initiatives; review the levels of expenditure on education by African governments and recommend acceptable standards of government expenditure on such education; to accelerate the introduction of ICT in primary school education and to review and make proposals for the research capacity needed in each region of the continent (NEPAD, 2001: para 118).

(c) Reversing the brain drain

Acknowledging the harm that brain drain has caused in Africa, NEPAD seeks to reverse it so that Africa's critical human capacities are retained for the development of the continent (NEPAD, 2001: para, 121). To this end, NEPAD seeks to create the necessary political, social and economic conditions in Africa so as to offer better incentives to curb the brain drain and attract the much needed investment; to develop a database that would determine the magnitude of the brain drain, to promote networking between experts in the country of origin and those in the Diaspora and; to establish scientific and technical networks so as to nurture cooperation between those abroad and those at home, especially in the execution of some of the NEPAD projects (NEPAD, 2001: para 122).

(d) Health

NEPAD seeks to have a secure health system that meets the needs of the people and supports disease control effectively; that significantly reduces the burden of disease on the poorest peoples of Africa and to foster cooperation between medical and traditional practitioners, among others (NEPAD, 2001: para 123). To these ends, it acknowledges the need to strengthen Africa's participation in the processes of procuring affordable drugs and explore alternative delivery systems for essential drugs and supplies; to lead campaigns for increased international financing support for the struggle against HIV/AIDS and other communicable diseases; to work jointly with other international agencies, such as the World Health Organisation (WHO) and donors so as to ensure that support for Africa is increased by at least US\$10 billion a year; to encourage African governments to pay particular attention to health in their budgets and to help mobilise resources aimed at capacity-building so that African countries are better able to improve their health infrastructure and management (NEPAD, 2001: para 124).

3.6.3. Agriculture, the environment, culture and science and technology initiatives

NEPAD places emphasis on the development of these initiatives. With respect to the agricultural initiative, NEPAD acknowledges the weakness and unproductive nature of agrarian systems, upon which the majority of Africa's people depend. Added to this problem, NEPAD acknowledges the external constraints such as drought, partiality of economic policy (which tends to favour the urban people) and the instability of the global commodity process (NEPAD, 2001: para 129). Of critical importance, therefore, is the necessary support that governments must give in the provision of irrigation equipment and in the development of arable lands in rural areas. Also important is the improvement of the rural infrastructure, such as roads and electrification (NEPAD, 2001: para 132). NEPAD also acknowledges the importance of multilateral institutions and the donor community in these efforts.

The environment initiative is aimed at intervening in the following areas: combating desertification, conserving wetlands, reducing invasive alien species, reducing global warming, establishing cross-border conservation areas, introducing environmental governance and improving financing (NEPAD, 2001: para 138). Particular attention is paid to these because there has been a consensus, since the UN Conference on Human Environment, held in Stockholm, in June 1972, that sustainable development is impossible without sound environmental protection.²³

²³ From the 5th to the 16th of June 1972 at Stockholm, the United Nations held a Conference on the Human Environment, the purpose of which was to respond to the problem of environmental degradation. Twenty years later, in Rio de Janeiro, this organization held a Conference on Environment and Development. This Conference agreed that the protection of the environment and social and economic development were fundamental to sustainable development. As such, the Rio Declaration on Environment and Development and the Statement of Principles for Sustainable Management of Forests were adopted. Of crucial importance was the adoption of a global programme entitled *Agenda 21*, a "blueprint for sustainable development as a framework for addressing the combined issues of environmental protection and equitable distribution for all" (Ohiorhenuan, 2002:4). *Agenda 21* formed the basis for a new public purpose on both international and national scales. As such, it made a call for a comprehensive plan of action to be

Given the central part played by culture in development efforts in Africa, NEPAD seeks to protect and nurture indigenous knowledge, which embraces tradition-based literacy, artistic and scientific works, inventions, scientific discoveries, designs, marks and symbols, undisclosed information and all other tradition-based innovations and creations resulting from intellectual activity in the industrial, scientific, literary or artistic fields (NEPAD, 2001: para 140).

In respect of science and technology, NEPAD seeks to promote the utilization of technological know-how in the areas that offer high growth potential, such as biotechnology and natural sciences and in production, manufacturing and export (NEPAD, 2001: para 142). To this end, it acknowledges the need to introduce regional cooperation on product standards development and dissemination and on geographic information systems; to develop networks in the existing centres of excellence in Africa to help displaced scientists and researchers of Africa; to work with UNESCO, the Food and Agriculture Organisation (FAO) and other international organisations to help harness biotechnology so as to develop Africa's rich biodiversity and indigenous knowledge base, by improving agricultural productivity and developing pharmaceutical products; to use geo-science in the exploitation of mineral wealth in Africa and to develop skills-based product engineering and quality control in support of diversification in the manufacturing sector (NEPAD, 2001: para 143).

3.7. Mobilising resources for Africa's development

To achieve the above stated objectives towards sustainable development, Africa needs a huge bulk of resources. Mobilising such resources is centred on capital flows and market access initiatives.

implemented at these levels by the United Nations, individual governments and a plethora of other major groups of civil society worldwide (Ohiorhenuan, 2002:4). The Rio Conference then was crucial in that it set a historic agenda for sustainable development.

3.7.1. The capital flows initiative

Under this initiative, NEPAD focuses on increased domestic savings, debt reduction, and increased overseas development assistance.

(a) Domestic savings

Domestic savings, which need to be significantly increased, include national savings by firms and by households, more effective tax collection to increase public resources and the rationalisation of government expenditures. Taking into account the proportions of domestic savings that are lost as a result of capital flight, NEPAD acknowledges the need for attractive locations for residents to hold their own wealth. Against this background, the creation of conducive conditions for private sector investments by both domestic and foreign investors is seen as a great necessity (NEPAD, 2001: para 145).

(b) Debt relief

Against the objective of linking debt relief with costed poverty reduction outcomes, NEPAD advocates that debt relief be extended beyond its current levels (based on debt sustainability)²⁴. This will require debt service payments amounting to a significant portion of the resource gap. "In the interim, debt service ceiling should be fixed as a proportion of fiscal revenue, with different ceilings for international development assistance (IDA) and non-ODA countries. To secure the full commitment of concessional resources – debt relief plus ODA – that Africa requires, the leadership of [NEPAD] will negotiate these

²⁴ In 1996, the World Bank and the IMF introduced the first Highly Indebted Poor Country (HIPC) Initiative. Under this initiative, individual creditors made pledges to reduce third world country debt to "sustainable levels". In 1999, they launched the Enhanced HIPC Initiative, in which they doubled the amount of relief to be provided. Under this Initiative, those countries seeking debt forgiveness were required to outline the specific goals and programmes of their poverty-reduction strategies. Then, they would qualify for temporary debt relief called "Passing the decision-point". After an interim implementation of "a set of key, pre-defined social and structural reforms and maintained good macroeconomic performance", they would qualify for permanent debt-relief called "Passing the completion point" (Thomas, 2001:43).

arrangements with creditor governments” (NEPAD, 2001: para 146). However, engagement by individual African countries with the current debt mechanisms, such as HIPC and Paris Club, are welcomed before recourse to NEPAD can be made. On its part, the leadership of NEPAD will mobilise African countries to share experiences and then engage to improve debt relief strategies (NEPAD, 2001: para 146).

On the basis of these outlined objectives, the leadership of NEPAD seeks to engage the international community to help provide more debt relief for countries participating in the NEPAD processes (NEPAD, 2001: para 147). Moreover, it seeks to set up a form in which African countries can share experiences and work on mobilising for the improvement of debt relief strategies, the ultimate aim being to end the process of reform and qualification in the HIPC processes (NEPAD, 2001: para 147).

(c) ODA reforms

The ODA flows to developing countries have either been too low or not delivered effectively. It is for this reason that NEPAD seeks more increased flows in the medium-term, coupled with reform of ODA delivery system, with a view to ensuring more effective utilisation by the recipient countries. Therefore, the leadership of NEPAD will develop a common African position through which to engage the Development Assistance Committee (DAC) of the Organisation of Economic Cooperation and Development (OECD), together with other donors on developing a charter central to the development partnership. Such a charter will identify the Economic Governance Initiative as a prerequisite for enhancing the capacity of African countries to utilise increased ODA flows, and will propose a complementary, independent assessment mechanism for monitoring donor performance. The NEPAD leadership will support a Poverty Reduction Strategy Paper (PRSP) Learning Group to engage in the PRSP process, together with the IMF and the World Bank (NEPAD, 2001: para 148).

To these ends, the NEPAD leadership seeks to set a counterpart to the OECD/DAC structure, in which a common African position on ODA reform will be developed; to engage other donor agencies, through the ODA reform, with a view to establishing a charter for the development partnership; to work in appreciation of the Economic Commission for Africa (ECA) to set about a PRSP Learning Group and; to help establish a framework through which donor and recipient country performance will be assessed (NEPAD, 2001: para 149).

(d) Private capital flows

With a view to increasing private investment flows to Africa as a central aspect of sustainable development, NEPAD seeks to address investor perception of Africa as a 'high risk' continent by creating peace and security, political and economic governance, infrastructure and poverty reduction; to implement a PPP capacity-building programme through the African Development Bank and other regional development institutions and to help promote the deepening of financial markets within African countries, coupled with cross-border harmonisation and integration, among other things (NEPAD, 2001: para 151).

3.7.2. The market access initiative

Under this initiative, NEPAD focuses on diversification of production, agriculture, mining, manufacturing, tourism and services, promoting the private sector, promoting African exports, and removing non-tariff barriers.

(a) Diversification of production

Recognising the fact that the vulnerability of African economies is largely due their dependence on primary production and resource-based sectors, the NEPAD leadership seeks to promote diversification of production as a matter of urgency, through harnessing Africa's resource base; to develop a strategy of

economic diversification based on sectoral linkages; to support growth of private enterprise, through the promotion of micro-enterprises in the informal sector and small and medium enterprises in the manufacturing sector (which are key engines to economic growth and development) and to encourage governments to remove constraints to business activity, with a view to offering more opportunities for the creative talents of African entrepreneurs (NEPAD, 2001: para 153).

(b) Agriculture

Recognising the importance of agriculture in Africa, where more than 70 percent of the population lives in rural areas, the leadership of NEPAD seeks to help improve productivity in this particular area, especially among small-scale and women farmers; to help improve food security and nutrition for all; to help promote measures against natural resource degradation and to encourage production methods that are environmentally sustainable; to help in the integration of the rural poor into the market economy and provide them with better access to export markets; to assist in developing Africa into a net exporter of agricultural products and to become a strategic player in the development of agricultural science and technology (NEPAD, 2001: paras 134, 154).

At the African level, important actions that must be taken include the establishment of small-scale irrigation schemes, improving local water management and increasing the exchange of information and technical expertise with the international community; improving land tenure security under traditional and modern forms of tenure and the promoting the necessary land reform; fostering regional, national and household food security through the development and management of increased production, transport, storage and marketing of crops, livestock and fisheries and reducing the urban bias of public spending in Africa by transferring resources from urban to rural activities (NEPAD, 2001: para 155).

At the international level, new partnership schemes to address donor fatigue for individual, high profile agricultural projects must be developed; South-South partnership must be developed, with a view to helping Africa carry out and develop its research and development capabilities in agriculture; international markets must be promoted by improving the quality of African produce and agricultural products, especially processed products, so as to meet the standards required by those markets; African networking with external partners in the areas of agricultural technology and know-how, extension services and rural infrastructure must be supported; investment in research in the areas of high-yield crops and durable preservatives and storage methods must be supported and provision must be made to help build national and regional capacity for multilateral trade negotiations, including food, sanitation and other agricultural trade negotiations (NEPAD, 2001: para 155).

(c) Mining

NEPAD makes a case for the improvement of mineral resource information, the creation of a regulatory framework that is conducive to the development of the mining sector; and the establishment of best practices that will ensure efficient extraction of Africa's natural resources and minerals of high quality (NEPAD, 2001: para 156).

To these ends, the African leadership needs, *inter alia*, to help harmonise policies and regulations to ensure compliance with minimum levels of operational practice; harmonise commitments to reduce the perceived investment risk in Africa; harmonise information sources on business opportunities for investment; enhance collaboration with a view to promoting knowledge-sharing and value addition to natural resources and establish an African School of Mining System for the development and production of education, skills and training at all levels (NEPAD, 2001: para 157).

(d) Manufacturing

Underscoring the importance of manufacturing in the development process, NEPAD acknowledges the need to increase the production and improve the competitiveness and diversification of the domestic private sector, in particular in the agro-industrial, mining and manufacturing sub-sectors, with potential for exports and job creation (NEPAD, 2001: para 158). To this end, NEPAD acknowledges the urgent need for Africa to develop new industries or upgrade the existing ones, where African countries have comparative advantages, including agro-based industries, energy and mineral resource-based industries; to acquire membership of the relevant international standards organizations; to establish an accreditation infrastructure, such as the International Standards Organisation (ISO) system and to make available the appropriate funding to ensure the membership of international structures, such as the International Accreditation Forum (IAF) and the International Electro-technical Commission (IEC) (NEPAD, 2001: para 159).

At the international level, there is a need to facilitate the development of mechanisms, such as joint business councils, for sharing information between African and non-African firms and for working towards the establishment of joint ventures and subcontracting arrangements; to develop and accept a best-practice framework for technical regulations that meet both the requirements of the WTO Agreement on Technical Barriers to Trade (TBT) and the needs of Africa (NEPAD, 2001: para 159).

(e) Tourism

NEPAD seeks to identify those key projects at national and sub-regional levels, which will contribute to regional economic integration; to develop a regional marketing strategy and; to promote partnerships such as those formed through sub-regional bodies. These include the Regional Tourism Organisation of

Southern Africa (RETOSA), ECOWAS and SADC (NEPAD, 2001: para 160). To these ends, there is a need to forge partnerships with a view to sharing knowledge, as well as providing a base for other countries' entry into tourist-related activities; to provide African people with the capacity to be actively involved in sustainable tourism projects at the community level; to market African tourism products, in particular adventure tourism, eco-tourism and cultural tourism; to improve regional coordination of tourism initiatives in Africa in order to expand and increase the diversity of products and to maximise the benefits from the strong interregional demand for tourism activities by developing specialised consumer-targeted marketing campaigns (NEPAD, 2001: para 161).

(f) *Services* that are well equipped in the field of ICTs are considered very important for African countries (NEPAD, 2001: para 162).

(g) *Promoting the private sector*

NEPAD recognises the need to create a sound and conducive environment for private sector activities, especially for domestic entrepreneurs; to promote foreign direct investment and trade, especially for exports and; to develop micro, small and medium enterprises, including the informal sector (NEPAD, 2001: para 163). To these ends, there is a further need to enhance the entrepreneurial, managerial and technical capacities of the private sector through supporting technology acquisition, production improvements, and training and skills development; to strengthen chambers of commerce, trade and professional associations and their regional networks; to help organise dialogue between the government and the private sector to develop a shared vision of economic development strategy and remove constraints on private sector development; to strengthen and encourage the growth of micro, small and medium industries through appropriate technical support from service institutions and civil society, and improve access to capital by strengthening micro financing schemes, with particular attention to women entrepreneurs; to promote entrepreneurial

development programmes for training managers of African firms and to provide technical assistance for the development of an appropriate regulatory framework, promoting small, medium and micro enterprises and establishing micro financing schemes for the African private sector (NEPAD, 2001: para 164).

(h) Promoting African exports

Among other objectives, NEPAD seeks to improve procedures for customs and drawback/rebate schemes; to address the issue of trade barriers in international trade through the improvement of standards; to increase intra-regional trade by promoting cross-border interaction among African firms; to counter Africa's negative image through conflict resolution and marketing, and to deal with shortages of short-term skills through appropriate incentives and training at firm level (NEPAD, 2001: para 165).

To meet these objectives, NEPAD emphasises the need, at the African level, to promote intra-African trade; to create marketing mechanisms and institutions to develop marketing strategies for African products; to reduce the cost of transactions and operations; to promote and improve regional trade agreements, foster interregional trade liberalisation and harmonise rules of origin, tariffs and product standards and to reduce export taxes (NEPAD, 2001: para 166).

At the international level, NEPAD recognises the need to negotiate measures and agreements to facilitate access to world markets by African products; to encourage foreign direct investment; to assist in capacity-building in the private sector, as well as to strengthen country and sub-regional capacity in respect of trade negotiations, to implement the rules and regulations of the WTO and, to identify and exploit new trading opportunities that arise from the evolving multilateral trading system and the need for African heads of state to actively participate in the world trading system under the aegis of the WTO. If, however, a new round of multilateral trade negotiations is started, it must take great

cognisance of Africa's special concerns, needs and interests in future WTO rules (NEPAD, 2001: para 166).

In addition to these requirements, NEPAD requires the provision of a forum in which developing countries can collectively call for structural adjustment by developed countries in those industries in which the natural competitive advantage currently lies with the developed world, and technical assistance and support must be provided so as to enhance the institutional capacity of African states to use the WTO and to engage in multilateral trade negotiations (NEPAD, 2001: para 167).

Moreover, NEPAD requires African Heads of State to secure and stabilise preferential treatment by key developed country partners, such as the Generalised System of Preferences (GSP), the Cotonou Agreement, the "Everything But Arms" (EBA) initiative and the African Growth and Opportunity Act (AGOA); to ensure that further multilateral liberalization does not erode the preferential gains of these arrangements and to identify and address deficiencies in their design and application (NEPAD, 2001: para 169).

(i) Removal of non-tariff barriers

In this respect, NEPAD appeals to the developed world in this way:

African leaders believe that improved access to the markets of industrialised countries for products in which Africa has a comparative advantage is crucial. Although there have been significant improvements in terms of lowered tariffs in recent years, there remain significant exceptions on tariffs while non-tariff barriers also constitute major impediments. Progress on this issue would greatly enhance the economic growth and diversification of African production and exports. Dependence on ODA would decline and infrastructure projects would become more viable as a result of increased economic activity (NEPAD, 2001: para 170).

3.8. A new global partnership for development

Recognising the centuries-old historical injustice and the need to correct it, NEPAD calls for combined efforts between Africa and developed countries to improve the quality of life of Africa's people as a matter of urgency. The injunction of the new partnership has shared mutual responsibilities and benefits (NEPAD, 2001: para 171). For its part, Africa seeks to promote the expansion of democracy and the deepening of a culture of human rights. Such measures are important in creating a better world, where the resources that are used to resolve intra and inter-state conflicts are channelled and used effectively for more pressing developmental needs (NEPAD, 2001: para 179). Therefore, it is in the best interests of the international community in general to provide as much assistance to Africa's development endeavours as possible.

3.8.1. A new partnership with the industrialised countries and multilateral institutions

NEPAD acknowledges that Africans' responsibility to bring about change for their destiny must be complemented with the establishment of a new partnership with the industrialised North, including multilateral institutions. This partnership must be about setting out mutually agreed performance targets and standards for both donor and recipient, especially when it comes to the delivery of ODA (NEPAD, 2001: para 183). However, the various partnerships that have existed between Africa and the industrialised North on the one hand, and multilateral institutions on the other, will be maintained. These include the UN's New Agenda for the Development of Africa in the 1990s; the Africa-Europe's Cairo Plan of Action; the World Bank-led Strategic Partnership with Africa; the IMF-led PRSPs; the Japan-led Tokyo Agenda for Action; the AGOA of the United States and the ECA-led Global Compact with Africa. The intention is to rationalise these partnerships and to ensure that real benefits flow from them (NEPAD, 2001: para 184).

In terms of the new partnership, Africa envisages the developed countries and multilateral institutions to:

- Support material mechanisms for, and processes of, conflict prevention, management and resolution in Africa, as well as peacekeeping operations;
- Accelerate debt reduction for heavily indebted African countries, coupling it with more effective poverty reduction programmes, of which the Strategic Partnership with Africa and the PRSP initiatives are a significant point of departure;
- Improve debt relief strategies for middle-income countries;
- Reverse the decline in ODA flows to Africa and to meet the target level of ODA flows equivalent to 0.7 percent of each developed country's GNP within an agreed period. Such funds will complement those released by debt reduction for accelerating poverty reduction;
- Concretise international strategies adopted in the fields of education and health;
- Facilitate the development of a partnership between countries, international pharmaceutical corporations and civil society organisations to urgently secure access to existing drugs for Africans suffering from infectious diseases;
- Open markets of developed countries for goods through bilateral initiatives, and to negotiate more equitable terms of trade for African countries within the WTO multilateral framework;
- Work in cooperation with African leaders to encourage investment in Africa by the private sector in the developed world, including the establishment of insurance schemes and financial instruments that will help lower risk premiums on investments in Africa;
- Help raise consumer protection standards for exports from developed countries to developing countries, as applicable to domestic markets in developed countries;

- Help ensure that the World Bank and other multilateral development finance institutions participate as investors in the key economic infrastructure projects, so as to facilitate and secure private sector participation;
- Help provide technical support to accelerate the implementation of the programme of action, including strengthening Africa's capacity for planning and development management, financial and infrastructure regulation, accounting and auditing, and the development, construction and management of infrastructure;
- Support governance reforms of multilateral financial institutions to better cater for the needs and concerns of African countries;
- Help set up coordinated mechanisms for combating corruption effectively, as well as committing themselves to the return of proceeds of such practices to Africa (NEPAD, 2001: para 185).

3.9. Implementation of the New Partnership for Africa's Development

According to the initiating African leaders, the implementation of NEPAD must be fast-tracked, in cooperation with Africa's development partners. This process is envisaged on the following programmes: prevention and cure of communicable diseases (HIV/AIDS, malaria and tuberculosis); promotion of information and communications technology; debt reduction and market access (NEPAD, 2001: para 186). While work has been done on these programmes, NEPAD acknowledges the need for Africa's participation and leadership to be strengthened for better delivery (NEPAD, 2001: para, 187).

3.9.1. Projects

In addition to the aforementioned programmes, African leaders propose a plethora of projects, which are critical for integrated regional development and continental regeneration (NEPAD, 2001: para 188). These projects will focus on

agriculture, promotion of the private sector, and infrastructure and regional integration.

In agriculture, the project will address the key question of the maintenance and upgrading of Africa's fragile natural agricultural resources, and agricultural research and extension systems. In maintenance and upgrading, such partners as the Global Environmental Facility (GEF), the World Bank, the African Development Bank, the FAO and other bilateral donor agencies will play a key role (NEPAD, para 190). In research and extension systems, role players include the Forum for Agricultural Research in Africa (FARA), the World Bank, the FAO and the Consultative Group on International Agricultural Research (CGIAR) (NEPAD, 2001: para 191).

In promoting the private sector, NEPAD acknowledges the critical role of business incubators at national levels. Therefore, the formulation of the required guidelines and policies for the establishment of such incubators, drawing on international experience and established best practice, in accordance with Africa's needs and conditions, must be seen as a real necessity (NEPAD, 2001: para 192).

At the infrastructure and regional integration level, NEPAD identifies a number of energy, transport, telecommunications and water projects that are critical to Africa's integrated development. These projects are at various stages of development and require funding. The objective is to accelerate their continued development in collaboration with the African Development Bank, the World Bank and other multilateral institutions (NEPAD, 2001: para 193). Convinced that without the necessary infrastructure these projects cannot get off the ground, African leaders, therefore, urge the international community to help support the development of infrastructure (NEPAD, 2001: para 194).

3.9.2. Needs assessment

As part of assessing the required action in the priority sectors, a needs assessment will be undertaken, starting from the national level and leading to the sub-regional and continental levels. The rationale will be to assess the needs in five sectoral areas in terms of structures and staff (NEPAD, 2001: para 195).

3.9.3. Management mechanism of the New Partnership for Africa's Development

Since NEPAD is a programme of the African Union, designed to meet its developmental objectives, its highest authority is the Heads of State and Government Summit of the African Union (AU).

The Heads of State and Government Implementation Committee (HSGIC) comprises 3 states per AU region as mandated by the OAU Summit of July 2001 and ratified by the AU Summit of July 2002. The HSGIC reports to the AU Summit annually.

The Steering Committee of NEPAD is made up of the Personal Representatives of the NEPAD Heads of State and Government. This Committee oversees the projects and programme of development.

The NEPAD Secretariat coordinates implementation of projects and programmes approved by the HSGIC. (NEPAD website:

<http://www.touchtech.biz/nepad/files/en.html>)

3.10. By way of concluding

The *New Partnership for Africa's Development* is a programme, a vision and strategy of African renewal. Its objectives are to eradicate poverty; to place

African countries on a path of sustainable development; to halt the marginalisation of Africa in the globalisation process, and expedite the process of integration into the world economy. It is centred on a core value and principle of good governance, as a basic requirement for peace, security and sustainable development.

Its programme of action is a holistic one, centred on the principles of democracy, good political, economic and corporate governance. Its sectoral priorities are to bridge the infrastructural gap between Africa and the developed world, and human resource development, including reversing the brain drain. Recognising the importance of resources in the form of ODA, coupled with more debt reduction strategies, NEPAD appeals to the international community to establish a new global partnership that reduces the existing gaps between Africa and the developed world. All these factors combined are considered as a recipe for Africa's rebirth and renewal in the 21st century.

CHAPTER 4

THE NEW PARTNERSHIP FOR AFRICA'S DEVELOPMENT AND THE FALLACY OF NEO-LIBERALISM: A THEORETICAL APPRAISAL

4.1. Introduction

This chapter seeks to provide a more rigorous reading of NEPAD by teasing out its central ideological underpinnings. Firstly, it argues that while NEPAD is *prima facie* characterised by the injunction of Africanist and neo-liberal facets, it is more inclined to the latter. This inclination is mainly the result of Africa's large dependence on foreign aid, and consequently the convergence of domestic and global forces that generally adhere to neo-liberal capitalism as an engine of growth and development. Secondly, the chapter evaluates the validity and pitfalls of neo-liberalism. Thirdly and lastly, it concludes by arguing that neo-liberal capitalism has entered a systemic crisis, which cannot be surpassed within the broader framework of neo-liberalism itself.

4.2. The New Partnership for Africa's Development: Shifting away from or towards neo-liberalism?

Finding Africa's niche of development has been the subject of considerable debate for sometime now. On the intellectual and ideological front, Capitalist imperialists had propagated a discourse on Africa's renewal that focused on Africa's 'evolution' towards modernity (Independent Projects Trust, 1999). This propagation was based on their evaluation of Africans and "their value systems as pagan, primitive and savage" (Murobe, 2001:57). Recognising this "epistemological fallacy of mental superiority", in the words of Murobe (2001:57), Africanists, therefore, saw the need for the re-invigoration of the axiology, epistemology, aesthetics, cosmos and the ethos of Africa. They sought to challenge "the ideology of western 'supremacy' and concomitant tendency to

accept African 'inferiority' and downplay Africa's contribution to world civilisation and history" (Dembele, 1998:12).

On the economic front, significantly influenced by the Marxist-Leninist reading of history, particularly that imperialism as 'the highest stage of capitalism' (Lenin, 1991), Africanists rejected economic modernisation. They argued that capitalism was unknown and deleterious to Africa's way of life. They then sought to restore African dignity and humanity in the face of colonialism. Thus, the African Renaissance, from its inception in the Diaspora, was precisely about that. It was an endeavour to promote Africa's 'state of mind' and 'unique' approach to problems, and a refusal to subsume a western ethos as a means of development. Hence the phenomenal establishment of the Organisation of African Unity (OAU) in 1963, the adoption of the Lagos Plan of Action (LPA) and the *Final Act of Lagos* in 1980, which laid the foundation for the creation of an African Economic Community (AEC).

In the face of the global economic climate of the 1970s and the onset of the debt crisis, Western capitalist countries and their agents argued that the problem in Africa was the result of the structure of African governments themselves. African governments, they argued, were excluded from the private capital markets and real competition because of red tape and protectionism, which raised risks for investors. There were also overblown bureaucracies and excessive public spending, which exacerbated inflation. Added to this, according to them, was corruption and mismanagement, which not only hampered infrastructure delivery, but also engendered political instability (Independent Projects Trust, 1999). The World Bank's *Agenda for Action* emerged out of this particular context. It therefore recommended the rolling back of the state from the economy through privatisation and the opening up of the economy to private sector participation through liberalisation (Anyang'Nyong'o, 2002:2). Hence, the Structural Adjustment Programmes (SAPs) of the IMF and the World Bank in the 1980s.

The introduction of SAPs in Africa must be understood within the broader framework of the resurgence of neo-classicalism in the early 1980s. This resurgence was revived by the conservative backlash associated with Ronald Reagan in America and Margaret Thatcher in Britain. In fact, as early as the 1970s, corporate think tanks, economists and political scholars, such as Friedrich Hayek and Milton Friedman, sought to explain the economic difficulties of late 1970s (these included difficulties in delivering economic stability, sustained growth, and curbing inflation, which had reached alarming levels) by resuscitating the economic ideas of classical liberalism. They challenged the very idea of a 'managed' or 'planned' economy, pointing to the inefficiency of planned economies in the Soviet Union and Eastern Europe. They argued that allocating resources in complex and industrialised countries was too difficult a task for any state bureaucrats to achieve successfully (see Eccleshall, 1994; Barry, 1992). According to them, the responsibility of the government lay in ensuring the financial stability of the market through fighting inflation. They further argued that those governments that had pursued Keynesian policies fuelled the inflation that was characteristic of the 1970s (Heywood, 1992; Eccleshall, 1994; Barry, 1992).

Consequently, in America and Britain, the state, which had once been considered a crucial player in the economy, was 'rolled back' and its role was assumed by the invisible hand of the market. In the early 1980s, both administrations allowed unemployment to rise sharply with the hope that the market solution would rectify the situation. In tackling inflation, these administrations cut government expenditure. Also crucial was the accelerated process of privatisation, in particular in Britain and France, where industries like telecommunications; water; gas and electricity were transferred from public to private ownership. Public owned enterprises were criticised as being inherently inefficient because, unlike private firms and industries, they were not disciplined by the profit motive. This was a direct response to the 'mixed' economies characteristic of Keynesianism (Heywood, 1992). The consequences of this ideological shift and politico-economic re-arrangement were very profound. The

welfare gains of the people came under attack from these governments as they implemented policies of privatisation, reduced social spending, reduced taxation on the rich, and increased deregulation and liberalisation.

The New Right and the Reagan administration believed that free markets, and not welfarism, would lead to greater growth and greater growth would lead to less poverty and less poverty to more democracy (Lucy, 2000). These administrations lashed attacks on trade unions and solidified their position through the transformation of the International Monetary Fund (IMF) and the World Bank, in particular in their operations in the developing world. Following the recession of the late 1970s and the debt crisis of the early 1980s, these institutions became more pre-occupied with stabilisation, extensive deployment of the market through liberalisation and the retreat of the state from the economy (Adesina, 2002b: 6). In short, there was renewed faith in the market. This was the essence of the 'Washington Consensus' (Lucy, 2000).

It was within this narrative and discourse that Africa's political economy was understood by the World Bank, the IMF and some Northern governments, particularly America and Britain. They argued that open economies were more prosperous than 'closed' ones, and that countries with free labour markets had lower rates of unemployment than countries who regulated markets.

Africanists perceived the Washington Consensus as a geo-strategy by the North to exert its influence and dominance on poor countries. It could do so through the manipulation of global financial institutions, multilateral corporations and its comparative advantage over technological know-how. The impacts of SAPs, to which Chapter 2 referred, vindicate this claim. From an Africanist point of view, such involvement shattered any hopes of sustainable development. Instead, it created a "beggarly and highly embarrassing image of the continent" (Amuwo, 2002:1). The situation was exacerbated by the emergence of what the former US President, George Bush, referred to as the 'New World Order'. This order had

been the epochal consequence of the unprecedented world politico-economic transformation that began in the last two decades of the last century (Stallings, 1995; Ndi-Zambo, 2001; Ajulu, 2001). This process was characterised by the maximisation of capital on a global scale and the simultaneous pulverisation of the nation-state. Thus, in the 20th century Africa had become a beleaguered continent (Edoho, 1997:12).

It is this realisation that has made Africans to introduce a new Africa, free from hunger, disease, ignorance and marginalisation. Consequently, as the NEPAD document (2001: para 7) reads, "Across the continent, Africans declare that we will no longer allow ourselves to be conditioned by circumstance. We will determine our own destiny and call on the rest of the world to complement our efforts ...". Through the adoption of NEPAD Africans aim to eradicate poverty, place the continent of Africa on a path of sustainable development, halt the marginalisation of Africa in the globalisation process and enhance its full and beneficial integration into the world economy and accelerate the empowerment of women. This declaration of intent, it would seem, is not different, in form and content, from the previous African developmental initiatives, such as those enunciated in the OAU Charter, the LPA and the AEC. To that extent, the Africanist ideal that was so central to Africa's development in the post-independence era does not seem to have disappeared from the African developmental lexicon.

Be that as it may, one of the vexing questions is the unavailability of resources to kick-start Africa's development. NEPAD does acknowledge that the bulk of the needed resources to achieve the objective of development have to be obtained from outside the continent (NEPAD, 2001: para). With 54 states and a total population of 778 million, Africa's Gross Domestic Product (GDP) is only about \$535 billion, which is less than that of Spain, a country with only about 39 million people (UNECA 2000, cited in ACBF, 2002: 3). With the continent's share of global GDP in constant decline since the 1970s, and now less than 2 percent,

Africa remains the continent with “most of the poorest countries as measured by the UNDP Human Development Index” (ACBF, 2002: 3-4). Thus, in their quest for development some Africans have come to realise that more, rather than less outside intervention is necessary (Krogh, 1985:59).

However, the shape and form of such intervention is a highly contentious matter. Under what conditions should the industrialised North and multilateral institutions be involved in Africa’s development? In other words, what should be the terms of such involvement and whose interests should be given primacy? These questions are as relevant today as they were at independence.

Some Africanist elements tend to advocate a ‘fresh start’ in Africa’s development. For them, it is politically and morally right for Europe and the North generally to help address the deleterious effects of slavery, colonialism, and the Cold War on their continent. They further argue that Africa’s debt overhang, which hampers economic and political reform, is a historic legacy (*Dow Jones; Fine* cited in Independent Projects Trust, 1999). As the former President of Zambia, Frederick Chiluba, once remarked, “Write off our debts and then see our ability to perform” (*Fine* cited in Independent Projects Trust, 1999). There are those elements, on the contrary, which do not reason along these lines. For them, any aid from the North – whether it is debt cancellation or concessions - must be policy-based, meaning that Africa must not take more than it can actually chew. According to these elements, sustainability of Africa’s development necessitates a transformation of politico-economic and corporate governance on the continent. This transformation, it is said, is necessary to attract much-needed foreign investments to kick-start development. However, such policy transformation is determined from outside the continent. It is as a result of the advice from the international financial institutions and Northern-donor countries. For the reasons stated in Chapter 1 and elucidated further in this Chapter, such policy packages seek to promote neo-liberalism in Africa, in line with the interests of growing global capital.

A correct reading of these recommendations suggests, at least by implication, that the responsibility for Africa's future lies with Africa itself because Africa's problem of underdevelopment is as a result of excessive public spending, mismanagement, poor leadership and bad governance. Hence, NEPAD emphasises the importance of good governance as a necessary condition for sustainable development. It is within this reading of Africa's experience that we find certain elements of neo-liberalism in NEPAD (Adesina, 2002b:8).

This chapter is neither intending to make polemical insinuations about good governance, nor is it trying to be evasive about the damage that corruption and mismanagement have caused in Africa. Rather, the objective is to dissect and extrapolate some of the implications of what is controversially called 'good governance' in the context of Africa's development.

Of course, if good governance and democracy were to be defined in terms of promoting civil liberties and be considered in the context of Africa's most pressing needs (poverty alleviation and development), we would have reason to say it is a necessity. The pursuit of good governance and democracy alone, as Ake (1991:35) argues, cannot feed the hungry or heal the sick, nor will it give shelter to the homeless. The troubling issue is that from the 1980s, good governance has been defined in neo-liberal terms, merely meaning restructuring the African state in such a manner that it became an instrument for neo-liberal economic orthodoxy (Adesina, 2002b: 6). As Olukoshi (1998:25) contends:

The Bank had no doubt that there is an organic linkage between the institution of a system of "good" governance and the prospect for the successful implementation of structural adjustment. By encouraging the rule of impersonal forces of the market and instituting economic "rationality" into the process of resource allocation, a system of open and accountable government would be encouraged. The nurturing of open and transparent governance will, in turn, make it difficult to justify "irrational" economic decisions (cited in Adesina, 2002b:7).

The association between good governance and protection of capital growth is reflected in NEPAD. Ministers of Finance and Central Banks are given wide leverage to review the economic and corporate practices of various African countries and make recommendations on the 'appropriate' standards and codes of good practice (NEPAD, 2001: para 89). They then bring such recommendations to the Heads of State Implementation Committee of NEPAD, which in turn mobilises the resources necessary for the building of capacity so that all countries are in compliance with the mutually agreed standards and codes of conduct (NEPAD, 2001: para 89).

To further promote good governance, African leaders have adopted the Declaration on Democracy, Political, Economic and Corporate Governance (DDPECG) and the African Peer Review Mechanism (APRM). In terms of the former, African leaders agreed to work together in policy and action in pursuit of Democracy and Good Political Governance, Economic and Corporate Governance, Socio-Economic Development, and the APRM (DDPECG, 2002: para 6). In terms of the APRM, African leaders agreed to monitor the policies and practices of participating states so that they conform to the agreed political, economic and corporate governance values contained in the DDPECG (APRM, 2002: para 2). These measures were taken because poor governance and corruption by African leaders are considered by NEPAD to be pervasive forces that have undermined development in the continent. The document reads: "Post-colonial Africa inherited weak states and dysfunctional economies that were further aggravated by poor leadership, corruption and bad governance in many countries. These two factors, together with the divisions caused by the Cold War, hampered the development of accountable governments across the continent" (NEPAD, 2001: para 22).

The document further pronounces, " Many African governments did not empower their peoples to embark on development initiatives to realise their creative potential. Today, the weak state remains a major constraint to sustainable

development in a number of countries” (NEPAD, 2001: para 23). And it continues, “Indeed, one of Africa’s major challenges is to strengthen the capacity to govern and develop long-term policies. At the same time, there is also the urgent need to implement far-reaching reforms and programmes in many African states” (NEPAD, 2001: para 23). It goes on to praise the Structural Adjustment Programmes (SAPS) for providing a ‘partial solution’ to Africa’s problems by, *inter alia*, promoting reforms that removed serious price distortions (NEPAD, 2001: para 24).

Whether this is true is highly questionable. While adjustments may have brought the books to balance and resulted in higher growth rates, as in Uganda where about 7 – 8 percent growth rates were reported during its IMF-led structural adjustment, the main problem is that they tend to erode the benefits for the people. Unemployment levels are raised; social spending and health care systems are reduced and food subsidies are eliminated (Independent Projects Trust, 1999). Thus, Bond (2001) concludes that the alleged ‘partial solution’ was a reflection of an overwhelming defeat for the African nationalists, workers, peasants, women, children, manufacturing industry and the environment and the alleged ‘reforms’ were nothing but the imposition of neo-liberalism on the African masses.

From the afore-going, it would seem that NEPAD directs the blame for underdevelopment on Africa itself. With this self-directed blame, Africans seem to have voluntarily agreed to change the political, economic and corporate image of the continent, with a further view to changing the investor perceptions of the continent. To these ends, they seem to have made it their objective to promote the central principles of neo-liberalism: stable environments for capital, independence of central bankers, and sanctity of contracts, among others (Adesina, 2002b:7). No wonder, then, that NEPAD was enthusiastically accepted by the Group of Eight Industrialised countries (G-8). The G-8 leaders hail NEPAD

because they say it recognises that the prime responsibility for Africa's future lies with Africa itself (*G-8 Africa Action Plan*, 2002: para 6).

At the core of NEPAD is the idea of investment-driven economic growth as the engine for poverty reduction. NEPAD aims to achieve and sustain an average GDP growth of 7 percent per annum for 15 years (NEPAD, 2001: para 68). Overseas development assistance (ODA) and foreign direct investment (FDI) are considered important central elements towards this goal. While ODA is important and necessary²⁵, NEPAD is quick to caution the recipient countries of ODA for what it euphemistically terms "more effective utilisation" (NEPAD, 2001: para 148). This caution is broadly 'World Bankian'. According to the World Bank the decline of ODA in the past years can be accounted for in terms of poor economic performance of many traditional recipients of aid, especially in Africa, which has put into doubt the patience of supporters of aid programmes and increased their scepticism (World Bank, 1996:29). Africa has experienced a significant decline over the years. In 1995, ODA from the Organisation of Economic Cooperation and Development (OECD) countries to the South declined to US\$59 billion, representing a drop of 9.3 percent in real terms over the previous year. The gross bilateral ODA disbursements to Sub-Saharan Africa fell even more sharply by over 20 percent – from US\$13.9 billion in 1990 to US\$10.7 billion in 1996 (Fischer *et al.*, cited in Rugumamu, 1999:15).

As regards FDI, NEPAD places emphasis on the creation of conducive conditions for private sector investments by both domestic and foreign investors (NEPAD, 2001: para 145). It also seeks to address investor perception of Africa as a high-risk continent by, *inter alia*, creating economic governance (NEPAD, 2001: para 151). What becomes clear is that the architects of NEPAD, like most neo-liberals, see a correlation between private foreign investment and growth on

²⁵ Of course, as Leistner (1985: 62) argues, Africa's experience since independence has shown that there is no clear relationship between volumes of aid received and the country's economic progress.

the one hand, and growth and development on the other. The chapter will argue, however, that there is no empirical evidence to support that view.

Among other expected outcomes of NEPAD is the increased integration of Africa into the global economy (NEPAD, 2001: para 69). The view of NEPAD is that for centuries Africa has been integrated into the global economy mainly as a supplier of raw materials and cheap labour (NEPAD, 2001: para 19). The aim is to transform the nature of this integration so that Africa participates effectively in the world's economic and political affairs. While a case is being made for the transformation of the current global order, including its institutions, the extent to which such a case is made is not entirely clear. The paradox is that while NEPAD is critical of the prevailing global order for undermining the development of the South, and Africa in particular, at the same time it suggests that for Africa's integration to be enhanced it must liberalise. Here, one finds an underlying neo-liberal assumption that open economies are more prone to development and integration into the world economy. This is the point at which NEPAD seems to be suffering from amnesia. Africa's experience with liberalisation since the 1980s has undermined the very developmental ideal that NEPAD seeks to promote today. As Adesina (2002b:14) correctly reminds us, "trade regimes and practices of the powerful countries continue to deny African countries access to [their] markets – precisely in areas where Africa has a comparative advantage" (See also Nabudere, 2002; Keet, 2002b).

Closely related to this amnesia is another paradox. NEPAD seeks to promote and build the capacity of the African state to discharge its basic responsibilities within the neo-liberal milieu. But liberalisation is a direct antithesis of state developmentalism (see Adesina, 2002b:19). As is argued elsewhere in the thesis, the new world order of which globalisation is a salient feature is characterised by the maximisation of capital on a global scale and the simultaneous pulverisation of the nation-state. But, the reasoning of the NEPAD document is that globalisation cannot be avoided. In fact, the document reasons

that globalisation has increased opportunities to create and expand wealth, acquire knowledge and skills, and improve access to goods and services, and generally to improve the quality of life of the people. It continues, "In some parts of the world, the pursuit of greater openness of the global economy has increased opportunities for lifting the millions of people out of poverty" (NEPAD, 2001: para 32).

The interesting question is: if globalisation has increased the opportunities to create and expand wealth, why does the structural divide between and within countries continue to widen? Here NEPAD is found wanting. The document talks about the structural impediments to growth and development in the form of resource outflows and unfavourable terms of trade. By the same token, it blames African leaders for impeding "the effective mobilisation and utilisation of scarce resources into the productive areas of activity in order to attract and facilitate domestic and foreign investment" (NEPAD, 2001: para 34). This is an 'IMFia' type of reasoning. This reasoning fails to acknowledge the fact that globalisation is not merely a spontaneous process, but rather a politically conscious, power-based and power-driven process, aimed at maximising wealth in the face of declining profitability (Nabudere, 2002; Taylor, 2002; Ekpo, 2002; Keet, 2002b).

While NEPAD is critical of the existing global rules, there is slippery language when it comes to the exact issues to be addressed within these rules. It argues that:

In the absence of fair and just global rules globalisation has increased the ability of the strong to advance their interests to the detriment of the weak, especially in the areas of trade, finance, and technology. It has limited the space for developing countries to control their development, as the system has no provision for compensating the weak. The conditions of those marginalized in this process have worsened in real terms. A fissure between inclusion and exclusion has emerged within and among nations (NEPAD, 2001: para 33).

For this reason, NEPAD proposes the transformation of the international order, including its institutions: "We hold that it is within the capacity of the international community to create fair and just conditions in which Africa can participate effectively in the global economic and body politic" (NEPAD, 2001: para 41). As Keet (2002b:14) argues, NEPAD is very silent on how these global rules can be made fair. Rather, it recommends that African leaders must help ensure that the continent participates in the world trading system that operates in accordance with the WTO (NEPAD, 2001: para 166). While it emphasises that in any future rules of multilateral trading system the WTO should take into consideration the special interests and needs of Africa (para 166), NEPAD "does not effectively problematise the role and the functioning of the WTO, particularly the dominant role of powerful countries and the disadvantages of the weaker" (Keet, 2002b:14). Instead, it recommends the technical assistance and support be provided so as to enhance the institutional capacity of the African states in the WTO and to engage in multilateral negotiations (NEPAD, 2001: para 167). However, such support defeats the whole purpose of assisting Africa. Rather, it is used by the dominant countries within the WTO to simply 'wish away' criticisms about the manner of the existing agreements, and to serve as resistance to the introduction of yet more trade – related issues into the WTO regime (Keet, 2002b:14). Perhaps, this is the reason why Taylor (2002:3) argues that NEPAD fits Africa within the Northern-dominated hegemonic nirvana.

Critical to poverty reduction and sustainable development in Africa is the removal of the debt overhang. Currently, there are about 41 countries worldwide that are referred to by the WB as the Highly Indebted Poor Countries (HIPC), which owe about \$170 billion to foreign creditors (Thomas, 2001:36). More than 20 of these countries are found in Africa. According to the Debt Crisis Network's (DCN) report, *A Fresh Start for Africa*, the HIPC of Africa paid about \$96 billion to the Northern creditors between 1984 and mid-1990s (Tiepoh, 2000: 46). The IMF alone, between 1986 and 1990, received more than \$3 billion in debt-service payments from sub-Saharan African HIPC (Ezenwe cited in Tiepoh, 2000: 46).

Zambia paid about \$335 million to the IMF between 1991 and 1993, while Uganda paid more than \$200 million to the Fund between 1995 and 1998 (West Africa cited in Tiepoh, 2000: 46). The problem of debt in Africa continues unabated despite debt relief efforts from bilateral aid donors and the Bretton Woods Institutions. This is mainly because the economic adjustments underlying the current international debt relief measures are not sustainable. According to Bacha (cited in Rich, 2000:43), the interest rates charged on the accumulated debt are higher than these countries' growth rates. Consequently, capital formation, economic growth and transformation in Africa are compromised (Rich, 2000:43). These statistics attest to one thing, namely that Africa's external debt remains one of the major constraints to development (ACBF, 2002:12; NEPAD, 2001: para 3).

Instead of striving for a once-and-for-all debt cancellation, NEPAD is equivocal. While it is critical of the current levels of debt relief, NEPAD prefers the IMF/World Bank HIPC Initiative. Of course, NEPAD does make a case for debt relief plus the increased flow of ODA. But the question why the architects of NEPAD chose the HIPC initiative in lieu of complete debt cancellation remains unanswered. Perhaps, this "failure of policy nerve", in the words of Adesina (2002b:17), can be attributed to the common misreading of Africa's experience between NEPAD, Northern creditor governments and IFIs. This reasoning has merit in itself because NEPAD and Africa's Northern development partners argue Africa's development vis-à-vis external debt will be determined by the key social and structural reforms, coupled with macroeconomic performance, that Africa ought to introduce. In this regard the G-8 emphasises that Africa must demonstrate commitment to poverty alleviation, sound financial management, and good governance (*G-8 Africa Action Plan*, 2002: para 11, Article IV.4.2). But, as argued earlier, good governance – political, economical and corporate - does not seem to bode well for the objective of eradicating poverty. In fact, the current debt relief measures undermine the very goal of development. What interests creditors, it would seem, is the commitment to what they call good governance.

In my view, the good governance that is emphasised in the NEPAD document is nothing less than a reflection of the policy orientation of the project itself. The NEPAD project owes its orientation to the basic tenets of neo-liberalism capitalism.

4.3. Validity and pitfalls of neo-liberalism

While quantitatively different from classical liberalism, neo-liberalism owes its development and evolution to the ethos of early liberals. In other words, it derives its basic tenets (faith in the market and market forces) from early liberalism. Therefore, what is new or 'neo' is not its philosophy, but the context and shape in which it is now applied. Following the world recession of the 1970s, there have been measures by the bigger powers in international relations to intensify and expand the market, "by increasing the number, frequency, repeatability, and formalisation of transactions *on a global scale*" (Treanor, 2003, *italics mine*). This has brought about unprecedented technological progress. Labour is no longer central to production and other economic activities, as the advances in information technology continue to grow and have proven to be very reliable and efficient. Some companies hire one person to operate the whole organisation or firm. There are relentless efforts to maximise profit, as companies now operate 24 hours a day; international and intra-national trade no longer revolves around goods only, but involves services and intellectual property; the number of small, macro and micro enterprises has grown significantly; the financial sector continues to grow, as demonstrated by the ever-increasing number and independence of central bankers and corporate agents and relations between different countries are no longer exclusively the terrain of governments, rather they have also come to be controlled by transnational corporations, companies, and individuals. In particular after the collapse of the Soviet Union, international financial institutions and multinational corporations have been given much leverage in 'governing' and regulating the economic activities of states

worldwide, albeit not of the powerful nations. It is in this sense, perhaps, that neo-liberalism has been used interchangeably with globalisation.

However firm the hold of neo-liberalism is on the contemporary world, there are increasing indications that its underlying conceptual and theoretical tenets are flawed. For a start, the free market is not as self-regulating as they would like us to believe it to be. This had become clear as early as the 19th century. The global economy experienced recurring depressions in the 19th century, in which the plight of the poor and the working class was very much at stake. Severe and prolonged depressions afflicted the world in 1873-1878 and 1893-1897. Others were of course shorter. In America alone, eight recessions, which worsened into depressions occurred in 1807, 1837, 1873, 1882, 1893, 1920, 1933 and 1937 (Kangas, 1998; Blair, 1998).

The most notorious depression in the 20th century was the 1929 Great Depression. Following the Wall Street Stock crash of 24 October 1929 and the Great Depression that hit the world, there were high levels of unemployment, poverty and moral degeneration. Numerous explanations for the causes of the depression and the possibility for its cure came up. While many explanations were complicated, John Maynard Keynes came up with an explanation of economic slumps that was surprisingly simple. Keynes reasoned that there were situations in which the capitalist market could spiral downwards into deepening unemployment, without having the capacity to reverse the trend (Kangas, 1998; Blair, 1998; Heywood, 1992; Heywood, 1999). However, not all recessions degenerated into depressions. For instance, the 1945-46, 1949, 1954, 1956, 1960-61, 1970-75, 1980-83 and 1990-92 recessions never turned into depressions (see Kangas, 1998; Blair, 1998).

Unlike classical economists who argued that there was a market solution to the problem of unemployment and all other economic problems, Keynes argued that the level of economic activity was geared to 'aggregate demand' – that is the

total amount of demand in an economy (Heywood, 1992; Heywood, 1999). The more jobs there are, the greater the purchasing power and hence the more production. By the same token, the less money in people's pockets, the less is their buying power and hence the lower is the production. This results in a vicious cycle because the lower the levels of production, the higher is the level of unemployment. As unemployment rises, market forces dictate a cut in wages, which according to Keynes, merely reduces demand and so leads to the loss of yet more jobs. In this sense, the market spirals downwards into depression and becomes incapable of reviving itself, exactly as happened in 1929.

The cure for this, according to Keynes, was for governments to manage their economies by influencing the level of aggregate demand. Governments should expand their money supply when the economic activity falls, by building, say, schools, dams, bridges, roads, etc. This would lead to a rise in employment for construction workers and a demand for building materials. The net effect of this would ripple in the entire economy as new workers had purchasing power – the notion of the 'multiplier effect' (Keynes, cited in Heywood, 1992). In these circumstances, unemployment would have been successfully fought and solved, not by the invisible hand of the market, but by the intervention of the government in the economy.

While some are still not convinced by the Keynesian explanation and cure for economic slowdown, there is overwhelming evidence to suggest its feasibility. For instance, Keynesianism was applied in America during the 1930s, under Roosevelt's New Deal. There is substantive scholarly literature suggesting that the New Deal averted disaster and alleviated misery, and that its long-term effects were profound. One long-term effect was an activist state that extended the powers of government in unprecedented ways, particularly in the economy. The state now moderated wild swings in business cycles, stood between the citizen and sudden crises, and recognised a level of subsistence beneath which citizens should not fall.

Indeed, after the Second World War, Keynesianism was widely spread as an economic orthodoxy in the west, replacing the *laissez-faire* belief of pre-war times. Thus,

the collapse of largely unregulated economies in the 1930s – causing massive unemployment, social unrest, the rise of political extremism, and, ultimately, the most destructive global war in history – produced a widely based consensus that economic failure on such a scale could not be allowed to happen again (Panic, 1995:61).

Since then Western states took the responsibility of managing their economies so as to bring about full employment, high growth rates, price stability, external balance and an equitable distribution of income (Panic, 1995:62) to ensure social justice and, consequently, true democracy. That the unprecedented economic boom of the 1950s and 1960s in the West was largely due to Keynesianism is not a mistaken view.

In the contemporary era, countries that have adopted market-friendly policies or growth –led development policies have experienced a myriad of problems. Britain under Margaret Thatcher and America during Reagan's era were characterised by insecure tenure of employment and low wage sectors and the success of companies was measured against the number of employees retrenched. Also critical was the growth of a huge black underclass (Lucy, 2000). South Africa's Growth, Employment and Redistribution strategy (GEAR) is increasingly leading to a similar situation. The rationale for this strategy, from its inception, was to prevent the country from macro-economic vulnerabilities. That could be done through creating an 'investor-friendly' environment, which the government said was necessary for growth and equity (Nattrass in Michie and Padayachee, 1998:647). In his 2000/01 financial year budget speech for, the Minister of Finance, Trevor Manuel, told parliament that attracting foreign investment remained an important part of the government's strategy. This, he said, enabled his government to finance increased levels of investment, which over time would

create more jobs (South African government website at: <http://www.polity.org.za/govocs/speeches/2000/sp223.html>).

It must be emphasized, however, that what has happened since the adoption of GEAR in 1996 has been ludicrous. Unemployment and poverty have risen. The emphasis on privatisation (or 'restructuring' – as the government would like us believe it is doing) has worsened unemployment. In 2001 about 30 percent of South Africa's economically active population was unemployed. This translated into about 4.5 million unemployed people. More than half this number were Africans²⁶ (Kane-Barman, 2002).

Bearing in mind Keynes's 'aggregate demand' and 'multiplier effect', one would understand that in South Africa poverty essentially results from joblessness. In fact, according to the opinion survey conducted by the South African Institute of Race Relations in 2001, unemployment was the most critical thing not yet addressed by government since 1994 (Kane-Berman, 2002). Also crucial is the gap between rich and poor that has continued to widen. People currently living in poverty are estimated at between 45 and 55 percent of the population. This translates into between 20 and 28 million people. Sixty one percent of this number are Africans, 38 percent are Coloureds, 5 percent are Indians and only 1 percent are Whites (AIDC, August 2003:8). President Thabo Mbeki's notion of two nations in South Africa: 'white and rich' and 'black and poor', therefore, makes sense.

Of course, any criticism of the South African situation must take into account the legacy of a racially discriminatory past of which blacks borne the brunt. That being a fair remark, one must not lose sight of the fact that the gaps created by

²⁶ In terms of South Africa's Reconstruction and Development Programme (RDP), Black refers to Coloureds, Indians and 'Africans'. The latter group is the one that has borne the brunt of apartheid most. Politically, Coloureds and Indians from time to time were included in the decision-making processes. For instance, in the 1983 Tri-Cameral Parliament Africans were excluded. Socio-economically, their position was (and still is) worse than that of Coloureds and Indians. It therefore comes as no surprise that they are most marginalized group.

apartheid between black and white South Africans have not been properly addressed by GEAR and its growth-led development strategy. The response that one gets is that job losses and other problems associated with GEAR are merely short-term. This justification is reminiscent of those of Reagan and Thatcher in the early 1980s. The South African situation attests to one thing, namely that reliance on the market is bound to produce the seeds of unemployment and poverty.

Another aspect associated with market failure is the perpetuation of inequalities in society. Reliance on price mechanisms and market forces leads to ludicrous results, for existing disparities between people are disregarded altogether. Neo-liberals believe that the freer the individuals are in society the better are their prospects to actualise their potential. This means freedom of choice, the ability of the worker to choose an employer, and the ability of the consumer to choose what to buy and what goods or services to buy. But this belief disregards the fact that employers are given a “free hand in setting wage levels and factory conditions” (Heywood, 1992:94). Indeed, the harsh and inhuman conditions in which the working class lives and works impacts very greatly on their lives. The working class is subjected to exploitation as employers determine when they need labour and at what pay, irrespective of price hikes in consumable products. In such situations, owners get richer and the working class gets poorer. When governments seek to intervene here, they are perceived to be transgressing their primary functions and overextending themselves. For neo-liberals, the state that confines itself to performing its primary functions of creating conducive conditions for individuals to actualise their potential, and for private investors to invest, is likely to perform it better than an interventionist state. This reasoning is influenced by neo-liberals’ belief that there is a correlation between individual freedom and prosperity. At the core of this belief is the assumption that individual freedom and market are the fundamental principles of liberal democracy. In other words, there can be no democracy without individual freedom; the latter being defined in terms of the market.

It is not clear though how neo-liberals account for some big businesses that rig the market in their favour. For instance, the former Chief Executive Officer of the South African Chamber of Business (SACOB), Kevin Wakeford, alleged in 2001 that some business cartels in the country expedited the depreciation of the Rand in order to make more profits from their exports and their overseas investments. This prompted President Thabo Mbeki to request Advocate John Mayburg to investigate the allegation, under the auspices of the Presidential Commission. Even though the Commission did not find any conclusive evidence to prove Wakeford's allegation, the fall of the Rand had adverse effects on the working class and the poor, who could hardly afford commodities due to skyrocketing prices. The point that is being made here is that indeed the market is often manipulated by some at the expense of others. This then poses a question as to in whose interests should the market be free: business elite or society in general?

The idea of a free market is deeply embedded in the profit motive. From this premise, it follows that the interests of society at large are not provided for in free markets. But liberals, like Samuel Smiles (1859) argue that, a free market has a multiplier effect in that the extent to which individuals are not interfered with in pursuit of their desired goals determines, by and large, the extent to which they will take responsibilities for their own lives. In his book *Self Help* (1859), Smiles argued that individuals choose what to make of themselves and how to do so, using their natural endowments and talents. This Smilesian argument is taken to mean that "the free market, in allowing individuals to pursue their own interests, is therefore a guarantee of social justice" (Heywood, 1992: 40). Therefore, intervention by the state in order to bring about redistribution and welfare, in the language of liberals, interferes with the rights and freedoms that are in the nature of man to be responsible for his own life. As the New Right in Britain reminded the revolutionaries in the Left:

Welfarism saps independence, initiative and enterprise, it creates a 'new serfdom' of dependency. It robs individuals of the dignity and self-respect which can be gained only by being responsible for one's own life and well-being. Welfare, therefore, is a matter of individual responsibility; it is not a social responsibility invested in the state (Heywood, 1992:86).

On the contrary though, it can be said, as T.H. Green once noted, that freedom "[is] not a licence for a minority to frustrate the potential of others to contribute to the common good by making the best of themselves" (Eccleshall, 1994:52). In the contemporary global order, gaps between rich and poor are increasingly growing wider. This is mainly due to the retreat of the state from the economy and to the emergence of the market as the sole guiding principle of the economy. Big businesses, representing particular classes, are engaged in a persistent effort to maximise profit on a global scale. However, the plight of the poor is significantly undermined, as welfarism is, as it were, tossed into the dustbin of history. Worldwide, the welfare gains of the people are under attack as policies of privatisation, reduced social spending, reduced taxation on the rich, deregulation and liberalisation are implemented on an unprecedented scale. This unrestrained pursuit of profit, as Green reminds us, engenders new forms of poverty and injustice (Eccleshall, 1994:52). Complementing this argument, George Soros (2000) correctly cautions against a free market. According to him, a free market is:

eminently suitable for the pursuit of private interests, but not ... desired to take care of the common interests ... freedom, democracy, and the rule of law can not be left to the care of the market forces ... the global financial architecture that prevails today offers practically no support to those who are less fortunate (Cited in Turok, 2002:131).

The responsibility of initiative and enterprise that liberals are arguing is inherent in man is not only promoted among individuals, but also among nation-states worldwide. For classical liberals like David Ricardo, each state has a responsibility to promote a free market among nations of the world through non-interference in the tariffs on imported goods, quotas on the number of goods

permitted into a country, or in the form of subsidies, which have the potential to give one country's goods unfair advantage over others' (Heywood, 1992:38). This is what became known as free trade. Its rationale, according to its principal advocate, Ricardo, was to promote each country's speciality in the production of those goods and services that a country was best suited to produce on the basis of its climate, natural resources, population and skills, among other things (Heywood, 1992:39). This theory has come to be known as a theory of 'comparative advantage'.

If theory were to be translated into practice, Africa would have prospered from its natural resources, given that many countries in Africa are predominantly exporters of primary products (Ajulu, 2001:30). But, as early as the arrival of colonialists, Africa's comparative advantage worked for the benefit of colonial agents and not for Africans. Hardly two decades after independence, Africa's export commodities suffered from declining terms of trade. While they generate about 30 percent more exports today than in the 1980s, African exports have lost more than 40 percent in value due to declining terms of trade (Bond, 2001b; see also Khor, 2003:55). Worse still, African exports are granted very limited access to the markets of the developed world, particularly of the United States, the European Union (EU) and Japan. These countries propagate the idea of comparative advantage and free trade, yet they tend to resort to protectionism when it suits them. For instance, the US under George W Bush has introduced the US Farm Act, in terms of which US farmers are provided with US\$200 billion worth of subsidies (AIDC, August 2003:12). Through their Common Agricultural Policy (CAP), the European Union manages to subsidise their farmers by more than US\$20 billion a year (le Pere, 2002; *Sunday Times Business Times*, 3 November 2002). At the Doha Ministerial Conference in November 2001, the EU totally rejected the idea that it phased out export subsidies (Bello and Mittal, 2001; le Pere, 2002:2). Therefore, protectionism by the developed countries not only undermines Africa's comparative advantage, but also creates an unfair

trading regime. Responding to this claim, British Prime Minister Tony Blair used a somewhat 'sweetheart' language:

The truth is that the Common Agricultural Policy does damage to the developing world. Its maintenance in its present form is inconsistent with the commitments we have made to to the developing world and we have got to make sure that there's change (*Sunday Times Business Times*, 3 November 2002).

It is not entirely clear though how this change will be brought about because the global financial and trading institutions, such the WB, IMF and WTO are being consolidated by the developed world as bastions of neo-liberal orthodoxy. They tend to bully Africa and other developing countries into adopting this orthodoxy. Under the current trading regime we are seeing "the WTO as an instrument of an emerging and highly centralised system of undeclared but *de facto* global government with formal coercive powers..." (Keet, 2000:29).

But the coercive powers of the WTO are applied selectively at best and at worse arbitrarily, and are hence unjust. While the WTO promotes free trade and free markets on a global scale, it is only the developing world that is being forced to truly liberalize. The argument that is often made is that there is a need for the South generally to embark on liberalization measures so that North and South trade can compete on equal terms. The justification for this is that intervention hampers competition (Hirst and Thompson, 1999:153; Independent Projects Trust, 1999). This is the promotion of neo-liberal austerity in its crudest form, albeit inconsistently.

It makes reasonable sense then, to argue that through the WTO, in particular, the small elite of developed countries promotes the idea of a free market while they monopolise knowledge production, thereby reproducing their comparative advantage (Mbeki, 2001a). This argument makes even more sense if one pays attention to the circumstances in which the WTO itself came into being. While historically trade agreements revolved around international trade in goods such

as manufactured products and commodities, under the current WTO trading regime, the ambit of international trade agreements has been extended to include trade in services, investments and related aspects of intellectual property (Chernomas and Sepehri, 2002:13). The growth in the financial service and technology sectors, which resulted in increasing interest in intellectual property, services and foreign investment, prompted the developed world to expand global trade into these areas where they would reign supreme and have a definite comparative advantage (Watkins, 1994:27). As Amuwo (2002: 62) laments, the WTO's powerful and wide-ranging jurisdiction is aimed at protecting the interests of the developed world, and not the developing world (See also Jones and Wittingham, 1998:93; Tandon, 2000:62).

One conclusion can be drawn from the afore-going. There is a huge difference, as Higgott (1996:26) argues, between the rhetoric of free trade and the practice of protectionism in global trade. Complementing this argument, McGowan (1995:21) notes:

International markets and trade have never been free, and ... states regularly intervene in global markets to gain advantages for their business classes. In this sense the world has been and will continue to be more mercantilist than liberal (see also Tandon, 2000:58).

A further conclusion that can be drawn is that the theory of comparative advantage is moulded by hypocrisy and double standards from which it emerged and by the political ambitions it seeks to serve. The theory of comparative advantage has been replaced by the practice of 'competitive' advantage, with the North standing better chances of success than the South.

Another area of interest with neo-liberalism is the importance attached to foreign direct investment (FDI). Neo-liberal capitalism makes correlations between the flow of FDI and growth on the one hand, and growth and development on the other. While the strong globalisation hypothesis is that the growing portion of

investment by multinational corporations is worldwide and concentrated in low wage and low tax countries, evidence shows this is not the case. In fact, investment flows are concentrated almost exclusively in the highly industrialised states and a few rapidly industrialising countries. During the early 1990s, 75 percent of the total accumulated stock was located in the triad of North America, the EU and Japan (Hirst and Thompson, 1996:63). In the late 1990s, this triad received about 70 percent of global flows, and the Asian NICs received about 60 percent (See United Nations, 1992:20; United Nations, 1998:5).

The flow of FDI to the South has grown very minimally. FDI flows to Africa have risen only gradually to nearly US\$5 billion – about a 5 percent increase from the previous year’s figures (Rugumamu, 1997:14). While this is an increase, it should in no way be celebrated because, as Rugumamu (1997:14) states, it “compares very unfavourably with South East Asia which received \$81 billion in financial flows in 1996, about two-thirds of developing countries total in that year”.

Given this skewed geographic distribution there is no evidence to suggest that Africa can benefit from global DFI flows. In fact, even if this trend were to be reversed, there still is no reason to believe that FDI flows would result in growth and development in Africa because FDI remains profit seeking (SACP, 2002a). Table 2 shows some contradictions between the cause and effect of FDI flows to some African countries:

Table 2. Categories of FDI determinants

Category I. High growth rates	Category II. Medium growth rates	Category III. Low growth rates
Algeria Angola Benin Botswana Cameroon	Equatorial Guinea Ethiopia Gambia Guinea Guinea Bissau	Burkina Faso Burundi Central African Republic Chad Comoros

Cape Verde	Madagascar	Cote d'Ivoire
Congo Brazzaville	Sierra Leone	Kenya
D.R.C.	Tanzania	Malawi
Djibouti	Zimbabwe	Mali
Egypt		Niger
Gabon		Rwanda
Jamahiriya		Somalia
Mauritania		
Mauritius		
Morocco		
Mozambique		
Namibia		
Nigeria		
Senegal		
Seychelles		
Sudan		
Swaziland		
Togo		
Tunisia		
Uganda		
Zambia		

Source: D'costa (1999: 65).

Those countries riddled with conflict (Angola, Mozambique, Ethiopia and Uganda) saw higher levels of FDI flows in the years 1991-1993. Those experiencing droughts (Algeria, Libya, Tunisia, Morocco and Zimbabwe) saw an unexpectedly high increase in the average FDI flows in the 1991-1993 period. Those countries that experienced higher growth rates (Botswana, Mauritius, Mozambique, Tunisia, Sudan) – compared to some developing countries in other regions – saw a huge drop of more than 50 percent of FDI flows in the 1991-1993 period. In fact, 41 percent of those countries ranking high FDI determinants (category 1) had negative FDI growth rates in the years 1991-1993. However, no proper explanations can be given for these contradictions (D'costa, 1999: 65). There is also no explanation why Argentina could not avert its financial crisis

despite attracting US\$252 million in FDI between 1994 and 1999 (SACP, 2002a). This uncertainty attests to one thing, namely that there is no causal link between FDI flows and the economic growth and development of a country (Nabudere, 2002).

So far, this section has been concerned with teasing out the theoretical and conceptual assumptions of neo-liberal capitalism. The invitation that this section makes to neo-liberals is that the view that respect for free market and free trade benefits all countries is without substance, for it fails to account for unequal exchange and polarisation between and within countries (Dembele, 1998:10). The continued regional divide between North and South vindicates the claim that neo-liberal capitalism is flawed at best and at worst detrimental for development in the South. In fact, what accounts for neo-liberalism's inability to provide sustainable responses to global crises is the crisis in which it finds itself.

4.4. Crisis of neo-liberal capitalism

A suggestion was made in Chapter 2 that, the context of development in the 21st century is said to have changed. The objective part of this context is globalisation. Globalisation is defined in various ways. For some, it is a 'revolution' (Butros Butros-Ghali cited in Edoho, 1997:1). Others call it a 'geopolitical earthquake' (Robertson cited in Edoho, 1997:1). However one chooses to define it, the reality is that globalisation has left no corner of the globe untouched. It has transgressed the global political and economic domains. Globalisation is a process driven by policies of liberalisation in trade, finance and investment (Edoho, 1997; Mbeki, 2001a; Chernomas and Sepehri, 2002; Khor, 2003). It is facilitated by the current international relations and institutions, notably multinational corporations, multilateral financial and trading institutions, such as the World Bank, the IMF and the WTO. "Faster globalisation is reflected in the incredible growth in the size of cross-border flows of goods, services and capital" (Mbeki, 2001a). As globalisation accelerates national barriers in the area

of finance and financial markets, trade and foreign direct investment are gradually getting removed (Khor, 2003:51; Mbeki, 2001a). There is now a new global and borderless economy that is characterised by the internationalisation of production as the key mechanism of economic integration (Chernomas and Sepehri, 2002:5). In this borderless world, multinational corporations and not nation states, are at the apex of global economic integration, thus making domestic strategic economic planning increasingly irrelevant (Ohmae, 1990; Reich, 1992; Horsman and Marshall, 1994; Higgott, 1996; Hamdani, 1997; Independent Projects Trust, 1999; Amuwo, 2002). Globalisation, therefore, is:

Triggering a process of systematic convergence in which all governments face pressures to pursue more or less similar policies to enhance their national (or regional) competitiveness, vis-à-vis other countries, as locations for international production (Hamdani, 1997:13).

In this new global world order, Africa's fate is the subject of speculative views. Some of those views have tended to be more optimistic and others very pessimistic. It is not the intention of this chapter to explore these views in any detail. Suffice to say that either view is informed by its adherents' interpretation of both the current global terrain and the continent's politico-economic character.

Particularly after the 1980s, Africa's economic performance has been appalling. Even worse, as the 1990s came to a close, Africa's image and global standing deteriorated. This has been interpreted in various sectors as Africa's disappearance "from the global development cartography" (Edoho, 1997:2), Africa's "position of structural irrelevance" (Castells, cited in McGowan, 1995:11) or simply "a metaphor of disaster" (Rugumamu, 1997:10). These characterisations are not an exaggeration of Africa's position in the global economy. Rather, they depict just how desperate her situation is. In a highly 'transforming' and globalising world, Africa faces more challenges than benefits. As succinctly put by Chole (cited in Rugumamu, 1997:12), "whatever aspect of

the global economy one considers – security, aid, investment, trade, the information revolution – Africa's prospects give no cause for jubilation".

This rather grotesque picture of global economy does tell us that in the globalisation process there are winners and losers, and that this win-lose scenario is in fact the manifestation of the systemic crisis into which market capitalism has entered. There is now a crisis of declining profitability as the costs of production rise faster than productivity (SACP, 2002a; Brenner, 1998; Cherry, 1987). The rising costs of production result in a slower process of capital accumulation and the latter results in less profit. Less profit makes the maintenance of those institutions, whether national or global, whose relative stability and reproducibility permit repeated fulfilment of an important socio-economic function, almost impossible. The result is either stagnation or recession (Chernomas and Sepehri, 2002:2), which is exactly what happened in the mid-to-late 1970s.

The period from the early 1950s to the early 1970s was characterised by a long cycle of expanded production and global growth. A substantial amount of scholarly literature attributes this growth to the Keynesian economic policies of the post war era, which had replaced *laissez-faire* as an economic orthodoxy. By the 1960s, global economy was growing at approximately 5.0 percent. However, by the 1970s, the real growth rate had dropped to 3.6 percent; in the 1980s it dropped further to 2.8 and by 1990s it dropped to less than 2.0 percent (Thurow, 1996:1-2). Countries had difficulties with delivering economic stability and sustained growth. For example, the rate of profit in the manufacturing sector and private business sectors in the US and other major capitalist economies declined quite remarkably during the 1970s (Brenner, 1998, Cherry, 1987). Explanations for this drop resuscitated neo-classicalism in the early 1980s and accelerated the growth and intensity of the market in the 1990s. Thus, by the end of the 20th century, we had seen the emergence of a new world order that was characterised by the

... subordination of domestic economies to the perceived exigencies of a global economy. States *willy nilly* became more effectively accountable to a *ne'buleuse* personified as the global economy; and they were constrained to mystify this external accountability in the eyes and ears of their own publics through a vocabulary of globalisation, interdependence, and competitiveness (Cox, 1992:27).

While for some time before the 1990s, the existence of the Soviet system provided a global counterbalance to neo-liberal capitalism and had the potential to create an alternative world order, its collapse was of phenomenal significance to neo-liberals. For such a collapse meant victory for the market. But at the same time that victory “created new crises, actual and potential” (Ndzimande, 2002a:116). These crises were to be found in the destructive contradictions of neo-liberal capitalism itself; the maximization of profit on the one hand, and on the other a threat to human civilisation and the environment upon which that civilisation should prosper (SACP, 2002a). Such crises cannot be surpassed within the framework of market capitalism itself, however, precisely because such a framework creates a vicious circle of marginalisation and impoverishment of the weaker and poor states in the global economy by subjecting them to the discipline of the market (SACP, 2002a). Therefore,

... the more the developing countries are integrated [into the global economy] the more they are marginalized and impoverished. There is no correlation – at least in developing countries – between high levels of integration and better standards of living, and this is an expression of the contradictory character of *neo-liberal* capitalism. (Ndzimande, 2002a:112. *Italics mine*. See also SACP, 2002b).

Thus, as Amuwo (2002:3) concludes, globalisation

... is an economic orthodoxy that is failing the people, but enriching investors and big corporations ... When nation-states propose or seek to implement alternatives ... they are reminded by the rich and powerful nations, *a la* Reagan and Thatcher, that there is no economic alternative to the only way – the market path – of running the ‘global economy’.

Complementing this view, Mbeki (1998e) cautions against the risks associated with the unfettered market. "The market", he laments, "is a cannibal that feeds on its own children" (Mbeki cited in Ajulu, 2001:36). It has failed the world and Africa certainly cannot aspire to align itself with it and hope to prosper. This then calls for Africa, as Mbeki (1999) cautions, to challenge the faith in the *free* market and engage in a "conscious and deliberate intervention in the process of globalisation ... to produce the results of ethics, equity, inclusion, human security, and sustainable development" (Cited in Ajulu, 2001:36). In a world dominated by the market, there is no equity, the majority of the people are marginalized and human security is under perpetual threat.

4.5. Conclusion

This chapter has been concerned with teasing out the ideological currents that underpin the *New Partnership for Africa's Development* (NEPAD). Of interest is the response that the draft framework of the programme got from the North, and the G-8 in particular. NEPAD is the first economic initiative of Africa to receive such a positive welcome. However, such response is not something for which the architects of NEPAD deserve credit. While NEPAD is a culmination of the historical struggles of the African people to bring about a better Africa (and to that extent an Africanist project with a sense of Africanist aspirations), a more rigorous reading of the NEPAD document reveals a disturbing reality.

Influenced by the IMF's and World Bank's narrative of Africa's underdevelopment, NEPAD tends to pay particular attention to the period from the 1980s onwards. Recalling the World Bank's *Agenda for Action*, NEPAD is quick to blame African leadership for failed development on the continent. Contrary to the narratives of the period that tend to blame the IMF and World Bank-led restructuring programmes of African economies, NEPAD boldly praises the structural adjustment programmes for providing a partial solution by removing serious price distortions, among other things. It merely mentions in passing the

failure of SAPs to pay particular attention to the provision of social services. This selective memory of NEPAD is not only meant to avoid the 'sensitive' historical fact of dependent capitalism of Africa – lest investors and the Northern donor community reject NEPAD as nothing but 'the same old wine' of African leaders 'in a new bottle'. More profoundly, it reflects consciousness modalities and a dynamic shift on the part of the African ruling elite towards neo-liberalism. Hence, its architects emphasise the importance of good governance for Africa's socio-economic re-engineering. It is not clear though how their notion of good governance differs from that of the IMF, World Bank and Northern donor community in the last two decades of the last century.

To argue that African leaders have shifted towards neo-liberalism is not to reject this ideology for the mere fact that it is neo-liberalism. Rather, the argument is that the theoretical and conceptual assumptions of neo-liberalism are flawed at best and at worst detrimental to development in the South, and Africa in particular. Reliance on the market, as we have noted, results in ludicrous outcomes. We have noted that the market fails to regulate itself. For its part, the World Bank would like us believe it is not arguing for an outright market. For instance, in its 1997 *World Development Report*, the Bank argued,

an effective state is vital for the provision of goods and services - and rules and institutions that allow markets to flourish and people to live healthier and happier lives. Without it, sustainable development both economic and social, is impossible (Cited in Rugumamu, 1999:7).

Even though the Bank would like us believe that it makes provisions for the state to be actively involved in the economy, the parameters it sets tend to subject the state to the dictates of the market. And we are back to 'square one', the theory of the market.

Moreover, we have noted that FDI and capital flows that are considered the important determinants of the contemporary global economy are based on a

mistaken belief that they can help in the development of Africa. But FDI flows remain unevenly distributed and skewed in favour of the developed world. As regards free trade, we have noted that this is more rhetoric than practical, for protectionism in the United States, Europe and Japan hampers development in Africa. The conclusion from the afore-going is that the idea that observance of a free market and free trade brings about a better world is entirely unpalatable, as it fails to account for the ever-widening global inequalities *between* and *within* nations.

A further observation made is that in fact the inability of neo-liberalism to address to the greatest satisfaction of humanity the global crises owes to the crisis it finds itself in. Neo-liberal capitalism has entered a systemic crisis of declining profitability and corresponding rise in production costs. Multinational corporations that, together with some institutions of global governance such as the IMF; World Bank; and WTO, are at the apex of a global economy, are facing a situation where they have to find ways and means of reducing their costs by lowering wages and taxes, and raising their productivity (Chernomas and Sepehri, 2002:3; Ndzimande, 2002a:116). The more they do that, the more the system gets entrenched into a crisis and therefore incapable of reviving itself, because lowering wages results in global income inequalities between the rich and the poor; raising productivity in some situations takes place at the expense of the environment, as huge dams and hydro-electric power stations cause damage to the natural bio-diversity upon which human civilisation should prosper (SACP, 2002a). However, this crisis cannot be surpassed within the boundaries of neo-liberal capitalism itself, because that results in a vicious cycle of marginalisation and impoverishment of the weaker parts of the globe due to their subjection to the whims of the volatile market system. This is the contradictory character of neo-liberal capitalism. Therefore, Africa cannot align itself with neo-liberal capitalism and hope to succeed.

CHAPTER 5

A NEW PARTNERSHIP OR ANOTHER FALSE START? IMPLICATIONS AND POSSIBILITIES FOR THE RENAISSANCE

5.1. Introduction

The *New Partnership for Africa's Development* recognises that critical to Africans taking responsibility for the development of their continent is the establishment of a new partnership with the North. This is in recognition of the centuries-old asymmetrical relationship between Africa and the North. While there is consensus on the need for this new partnership, there are considerable conceptual and ideological interpretative differences on what this should be about. On the one hand, there are those in Africa whose conceptualisation of the new partnership centres mainly on the transformation of the international political and economic order in favour of the developing world, of which Africa is a poorest region. On the other hand, there are those - found both in Africa and abroad - who define it in post-modernist terms according to which Africa must make a commitment to good governance as a measure of changing investor perceptions about the continent and embark on liberalisation, with a view, in the long-term, to integrating into the global economy. I call the former an 'Africanist' interpretation and the latter a post-modernist interpretation.

This chapter, therefore, evaluates each of these interpretations against the objectives of the African Renaissance. It argues that there is no reason to believe that conceptualising and implementing the new partnership in post-modernist terms will result in sustainable growth and development in Africa. On the contrary, there are indications that Africa's position in the globalisation process will deteriorate further, and surely this will be contrary to the objectives of the African Renaissance. This argument is based on the premise that the post-modernist interpretation pays scant attention to the unfavourable global terrain

and reduces the new partnership to yet another way of giving accent to neo-liberalism.

Against this background, the chapter makes a case for a discourse that puts the transformation of the prevailing global order at the centre of the Africa-North dialogue; this being the only starting point for a new partnership between Africa and the North. For their part, African leaders need to promote democracy in the continent in accordance with the needs of the people of Africa.

5.2. Africanist interpretation

An analysis of the Africanist interpretation of the new partnership must be located within the North-South debate and the broader framework of the prevailing global order. From the Africanist point of view, relations between North and South have been characterised by asymmetries since the emergence of the modern world system. This analysis of international relations is influenced broadly by dependency theory. Realising this dichotomy, in the wake of the post-war international system, particularly the birth of the United Nations, countries of the South formed an alliance to seize the new material and political opportunities of the time, so as to engage the North as an equal partner (Murphy, 1983:56). But the collapse of the fixed exchange rate system in 1971, the collapse of commodity prices, and the onset of the oil crisis in 1973, reversed all the gains that the South had made. A lot of uncertainty in the international economic system emerged, with the South, particularly Africa, being the hardest hit. Thus, we had seen the beginning of the crisis of the liberal international economic order, which posed profound challenges for development in the South.

Addressing the 27th Session of the UN General Assembly, on 4 December 1972, the former President of Chile, Salvador Allende said:

It is now clear that ... we have moved backwards...We believe that a just and stable world order is impossible so long as no set of commitments and rights has been established to protect the weaker states ...The international community must not wait a moment longer ... to try to cross the new frontiers and meet the truly vast and varied needs of more than two-thirds of mankind (cited in Frey-Wouters, 1980:5).

Allende's words were suggestive of the extent to which the question of development in the South was complex and ambiguous. Should such development be conceived in accordance with the demands of the prevailing global order? Was it necessarily in conflict with it? Could the international order be transformed and adjusted to the priority demands for development in the South? Or conversely, could the latter be the result of the reverse adjustment? After assessing the situation and weighing the options, the South proposed a New International Economic Order (NIEO), whose aim was to call for global fairness and justice or global welfarism.

However, instead of seeing a global welfare system in which both North and South were on an equal footing, there was renewed sympathy for neo-classicalism in the late 1970s, which further entrenched the liberal international economic order at the behest of the North, particularly America and Britain. This shattered any hopes for global welfarism, as the countries of the South entered what came to be known as the 'debt crisis', and were thus subjected to the whims of the global economy dominated by international financial institutions. Hence, the structural adjustment programmes.

Furthermore, instead of witnessing a truly 'global', 'interdependent', and 'competitive' world, the South found itself on the margins of the global economy. Out of US\$23 trillion of global share in 1993, the North had US\$18 trillion and the whole of the South had only US\$5 trillion, the fact that the South constituted 80 percent of the world's population notwithstanding (Tandon, 2000:57). Africa's share of the global economy declined from 2.3 percent to 1.4 percent while that

of the North rose from 20 percent to 70 percent and to 85 percent since the late 1970s (Tandon, 2000:57). Thus, as Sagasti (1992) concludes:

[We] are witnessing the emergence of a fractured global order – an order that is global but not integrated; an order that puts all of us in contact with each other but simultaneously maintains deep fissures between different groups of countries and people within countries; an order that segregates a large portion of the world's population and prevents it from sharing the benefits provided by scientific advances and technological progress (cited in Edoho, 1997:199).

The Africanist interpretation has taken these global developments into consideration. Its merit is that it raises concerns about the North-South dichotomy and the global system in general, without prejudice. As far as the adherents of this interpretation are concerned, the *raison d'être* and *modus operandi* of the institutions of 'global governance', which not only influence global economic policy decisions, but also have wide ranging powers to shape and determine the political and economic design of the South (and Africa in particular) have a tendency to benefit the world's richest countries and multinational corporations at the expense of humankind. Therefore, any new partnership between Africa and the North must seek to problematize the very prevailing global order because it is the main cause of the current divide between them. Recognising the centuries-old historical injustice and the need to correct it, there is a view in NEPAD that holds that central to this transformation is the injunction of the new partnership, which calls for combined efforts to improve the quality of life of Africa's people as rapidly as possible. And in this, according to this view, there are shared responsibilities and mutual benefits for Africa and its partners (NEPAD, 2001: para, 171).

This view is shared by many in Africa, and some abroad. Julius Nyerere (1997:150) once noted that those outside the continent of Africa – and he was particularly referring to the North – have a pressing duty to help Africa overcome its problems lest they degenerate into global crises. For Nyerere, both Africa and

the North had mutual obligations to fight the problems of poverty; human insecurity, and diseases, such as HIV/AIDS, malaria, and many others. At the Africa–EU Summit, on 4 April 2001, President Thabo Mbeki concurred. He said “it is morally and politically right that the [North] should be interested to assist in ending poverty and underdevelopment wherever they occur” (Mbeki, 2001b). He appealed to the North not to be indifferent to the deaths of millions (from hunger, disease, or war) simply because those millions happened not to be in the North. He continued:

Any serious reflection on the future of the world economy and therefore the living standards of the billions who inhabit our world, will show that a strategic shift towards a larger world economy can only be achieved as a result of raising living standards in the countries of the south, and therefore the radical expansion of world markets for capital, goods and services (Mbeki, 2001b).

It seems that the Africanist reading of the new partnership, coupled with the views of Nyerere and Mbeki, expresses a deep appreciation of the need to change the moral and political design of the globe. The strength of the Africanist interpretation is that it acknowledges that the global order is not normal, and so is the plight of both Africa and the North. As it holds:

The poverty and backwardness of Africa stand in stark contrast to the prosperity of the developed world. The continued marginalisation of Africa from the globalisation process and the social exclusion of the vast majority of its people constitutes a serious threat to global stability (NEPAD, 2001: para 2).

Therefore, it is in the interests of the international community to reverse the abnormality of this order. Such a reversal is important for a number of reasons. Of utmost importance is that it challenges the global ideological landscape that tends to over-emphasise the post- Cold War unipolarity, that is the idea of the market. The emphasis of the market results in contradictions. It is precisely for this reason that across the African continent, there are elements that advocate a return to the social contract that was characteristic of the post-independence

period, so that further disaster and misery, that are associated with market failures, can be averted. Critical to this return, as Mkandawire (cited in Laakso and Olukoshi, 1996:33) argues, is a reinvention of an activist state that extends the powers of government in profound ways, particularly in the economy. Such a state is required to moderate wild market swings, stand between the citizen and sudden situation, and recognise a level of subsistence beneath which citizens should not fall. Therefore, one finds merit in Hirst and Thompson's (1999: 6) argument that the perception that this can be done through market economy, based on the profit motive, is entirely without substance. As Keynes wrote:

To suppose that there exists some smoothly functioning automatic mechanism of adjustment which *has a human heart* if only we trust to the methods of *the market* is a doctrinaire delusion which disregards the lesson of historical experience without behind it the support of sound theory (Cited in Panic, 1995:68. *Italics mine*).

The essence of an interventionist state, therefore, must seek to provide both economic and political leadership, and set sectoral priorities that are important in promoting development in areas where Africa has a comparative advantage (Laakso and Olukoshi, 1996; Rugumamu, 1999; Ajulu, 2002). This is very critical because, as Milazi (2001: 41) boldly claims, an interventionist state "is the principal hegemonic and organising force in Africa's socio-economic and political change".

There is overwhelming historical evidence of the role of the state in growth and development in the modern world. In America and Britain, as we have seen, and elsewhere in Western Europe, the state intervened in the economy with the clear purpose of meeting people's basic needs, developing internal markets, and ameliorating the negative effects of market failures. In the developing countries of East Asia, such as Japan, South Korea and Taiwan, too, there was economic growth and full employment, mainly because of sustained strategies of intervention by the state in the economy (Hirst and Thompson, 1999; Panic, 1995). The economy was deliberately made subservient to the state. The state

subordinated international financial capital to its developmental goals. Moreover, it promoted certain specific industries and protected them from foreign competition (See Wade, 1995; Vartiainen, 1995). In South Korea and Taiwan, private enterprises were offered subsidies by the state. This helped to guide domestic savings, promote close cooperation of the state and business, and direct large volumes of domestic capital into key strategic sectors (Vartiainen, 1995; Hirst and Thompson, 1999). Consequently, poverty was significantly reduced and generally the standards of living were improved (Kim, 1995). While the existence of a strong state in these countries tended to be authoritarian and repressive, and weakened the institutions of civil society, that did not happen at the expense of growth and development (Wade, 1995:119; Ajulu, 2001:39).

However, to paraphrase Ajulu (2002: 30), the critical question is what political echelons will re-invent the state in Africa? I propose this question as much for the sake of arriving at an answer as with the intention of problematizing the vexing question of Africa's class character, which surfaces axiomatically in the pursuit of the current renaissance debate. With this question in mind, I now turn to the following section.

5.3. Post-modernist interpretation

Stephen Hayes, President of the Corporate Council for Africa, once noted: "Africa must build its case in such a way as to interest the financial markets of London, Frankfurt and Tokyo. [It] can tap into the billions that are available for investment" (*Finance Week*, 26 April 2002). Concurring with him, ahead of the Kananaskis Summit²⁷ to be held in Canada in June 2002, Lucas de Lange argued:

For Africa to succeed when presenting the NEPAD programme to the group of eight industrialised countries ... a clear framework will be needed within which the developed world can give financial and technical assistance (*Finance Week*, 26 April 2002).

²⁷ As a consequence of the Summit, the G-8 presented its *Africa Action Plan*, which essentially endorsed the NEPAD programme.

A correct reading of these views is that for Africa to impress the G-8 it needs to have a clear programme to create an investor-friendly environment. Such an environment must have the following - among other things – as its central elements: sound monetary and fiscal policies, privatisation of state-owned enterprises, cutting of taxes for firms, a flexible labour market and a generally reduced role of the state in the economy. In this environment, the role of the state is considered to be archaic and evil, and liberalisation to be the efficient means of growth and development. In essence, this means that African economies must find their role and fit their development to the overall development of the prevailing global economic system, so that they can 'catch up' with the developed world. For the G-8, a better Africa will be the one that evolves toward this 'modernity'. As they state,

The surest way to address the fundamental aspirations of the poorest countries is to draw them more fully into the global economy, and the most effective poverty reduction strategy is to maintain a strong, dynamic, open, and growing global economy (Cited in Turok, 2002:125).

The G-8 and the North generally perceive the role of the African leadership to be very critical in the realization of this goal. In some Northern quarters, the argument that one often gets is that underdevelopment in the continent is the result of lack of political will to transform and 'catch up' with the developed world. For some US leaders, most of the problems in poor countries are of their own making. They say Africa's poor economic performance is caused by Africa's poor governance (*Sunday Times*, 3 November 2002). Therefore, for Africa to truly claim the 21st century it will have to 'set its house into order' by being 'good'. This view "is premised on the idea that Africa's failure to benefit from the world economy *since independence* owes to its own interference with the marketplace" (Independent Projects Trust, 1999. *italics mine*).

As the previous chapter has shown, by blaming the African leadership for failed development on the continent, it would seem that somehow the architects of

NEPAD too reason along these lines. They have therefore avowedly declared their confidence in liberalization. In fact, there is a prevailing argument in NEPAD that "in some parts of the world, the pursuit of greater openness of the global economy has increased opportunities for lifting the millions of people out of poverty" (NEPAD, 2001: para 32). This view owes its origin to South Africa. Ahead of George Bush's visit to Africa in July 2003, South Africa's Minister of Trade and Industry, Alec Erwin, told the media of the yields liberalization had produced in that country. Praising the US Africa Growth and Opportunity Act (AGOA), Erwin said, "Agoa has helped to boost exports especially in sectors that are generally protected in the US and where, consequently, duty-free treatment produced great competitive benefits (*Mail & Guardian Online*, 8 July 2003). He declared that South Africa's exports had increased from R6.7 billion in 1994 to R29.7 billion in 2003, and that since 2000 South Africa had begun to run a trade surplus with the US. He further praised the US for its 'increased' direct investments in Africa, from which South Africa was the largest recipient – of about US\$3 billion or 9 percent of US assets in Africa (*Mail & Guardian*, 8 July 2003).

Whether or not the statistics provided by Erwin are correct is immaterial. The real issue is that the North generally has a tendency to use its dominance over powerful financial institutions and capital to nudge African governments towards more liberalization. The US at times uses 'gentle persuasion of development finance', for example its AGOA, which provides incentives for African countries that liberalize. There are a number of opportunities in this regard: business partnerships, debt relief, loan guarantees and access to US markets (Independent Projects Trust, 1999). As good as the US intentions may sound, the motives are self-serving at best and at worst hamper development in Africa. In liberalized African economies, where companies operate on an equal basis, US and Northern companies stand to reap more rewards than those from Africa. The North-South dichotomy aside, there are weaker African states whose losses due to liberalization are greater than those of South Africa, Nigeria, Algeria and

other semi-peripheral economies. The point being made here is that Africa is not a homogeneous economic entity. While NEPAD provides for regional arrangements to complement the small size, and therefore competitiveness, of some African states, the behavior of semi-peripheral states in Africa undermines the very consolidation of such arrangements. The tendency is for such countries, as Murphy (1983:68) reminds us, to move toward more liberalization and to engage with the North (core) at the expense of their neighboring peripheral areas. For example, the impact of the South Africa-European Union and the South Africa-US Binational Commissions in the peripheral Southern African region cannot be ignored. It is not clear how these arrangements can help ensure that industrial, agricultural and services exports from SADC receive equal or better access to the South African market than those of the EU and US (Thomas, 1999:15). In fact, the trade ratios between South Africa and other neighboring countries indicate that South Africa's exports to the region far outweigh its imports. Many of its imports come from the European Union (See Lee, 2001:266-7; Thomas, 2001:79). This has the potential for widening the gap between South Africa and its neighboring Southern African Development Community (SADC) countries, and therefore poses a serious challenge to regional integration that is central to NEPAD and the realization of the African Renaissance.

Liberalization not only has a negative impact between countries, but also within countries. Given that the majority of people in Africa live in rural areas, and have no access to the so-called 'benefits' associated with the modern global economy, liberalization is likely to result in an urban/rural rift. In Southern Africa alone, about 80 percent of the population lives in rural areas where the nearest telephone is about 50 km away (Holman cited in Independent Projects Trust, 1999). Also, given that those living in urban areas will 'catch up' and benefit from global networks sooner than those living in rural areas, the positive effects of liberalization will not be felt in the masses that are largely residing in rural areas.

Consequently, as liberalization intensifies, the rural /urban drift continues to widen.

Therefore, a true renaissance for Africa is essential to reversing this trend. Such a renaissance is one that serves Africa's humanity. But it would seem that such a conception of renaissance is a direct antithesis of liberalization, for it inevitably challenges the North's neo-colonial relations with Africa, and consequently the neo-liberal orthodoxy that the North is currently promoting on the continent. This is the point where confusion on the part of the African leadership manifests itself: to what extent should liberalization be pursued in Africa, so that the continent's pressing needs are not compromised?

In my view, the dilemma facing the African leadership must be understood within the broader framework of ideological modalities of the post-Cold War era. As Adesina (2002a:7) reminds us, there has been a significant shift in Africa's constitutional mode of thought and class relations in the post-1980s era, and in particular as the world shifted from bipolarity to unipolarity in the 1990s. In many parts of Africa, and not least in South Africa, there has been a tendency to over-emphasise unipolarity, that is the inevitability of 'dancing', as it were, to the tune of the powerful players of the world economy, notably the United States, the European Union and international financial institutions. The prevailing feeling is that for Africa to tap into the billions of dollars available for investment, "political autonomy may be a hindrance rather than an asset" (Krogh, 1985:59). Some Africans go so far as to argue that reference to Socialist or nationalist ideologies that were characteristic of the post-independence period are of no relevance in the present, highly competitive and global economy because they drive investors away. The emphasis is now on attracting capital that, in the language of neo-liberal elements within the African ruling elite, is necessary in the process of building a new Africa. Hence, conscious and deliberate efforts are being made throughout the continent to promote good governance 'as a necessary condition' for sustainable development.

But the so-called 'good governance' has little to with the promotion of democracy *per se* – a genuine need of the people of Africa. Rather, it "... is largely reduced to ensuring the protection of private property and the implementation of neo-liberal austerity, liberalization and privatization measures" (SACP, 2002a). From the 1990s, efforts have been made to give African Ministers of Finance, central bankers and corporate agents wide leverage in determining and shaping the design of their economies. This is the essence of what the international financial institutions and Northern governments have termed 'good governance'. The problem though is that good governance, so narrowly defined, promotes what Adesina (2003) calls 'clusters of authoritarianism' within various structures of governance, as corporate agents, central bankers, and finance ministers often make decisions without having due regard to the interests of the electorate. The imposition of liberalization policies on the African masses clearly undermines the very core principle of majoritarianism that underpins democracy. As succinctly put by Cerny (1996:97):

On a more prosaic level, *African leaders* are themselves less and less willing ... to pursue policies that are democratically desired unless such policies do not cause capital flight or do attract capital from abroad (especially financial capital) (*Italics mine*).

In many parts of Africa, opposition to liberalisation policies is often resisted by those in government and labelled 'anti-transformation', 'counter-revolutionary' or adherents of 'obsolete Marxist ideology'. Conveying a message that was clearly reflective of the interests of capital, in his May Day address in 1994, South Africa's then President, Nelson Mandela remarked, "In our economic policies ... there is not a single reference to things like nationalisation, and that is not accidental. There is not a single slogan that will connect us with any Marxist ideology" (*Sunday Times* cited in Marais, 1998:146). Justifying low wages in the public sector, Mandela, at the end of the 1994 Congress of South African Trade Unions (COSATU) conference, said "unless we sacrifice, [unless] we have that determination to tighten our belts ... it is going to be difficult to get our economy to grow" (Cited in Marais, 1998:160).

This latter remark is reflective of the extent to which government elites in Africa often nudge masses toward political and economic 'suicide'. In the case of South Africa, the policy document of the Reconstruction and Development Programme (RDP), as agreed upon by both the ANC and the labour movement in a workshop held in Harare in 1990, had a socialist democratic element in it as it embraced proposals for the extension of public ownership; state regulation of credit; a prescribed high-wage economy and a centralised role for organised labour in policy formulation (Lodge, 1999:4). It was a policy geared to transform society economically and was intended to meet basic needs; develop human resources; build a more powerful and democratic economy and a democratic state and society (Lazar, 1996:616). In a democratic economy, the state would assume a leading and enabling role for sustainable growth (Lazar, 1996: 616). This was a social contract in a literal sense of the term. The policy shift of the ANC when it came to power in 1994 signalled what Amilcar Cabral (1979) referred to as "... [a] betrayal of the objectives of national liberation" (Cabral, cited in Adesina, 2002a:8).

Elsewhere in Africa irrational economic decisions that undermine the role of the state and its importance in socio-economic development have been made contrary to popular demands. For instance, in Kenya, the Kenya Electric Power was transferred to foreign private ownership in 2001, despite popular demands to retain it under the control of the state. In Ethiopia, the Commercial Bank of Ethiopia, the Ethiopian Electric Power Corporation, among other important economic establishments, were transferred to foreign private ownership, even though the prevailing atmosphere was against it (*The Daily Monitor*, 6 February 2001).

Liberalization in these countries and elsewhere in Africa has been made possible through the gentle persuasion of development assistance. The United States' AGOA to which I have referred, the United States Agency for International Development (USAID), Britain's Africa Policy and the Swedish International

Development Agency (SIDA) have been very instrumental in this regard. In 2000, USAID made a requisition of US\$12, 200 000 for development for Africa. From some of the USAID schemes, the Federal Democratic Republic of Ethiopia benefited. For example, in 1999, it received about US\$3.1 million of emergency assistance (usaid.gov/pubs/cp2000.ajr/Ethiopia.html).

There are many more promises and pledges from the Northern governments to Africa as a result of the adoption of liberalization measures. At the end of the UN Conference on Financing for Development, held in Monterey, Mexico in March 2002, both the US and the EU made pledges to increase their development assistance to Africa with effect from 2006. Italy, France and the United Kingdom also made pledges to increase their development assistance to Africa from the current levels to an internationally agreed target of 0.7 percent of GDP in the coming years. The G-8, at the end of the Kananaskis Summit, also pledged a 50 percent or more increase in their development assistance to Africa. Moreover, they pledged about US\$1 billion to assist those countries with a shortfall in the financing of the enhanced HIPC debt relief initiative (Mbeki, 2003). On his visit to Africa in July 2003, US President, George Bush, announced that his country had committed itself to make US\$15 billion available to Africa and the Caribbean to help fight the scourge of HIV/AIDS and other infectious diseases.

To President Thabo Mbeki, these developments indicate that there is, as he told parliament, "indeed a clear commitment [on the part of the North] to keep Africa on the global agenda and to deal with issues of poverty eradication and sustainable economic development" (Mbeki, 2003). Contrary to such jubilation, it must be stated that these 'benefits' camouflage the real intentions of the Northern governments and their agents, namely huge profits that Northern companies are making from economic liberalisation. In 1997 alone, the IMF ploughed US\$500 million to Africa, while extracting US\$1.1 billion in repayments excluding interests (De Sarkar cited in Independent Projects Trust, 1999).

Not surprisingly, while being aware of such motives, the African leadership has avowedly declared its confidence in liberalization. It is unfortunate that those who expose contradictions associated with neo-liberal orthodoxy are silenced through repressive means whether covert or overt. George Bush's visit to Africa in July clearly showed how some African leaders have given free reign, to paraphrase Cabral (cited in Adesina, 2002a:8), to their natural tendencies to become instruments of global capital and necessarily to subject themselves to imperialist interests. For instance, when the masses in various African countries protested against Bush's visit, arguing that he had come to bring the matra of neo-liberalism, repressive and pre-emptive measures were used to silence them. A number of arrests in Senegal were reported. In Nigeria, people in their hundreds were forcibly removed from the city centre, ostensibly to make the arrival of the US President as smooth as possible. In South Africa, one activist of the Landless Peoples Movement (LPM) was arrested and charged with murder in the run-up to the mobilisation of poor communities around Johannesburg, while the capital, Pretoria was highly secured (AIDC, August 2003:12).

These measures were taken because George Bush's visit to Africa, and the presence America's corporate world in Africa, as Mbeki said, was important for the success of NEPAD. Indeed, Bush received a very warm welcome in South Africa. In his media address, shortly after discussions with his South African counterpart, he remarked:

I appreciate the President's dedication to openness and accountability. He is advancing these principles in the New Partnership for Africa's Development. He's a leader in that effort. The President and I believe that the partnership can help extend democracy and free markets and transparency across the continent of Africa. President Mbeki has shown great leadership in this initiative, and our country will support the leaders who accept the principles of reform, and we'll work with them ... (*Mail & Guardian Online*, 12 July 2003).

Indeed, in pursuit of the objectives that Bush talked about, he pledged US\$15 billion to which I have referred. But, the motives for this pledge are far from being

covert. Given the strong global anti-US sentiment, especially in the Middle East (due in part to the double standards it employs on the Palestine- Israeli conflict and in part to the invasion of Iraq in March 2003, which is reflective of growing US aggressive unilateralism), Africa became somehow important to US geo-strategic interests. Moreover, in view of the up-coming September WTO talks to be held in Cancun, Mexico, it was vital that the US had the support of the powerful African countries on the new round of multilateral trade negotiations. Critical to this round were the so-called four Singapore issues: investment, competition, government procurement and trade facilitation. Bush was very aware of the stance of the developing world. But the interactions he and Northern government leaders had had with Africa in respect of the NEPAD processes convinced him that African countries would be very willing to support America's stand. Unfortunately, the collapse of the Cancun talks signalled a backlash against the US and Bush, in particular, in view of the up coming Presidential elections, in November 2004, which is most likely to focus on the dwindling economy and the loss of more than 2 million jobs in the manufacturing sector (*Financial Times*, 16 September 2003).

The point being made from the afore-going is that a degree of consensus has emerged between African leaders and Northern government leaders that, the development of Africa, and consequently its enhanced and beneficial integration into the global economy will be determined significantly by the extent to which liberalization measures are implemented in the continent. This consensus is moulded by certain priorities and values, which the North and some elements in Africa generally embrace. These include the promotion of what is controversially called 'good governance' and the creation of free markets from which a significant number of elites in Africa and their business partners abroad are benefiting tremendously. For example, Uganda's economic reform programmes, which began in May 1987, have been characterised by malpractices and scandals, in which President Yoweri Museveni's favourites and relatives, such as his brother Salim Saleh (real name, Caleb Akandwanaho), benefited. In 1996 Saleh's firm, Caleb's International controversially secured a bid in the

privatisation of the Uganda Grain Milling Corporation (UGMC). It is alleged that, in spite of pressure to take action against such practices, the president not only failed to do so, but also sought to provide friends and relatives with some political protection (Tangri and Mwenda, 2001).

Another example of African elites benefiting from economic reform programmes is Black Economic Empowerment (BEE) in South Africa. From its inception, BEE was intended to address the historical 'imbalances' and eradicate inequalities created by apartheid, through the empowerment of black people. But it has failed to live up to expectations. It has enhanced the legitimacy of the free enterprise system by creating an influential corps of emerging black capitalists who have a large share in the stake intended to uplift the masses, while millions of South Africans are left at the margins of the economy (Kane-Berman, 2002). Simphiwe Mkunqwana put this point succinctly when he said:

The current formula for empowerment was invented by the corporate world to create a black buffer zone in order to protect their interests. Notably, very few individuals have benefited from BEE and become millionaires at a stroke of a pen, such as Cyril Ramaphosa, Tokyo Sexwale and Patrice Motsepe, who became mining magnates and are continuing to amass vast sums of money by riding on the back of the working class. The claim of the Black Economic Empowerment as an instrument for the eradication of poverty and inequality is false (AIDC, August 2003:8).

It is my submission that such empowerment formulae as BEE tend to open the doors for the emerging African bourgeoisie to network and establish business partnerships with other bourgeois classes worldwide. As Embong (cited in Taylor, 2002:5) remarks, in as much as capital, production, labour and culture are increasingly getting fused into the global economic system, classes are also becoming transnational. While it hardly admits that it is a class for itself, the transnational elite has assumed a particular class-consciousness, with distinctive class objectives, which are to sustain the system that serves their interests well and protects their dominant position in it (Cox, cited in Taylor, 2002:5). If these pronouncements are correct, then liberalization in Africa has heralded a new balance of forces and provided a basis for a systemic convergence of certain

national bourgeois elements and international forces that generally subsume a neo-liberal ethos.

This convergence has a bearing on the objectives of the current renaissance discourse. While the post-colonial notion of the renaissance had essentially two defining characteristics: retaining a distinct African culture and breaking the imperialist stranglehold on the continent, both of which provided a glimpse of the declaration of intent and celebrated patriotism to set about a Pan-African route in tackling the central question of Africa's politico-economic backwardness, the current notion suggests certain elements of loyalty to the prevailing global neo-liberal orthodoxy. As Vale and Maseko succinctly argue:

The African Renaissance suggests a continental effort led by South Africa to advance the familiar 'end of history' thesis ... South Africa's African Renaissance ... is anchored in a chain of economies which, with time, might become the equivalent of the Asian Tigers ... In this rendition, the African Renaissance posits Africa as an expanding and prosperous market alongside Asia, Europe and North America in which South African capital is destined to play a special role through the development of trade, strategic partnerships and the like. In exchange for acting as the agent of globalisation, the continent will offer South Africa a preferential option on its traditionally promised largesse of oil, minerals and mining (cited in Taylor, 2002:3).

The convergence of interests to preserve the free market capitalist system does not suggest, however, that African elites are entirely content with the current position of Africa in the global economy. There is an extent to which these elites feel disgruntled by the manner in which the rules of the game are skewed in favour of the Northern elites. To paraphrase Wallerstein (1974:349), in the prevailing market system certain rules tend to enable some groups within the system to become dominant over others, by giving them a larger share of the surplus. Hence, conscious and deliberate efforts are being made in Africa to consolidate regional economic blocks so as to resist Northern hegemony. However, such efforts are not aimed at bettering the lives of the ordinary people of Africa. Rather, they are reflective of the struggle for a global 'piece of cake' between different bourgeois classes. Certain such classes in Africa are making

efforts to enhance their position within their national domains, in their regions and in the entire continent.

As Taylor (2002:5) cautions, it would be incorrect to assume that the transnational class is a "monolithic block advancing a unified and uncontested agenda". Of course, as he argues, there are certain tensions and disagreements that characterise their relations. "Nevertheless", he maintains, "such a transnational elite has become increasingly aware of shared values and interests that transcend petty and immediate strategies (Taylor, 2002:5-6).

From the afore-going, what conclusions can be made about the idea of the new partnership between Africa and the North? It would seem, as Taylor (2002:11) correctly notes, that the intention on the part of the African elite is not to get global rules re-written. Rather, the aim is to challenge the North using the neo-liberal strategy it uses on Africa. In this game, it is not the corporate world that gets harmed, but the masses of Africa. It is therefore not surprising that NEPAD is increasingly becoming bourgeois with bourgeois aspirations. No wonder then, it was well received by the G-8. Its acceptance has enabled African leaders and some elites to deflect scepticism from the masses by lamenting, as Professor Wiseman Nkuhlu, Chairperson of the NEPAD Steering Committee and Economic Adviser to President Thabo Mbeki, did when he declared:

We are at a significant juncture in history. A critical mass of leadership has developed both on the continent and abroad and that are genuinely committed to the regeneration of the continent. We must grasp this precious opportunity. We must maintain the present good-will and momentum in ensuring implementation. We cannot afford to fail (*African Business*, May 2002).

Professor Nkuhlu's words camouflage the real intentions of the combined efforts of the leadership of both Africa and the North. Contrary to the narratives of the period that tend to praise the leadership of the North for genuine commitment to economic re-engineering of Africa, little has happened to change the plight of the continent since the first slogan of 'economic transformation' featured in Africa's politico-economic lexicon in the early 1980s. IMF-managed, the initiatives to

restructure African economies tended to promote neo-liberalism at the behest of the North. While they brought the books to balance and resulted in higher economic growth rates, as they did in Uganda, they were characterised by a corresponding rise in unemployment levels, reduced health care facilities, elimination of food subsidies and engendered a myriad of other social problems that at times caused political instability (Adepoju, 1993; Kanji and Jazdowska, 1993; Bromely and Bush, 1994; Williams, 1994; Krugman, 1995; Dembele, 1998; Independent Projects Trust, 1999).

Judging NEPAD, and especially its proposed partnership with the North, by the nature of its objectives and the functional mechanisms in place, a correct conclusion is that it reflects spin-doctored neo-liberalism. As such, it is not clear how it will avoid producing similar yields to those of SAPs (Founou-Tchuigoua, 2002:23, 26; Taylor, 2003: 21). Only when a poor woman in the rural Transkei (in the Eastern Cape Province of South Africa) begins to hope that her life is about to change does it appear that her optimism of the will is never measured against the pessimism of the intellect. For yet another false start has begun to dawn.

5.4. Towards a new partnership

We have noted that the Africanist and neo-liberal elements that drive the current renaissance discourse continue to be marked by relations of what Milazi (2002: 44) calls "alternate correlates of accommodation and struggle". The struggle between these elements is not about to wither, though. The real challenge is how to develop economic and political strategies that address the pressing domestic demands, while enabling the continent wherever possible to compete with the outside world. The starting point is for the African ruling elite to do what Amicar Cabral (1979) called "committing *suicide* as a class [and] be restored to life in the condition of a revolutionary worker completely identified with the deepest aspirations of the people to which [it] belongs". This, as Cabral stressed, involves "repudiating the temptations to become 'bourgeois' and the natural pretensions of its class mentality" (Cited in Adesina, 2002a:8). Failure on this front has

engendered a particular political climate, which generations and generations of Africa to come will have to grapple with. Political leaders like the former Zaire's Mobutu Sese Seko; Nigeria's former head of state, Sani Abacha; and many others, left numerous problems that did disservice to the people of Africa. Therefore, rebirth of Africa, as cautioned by Mbeki (1998b), is impossible:

... when its upper echelons are a mere parasite on the rest of society, enjoying a self endowed mandate to use their political power and define the use of such power such that its exercise ensures that our continent reproduces itself as the periphery of the world economy, poor, underdeveloped and incapable of development ... (Cited in Ajulu, 2002: 34).

Thus, one finds merit in Mbeki's (1998b) plea that "we must rebel against the tyrants and dictators, those who seek to corrupt our societies, and steal the wealth that belongs to the people" (Cited in Ajulu, 2001:34).

Closely related to corruption and tyranny are the quests for a third term for the president in Zambia under Chiluba; in Malawi under Muluzi and the 'alleged' election rigging in Zimbabwe's Presidential election in 2002, coupled with the break-down of law and order (which has done great harm to that country's economy and to that of the region). All these bring political anarchy to the continent. It is for this reason that the African Peer Review Mechanism (APRM) of NEPAD has been hailed in some quarters as an indication of commitment on the part of African leaders to change the political character of the continent. That being said, Africans must be vigilant of some forces – not least Africa's own conservative forces - which seek to make this a condition for getting financial aid from the North. Nabudere (2002) correctly criticises this 'trade-off' or *quid-pro-quo*, which is reminiscent of the logic underlying the IMF/ WB's structural adjustment programmes (SAPs), for it fails to give Africa's developmental needs the serious attention they deserve. Rather, as Keet (2000:24) recollects, this *quid-pro-quo* continues to integrate Africa into the global economy in a manner that reflects neo-colonialism and subordination. While good governance has

been long overdue in Africa, it must not be a pre-condition for the support of the North. Therefore, this “genuine democratic demand of the African people ... must be guaranteed with or without NEPAD” (Nabudere, 2002:21).

Politically, the majority of Africa is still volatile as there are numerous conflicts in Comoros; Liberia; Sierra Leone; the Great Lakes Region; Somalia; Sudan and elsewhere in the continent. These conflicts destroy the very fabric upon which the foundations for sustainable development and rebirth of the continent could be laid. The establishment of a Peace and Security Council of the African Union in March 2004, hopefully, will be very instrumental in ending these conflicts. In fact, the deployment of the South African troops on peacekeeping missions in Eritrea, Ethiopia, Burundi and the Congo, should be acknowledged as a promising start to ensuring that the continent moves in the direction of peace and prosperity (Mbeki, 2003).

Integral to all these processes that Africans have begun in moving the continent in the direction of peace and prosperity is transformed relations with the North. As it has been said, in their current form, these relations perpetuate global inequalities and a paternalistic culture of dependence between Africa and the North. While appreciating the commitments and pledges made by the North at the Tokyo Meeting in July 2000; the G-8 Summit in Genoa in July 2001; the UN Conference in Monterey, Mexico in March 2002; the Kananaskis Summit in Canada in June 2002 and the G-8 Conference in Ijean, France in June 2003, Africa needs to state in no uncertain terms that the conditions for getting the funds committed by the North must be revised. These conditions relate to the promotion of neo-liberal austerity, thus leaving everything to the dictates of the market. Weak states of Africa do not have the institutional fabric to adopt wholesale market economic policies. Such policies threaten the very new beginning Africa has declared: rise in unemployment levels and increased poverty. Had he been alive, Hobhouse (cited in Eccleshall, 1994:53) would have reminded us that:

Poverty and unemployment signified not a moral failure or character defect on the part of the individuals ...but the structural imperfections of an economy which invariably deprived some people of the necessities of a worthwhile existence.

Therefore, the new partnership between Africa and the North must be about common objectives, especially those adopted under the Millennium Development Goals. To this end, both Africa and the North must reach a common understanding on the following:

5.4.1. Improved access for African exports to Northern markets

Renewed commitment – in the spirit of partnership – by the North in opening up their markets to exports from Africa is vital for the latter's sustainable growth and development, and hence for global economic and political stability. In fact, the G-8 countries acknowledge the importance of this undertaking. As they state, "in order to achieve adequate growth rates, Africa must have broader access to markets"(G-8 Africa Action Plan, 2002: para 11 Article III). It is high time that the North put their commitments in this regard into more concrete form because, as one economist put it,

For many years the rich world has made it hard for Africa to earn an honest living through trade. If North America, Europe and Japan were to eliminate all barriers to imports from sub-Saharan Africa, the region's exports would rise by 14 percent, an annual increase of about \$2.5 billion. Another calculation shows that developed countries' farm subsidies amount to over \$360 billion a year, some \$30 billion more than Africa's entire GDP. Also prices of rich countries' exports have been rising, while prices of Africa's primary products have been falling – by 25 percent during 1997-9 (*The Economist* cited in Turok, 2002: 128).

5.4.2. Debt cancellation

One of the problems currently faced by Africa to achieve the necessary growth rates and hence development is the huge debt burden. While appreciating the

declaration of intent on the part of the North to help the Highly Indebted Poor Countries (HIPCs) overcome the problem of debt, the more than 100 conditionalities of fiscally prudent management that African countries have to comply with before qualifying yield ludicrous results. They promote liberalisation, which unfortunately does not serve Africa's humanity.

5.4.3. Transformation of the current global order

There are various reasons why the issue of transforming the international order is more relevant today than ever before. The first relates to the un-sustainability of the response of the North to the global crises. The enforcement of debt repayments; self-interested aid projects; enforced liberalisation, which tends to undermine the development of the South in general; increasing protectionism in the North; and financialisation of investment, all perpetuate the crisis in the South, and less accurately but no less certainly in the long run, in the North (SACP, 2002a). The collapse of the WTO Ministerial Meeting in Seattle in December 1999, the collapse of WTO negotiations in Cancun in September 2003, and demonstrations elsewhere do indicate that the "Washington Consensus" is not sustainable. Therefore, the need to implement more sustainable responses to the current global economic and political crises is in the interests, not only of the developing world, but also of the whole of humanity worldwide.

The second reason, related to the first, is that while the Cold War may have given rise to a new world order, signifying the triumph of the market - or what Francis Fukuyama (1992) called 'The end of history' - there is a reason to believe that challenges to market capitalism have not disappeared. As Benjamin Barber (1999) analytically reminds us, the ideological conflict has now taken new forms, as manifested by the growing nationalist and religious forces or *Jihad* that challenge the 'secular, market-driven consumer society' or *McWorld*. The emergence of the *Jihad* must be understood within the broader framework of the

alternatives to capitalism that are making their way through, as global poverty is increasing everyday. But the maintenance of the system by the imperialist power of the 21st century, the United States, has taken new forms, in particular in the wake of September 11. It is characterised by increasing aggressive unilateralism. The invasion of Afghanistan in 2001 and of Iraq in March 2003 is emblematic of the imperialist aspirations to remain an imperialist power. As the Secretary General of the South African Communist Party (SACP), Blade Ndzimande, once noted, "we are seeing the ugly side of imperialism – its propensity to violence. Look at the arrogance of George Bush ... All those things underline that capitalism is in crisis" (*Mail & Guardian*, 19-25 July 2002).

As much as the 19th century colonialism was resisted, at times through violent means, the 21st century imperialism is fought through what America pejoratively calls 'terrorism'. However, no matter how much effort America puts into fighting terrorism, it is far from winning that war because it does not want to address its underlying causes. Therefore, without addressing with the greatest urgency these underlying causes, the world is likely to see more 'September 11'– type attacks. To paraphrase Woodrow Wilson, surely, that is not the way to preserve the world for peace, democracy and prosperity.

The third reason relates to global environmental degradation. Large projects, like huge dams, mines, hydro-electric power stations and some operations of TNCs are a threat to the bio-physical environment and natural resource base (Krugman, 1995:132). Table 3, for instance, shows the annual deforestation of some African countries as a result of projects prescribed by the World Bank in the name of SAPs.

Table 3. Natural forest area

	Total Area (thousand sq. km)	Total Area (thousand sq. km)	Annual deforestation 1981- 90 (% of total area)
	1980	1990	

Ghana	109	96	1.3
Ivory Coast	121	109	1.0
Kenya	13	12	0.5
Madagascar	171	158	0.8
Nigeria	168	156	0.7
Tanzania	379	336	1.2

Source: World Bank, 1994b, Table 33. Cited in Lensik, 1996:112.

Given that environment is a resource or a major asset in the struggle to preserve conditions for the survival of human civilisation, there is reason to link its degradation with human insecurity. In fact, the Rio Earth Summit and the Johannesburg World Summit on Sustainable Development held in 1992 and 2002, respectively, were precisely about that. These Summits concluded that the protection of the environment and social and economic development were fundamental to sustainable development.

5.5. Conclusion

The afore-going discussion has been crucial in that it has shown different conceptual and ideological differences that the idea of the new partnership has received, both in Africa and abroad. From an Africanist point of view, the new partnership should centre on the transformation of the international order, precisely because this order is the cause of the current divide between Africa and the North. The operations of the institutions of global governance have, since the early 1980s, further worsened the position of Africa in the global economy. As Africa entered the 21st century, its situation in this economy gives no cause for hope. It is vital, therefore, that in calling for transformation of the current order, there is an intention to challenge the very idea of the market. From an Africanist perspective, in essence this calls for a re-invention of the state in the economy so as to avert further disaster and misery that is associated with the market.

The vexing question, however, is who will re-invent the state in Africa? The answer to this question is not easy, especially if one considers the extent to which the African ruling elites have allowed themselves to be swayed by popular global ideology and faith in liberalisation. The consensus between the African ruling elite and Northern government leaders on the importance of liberalisation in Africa is the central pillar of the post-modernist interpretation of the new partnership between Africa and the North. We have noted that the foundation of this consensus is shared priorities and values between the elites of Africa and those of the North. These values include the promotion of free markets, because these elites tend to benefit from them.

Therefore, when the African ruling elite proposes a new partnership with the North it is not that they perceive change in the ideological current that underpins Africa's relations with the North as a necessity. Rather, their aim is to use the existing global rules to pursue their own agenda, namely to emerge as powerful players in the transnational elite. Such squabbles over global rules reflect the extent to which various segments of the transnational elite persistently try to emerge triumphant over one another. To paraphrase Wallerstein (1974:349), while the weaker players in this elite aspire to emerge as new hegemonies within the elite, the powerful tend to maintain their dominance through the observance of a certain transnational culture, which serves as an ideological mask and justification for the maintenance of disparities that have arisen within the current capitalist system.

This analysis is important in that it tells us that the NEPAD, while being an African project, is dominated by certain national and international forces, whose aim is to subject the continent to the whims of global capital. In the face of the volatility of the market, one question remains relevant, namely to what degree can the idea of the new partnership empower the peoples of Africa? It goes without saying that given the class character of the African ruling elite, empowerment of the people is not at the centre of dialogue between leaders of

either Africa or the North. Therefore, it is likely that the idea of the new partnership will represent continuity rather than change in Africa's relations with the North.

A genuine partnership between Africa and the North should pay attention to three important and interrelated areas: market access, debt cancellation and the transformation of the current global order. However, this needs to be complemented by the promotion of democracy and accountability on the continent of Africa in accordance with the genuine needs of the people of Africa.

CHAPTER 6

CONCLUSION

The adoption of the policy framework of the *New Partnership for Africa's Development* (NEPAD) in Abuja, Nigeria, in October 2001, signified the culmination of the conscious and deliberate efforts by the peoples of Africa to achieve the goals of sustainable development on their continent. For this reason, NEPAD is presented by its architects as a programme, a vision and a strategy for Africa's renewal. The central objectives of NEPAD are to eradicate poverty; to place African countries, both individually and collectively, on a path of sustainable growth and development; to halt the marginalisation of Africa in the globalisation process and enhance its full and beneficial integration into the world economy (NEPAD, 2001: para 1). To these ends, NEPAD seeks to establish peace and security, democracy, political, economic and corporate governance, as essential pillars towards addressing Africa's developmental needs. Having learned from their own experiences that peace, security, democracy, good governance, human rights and sound economic management are conditions for sustainable development, African leaders, through NEPAD, are making a pledge to work, both individually and collectively, to promote these principles in their countries and sub-regions and on the continent (NEPAD, 2001: para 71). The sectoral priorities of NEPAD are to bridge the infrastructural gap between Africa and the developed world, and human resource development, including the reversal of the brain drain.

In many quarters, NEPAD has been hailed as the most comprehensive African economic initiative ever, because unlike its predecessor, the LPA, it recognises the organic linkage between good governance and the prospects for sustainable development. One of the weaknesses often attributed to the LPA was its silence on the transformation of domestic structures of governance and production, which were so perverse that they could hardly facilitate the process of development in the continent. While promoting more conventional state-managed

models of development, geared toward African 'self-reliance' was the strength of the LPA, its silence on governance transformation was its shortcoming (Fattouh Jr., 1992; Rich, 2000; Adesina, 2002c). On their part, the architects of NEPAD boldly claim that their project "differs in its approach and strategy from all previous plans and initiatives in support of Africa's development, although the problems to be addressed remain largely the same" (NEPAD, 2001: para 59). Its programme of action is a holistic one, centred on the principles of democracy: good political, economic and corporate governance in support of Africa's development.

Recalling one of the genuine problems faced by the LPA in the 1980s, namely the lack of resources to kick-start development on the continent, NEPAD calls for combined efforts between Africa and developed countries to improve the quality of life of Africa's people as a matter of greatest urgency (NEPAD, 2001: para 171). To this end, it proposes the establishment of a new relationship between Africa and its Northern development partners, including multilateral institutions (NEPAD, 2001: para 183). However, what is 'new' about this partnership has increasingly become nebulous and highly polemical due to conceptual and ideological interpretative differences it has received both in Africa and abroad. While some sections in Africa define the new partnership mainly in terms of the transformation of the international order in favour of Africa's development, others, along with Northern governments and international financial institutions, define it in terms of more liberalisation of Africa as a measure to effectively integrate it into the world economy. Call the former an Africanist interpretation and the latter a post-modernist interpretation.

From the perspective of the former interpretation, for centuries the global order undermined development in Africa such that in the 21st century, "whatever aspect of the global economy one considers – security, aid, investment, trade, the information revolution – Africa's prospects give no cause for jubilation" (Chole cited in Rugumamu, 1997:12). Human security on the continent is a matter of

concern. About 340 million people, or just half of the population, live on less than US\$1 a day. The mortality rate of children under the age of 5 is 140 per 1000, and life expectancy at birth is 54 years. Only 58 percent of the population have access to safe drinking water. The rate of illiteracy for people over the age of 15 is 41 percent. There are only 18 mainline telephones per 1000 people in Africa, as compared with 146 for the world and about 567 for developed countries (NEPAD, 2001: para 4). Added to these are diseases such as HIV/AIDS, which are spreading everyday owing to, among other things, poverty and illiteracy. Such diseases have increasingly become difficult to cure owing to exorbitant prices charged by pharmaceutical companies.²⁸

Aid and investment flows to the continent have been on the decline for years. Where they have increased they have done so very minimally. What is worse is that investments have now taken new forms.

[There is now] “financialisation” of investment, with capitalist investors increasingly shying away from long-term commitments to “bricks and mortar” projects in favour of shorter-term exposures that can more easily be entered into and exited from. This financialisation explains the increasing shift towards “hot money”, which has played such a destabilising role in the recent period (SACP, 2002a).

An example of financialisation of investment and the shift to hot money is explained by the Asian Contagion crisis of 1997-8. Even though various explanations have been advanced for that crisis, the sudden withdrawal of short-term funds by investors, mainly from the West, coupled with large scale short selling on foreign exchange and equity markets by speculators played a crucial role in precipitating the crisis (Hirst and Thompson, 1999: 138).

²⁸ It has just been revealed that the \$15 billion pledged by the US President, George Bush, to Africa and the Caribbean, in July 2003, to fight HIV/AIDS and other infectious diseases was moulded by politics of greed. The *Mail & Guardian Online* (7 April 2004) reported that “in recent months ... [the Bush] administration wants to pay only for drugs made by the big US- based pharmaceutical companies”. According to this newspaper, the Bush administration has begun casting doubt on the quality of cheap generic drugs that are made in countries like India and China, the fact that they have been approved by the World Health Organisation (WHO) notwithstanding.

Perhaps, one of the areas in which Africa has suffered most in the recent history is trade. Many countries in Africa are still predominantly exporters of primary products (Ajulu, 2001:30). While they generate about 30 per cent more exports today than in the 1980s, African exports have lost value by more than 40 per cent due to declining terms of trade (Bond, 2001; see also Khor, 2003:55). The worst part of it is that the important productive forces and technological know-how needed to diversify the export base are lacking in Africa. While there is an increase in demand for many manufacturing and service sector production processes, Africa is unable to use such opportunities to its favour. This, in all possibilities, leaves the continent at the margins of the global economy. From an Africanist perspective, for the continent's plight to improve and consequently for the global economy to serve all humankind, the new partnership between Africa and the North must seek to problematise the very prevailing global order because it is the main cause of the deep fissures between exclusion and inclusion in the global economy.

By contrast, the adherents of the post-modernist interpretation do not perceive the renewal of Africa resulting merely from the transformation of the international order. As unfair as it may be, there is a way in which the rules of the current order can work to Africa's advantage. As South Africa's Minister of Trade and Industry, Alec Erwin once remarked, "WTO rules are sophisticated and workable. The alternative is chaos" (*Financial Mail*, 9 November 2001). Justifying his and his government's preferred WTO path towards addressing the fundamental question of development in Africa, he said "If you want to persuade someone of something, do it in their own language" (*Financial Mail*, 9 November 2001), suggesting in a sense that the neo-liberal strategy can work for Africa.

The many 'Erwins' of Africa hold that liberalisation has increased opportunities to create and expand wealth, acquire knowledge and skills, and improve access to goods and services, and generally to improve the quality of life of the people. But, as it has been demonstrated, this argument promotes a doctrinaire delusion

of the effectiveness of the market without any historical evidence behind it. Africa's experience with liberalisation since the 1980s has undermined the very ability of the continent to achieve its developmental goals. But the Northern governments and international financial institutions have ignored that fact altogether. For them, underdevelopment in Africa can be accounted for in terms of what they call bad governance. Owing to this narrative and discourse, NEPAD tends to blame African leaders for impeding "the effective mobilisation and utilisation of scarce resources into the productive areas of activity in order to attract and facilitate domestic and foreign investment" (NEPAD, 2001: para 34). Hence, it makes a case for good governance. I have argued, however, that what is termed 'good governance' not only has become a condition for receiving financial aid from the North, but has increasingly produced the seeds of its own destruction in that it promotes clusters of authoritarianism with various structures of government, as central bankers, corporate agents and finance ministers often make irrational economic decisions without being politically accountable to the electorate. This is the reason why I hold that the good governance that is tiresomely emphasised in the NEPAD project is emblematic of the post-modernist orthodoxy that permeates the contemporary global political discourse. As such, it is not clear how it promotes democracy, which is the genuine need of the African people.

I have further argued that the main problem with liberalisation is that it is an uneven process. While Africa is liberalising, the developed world continues to adhere to protectionist measures. The US Farm Act, the US Super 301, which is used to discipline those countries the US considers to be practising unfair trade, and the EU's CAP are examples of protectionism in the North. From these realities, Tandon (2000:62) argues that liberalisation is driven by the interests of the developed, industrialised states. Therefore, liberalisation must be seen as another form in which the developed world maintains neo-colonial relations with developing countries, and it must be emphasised that the main focus of this form of colonialism is Africa (*Daily Monitor*, 6 February 2001; SACP, 2002b).

However, some segments of the African population have, as Blade Ndzimande (2002b) argues, “a tendency to hanker after the phase of “benign [liberalisation]” and see the new realities as “anomalies”, rather than systemic features of imperialism”. As it has been argued, what accounts for some Africans’ adamant loyalty to liberalisation are the benefits that they accrue from policies like privatisation. Privatisation in Africa is creating a corps of African petite capitalists who form an important segment of a transnational elite. Such capitalists not only pursue liberalisation, but are also engaged in politically conscious efforts to nudge the masses into supporting the global status quo, which serves their (capitalist) interests well as a class. They do so through what Ralph Milliband calls ‘legitimation’. The essence of legitimation is such that the capitalist class persistently seeks to:

Persuade society not only to accept the policies it advocates but also the ethos, the values and the goals which are its own, the economic system of which it is the central part, the ‘way of life’ which is the core of its being (Milliband Cited in Haralambos and Holborn, 1995:527).

In the case of Africa, legitimation takes many forms. It includes the use of force. There are well-documented cases of this sort of legitimation. For example, Ken Saro-Wiwa, an Ogoni activist in Nigeria, was executed in 1995 for mobilising indigenous people to militate against exploitation by Shell-BP – a multinational company that had established economic relations with the regime of General Sani Abacha. Recently, in July 2003 demonstrations against the visit of US President George Bush to Africa by those who are opposed to neo-liberalism were suppressed in Nigeria, Senegal and South Africa.

Legitimation may also take a very sophisticated form through the manipulation of people’s consciousness by those who are in power, so that they adopt what Blade Ndzimande (*Mail & Guardian*, 19-25 July 2002) refers to as the “Lotto mentality and dog-eat-dog competitiveness”. In this instance, one often finds publicity in the media for those who have made themselves multi-millionaires

through policies of privatisation and other measures created by neo-liberal capitalism. The belief that is promoted is that amassing vast sums of money, joining the ranks of the well-known capitalist clubs, listing in the London Stock Exchange and exposing your assets to equity markets is the way to create wealth from which all individuals in society can ultimately benefit. This basic proposition of Adam Smith's economic policy, that when economic phenomena proceed naturally they bring maximum benefit to the individual and consequently to his society, is entirely false (Rubin, 1979:172). Even though that economic theory has been proven wrong by empirical evidence, African leaders like South Africa's Minister of Minerals and Energy, Phumzile Mlambo-Ngcuka, persistently exhort their countrymen to get 'filthy rich'. Last year Mlambo-Ngcuka declared, "We need to create a black middle class. After all, wealth is a yardstick for capitalism, and we, as the ANC, don't apologise for that" (*Financial Mail*, 22 November 2002).

When labour movements and masses challenge this arrogance of the African ruling elite they are labelled as 'Ultra-Left', 'counter-revolutionary', and 'anti-transformation'. President Thabo Mbeki himself is found among the ranks of the labellers. In 2002, he spoke his mind about what he considered as the 'Ultra-Left'. I am here quoting him *in extensio*.

... I think if you look at the position of the ultra-left globally, not just in South Africa, it is a group of people, they define themselves variously – as anarchists, anarchosyndicalists, socialists, fourth international. And they have a common platform, which is let us unite to defeat globalisation and let us unite to defeat neo-liberalism – which is a manifestation of that globalisation process. This refers to issues like privatisation of state assets and how you handle public finances. And so what you then get here is an interpretation of ANC and government policies. When we say restructuring of state assets, that is read as privatisation, that is read as implementation of this neo-liberal agenda, that is read as accommodation of globalisation. The demand then becomes to change government policies to be consistent with anti-neo-liberal position. It is not based on any fact; it is based on an ideological conviction (*Sunday Times*, 13 October 2002).

The president continued: "You find them [ultra Left elements] in some of the leadership of COSATU making these sorts of noises. I'm sure there would be some in the ANC too" (*Sunday Times*, 13 October 2002).

In essence, such reaction is reflective of the extent to which the values and priorities upheld by certain international capitalist forces coincide with those of African elites. Thus, the African ruling elite has become an instrumental vehicle to promote the interests of capital on the continent. The interests it now defends are capitalist class interests. Hence the idea of Africa's new partnership with the North is significantly reduced to yet another way of promoting neo-liberal capitalism on the continent.

I argued that integral to the idea of a new partnership must be a change in the conscious and moral character of the African ruling elite in favour of the deepest aspirations of the African people to which it belongs. By extension, this is a call to them to resist the temptation to become bourgeois and to use the state as a means of repression and promotion of the interests of global capital. This means that it is important that in their deliberations in respect of the NEPAD processes they bear in mind the objectives of national liberation, which include freeing Africa and its peoples from the shackles of neo-colonialism and improving the standard of living of the citizens of the continent. In this manner, a true renewal of Africa can have meaning for all the peoples of the continent. Central to this renewal, of course, is a transformed global order. The current order, as it has been repeatedly said, is not normal; it continues to widen the gap between the rich and the poor between and within nations, and therefore poses a threat to the future of the world economy. It is only through the reversal of this abnormality that not only Africans, but the entire humankind, can benefit. Issues that need particular attention are aid, debt, and access for African exports to markets of the developed world. Of course, the extent to which Africa will be able to persuade the North toward these goals will be determined, by and large, by how much the

Africanist and neo-liberal facets both of which drive the current renaissance discourse, accommodate each other.

ANNEXURES

ANNEXURE A

In North Africa, the Arab Maghreb Union (AMU), which includes Algeria, Morocco and Tunisia, was formed in 1989. Among its immediate objectives, the AMU wanted to create a FTA by 1992, a customs union by 1995 and a common market by 2000 (Mistry, 2000:561). But to date, very few trade relations among the members of AMU are in existence, rather they tend to be bilateral. Moreover, "AMU countries individually trade more with the EU than with each other" (Mistry, 2000:562). As will be seen shortly, this is the case with SADC too.

In East Africa, the former East African Community (EAC) was disbanded in the 1970s. But, it was succeeded, in 1981, by a Preferential Trade Agreement (PTA) that came into operation in 1984 to include East and Southern Africa. A new treaty establishing the Common Market for East and Southern Africa (COMESA), replacing the PTA, was signed in 1993 (see Mistry, 2000; McCarthy, 1996). Even though the PTA managed to score some successes in its early initiatives, "it was less successful in achieving trade liberalisation, in enhancing and diversifying intra-regional trade, or in creating an effective mechanism for facilitating longer-term development and trade finance" (Mistry, 2000:562).

There was also a failure to ratify successive rounds of talks on the reduction of tariff and non-tariff barriers. This was the case even under the new COMESA. COMESA was severely affected by the political disintegration of some of its members - Rwanda, Somalia, Burundi, Sudan and Zaire (DRC) (Mistry, 2000:562). These developments prompted the former EAC to revive itself instead. Thus, the Cross-Border Initiative (CBI) was launched and sponsored by the African Development Bank, the IMF and the World Bank. Its objectives were to promote cross-border trade in goods and services, greater cross-border co-operation in joint investments and market integration. But as Mistry (2000:563) argues, very few successes have been scored in this regard.

In Southern Africa, three regional arrangements have co-existed, with partially overlapping memberships: SACU coupled with the Multilateral Monetary Area (MMA), the Southern African Development Community (SADC) and the Indian Ocean Rim initiative. SACU embraces South Africa, Lesotho, Namibia, Swaziland and Botswana. The biggest arrangement, the Southern African Development Co-ordination Conference (SADCC) was formed in April 1980 with the purpose of reducing the dependence of the region on apartheid South Africa, and promoting and co-ordinating regional cooperation in development projects (McCarthy, 1996:218; Leistner, 1985:75).

With the collapse of apartheid in South Africa, the relevance of SADCC was put in question. In August 1992, the Treaty of Windhoek transformed the SADCC into the SADC as a basis for regional cooperation, with more emphasis on infrastructural development (South African government website: www.gov.za/yearbook/20001/foreign.html). In May 1994 South Africa, with its largest and most sophisticated economy in the region, joined the SADC. This provided a glimpse of what the SADC could achieve in terms of development. However, as Mistry (2000:563) argues, among many challenges that this organisation has had to face, is the conflict between South Africa's short-term domestic priorities – such as reducing fiscal deficit, boosting domestic investment and employment – and its long-term economic objectives, which can be met through getting actively involved in the region with sustainable high-growth prospects. This imbalance of interests manifests itself in a number of ways.

South Africa's membership in SADC in 1994 raised hopes for an increase in the percentage of goods traded. Prior to this, the total trade within SADCC countries was only between 4 and 7 percent (Ostergaard cited in Thomas, 2000:79). But now trade is in one direction: trade from the region is very minimal as compared to the flow of goods from South Africa to the region. At present, South Africa trades with the SADC member states at a ratio of 7:1, meaning that of all South Africa's total exports figures 12 percent goes to the region while this country's

imports from the region account for only 2 percent (Lee, 2001:266). Therefore, economic disparities between South Africa and other SADC member states continue to widen and pose a problem for the regional agenda.

Moreover, South Africa has entered into a number of agreements with the European Union, the United States and China. The potential impact of the SA-EU Binational Commission to the neighbouring SADC states cannot be ignored. For instance, it is not clear how these agreements will ensure that industrial, agricultural and services exports from SADC receive equal or better access to the South African market than those of the EU (Thomas, 1999:15). This uncertainty is likely to thwart regional integration as envisaged by NEPAD.

In West Africa, the Economic Community of West African States – ECOWAS (embracing the former French and British territories – Cape Verde, Benin, Gambia, Ghana, Guinea, Guinea Bissau, Ivory Coast, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo, Burkina Faso) was formed in 1975 to speed up decolonisation by reducing the level of dependence on former colonial powers, and thus reduce inequalities between member states (Ezenwe cited in Bell, 1986:110) and to promote a free flow of trade and a common market by 1990 (McCarthy, 1996:214).

However, owing to the small size of states in ECOWAS – a common feature of African states – very little could be achieved in promoting a common external tariff (McCarthy, 1996: 214). This prompted the formation of the West African Economic and Monetary Union (UEMOA –French acronym) and the Economic and Monetary Union of Central Africa (CEMAC –French acronym), both within the ambit of the ECOWAS in the 1990s.

ANNEXURE B

The AEC coordinates the activities of existing and future regional economic communities or arrangements (RECs) in Africa. These RECs are considered to be the building blocks of the AEC. The currently existing RECs are the AMU, Economic Community of Central African States (ECCAS), COMESA, SADC and ECOWAS. The AEC is being implemented in six stages over a period of 34 years, that is until 2028, in the following manner:

- Stage one: consolidating the existing RECs and creating new ones where necessary (five years);
- Stage two: stabilization of tariff and other barriers to trade and the strengthening of sectoral integration, especially in trade, agriculture, finance, transport and communications, industry and energy, and coordinating and harmonizing the activities of the RECs (eight years);
- Stage three: the establishment of a FTA and Customs Union at the level of each REC (ten years);
- Stage four: coordination and harmonization of tariff and non-tariff systems among RECs, with the further intention of establishing a Continental Customs Union (two years);
- Stage five: the establishment of an African Common Market and the adoption of common policies (four years);
- Stage six: the integration of all sectors, the establishment of an African Central Bank and a single currency continent-wide, the establishment of an African Economic and Monetary Union, and the creation of a first elected Pan-African Parliament (five years) (www.gov.za/yearbook/2001/foreign.html)

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