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African Development: The Historical Context of NEPAD

by

Kate Gould
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Faculty of Humanities

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Supervisor: Professor Robert Schrire

This work has not been previously submitted in whole, or in part, for the award of any degree. It is my own work. Each significant contribution to, and quotation in, this dissertation from the work, or works, of other people has been attributed, and has been cited and referenced.

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Abstract

The New Partnership for Africa's Development (NEPAD) is a new development initiative with a stated aim to "eradicate poverty in Africa and place African countries both individually and collectively on a path of sustainable growth and development to thus halt the marginalisation of Africa in the globalisation process".¹

This study will critically explore the historical context of NEPAD. It will take the form of an investigation into the history of Africa's economic trends since Independence² and the collective actions to address the development problems. In particular, the United Nations (UN) and World Bank plans and initiatives will be compared to Africa's own collective response.

NEPAD is preceded by a series of donor-led and African-initiated development efforts. Essentially, the previous developments have been unsuccessful in as much as they have failed to lift Africa out of its development crisis. There are a plethora of explanations that account for this situation. A central objective of this paper is to trace these past initiatives, to draw out the key characteristics of their development agendas and to analyse the core reasons for their failure. Further, this paper seeks to highlight the points of difference between the initiatives and especially between NEPAD and its predecessors. It aims to assess the extent to which NEPAD responds to past failures and calls for change in the focus of development initiatives.

¹ NEPAD update, 02 May 2002, p.2, www.dfa.gov.za

² 'Independence' is used to in this context to describe the period in African history that followed from the decolonisation of its land and peoples.

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Acronyms

AAF-SAP	African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation
AEC	African Economic Community
APPER	African Priority Programme for Economic Recovery
APRM	African Peer Review Mechanism
AU	African Union
CSSDCA	Conference for Stability, Security, Development and Co-operation in Africa
DMS	Development Merchant System
ECA	United Nations Economic Commission for Africa
ECGI	(NEPAD's) Economic and Corporate Governance Initiative
FDI	Foreign Direct Investment
G77	Group of 77 Developing Countries
G8	Group of 8 Developed Countries
GDP	Gross Domestic Product
GNP	Gross National Product
HIPC	Highly Indebted Poor Country
HSIC	Heads of State Implementation Committee
IFI	International Financial Institution
IMF	International Monetary Fund
LPA	Lagos Plan of Action
MAP	Millennium Partnership for African Recovery Programme
NAI	New African Initiative
NEPAD	New Partnership for Africa's Development
NGO	Non-Governmental Organisation
NIEO	New International Economic Order
OAU	Organisation of African Unity
ODA	Overseas Development Assistance
OECD	Organisation for Economic Co-operation and Development
OPEC	Organisation of Petroleum Exporting Countries
PSDGI	(NEPAD's) Peace, Security, Democracy and Political Governance Initiative
SAP	Structural Adjustment Programme
TICAD	Tokyo International Conference on African Development
UN	United Nations
UNCED	United Nations Conference on Environment and Development
UNCTAD	United Nations Conference on Trade and Development
UN-NADAF	United Nations New Agenda for the Development of Africa in the 1990s
UN-PAAERD	United Nations Programme of Action for African Economic Recovery and Development
US	United States of America
WTO	World Trade Organisation

Introduction

This study seeks to explore the historical context of NEPAD. It will set out the history of Africa's economic trends and development needs since Independence. It will analyse the extent to which foreign-crafted and African-led development initiatives have reversed the economic decay in the continent and responded to these development needs. A comparison will be made between UN and World Bank plans and Africa's own collective response. This will lead to a discussion of the extent to which NEPAD differs from previous efforts. In turn, this will raise a debate in the conclusion of this paper regarding the relevance of NEPAD in light of Africa's development dynamics.

The purpose of this introduction is twofold. Firstly, the main concepts used in this study will be introduced and defined; secondly, the analytical framework will be outlined. The introduction is thus organised in several brief sections: section (a) will discuss the significance of development efforts in Africa. The term 'development' will be defined within a discussion highlighting the divergence in its conceptions, and the implications this has; section (b) will outline the design of this study; and, finally, section (c) will give an overview of the organisation of this study.

(a) The Significance of Development Strategies in Africa

Despite its wealth in resources, Africa remains the poorest continent in the world, with almost half of all Africans living on less than US\$1 / day. While it only accounts for 10% of the world's population, the continent holds over 30% of the world's poor. According to the UN's classification of development, 80% of the world's least developed countries are found in Africa.³ Poverty is rising in terms of numbers of individuals who fall into this bracket and in terms of Africa's share in the world's absolute poor, which in the 1990's increased from 25% to 30%.⁴ The quality of life in Africa is low relative to the rest of the world. Life expectancy is about 54 years. The infant mortality rate stands at about 140 deaths per 1000 births, one third of African children are malnourished and almost half the population does not have access to safe water. In

³ Matthews, S., and Solomon, H., 'Prospects for African Development in Light of The New Partnership for Africa's Development (NEPAD)', Monograph Series, Briefing Paper, No. 3/2002. www.ai.org.za

⁴ Pahad, A., 'The New Partnership for Africa's Development', in Gibb, R., Hughes, T., Mills, G., and Vaahtoranta, T., (eds.), Charting a New Course: Globalisation, African Recovery and the New Africa Initiative, The South African Institute of International Affairs, Johannesburg, South Africa, 2002, p.3

addition, Africa accounts for 70% of the total number of HIV infected persons.⁵ This development crisis in Africa has an array of causes - from the history of destructive foreign interventions to the complexity of the continent's own socio-economic terrain. The different conceptions of the causes of Africa's underdevelopment are closely linked to the different conceptions of which development strategies are best suited to Africa.

Since World War Two development has been largely conceived of by governments and multilateral institutions as synonymous with economic growth. Africa's underdevelopment was conceived of largely as an economic problem. Economics was seen as the cause and thus the remedy was held up to be economic growth, with trends in income per capita taken as the primary indicator of the rate of progress. Poverty was seen as the inability of people to meet their basic material needs, through lack of money and buying power. By categorising countries within low, lower middle-, middle- or upper- income brackets, it may be argued that the World Bank reports demonstrate this emphasis on development as a material condition. This reading has raised a series of questions regarding the nature, causes and objectives of development as well as the theoretical adequacy, empirical validity and the value of the World Bank's assumptions and models.

Essentially, such orthodox theories of development and economic growth proved inadequate for Africa. For example, development conceptions that saw Africa's export sector as the engine of growth and which therefore prescribed that Africa should increase exports, proved fundamentally flawed. Such a strategy floundered in the face of adverse terms of trade and the instability of export trade. More particularly, it was marred by: the relatively low elasticity of demand for agricultural export products; the fact that for many export products, such as beverages; the volume of consumption is habit-determined; the shift in importers' consumption patterns in favour of consumer durables; the emergence of synthetic substitutes for primary commodity exports; and falling export prices. Even if Africa did improve its production for export, the success of the strategy would still be limited by external factors. Furthermore, the emphasis that orthodox development theories place on import-substitution industrialisation as a means to reduce the dependence of Africa on the international economy has, in many ways, had the reverse effect. Rather than achieving this goal, import intensive activity increasingly entrenched dependence, especially given the need for immediate capital goods from abroad to sustain

⁵ Matthews, S., and Solomon, H., 'Prospects for African Development in Light of The New Partnership for Africa's Development NEPAD)', Monograph Series, Briefing Paper No. 3/2002, www.ai.org.za

production. This had the effect of making the African economy vulnerable to a decline in the availability of foreign exchange.⁶ Additionally, economic growth under such a strategy was constrained by the small size of the domestic markets.

Through the 1970's, the orthodox theories of development and economic growth came to be criticised on logical, moral, political and historical grounds. In particular, radical economists such as Andre Gunder Frank⁷ and Michael Todaro⁸ asserted the need for social justice and human satisfaction to be included as essential components within any conception of development. Such thinking was instrumental in the rise of an intellectual revolt against the "trickle down" theories of development, which held that growth alone was the answer. Drawing on historical evidence, it was argued that even if increased output of goods and services was achieved, it failed to trickle down to the poorest in populations. Analyses of the distribution of gains on a global and domestic scale showed increasing economic differentiation between and within countries. While the focus on economic development in development policy was founded on the belief that a trickle down process would bring benefits to the majority, it became increasingly clear that this mechanism failed to work. This change in mindset away from the orthodox model is reflected by the writings of the former World Bank President, Robert McNamara who, in a 1973 publication of the journal 'Foreign Policy' claimed "that we need development policies which benefit all strata of the population and not just a favoured minority."⁹

Conceptions of the causes of Africa's underdevelopment dilemma increasingly began to shift with the mounting critique of orthodox development theories. In Africa especially, underdevelopment increasingly came to be seen not as a consequence of economics alone but more as a consequence of the continent's dependence on external actors and resources. Thus, in Africa, this period of rethinking about 'development' was marked by efforts pushing for national and collective self-reliance and self-sustaining development as part of a move towards a more holistic rendition of the term.¹⁰ Seeing Gross Domestic Product (GDP) as one of the most

⁶ Krueger, A.O., 'Import Substitution Versus Export Promotion' in *Finance and Development*, 2, 1985, p.21

⁷ Frank, G.A., 'The Development of Underdevelopment', in Crockroft, J.D., Frank, G.A., Johnson, D.L., *Dependence and Underdevelopment: Latin America's Political Economy*, New York, 1972, pp.8-9

⁸ Todaro, M.P., *Economics for a Developing World: An introduction to Principles, Problems and Policies for Development*, 1977, London, p.98

⁹ Grant, J.P., 'Development: The End of Trickle-Down?' in *Foreign Policy*, 12, Fall 1973, p.43

¹⁰ Comparison can be drawn here to the thinking of earlier development economists such as Myrdal
Myrdal, H., *Asia Drama: An Inquiry into the Poverty of Nations*, London, Allen Lane, New York, Patheon, 1968

pervasive of “development illusions”¹¹, the then Executive Secretary of the Economic Commission for Africa, Adebayo Adedeji, described Africa’s needs as not simply growth but “complete restructuring and transformation of its political economies from dependent to self-reliant ones.”¹² This would, for example, involve: the internalisation of the forces of demand that determine the direction of development and economic growth processes and patterns of output; increasing the substitution of inputs derived from within the system for those derived from outside; and increasing the participation of the mass of the people in the production and consumption. Self-reliance and self-sustainability imply the capacity and capability to make indigenous resources the stimuli for development and economic growth and for creating self-renewing economies and societies. Thus, instead of criteria for development being externally defined they would be determined by internal needs.

Importantly, this period of rethinking about ‘development’, in which orthodox theories were debunked both because of their unproblematic conception of the cause(s) of underdevelopment and because of the negative effects of their practical application, was inextricably linked with the promotion of the concept of a collective framework within which Africa could formulate and implement policies and strategies for its own development. On this point, Adedeji declares that:

“...African countries cannot continue to pursue economic policies and strategies as if all they want to be is a poor imitation of America, France, England, USSR or China...the time has come for us to think seriously about evolving a genuinely authentic strategy for development - a strategy for development that is not externally orientated, that is not based on copying other societies hook, line and sinker, and that does not lead to acculturative modernization.”¹³

Responding to the inadequacies of the orthodox approaches to development, the United Nations Development Programme (UNDP) developed the Human Development Index in 1990 to measure the development achievements of individual countries in terms of life expectancy, education, and average purchasing power. This results in a different evaluation of different countries’ performance to those attained through more orthodox methods of measurement. Additional to UN-led alternatives, the last two decades of the twentieth century witnessed a proliferation of

¹¹ Adedji, A.. Presidential Address to the 1972 Annual Conference of the Nigerian Economic Society, mimeograph

¹² Adedji, A.. Statement to the Economic and Social Council of the United Nations, Second Regular session, 12 July 1977, Geneva

debates about what constitutes development from civil society groups such as Non-Governmental Organisations (NGOs), grass root development organisations, private foundations and individuals.

Concurrent with the escalation of such debates, calls to empower local communities along a more needs and rights based focus have also arisen. They have been realised to the extent that the mainstream development debate has shifted from a purely growth based conception to one that advocates 'sustainable development'. This shift began in the late 1980's with the publication of the Brundtland Report by the Brundtland Commission. This was further entrenched in development thinking by ensuing global summits such as the UNCED/Rio Summit in June 1992, the UN World Summit for Social Development in Copenhagen in March 1995, and the World Summit on Sustainable Development in Johannesburg 2002. 'Sustainable development' continues to push further growth within a global free market economy as the solution to development problems. However, it emphasises that development should not be pursued at the expense of future generations or the ecological/environmental resource base. This new emphasis is based on the belief that growth within the free market economy will free up resources that can be used to benefit the environment and social progress.

The World Bank has responded to these developments and criticisms of its policies in several ways. For example, in line with the rise of post-modernist theory, it has included a series of rights-based guidelines. The implication is that these inform policy. The International Monetary Fund (IMF) too, has taken steps in a similar direction as demonstrated by the development of its Heavily Indebted Poor Country (HIPC) Initiative and a Poverty Reduction and Growth Facility, which are designed to allow for the reduction in the debt burden of the poorest states. There is, therefore, some kind of move away from orthodox growth centred conceptions of development by the international financial institutions (IFIs). However, despite the infusion of post modernism and rights-orientated conceptions of development, which will be discussed in more detail later, it is argued here that the growth-centred model and the neo-liberal mindset continue to underpin development policies.

A central dilemma in the debate over how development should be conceived and pursued is that since Independence the main drivers of development policies have been the IFIs, particularly the

¹³ Adedji, A., 'Development and Economic Growth in Africa to the year 2000: Alternative Projections and Policies', in Shaw Timothy M., (ed.), *Alternative Future for Africa*, Boulder, Colorado, Westview Press, 1982, p.279

World Bank and the IMF. Significantly, these are based in Washington D.C and are staffed largely by economists who are products of the western system of education. Historically, these institutions are guided by the neo-liberal paradigm of development that places emphasis on economic growth, the market and profit-driven development. Although created in the climate of post World War Two Europe to assist in its reconstruction and development, these institutions have come to play a pivotal role in a different form of development to the one on which their establishment was premised, and one that is also further a field. Africa's development attempts are historically a product of or dependent upon support by these institutions. In light of this, a core objective of this paper is to assess how the IFIs have over time conceived of development, and how these and their development initiatives relate and compare to Africa's collective action plans.

(b) The Design of This Study

NEPAD is a recent development initiative. Given this, there are a number of pitfalls that this study seeks to avoid, such as making predictions regarding its success and future. Rather than offering a normative study on NEPAD, the aim here is to offer a literature-based review of its historical context using both primary and secondary sources. While there is a wealth of secondary source, journalistic material regarding NEPAD, given its infancy there is relatively little published academic reference material. This study seeks to critically evaluate the media sources and to locate them within a more grounded academic study that draws upon a variety of international relations and development theories. Comparative analysis will be employed to assess development initiatives and policies vis-a-vis each other. After tracing and analysing the development initiatives, this study subsequently explores the extent to which NEPAD is in line with the indigenous African development agenda that places emphasis on self-sustainability, and the extent to which it is in line with the Development Merchant System (DMS), which is largely represented by the World Bank along with the other major IFIs. This demands further analysis of what constitutes indigenous African development theory. Further, it calls for an investigation into the alleged shift in the development policies of the DMS away from an economic growth and neo-liberal focus in their development policy and towards a more rights and needs focused development agenda.

My hypothesis is that the World Bank and the DMS continue to be driven by neo-liberalism despite its claims to be undergoing a transformation of its ideological underpinnings as evidenced by, among other things, the proliferation of its Poverty Reduction Strategy Papers. Further, it is proposed that NEPAD is heavily influenced by the DMS agenda in an effort to secure donor support. This study seeks to explore these proposals.

(c) **The Organisation of This Study**

Following from the introduction, this study is divided into four main sections. The first sets down the basis for the rest of the study by assessing the theoretical tools with which to view development. The second section looks at the historical overview of Africa's economic shape since the end of the colonial era. The third section evaluates and compares the African development initiatives, taken up by the World Bank, the United Nations, and Africans themselves, to reverse the negative economic picture in Africa. The first three sections offer a detailed picture of the historical context of NEPAD. Section Four makes a study of NEPAD in light of what has gone before. Each section may include an introduction, summaries and a conclusion. A more detailed outline of the organisation of this study can be found in the 'Table of Contents'.

SECTION 1

THEORETICAL TOOLS FOR THE ANALYSIS OF DEVELOPMENT

University of Cape Town

“Development can be conceived only within an ideological framework”¹⁴

Ideological frameworks are important to development efforts and studies as they provide a lens through which patterns can be drawn out and reported upon. The quote above highlights that all conceptions of development are made through some form of lens. It is important to bear in mind that no theory can seek or succeed in offering a complete picture. This refers to the fact that no theory can have exclusive claims on the truth. Additionally, it is valuable to acknowledge that theories can and do empower some actors and policy agendas and, on the other hand, dismiss others.

The dominant international relations theories of neo-realism and neo-liberalism fail to address many of the issues relevant to this field of study. However, in offering insights into the behaviour of states, they are valuable tools for understanding and explaining ‘power politics’ within the international political and economic system - the forum within which development debates exist. Both neo-realism and neo-liberalism are conceptual frameworks that shape individuals’ images of the world and influence research priorities and policy debates and choices. They represent status-quo perspectives. They are what Robert Cox¹⁵ describes as problem solving theories, in that they address both issues and problems that could disrupt the status quo, such as issues of security, conflict and co-operation. Neither advances prescriptions for major reform or radical transformation of the international system. They are system maintainer theories, in that their proponents, both sharing many assumptions about actors, values, issues and power arrangements in the international system, are by and large satisfied with this international system.

The debate between the two most influential, long-standing and well-developed international relations theories - neo-realism and neo-liberalism - omits many issues and narrows the space for debate. Assumptions about international relations that are useful to development debates are overlooked. Both concur on the questions they address but diverge over their responses. Significantly, both consider questions about how to keep the system operating. Neo-realists respond through the study of security issues and are concerned with issues of power and survival, while neo-liberals respond through the study of political economy and focus on co-operation and

¹⁴ Roberts, G.. Questioning Development, London, Returned Volunteer Action. 1984, p.7

institutions. Given that both are concerned with continuity not change, their field of debate fails to address questions about the dominant belief system, or the distribution of power and how these may be connected to development discourse and policy. Further, both theories neglect the fact that with the rise of globalisation, political activities may be shifting away from the state.

Other theories exist to help conceptualise a framework through which African development can be analysed. Despite the collapse of Communist party rule in the former Soviet Union, Marx's work retains relevance, especially his analysis of capitalism. Marxist theories aim to expose the deeper and underlying truth - the hidden workings of capitalism - thereby providing the structural context in which events develop. The context of African development policy from a Marxist viewpoint is therefore constituted by the structures of global capitalism and the processes that operate within them. Marxist theories look at the world through a different conceptual lens to the two theories so far discussed. In particular, class analysis is central. Unlike liberals who believe that an essential harmony of interests exists between various social groups, in keeping with Marx and Engels' assessment that 'the history of all hitherto existing societies is the history of class struggle'¹⁶, Marxist thought is premised on the belief that society is systematically prone to class conflict. In a capitalist society, the class divide is split between the bourgeoisie/capitalists on the one side and the proletariat/workers on the other. Lenin's theory of imperialism extended Marx's work of the simple divergence of interests between the proletariat and bourgeoisie with the inclusion of a two-tier structure within the world economy with a dominant core exploiting a less developed periphery. This resulted from the development of a perceived new stage of capitalism, monopoly capitalism, which denied the existence of an automatic harmony of interests between all workers. In this reading, the bourgeoisie in the core countries use profits gained through the exploitation of the periphery to benefit their domestic proletariat. It follows that the Marxist view is especially relevant when considering an alternate rendition of Africa's development crisis. In short, it creates the space for a debate regarding the cause of this phenomenon.

Drawing on Lenin's work and particularly the notion of core and periphery, the Latin American Dependency School proposed that countries in the periphery were suffering as a result of what Raul Prebisch called the 'declining terms of trade'¹⁷. He argued that the price of manufactured goods increased more rapidly than that of raw materials. The implication of this is that given

¹⁵ Cox, R., 'Social Forces, States and World Orders: Beyond International Relations Theory', in Cox, R., and Sinclair, J., *Approaches to World Order*, CUP, 1996

¹⁶ Marx, K., and Engels, F., *Communist Manifesto*, OUP, 1998

¹⁷ Prebisch, R., *Towards a New Trade Policy for Development*, New York, United Nations, 1964

their reliance on primary goods, the countries of the periphery are becoming increasingly poorer relative to core countries over time. From this framework emerged the contemporary world system theory. This School and especially the work of its main champion, Immanuel Wallerstein¹⁸, has been an influential tool for vociferating an alternative reading of the current world system - a world-economy or capitalist system, in which the periphery is exploited by the core through the transfer of resources from the former to the latter.

The focus of Marxist analysis has shifted towards a more super-structural one - through the work of the Italian Marxist, Antonio Gramsci. He explored the processes by which consent for a particular social and political system was produced and reproduced through the operation of hegemony, which allows, through the institutions of civil society, the ideas and ideologies of the ruling stratum to become widely dispersed and accepted within society. Robert Cox has transferred several of Gramsci's key concepts, such as hegemony, into a global context in an effort to internationalise his work¹⁹. In contrast to the status quo problem-solving theories mentioned above, which accept the parameters of the present order, thereby giving it legitimacy, Cox offers critical theory, which, in line with Marx's emancipation goals, attempts to challenge the prevailing order by seeking out, analysing and, where possible, assisting social processes that can potentially lead to social change. One way in which theory can contribute towards such normative goals is by developing an understanding of the world order that illustrates whose interests are served, thereby raising the issue of legitimacy and how social structures can be transcended or overcome. In this way, Cox's theory challenges the problem solving theories as it highlights their hidden normative constitution. In the words of Cox, "Theory is always for someone and for some purpose"²⁰. Such Marxist analysis reveals problem-solving theories as serving the interests of those in favour of maintaining the status quo²¹. Cox's analysis of hegemonic structures in the present world order is particularly relevant to this study. It offers a perspective for understanding the acceptance of certain policies in development efforts, such as the neo-liberal policies that are pushed by the United States (US). Marxists call for a deeper analysis of why such policies are adopted. They argue that such a move is strongly in the interests of the developed world and is largely a result of coercion. Gramsci and Cox's work

¹⁸ Wallerstein, I., 'The Inter-State Structure of the Modern World-System', in Smith, S., Booth, K., and Zalewski, M., (eds.), *International Theory: Positivism and Beyond*, CUP, 1996

¹⁹ Cox, R., 'A Perspective on Globalization', in Mittelman, J.H., (ed), *Globalization: Critical Reflections*, Boulder, Col.: Lynne Rienner, 1996

²⁰ Cox, R., 'A Perspective on Globalization', in Mittelman, J.H., (ed), *Globalization: Critical Reflections*, Boulder, Col.: Lynne Rienner, 1996, p.87

²¹ Cox, R., 'A Perspective on Globalization', in Mittelman, J.H., (ed), *Globalization: Critical Reflections*, Boulder, Col.: Lynne Rienner, 1996, p.88

combines this explanation with the notion of consent. Drawing on their work, it may be argued that neo-liberal policies may seem common sense or acceptable because of the hegemonic power of the US. The acceptance of neo-liberal policies, especially given their many detrimental effects on developing countries, which will be discussed in more detail later, is taken as an example of the hegemonic power of the US.

Rationalist theories are explanatory/foundationalist in that they see the world as external to theories of it. For them, theories are more a means of reporting on the world, drawing out patterns to simplify the explanation. This contrasts with the perspective that theories have the power to be self-confirming and are important in the construction of the world. There is a divergence of beliefs regarding whether truth claims can have an objective or meta-theoretical foundation. Foundationalists, who tend to ally with rationalist theories, would answer affirmatively, taking a more positivist stance. Anti-foundationalists would argue otherwise, denying the existence of neutral facts from which theories are drawn. The adoption by policy makers of non-positivist or reflectivist theories with constitutive and non-foundationalist assumptions, as demonstrated by, for example, the inclusion of post modernist concepts into the World Bank development discourse, serves to sway attention away from issues that in many ways need to be addressed. Indeed, post-modernism may be said to pose a threat to development if it denies space for debates regarding the relationship between certain theories and the reality of development dynamics in Africa.

Further arguments exist which posit that rationalism and reflectivism can be theoretically combined, as held by Social Constructivists such as Alexander Wendt (1992, 1999)²². However, this claim can be countered by seeing social theory as necessarily theorised on two platforms: one that offers an inside (reflectivist) account, focusing on the meaning actors attach to their actions, and another that offers an outside (rationalist) account, which sees the beliefs of actors as the product of material interests. The barrier held to separate the two is that both have mutually exclusive assumptions.

²² Wendt, A., 'Anarchy is What States Make of It: The Social Construction of Power Politics', International Organisation, 46, 2, 1992, pp.391-425 or Wendt, A., Social Theory of International Politics, Cambridge, CUP, 1999

Section Conclusion

A variety of conceptual tools exist through which development may be analysed. Neo-realism and neo-liberalism tend not to fit comfortably into analyses of development as they fail in many ways to open their agenda to core development issues, such as the relevance of distribution of power and non state actor functions. Marxist theory offers greater space for debates regarding the cause of Africa's underdevelopment. Lenin develops Marx's analysis of the structures of global capitalism and the processes within them by his inclusion of a two-tier structure in the world economy - a dominant core and an exploited, less developed periphery. The Latin American Dependency School's World System Theory develops this in more depth. Gramsci offers a more super structural lens through which Africa's underdevelopment may be seen as a result of hegemony and its creation of consent. In this way Gramsci and Cox's critical theory aims to challenge the prevailing order by exposing whose interests are served and by what means. Theories may be taken to be either explanatory or constructivist. Proponents of the former tend to be foundationalist in that they see truth as having objective and grounded foundations. On the other hand, those who see theories as playing a part in the making of 'realities' tend to be anti-foundationalist in that they deny the existence of neutral facts from which theories may be drawn and claims to truth may be laid. These theories, which offer different conceptual lenses through which the information that follows may be looked at, will to some extent be worked into the following analysis.

SECTION 2

MAPPING AFRICA'S ECONOMIC TRENDS SINCE INDEPENDENCE

University of Cape Town

Section Introduction

This chapter will look at Africa's economic trends since Independence. Different indicators will be used including structural ones, social ones and economic growth rates. Africa's performance will also be compared to other developing countries and the developed world. Further, the causes of Africa's development dynamic will be explored.

a) The post-Independence history of Africa's economic trends

The orthodox method of measuring development according to economic growth, namely GDP per capita and industrialisation, shows that since 1945 there have, in some ways, been noteworthy gains for developing countries. For example, from the 1950's to the end of the 1980's economic growth in developing countries averaged 4.9 % per year, compared with 3.5 % per year in developed countries.²³ However, some regions within the developing countries bracket performed far better than others. While Asia and the Americas achieved substantial growth rates, Africa's development has been plagued by problems.

It is widely believed that, relative to other developing regions, Africa's post-Independence development has been a failure. In the words of the Overseas Development Institute (ODI) "Evidence shows that on most of the comparative indicators the region's record has indeed been poor."²⁴ Table A (below) summarises some of the evidence and compares the African record with other low-income countries.

²³ Adams, N.B., *Worlds Apart: The North-South Divide and the International System*, London, Zed, 1993, p.8

²⁴ Overseas Development Institute, 'Explaining Africa's Development Experiences', Development Institute, Briefing Paper, June 1992, p.1

Table A: Comparative Indicators of Economic Performance²⁵

	SSA	Low Income SSA	All Low Income Countries
1) Structural Indicators			
Gross domestic savings as % GDP			
1965	14	...	18
1989	13	...	26
Gross domestic investment as % GDP			
1965	14	...	19
1989	15	...	28
Primary products as % total exports			
1965	92	...	76
1989	89	...	48
Energy consumption per capital (kg of oil equivalent)			
1965	72	...	125
1989	73	...	330
2) Social Indicators (% change 1965-1989)			
Crude death rate	-30	-32	-39
Infant mortality rate	-30	-32	-37
Calorie per capita	-1	0	
Primary school enrolment	55	58	60
Secondary school enrolment	314	292	207
3) Economic growth, 1980 -89 (% p.a.)			
Income (GNP) per capita	-1.2	-1.1	0.7
Private consumption per capita	-2.2	-0.5	-0.5
Export volumes	-0.7	-1.8	0.8
Prices (inflation rate)	19.6	30.2	14.8

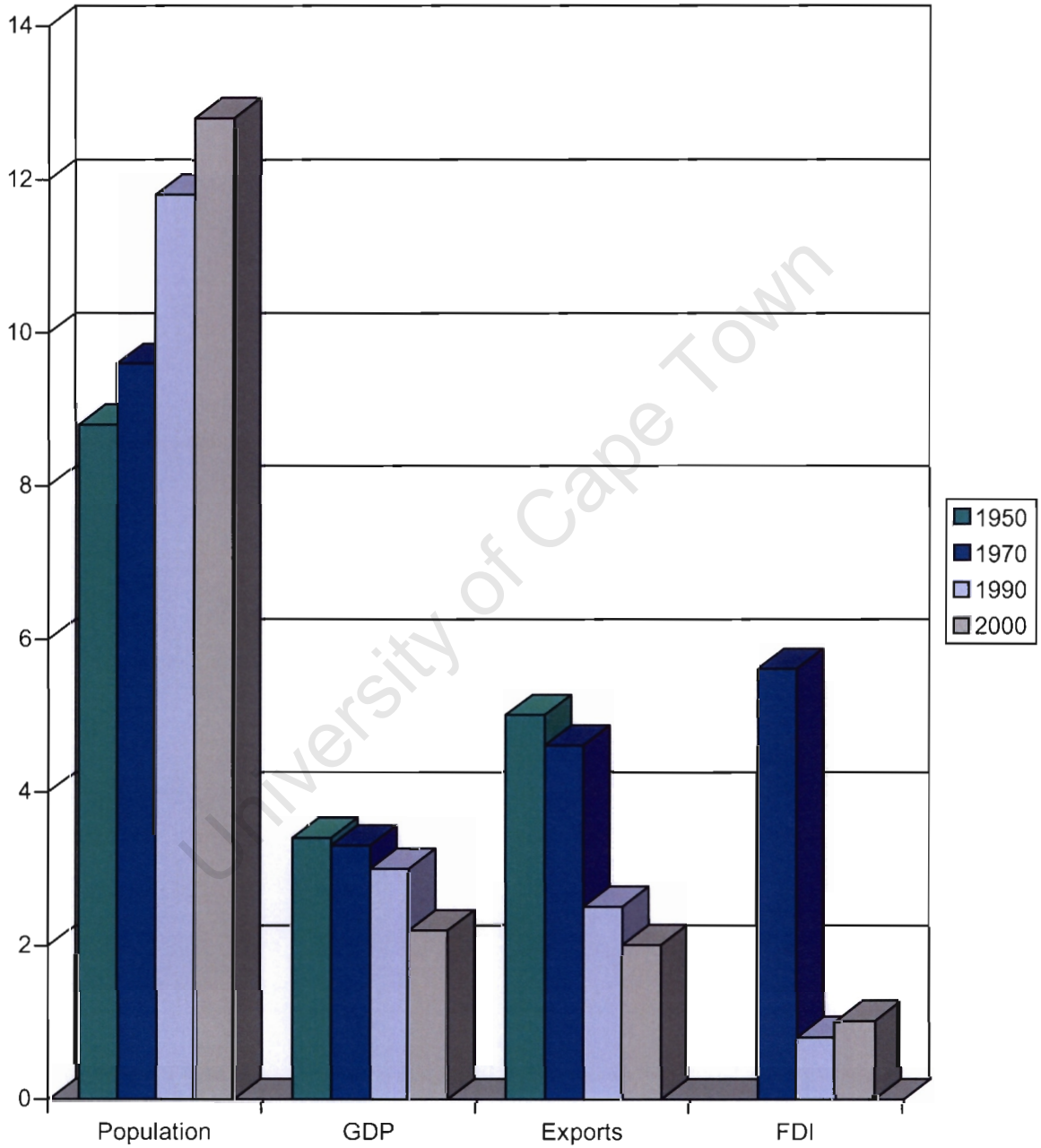
²⁵ World Bank, cited in: Overseas Development Institute, 'Explaining Africa's Development Experiences',

In the first three decades after Independence, sub-Saharan Africa's political economies experienced cyclical but essentially contracting rates of growth of per capita income, particularly in the 1980's, which saw a 1.2% drop per annum (see Table A, above). There have also been comparatively large and persistent balance of payments and inflation problems, very low levels of saving and investment and a declining productivity of investment. In terms of economic performance, Africa is shown to be in poor shape relative to other low-income countries. A comparison made on the basis of social indicators may be said to portray a slightly less negative picture for Africa. School enrolments have increased and mortality rates in sub-Saharan Africa have a lower negative percentage change than the average for all low income countries. However, as Table A demonstrates other low income countries have generally made more progress.

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Table B

Africa's Share in the World Economy



Source: African Economic Outlook, Organisation for Economic Co-operation and Development/ African Development Bank, 2002, p.14

Table B shows that in terms of GDP, exports and foreign direct investment (FDI), Africa's participation in the world economy has declined considerably over the past 50 years. This table shows that the decline of Africa's importance in the global economy is much more dramatic when assessed in terms of its relations with the rest of the world, than in terms of straight economic activity. Thus, while Africa's share of global GDP fell by a third between 1950 and 2000, its world exports fell by two thirds during the same period.²⁶ Such statistics call for an analysis of the historical causes of Africa's decline in the world economy. The following discussion is divided into two broad categories: external and internal factors.

(b) Explaining Africa's decline in the world economy: External factors

An important factor that helps to account for this downward trend are changes in the terms of trade. To understand the effect of this, it is necessary to look into the history of Africa's dependence on foreign forces. During World War Two, the allies increasingly accepted that the protectionist trade policies of the 1930's were a major factor in the outbreak of War. Thus, an institutional framework was devised to provide the foundations for a liberal international economic order based on the pursuit of free trade. The accepted solution to failing development was largely seen to be increased integration into the global marketplace. Based on the assumption that Western lifestyles and modes of economic organisation were superior, the developed world saw the Third World as economically backward and thus needing intervention in their economies. Thus, following the demise of colonialism, Africa was left with an economy that was integrated with the world economy, only in so far as it was a receiver of imports for a minority urban elite and an exporter of a few primary commodities. In this way, African dependence continued after Independence. Political Independence failed to address the continent's subordinate position within the world economic and political system, where Africa largely served as a source of raw commodities, an underdeveloped market for excess production and an outlet for financial capital. Still today, economic specialisation in the form of reliance on the export of a few primary commodities, renders Africa vulnerable to foreign forces beyond its

²⁶ African Economic Outlook, Organisation for Economic Co-operation and Development/ African Development Bank, 2002, p.13

control, namely price drops in these key export items. The drop in the main exports of Burkina Faso, Chad, Ethiopia, Mali and Uganda, which practiced economic specialisation, and which led to a fall in their share of world exports between 1995 and 1999, is a case in point. Such vulnerability at least partly explains the decline in Africa's economic performance and political voice.

From a Marxist perspective, Africa's dependency is seen as a result of the crisis of capital accumulation. Such a reading argues that "as capitalist economies mature, as capital accumulates, and as profit rates fall [because of over accumulation leading to a fall in demand growth rates which leads to a fall in profit rates], the capitalist economies are compelled to seize colonies and create dependencies to serve as markets, investment outlets, and sources of food and raw materials."²⁷ It is argued that as industrial capital is employed, to make production more efficient and less expensive, there is a declining demand for labour that leads to higher unemployment and lower wages. Given that the labour supply represents a large proportion of the market, increased unemployment and reduced wages results in falling demand for produced goods and consequently falling profits. This in turn produces a concentration of ownership, which increases labour's relative share of the market, further reducing demand and profits. For such advanced capitalist economies, marked by a crisis of over accumulation that comes from their tendency to overproduce, integration of the peripheral economies into the international political economy is sought-after. It allows for the inevitable devaluation of these advanced capitalist economies, implicit in such a crisis, to shift to these peripheral economies.

Africa's growing foreign dependency and development crisis can also be seen as an effect of the global economic crisis that took hold in the mid 1970's. With the emergence of significant weaknesses in the US economy, causing a crisis of confidence in the US dollar, the US changed the rules of the international monetary system in 1971, thereby breaking the principles of the Bretton Woods institutions to impose import duties. Facing stagflation (low growth and high inflation) and the break down of the Bretton Woods system, the major industrialised countries began to discuss monetary issues among themselves. Most notable was the 'Group of Seven', which came together in 1975. Within such groups, policies of new protectionism were very much at the fore, largely to keep out new competitive imports from developing countries,

²⁷ Gilpin, R., summarising Marx, quoted in Balaam, D., & Veseth, M., Introduction to International Political Economy. Upper Saddle River: Prentice Hall, 1996, pp.67-68

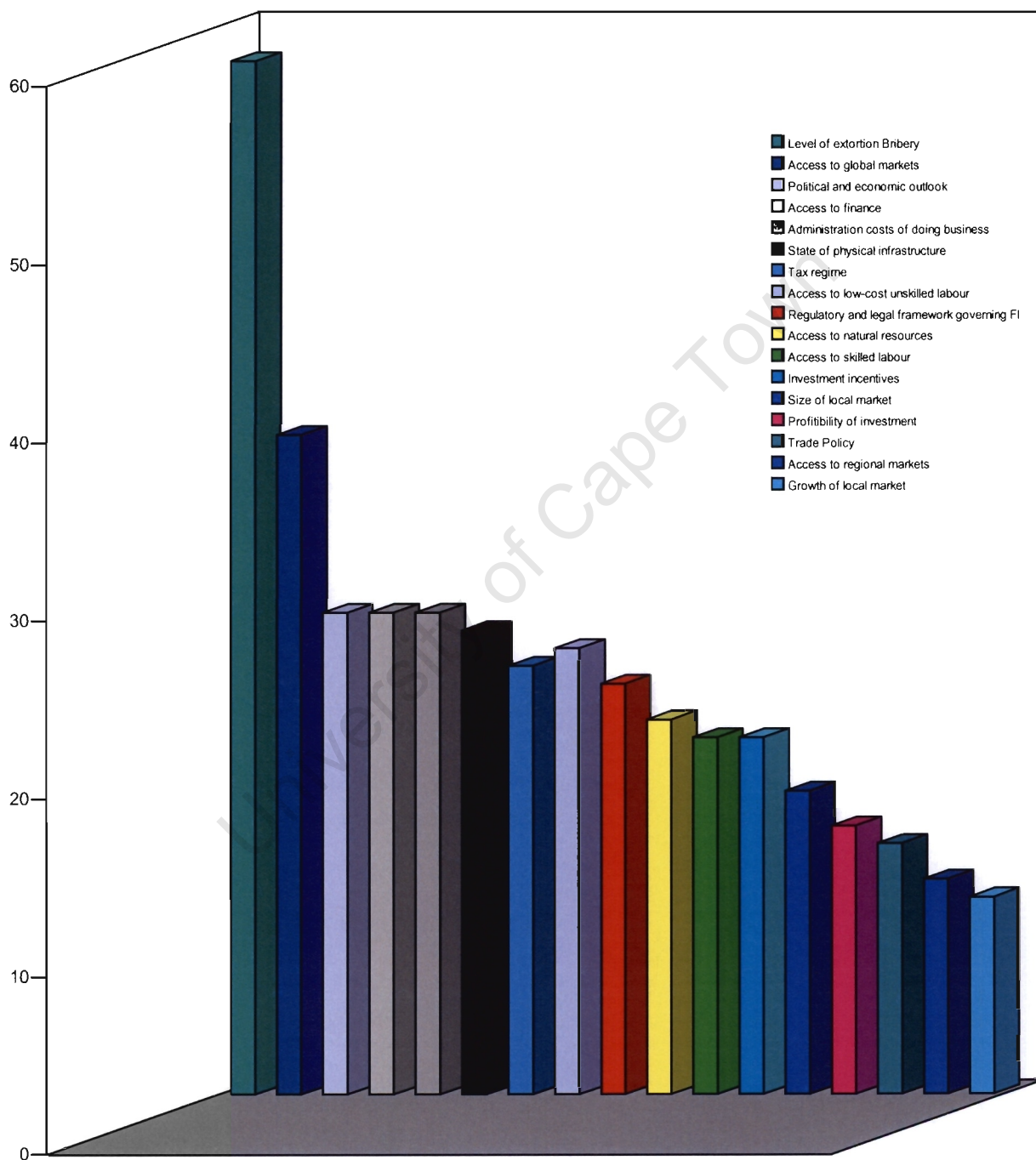
principally Asia and the Americas. The Multifiber Arrangement of 1973 was critical in this regard, placing restrictions on all textile and apparel imports from developing countries.

Combined with these unfavourable terms of trade, the oil price shock of 1973-4 added to the spiral of distress in developing countries. Following this shock, the beneficiaries of inflated oil prices eagerly sought outlets for their profits. Much of these petrodollars came to be borrowed by developing countries that were offered large-scale loans at knock down prices. The detrimental effects of this for Africa came to a head with the 1979 oil crisis that led to massive interest rate hikes and plummeting commodity prices. Importantly, this crisis also served as a turning point in Africa's development as it drove home the possibility that these loans could not be repaid. From this point, many small agrarian-cum-industrialising African state-led economies plunged into indebtedness and crisis management where economic distress, mismanagement and corruption took hold. As a consequence, the development discourse of African states came to be discredited. In its place, IMF and World Bank policy gained ascendancy. Their policies rather than those of African governments were claimed by the IFIs to be the 'right policies' of market led growth, which was seen as synonymous with 'development'. This effectively marked a shift in the focus of African development efforts away from the social democratic and Fabian socialist principles combined with Keynesian and Marxist development theory, which had dominated the modernising efforts of African states since Independence.

Table B also illustrates that in addition to a declining participation in the global economy, Africa's share of FDI has declined significantly since Independence. Indeed, it halved in value between the 1970's and 1980's and again in the 1990's. Both these indicators of Africa's economic performance are inter-linked. The continent's shrinking involvement in the global economy, particularly in terms of its share of foreign trade, is at least partly an effect of its own efforts to attract FDI for raw material production at the expense of industrial investment, which would arguably have better served Africa's move to globalisation. The under investment in Africa relative to elsewhere has further contributed to its shrinking foreign trade. The UNCTAD World Investment Report (see Table C, below) outlines some of the principal reasons for this. It is important to note that corruption is the factor that most multinationals claim dissuades them from investing in Africa. Thus, it is necessary here to turn to the part played by internal factors in the decline of Africa's participation in the world economy.

Table C: What multinational companies say dissuades them from investing in Africa

Source: UNCTAD 2000 World Investment Report



(c) **Explaining Africa's decline in the world economy: Internal factors**

Many voices passionately argue that Africa would have developed dramatically if global forces had been more favourable. However, such a claim fails to rest on solid foundations. While global forces can be shown in many ways to have worked against Africa's development, internal dysfunction such as poor governance, for which Africa must hold at least some accountability, has played a major role in explaining the continent's crisis in development. Notable flaws thus exist in commonly invoked arguments, which assert that unstable commodity prices, industrial country protectionism, Africa's deteriorating terms of trade, limited access to world capital markets and foreign debt overhangs explain the continent's economic decay. Indeed, there is clear evidence that long-term commodity prices are declining in real terms / relative to the prices of manufactures. While this trend points to the desirability of diversification, Africa has demonstrated little effort and/or success in this regard. By contrast, other low-income countries have attained better terms of trade records than African countries, largely because they have been more successful in reducing their dependence on commodity exports. In a similar vein, it is unclear that Africa as a whole faces worse terms of trade than other developing regions whose economies perform better than Africa's. Although Africa has indeed faced the effects of industrial country protectionism, relative to other developing regions, it can be said that, in some ways, it receives a favourable deal. It has benefited from a variety of preferential agreements, some forms of protectionism and a greater share of total development assistance.²⁸ The OECD's agricultural protectionism, for example, mainly hit commodities such as sugar, rice and certain other grains that affect Asia more than Africa. Despite this, Africa's economic performance falls behind the other developing regions, pointing to internal failures such as its difficulty in turning production capacity into export capacity. While external factors have undoubtedly contributed to Africa's foreign debt crisis, internal weaknesses such as weak export performances, poor governance and corruption have certainly aggravated the problem.

²⁸ Overseas Development Institute, Briefing Paper, June 1992, 'Explaining Africa's Development Experiences, p.4

Section conclusion

Since Independence, Africa's economic performance within the global economy has remained poor. Whether its economic performance is judged on structural, social or economic growth indices, the results all paint a similar picture, albeit with some divergence over the degree of severity of the crisis. External factors such as terms of trade, industrial country protectionism, unstable commodity prices, access to global markets, and foreign debt, as well as internal factors such as weak export performance and the more fundamental problems of corruption and poor governance are to blame for this situation. The method used for measuring economic performance, which is linked to development paradigms, does however play a significant role in the shaping of development plans. Some of the most important development plans will now be addressed.

University of Cape Town

SECTION 3

**BEYOND BRETTON: HISTORICAL OVERVIEW OF AFRICA'S
POST-INDEPENDENCE DEVELOPMENT INITIATIVES**

University of Cape Town

Section Introduction

The poor state of Africa's economic performance, especially in relation to the rest of the world has attracted attention in the form of development initiatives to try and reverse the decay. A variety of such plans have been formulated by the IFIs and by Africa. In this section, points of difference between and within the World Bank plans, the UN plans and African led initiatives will be drawn out. The guiding paradigms, motivations and results of the different policy frameworks will all be analysed. The first part will look at the World Bank plans, the second will look at the UN plans, and the third section will look at Africa's own history of development initiatives. The final part will assess what factors most account for the success or failure of development efforts. This will set the basis for the final section, which will assess Africa's current development challenge and the proposed solution: NEPAD.

(a) World Bank Development Policies

In response to the aforementioned debt crisis of the 1970's, the 1980's saw a shift in development discourse led by the IFIs. Contrary to the embedded liberal development thinking that, under the lead of the economist John Maynard Keynes, accorded the state a central role in development efforts, neo-liberal economic and political philosophy came into ascendance. This entailed a diminished role for the state in development and an amplified role for the market. Liberalisation of trade and investment combined with the restructuring of national economies were held up as tools to benefit the global welfare. This strategy was pursued by the IMF, the World Bank and at the Uruguay Round of trade negotiations, which heralded the creation of the World Trade Organisation (WTO). It carried the private role of the market into areas hitherto subject to national regulation and that traditionally had been the domain of state responsibility.

The IFI-formulated policy agenda was warmly received by most Western bilateral donors. The decline of Marxist and Social Democratic movements during the 1980's served to suppress criticism from the left and the end of the Cold War entrenched the ideological shift in development thinking in favour of [neo-] liberalism. Francis Fukuyama's influential 'end of history' thesis expresses this when describing the fall of Communism in the former Soviet Union as:

“the triumph of the West... an unabashed victory of economic and political liberalism...[and] the total exhaustion of viable systematic alternatives to Western [neo-]liberalism”²⁹

In accordance with the neo-liberal thinking and policy trends, Africa’s debt crisis of the 1980’s prompted initiation by the IFIs of Structural Adjustment Policies (SAPs). The priorities of SAPs were to prevent developing countries defaulting on loans since such action could bring on global financial crisis. In pursuit of this goal, SAPs aimed to impose immediate measures to reduce inflation, government expenditure, and the role of the state in the economy. They also aimed to attract investment. Market forces of capitalism, trade liberalisation and privatisation prevailed as the core tenants of SAPs and the neo-liberal thinking from which they derived.

SAPs were held up by their proponents as the means of improving the lives of the rural populations. Such claims emerged from the fact that the IFIs articulated adverse domestic rural-urban terms of trade, and particularly urban bias, as the primary cause of Africa’s development crisis. In the World Bank’s Berg Report (1981), urban dwellers are thus perceived to be enjoying higher than average standards of living at the expense of the larger rural population. However, the World Bank diagnosis avoided the issue of declining international terms of trade. Equally, it failed to acknowledge the fact that these arguments came at a time when urban populations in Africa were experiencing drastic drops in real income. The link between income deterioration and corruption was therefore neglected. This proved one of several fundamental flaws in SAP thinking.

From the mid 1980’s, social science disciplines in the academic world had become infiltrated by post modernist influences. As a result of their disbelief in metanarratives and in foundational epistemology, post-modernists dismiss development theories as teleological discourse. Thus, their deconstruction of (development) theory served to make attempts to assess the overall impact of policy self-defeating. In taking apart the very concepts and methods of thought construction and questioning the conditions under which theories emerge, post modernists suffered a powerful attack for being too theoretical and for failing to give adequate attention to the ‘real’ world. They were also rebuked for deflecting criticism of IFI policies in sub-Saharan Africa during the 1980’s and 1990’s. Lacking academic and analytical defence against IFI policy dictates, African governments were thus overpowered by forces in favour of the adoption of neo-liberal policies and SAPs.

²⁹ Fukuyama, F., ‘The End of History’, *The National Interest*, 16, 1989, p.3

In general, the 1980's and 1990's took Africa down a path of further impoverishment. After two decades of IFI imposed policies, the distance to economic development targets for the African majority had not only proved out of reach but had, in fact, lengthened. Thus, the number of people in sub-Saharan Africa living below the poverty line - namely below \$1 per day, or the equivalent of that amount in purchasing power parity terms - rose from 217 million in 1987 to 291 million in 1998.³⁰ In weakening the sovereignty of governments over their economic policy, SAPs initially depressed the recipient economies, as devalued currencies were tackled with higher interest rates and government's share of aggregate demand dropped. Social and human development suffered as user fees and reduced government subsidies of education and health brought down demand for these services. Additionally, the liberalisation of trade tended to favour imports, especially given the underdevelopment of the industrial sector and local economies. Thus, while the value of African imports increased steadily, growing 5.7% from 1975-84, 7.7% from 1985-89, and 1.1% from 1990-98, on the other hand, exports grew more slowly, rising 6.8% from 1975-84, 0.7% from 1985-89, and -0.1% in the 1990s.³¹ Capital flew from the developing countries to the more secure capital markets of Europe and the USA, thus adding to the over accumulation of capital in the advanced economies. Developing states, as SAP recipients, were serving as tools for maintaining international economic stability and further entrenching their own underdevelopment. In this way, SAPs were perpetuating the dependency dynamic.

The IFIs directed blame for the deterioration of Africa's development away from their preferred development policy and instead resorted to the argument that African governments were not implementing SAPs sufficiently or on a timely basis. Later, the justification shifted to the lack of a suitable 'enabling environment' for Structural Adjustment implementation. This acted as a kind of broad umbrella explanation for a variety of constraints including lack of physical infrastructure, property law and democracy. However, the inadequacies and paradoxes of neo-liberal policies, their failure in terms of resource mobilisation, income distribution and governance, were becoming increasingly too great to ignore. Criticism mounted from both the left and right, and even within the world's most powerful decision making circles³², especially within the last half decade. As a consequence, the hegemonic position and neo-liberal orthodoxy

³⁰ The World Bank, 2001, pp.17, 23 cited in Economic Development in Africa: From Adjustment to Poverty Reduction: What is new?, UNCTAD, 2002, p.2

³¹ World Bank, African Development Indicators, Washington: World Bank, 2000, pp.87-88

of World Bank economists have been increasingly questioned.³³ Growing public awareness in this area has also led to protest against IFIs' economic liberalisation policies, as demonstrated by the Seattle riots of November 1999 in opposition to the WTO's role in the globalisation process.

The negative effect of these broadly neo-liberal conditions for African development may not have been explicitly intended. Rather, the problem is closely tied to the fact that their architects conceive of development narrowly – as economic, rather than social development. They fail to tackle the root causes of inequality and systemic economic dependence, and so they further perpetuate the pernicious effects of advanced capitalist over-accumulation.

As an institution whose existence following the reconstruction of post World War Two Europe is premised on the concept of development, the World Bank has faced pressure to rethink its policy discourse, given rising acceptance of the failure of African development efforts. From this context, it has begun to develop a revisionist African development discourse, shifting from neo-liberalism, which ardently believes in the benefits of market optimism, to post-modern liberalism. The latter combines neo-liberalism with a stress on commitment to poverty alleviation as a major policy priority, an emphasis on plurality in line with the post-modernist perspective, and a degree of recognition of that liberalisation policies have disadvantaged sub-Saharan Africa's ability to compete on the world market. The market, which historically has been pushed as the solution to Africa's development challenge, is thus admitted in passing to be one of the 'external shocks' causing economic problems with profound implications for African agriculture and industry. In short, an incremental shift is thus taking place, which increasingly locates development discourse in numerous local features and perceptions of poverty. This new focus is evident in the World Bank publication 'Can Africa Claim the 21st Century'³⁴ and in the proliferation of Poverty Reduction Strategy Papers, which constitute one of the more recent frameworks devised by the World Bank and IMF for promoting the pro-poor use of debt relief and discounted loans in the poorest countries.

The new World Bank development discourse avoids positing clear-cut solutions and causal analysis. In content, it is drawn from post-modernist thinkers such as Foucault and his work on the power/knowledge relationship. Post-modernists' epistemological focus rejects

³² See 'Slimming the Bretton Woods Duo', *The Economist*, March 18, 2000; and 'The Bumpy Ride of Jo Stiglitz', *The Economist*, December 18, 1999

³³ Fox J., and Brown, L., (eds.), *The Struggle for Accountability: The World Bank, NGO's, and Grassroots Movements*, Cambridge, Massachusetts: The MIT Press, 1998

metanarratives, seeing them as deriving from the hidden agenda of an 'unspoken order', the preservation of which is served by their uptake in development policy. Foucault³⁵ and other post-modernists also avoid focusing on material factors as an influence on discourse. In this way, they stifle debates regarding how policy choices affect development in Africa, preferring to study the relationship between shifts in power and discourse.

It will be argued henceforth that despite this shift in development policy, the underlying dominance of neo-liberalism remains intact³⁶ and is further shielded from attack because, by and large, the over-arching material causes of impoverishment, linked to international politics and policies, remain in the background. The World Bank is trying to bridge the seeming incompatibility of the dual priorities of poverty alleviation and market liberalisation by joining hands with post-modernism, with its focus on plurality as the band aid holding this loose concoction together. However, this alliance between neo-liberalism and post-modernism deflects attention away from a much-needed critique of neo-liberalism and the study of its causal relationship with Africa's development dilemma. Examining the World Bank's policy shift in this way has significant relevance to NEPAD given that NEPAD seeks support from the World Bank.

Over the last few decades implementation of the 'right policies' has been the African governments' ticket to foreign donor funding. The determinant of the right policies has over this time been the IFIs. Thus, countries have been rewarded or penalised for their degree of adherence to the IFIs' policy dictates. Exposing this dynamic is an important step in understanding the dilemma faced by NEPAD and, indeed, other past development initiatives. In basing its capacity for success on the attainment of IFI support it is argued that NEPAD must tow the DMS line, which in turn may be argued to weaken its ability to serve the indigenous African development agenda.

The financial and political institutions created after the Second World War, the Bretton Woods institutions, provide the foundation for current political and economic power arrangements. By and large they constitute the DMS. They embrace neo-liberal or realist/neo-realist assumptions about the world, they promote free trade or open markets (/capitalism) and western democratic

³⁴ World Bank, 'Can Africa Claim the 21st Century?' Washington, DC, 2000

³⁵ Foucault, M., *Power/Knowledge: Selected Interviews and Other Writings, 1972-77*, Pantheon Books, 1980

³⁶ Blaikie, P., 'Development, post-, anti-, and populist: a critical review', *Environment and Planning*, Volume 32, 2000, pp.1033-1050

values and institutions. While most of the leading Western and donor states adhere to the US led call for 'enlargement' of the community of democratic and capitalist nation-states, in practice neo-liberal foreign policies are not necessarily linked to the ideals of democratic peace, free trade and open borders. Rather, national interests take precedence over morality and universal ideals. In addition, much to the dismay of traditional realists, economic interests are given priority over geo-political ones. Rational choice approaches and game theory have been integrated into neo-realist and neo-liberal theory to explain policy choices. This development is crucial in explaining some of the detrimental effects that neo-liberalism and donor influenced policy can have on Africa's development. For while the DMS tends to pursue development policies that adhere to the national interests of the donor governments, the indigenous African development agenda is motivated by the priority of African governments' interests.

World Bank/donor country/DMS interests have been made dominant in the development process through the two-gap model of economic growth, which gives a pivotal role to foreign capital and foreign aid. This model essentially allows for conditions to be attached to resource provisions. Thus, the power to over-rule plays itself out in donors' selectivity in allocating aid among recipients. The criteria for selectivity has changed with the shift in the development thinking of the major donor countries since the end of the Cold War from one motivated by geo-politics to one motivated by globalisation. Linked to the World Bank's shift away from an entitlement approach and towards an effectiveness approach in the provision of development assistance, the selection criteria is based on priorities of globalisation such as market integration and macro-economic policy rather the Cold War geo-political imperatives.

This proves problematic for Africa's development as it lays an unstable and foreign-dominated foundation for attaining aid. In this schema, the selection process will be subject to the bias of the selection panel and/or to the interests of the donors. Given the non-binding aspect of aid provision, when the selection panel goes against the interests of the donors, aid is likely to dry up. Such a selection process suggests a colonial hue. An additional problem with the shift from an entitlement to an effectiveness approach is that the unsatisfactory performance of one African country may be seen by the donors to negatively affect the performance or potential performance of other African countries. Thus, the provision of aid becomes subject to the unstable force of contagious vilification as a wave of Afro-pessimism takes hold. These are some of the issues which have plagued past African development initiatives and which NEPAD must address.

Summary

World Bank development policy discourse has been dominated for the past two decades at least by neo-liberal policies. Adhering to a highly formalist and positivist perspective, the concept of the 'engine of growth' has been central to its understanding of 'development'. This has been perceived as either a source of extraction, a catalyst or a means for building a modern national economy. Failing to achieve African economic take-off, the World Bank has undergone a policy revision in what is seen here as a bid to deflect criticism. In particular, it has co-opted a post-modernist perspective to bridge the gap between economic growth and poverty alleviation. However, this is seen to largely be a smokescreen behind which the Washington Consensus and particularly neo-liberalism remains intact. This bears relevance to NEPAD given that the latter claims to be grounded in pursuit of the African development agenda, which emphasises self-reliance and self-sustainability but, at the same time, in order to secure funds it is pressurised to adhere to the DMS. The compatibility of the DMS and the African development agenda therefore demands analysis later in this paper. This will offer some comment on the relevance of NEPAD.

(b) UN Development Efforts

In the 1980's, while World Bank development initiatives were being pursued, the UN also began taking major steps to address Africa's social and economic problems. In December 1984 it passed resolution 39/29 and the "Declaration on the Critical Economic situation in Africa", which highlighted Africa's development crisis. A special session was convened in May 1986 to deliberate on the plight of Africa and based on the African Priority Programme for Economic Recovery (APPER), the United Nations Programme of Action for African Economic Recovery and Development, 1986-1990 (UN-PAAERD) was adopted. In contrast to World Bank plans of this time, the UN was putting greater emphasis on building a 'compact' between African leaders and the international community, and on the principles of mutual commitment, responsibility and co-operation. It was effectively acting as a vehicle through which this compact could be established. From the international community it sought to obtain a commitment to mobilise resources through UN-channelled aid, and from the African leaders it sought to obtain a commitment to implementing "sharply focused, practical and operational set[s] of activities,

priorities and policies” at national, sub-regional and regional levels as elaborated in the APPER. It was specified that an estimated US\$128.1 billion would be needed to implement the strategy, of which African governments pledged to raise about \$82.5 billion domestically. Its ideological underpinning was that development of agricultural and food security sectors, through the allocation of 45% of total resources, would have a trickle down effect on African economies. However, lack of co-ordination with World Bank national policies and the problematic environment created by Structural Adjustment measures led the UN to comment on progress as uneven and insecure.³⁷

Responding to the failure of UN-PAAERD and Africa’s development crisis, the UN launched another programme in 1991: the “United Nations New Agenda for the Development of Africa in the 1990’s” (UN-NADAF). Based on two key principles, shared responsibility and full partnership, this sought to accelerate transformation, integration, diversification and growth of the African economies so as to strengthen them within the world economy, reduce their vulnerability to external shocks, increase their dynamism, internalise the process of development and enhance self-reliance. This extended the ‘compact principle’ of the UN-PAAERD, and further diverged from the World Bank plans through its stress on self-reliance.

Though largely unsuccessful, a follow up mechanism to UN-NADAF, the UN Inter-Agency Task Force on African Economic Recovery, which included all UN agencies, the Organisation of African Unity (OAU), the African Development Bank, and which was chaired by the United Nations Economic Commission for Africa (ECA), was subsequently established. In addition, a Panel of High Level Personalities on African Development was set up by the Secretary-General and, as reinforcement of the UN’s System-Wide Plan of Action for African Economic Recovery and Development, a Special Co-ordinator for Africa and other Least Developed Countries was appointed in the Department of Policy Co-ordination within the UN secretariat. The formerly mentioned System-Wide process also resulted in the 1996 launching of a UN Special Initiative on Africa. Within this, five UN working groups, focusing on water problems, food security, governance, social and human development and resource mobilisation respectively, were employed.

³⁷ United Nations. ‘Final review and appraisal of the implementation of the United Nations Programme of Action for African Economic Recovery Development’, www.un.org

Although the UN has to a large extent played a mediating role between the DMS and the African Development Agenda, recently, at the Monterrey UN Conference on Financing for Development, it has been accused of surrendering to the economic liberalism of the Bretton Woods institutions.³⁸ While no new proposals achieved a consensus, the UN did endorse and therefore strengthen the Highly Indebted Poor Countries (HIPC) Initiative. This occurred despite the heavy criticism the HIPC Initiative has received for giving creditor nations a particularly restrictive reign on debtor countries.

Summary

Unlike the World Bank, the UN places a distinctive emphasis on 'partnership'. Thus, in the preface for UN-NADAF, the chairman of the Ad Hoc Committee of the whole of the General Assembly on the Review and Appraisal of UN-PAARERD lays emphasis on the "shared responsibility and full partnership" between Africa and the international community. The recent World Summit on Sustainable Development that was held in August and September 2002 similarly made this a central theme. It is important to point out that this does not imply making binding commitments. Rather, it involves joint effort and joint responsibility. It is also worth highlighting the distinction between rhetoric and reality. While development policies may claim to be forging a partnership rather than adhering to the donor-recipient model, it is difficult for the shift to be made beyond rhetoric. In the case of the UN, its rhetoric of partnership fails to bring it out of the neo-liberal camp. Like the World Bank it has failed to bring Africa out of its development crisis; its plans have largely been unsuccessful and it has endorsed DMS dominated initiatives.

(c) African led development efforts

The power structures that have long since dictated development policies in Africa have responded to criticism by urging Africa to forge their own indigenous development strategies and policies. This view was expressed in the Denver Summit of the Group of Seven (now Eight) most industrialised countries. It has also been articulated in the *Economist* in an article entitled

³⁸ Adedeji, A., 'From Lagos to Nepal: Keynote address at the African Scholars' Forum on Emerging initiatives Towards a New vision for Africa', Nairobi April 2002, in New Agenda: South African Journal of Social and

'Emerging Africa'.³⁹ However, far from being a well-founded criticism, such views can be seen as rhetorical methods to avert blame. Indeed, the African continent has made several attempts since the early 1970's in this vein, which have been largely blocked by the IFIs and the donor community. As Adebayo Adedeji, one of the continent's leading development activists, comments:

“While African leaders can be faulted in many ways, they have made a series of heroic efforts since the early 1970's to craft their own indigenous development paradigms in light of their own perceptions.”⁴⁰

The Charter of the OAU represents a turning point in African history. It stands as a culmination of decades of Pan-African unity and struggle against colonialism. In the post Independence period, the OAU has pursued a wealth of development declarations and initiatives, echoing the fact that African leaders quickly recognised that Independence was meaningless without economic emancipation. A decade after the OAU's establishment and towards the end of the liberation struggles on the continent, Africa was thus among the regions that initiated the 1973 demand for a New International Economic Order (NIEO). This campaign included issues on trade, aid, investment, the international monetary system and institutional reform. It called for reforms of the existing order so that it could be made more favourable to developing countries. Responding to the rise of new protectionism amongst the developed countries, the developing countries sought the reversal of the declining terms of trade and the establishment of a fairer trading system. Mechanisms such as index-linking were pushed as a means to link the prices of primary products to the prices of manufactured goods so that the producers of primary products would not be so vulnerable and disadvantaged in the global trading system. Increased aid, regulation for foreign investment, representation in international economic institutions, and sovereignty over economic matters, natural resources, and the establishment of cartels in light of OPEC's success were also pushed. Ultimately, while many industrialised countries displayed signs of sympathy for the developing countries' plight, governments failed to act on the programme of the NIEO in the 1970's. In the West, it was quickly rejected by the major industrial powers and labelled communist. The subsequent decade proved no better, with the rise of Ronald Regan in the US, Margaret Thatcher in the United Kingdom and Helmut Khol in

Economic Policy, Issue 8, Fourth Quarter 2002, South Africa, p.40

³⁹ 'Emerging Africa', The Economist, 12 June 1997

Western Germany determining a *laissez faire* economic mood that was still less receptive to the developing countries' cause.

Given the rejection of the NIEO, and in light of rising distress in Africa, the 1970's witnessed significant moves by African leaders to try and address the development dilemma of the continent through inward looking regional development policies for the transformation and development of African economies. The first major attempt was the "Declaration on Cooperation, Development and Economic Independence" adopted by the OAU in 1973. This put forward a strategy for incremental disengagement of Africa from the world economy, based on a framework of individual and collective self-reliance. It also laid the basis for another Declaration adopted by the OAU Heads of State and Government in 1973: the Kinshasa Declaration on the Principle of the Establishment of an African Economic Community.

After five years of little headway, a venture pursued by the 16th OAU Summit in July 1979 called for an accelerated implementation of the 1973 Declarations, which in turn led to the adoption of the Monrovia Declaration or Monrovia Strategy for the Economic Development of Africa. This paved the foundation for Lagos Plan of Action (LPA) that was adopted a year later (1980) by the OAU Assembly Heads of State and Government at a Special Economic Summit in Nigeria. This set out a development agenda for the continent in the 1980's and towards the turn of the century. Based on the belief that the "same determination that has virtually rid our continent of political domination is required for our economic liberation"⁴¹, the LPA was grounded on two key principles: collective self-reliance and self-sustaining development, and economic growth. In its words:

"Africa must cultivate the virtue of self reliance. This is not to say that the continent should totally cut itself off from outside contributions. However, these outside contributions should only supplement our own effort; they should not be the mainstay of our development."

The Final Act of Lagos, in its 'Plan of Action', developed an integration agenda, which laid the basis for the Abuja Treaty of 1991. Although the philosophy of the LPA was essentially African,

⁴⁰ Adedeji, A.. 'From the Lagos Plan of Action to the New Partnership for African Development and the Final Act of Lagos to the Constitutive Act: Whither Africa?', Keynote Address at the African Forum for Envisioning Africa, Nairobi, Kenya, 26-29 April 2002, p.3

⁴¹ Lagos Plan of Action, Lagos, Nigeria, April 1980, Preamble, Point 13

it fell short of providing the necessary resources for its implementation and thus it was dependent upon the goodwill and commitment of the international community for its implementation.

During the 1980's, the lack of implementation of the LPA raised concern and led to the establishment of a Steering Committee of OAU member states to come up with a means for this. Working in an alliance with the Secretariat of the ECA, the APPER was proposed to the UN General Assembly by the then Chair of the Steering Committee, Julius Nyerere, who was also charged with preparing the second session of the Assembly that was devoted to Africa's social and economic problems. This differed from the previous declarations adopted by the OAU Heads of State and Government as it laid out a specific programme for the improvement of living conditions for the majority of Africa's inhabitants. The adoption of the APPER in 1985 constituted an attempt to revive the LPA after five years of unsuccessful implementation, committed the OAU to mobilising the international community through the United Nations to address Africa's plight, and identified Africa's debt burden as challenge. Although the convening of the Tokyo International Conference on African Development (TICAD) can be seen as an effect of APPER, resources for implementation of the LPA again failed to materialise and thus its implementation remained on the shelf. Other African attempts to craft self development plans included the OAU 1987 Declaration on the "African Common Position on Africa's External Debt Crisis" and the 1989 "African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation" (AAF-SAP), which articulated a rejection of World Bank's SAPs. However, these too failed to offer a package that was equipped to lift Africa from its development plight.

In light of the end of the cold war, which detracted the major powers' attention away from Africa, and given the successive failure of development initiatives, resolve among African leaders to develop inward looking strategies for Africa's economic and social development strengthened. In the first half of the 1990's the OAU Assembly Heads of State and Government thus adopted a series of policy documents to raise resources from the international community for the social and economic transformation of the continent. At this time, Africa's development thinking was undergoing a shift towards one that focuses on democracy, good governance and the protection of human and people's rights. This is conveyed in the 1990 Declaration on 'Fundamental Changes taking place in the World and Africa's Response', within which the importance of good governance was held up as paramount. Popular participation and public private partnerships also gained precedence in African development thinking at this time. This is

evident in the OAU's adoption of the African Charter for Popular Participation in 1990. For the first time African leaders recognised the role of civil society and grass roots organisations in African development. In many ways, this was built on and served to further the work of the Charter on Human and People's Rights, which was adopted in 1981 in Banjul, Gambia. It also demonstrates the ascending focus of human rights in African development thinking.

Another landmark for Africa's development came in 1991 when the OAU Summit adopted the Abuja Treaty, which set in motion the establishment of an African Economic Community (AEC). Aimed at furthering the LPA and the Final Act of Lagos' vision of regional integration, it sought to create an AEC by 2025. Indicative of dominant development thinking, this initiative adopted a market integration approach for the 34-year long linear process of forming the AEC. In accordance with the prevailing African Development Agenda discourse, it also set out the principle of solidarity and collective self-reliance, protection of human rights, accountability and popular participation. Further OAU development efforts that focused on 'partnership', are evident in the "Relaunching Africa's Economic and Social Development: The Cairo Agenda for Action" and the "Cairo Plan of Action" in 1995, which anticipated a "compact" between Africa and its development partners.

In a further drive to give Africa's development fresh impetus, African leaders established the African Union as a successor arrangement to the four-decade old OAU. Despite numerous efforts, the OAU had failed to adequately address the continent's development challenge, in at least as much as it did not bring Africa out of its development crisis. Its legislative means to grapple with the development challenge, laid down in Article II (b) of its charter, identifies one of the objectives of the OAU as being "to co-ordinate and intensify their [African states'] co-operation and efforts to achieve a better life for the peoples of Africa".⁴² Essentially, however, its objective and focus were more geared for political unity and de-colonisation than the tackling the continent's more recent development challenges. This proved a major shortcoming. In an effort to address this and to more radically reform the OAU, it was replaced in 2000 with the Constitutive Act of the African Union. This moderates the sovereignty and non-interference emphasis of the OAU, transforms it institutionally, and broadens its mandate to include a development, human rights and democracy as well as peace and security focus. It also seeks to revise the time frames of the Abuja Treaty (adopted by the OAU) and redirect the focus of

⁴² OAU Charter, Addis Abbaba, Ethiopia, 25 May 1963, Article II (b)

regional integration from an economics / market integration dominated focus to a more political one.

As the African Union (AU) was being launched, the NEPAD initiative also emerged. The direct lead up to NEPAD comes from an OAU mandate given in 1999 to Algerian President Abdelaziz Bouteflika and South African president Thabo Mbeki to lead a project to end Africa's economic disempowerment. At the G77 Summit in 2000, Nigerian President Olusegun Obasanjo was added to the group. Their efforts led to the formulation, predominantly by President Mbeki, of the Millennium Partnership for African Recovery Programme (MAP) that was launched in early 2001.

Another programme for African renewal that was to feed into NEPAD was the Omega Plan, devised by President Wade of Senegal and first presented to the French-Africa Summit in Cameroon in January 2001. Omega identified plans for what it considered the four most important primary sectors - agriculture, education, health and infrastructure. It also envisioned the drafting and implementation of specific action plans for each of these domains in each of the five African regions.

Compared to MAP, Omega was more far reaching. It put forward a hierarchy to embrace the many facets of development, conflict resolution, governance, aid, investment and debt. Despite their differences, these two development plans, sharing many core tenets, were amalgamated on the 3 July 2001 to form the New African Initiative (NAI). While this kept the MAP structure and most of its language, a regional component was added to the management of the initiative to accommodate the Omega Plan. Having been endorsed by the G8 members on 20 July 2001, the policy framework was then finalised by the Heads of State Implementation Committee (HSIC) on 23 October 2001, signalling the formation of NEPAD.

Given that past African growth development efforts have by and large failed, it is important to assess the causes of this so as to offer a more clear picture of the challenges that NEPAD faces. A variety of both internal and external factors explain the failure of past development efforts.

Endemic problems of poor governance, corruption, limited capacity, lack of political will, and unstable and externally dependent economies within Africa are partly responsible. The main driver of past African development initiatives, the OAU, is also answerable through the fact that

it failed to sufficiently adapt, both in reality and in its public image, to the post decolonisation imperatives. In addition, the initiatives themselves demonstrated flaws - often failing to provide the necessary resources and specific programmes for their implementation. Even initiatives, such as the APPER, that did explicitly recognise the need for these, fell short in this regard. Interlinked to the problem of raising resources and given the prevailing force driving development, the theoretical underpinnings of the African development initiatives helps account for their failure.

As mentioned earlier, the prevailing force driving development has been the DMS. This has acted as the framework within which the donor countries of the West have had the greater power to shape development policy. The latter's power has come from their superior source of finances, their influence in the major international financial/development institutions and their influence on the world economic and political stage. Thus they have had the means, which ultimately underpins the potential for the success of development initiatives. Given the need for donor support, largely because of Africa's need for financial backing in development initiatives, the donor governments and institutions have been able to push their interests to the front. In this way, African governments have been pressured to conform to DMS interests. It may be argued that the failure of Africa's home-grown development initiatives is largely due to the fact they did not sufficiently tow the DMS line, resulting in inadequate financial backing.

It is apparent that the development strategies emanating from Africa are marked with recognition that the DMS is inappropriate for Africa. For example, the 1976 Revised Framework of Principles for the Implementation of the New International Order in Africa propounded that an appropriate development strategy for Africa would be one that satisfies four fundamental principles - self-reliance, self-sustainment, democratisation of the development process, and a fair and just distribution of the benefits of development through the progressive eradication of unemployment and poverty. Many of the development initiatives emanating from Africa adhere to these principles, which differ from the World Bank and DMS focus, particularly its two-gap model of economic growth. This adds weight to the argument that in failing to sufficiently tow the DMS line, donor commitment to Africa's 'home grown' development efforts was never fully realised, and the efforts were thus largely unsuccessful. Consequently, external factors, notably the DMS and IFIs may be seen as playing a major role in the failure of Africa's home grown development efforts.

Summary

Africa has made a series of home grown efforts to take charge of its development challenge. The OAU, as the mainstay of African development initiatives, endorsed an array of declarations and development plans such as the NIEO, the Kinshasa and the Monrovia Declarations, the LPA, the APPER, the AAF-SAP, the Abuja Treaty and the Cairo Plan of Action.

An analysis of Africa's development initiatives shows that collectively they tend to focus on inward looking strategies that emphasise self-reliance and self-sustaining development, as well as economic growth. They place a focus on democracy, good governance, the protection of human and people's rights, popular participation, public private partnerships, the concept of partnership and a compact between Africa and its development partners. In addition, they tend to recognise the need for civil society and grass roots organisations to play a role in Africa's development.

The failure of Africa's development efforts can be attributed to both internal and external factors. Internally, poor governance, corruption, limited capacity, lack of political will, and unstable and externally dependent economies within Africa have hindered success. The initiatives themselves often failed to provide the necessary programmes and resources for implementation, which is connected both to their need to adhere to the DMS as well as to the fact that they did not bend towards it enough to gain sufficient donor commitment. Further external forces, especially unequal terms of trade played their part.

In recognition of some of the reasons for failure, the AU replaced the OAU. The AU may be seen as a new initiative in itself. It places a more explicit focus on development than the OAU. It moderates the sovereignty and non-interference emphasis of the latter, transforms it institutionally, and broadens its mandate to include a development, human rights and democracy as well as peace and security focus. Similarly, NEPAD, which will be discussed in more detail in the ensuing chapter seeks to redress the problems of past development initiatives.

Section Conclusion

A wealth of development initiatives have tried and failed to redress Africa's development dilemma. There are distinct differences between the development thinking and policies of the World Bank and those coming out of Africa. On the one hand, the World Bank continues to push neo-liberalism and the two-gap model of economic development, despite its more recent efforts to bridge the divergence of interests between the imperatives of economic growth and poverty alleviation through its alliance with post-modernism. On the other hand, the indigenous African development agenda places a stress on the goals of poverty alleviation, self-reliance, and self-sustainability. The UN lies somewhere in-between the two poles, trying to act as a vehicle through which to bridge the gap between donor and recipient interests. Essentially, the donor interests fail to draw sufficient support from the African governments and continue in a policy direction, which in its application has been proved unable to bring sufficient tangible benefits to the recipient countries and ultimately has failed to bring them out of their development crises. The African led development efforts have failed to attract sufficient support from the donor communities and have also been unable to overcome internal obstacles such as widespread corruption. Further, the UN has failed in bridging a compromise. Despite its rhetoric for 'partnership' it has failed to sufficiently move beyond the neo-liberal camp in practice. It has its own internal problems, not least its vast bureaucracy, which have also limited its ability to fuel change in Africa. The question this begs is to what extent NEPAD differs from what has gone before.

SECTION 4

NEPAD IN PERSPECTIVE

University of Cape Town

Section Introduction

This section will provide a more in depth investigation into NEPAD. Firstly, an exploration of the plan's general structure and strategy, which is constituted by a three-tiered response to Africa's development dilemma, will be made. Secondly, its broad policy areas, in terms of infrastructure provision, human resources development, market access, capital resources and governance and stability, will be reviewed. Thirdly, the two core methods by which NEPAD proposes to achieve its goals will be analysed. Fourthly, the management structure will be critically looked at. These chapters will incorporate a discussion regarding the extent to which NEPAD differs from previous development efforts, how it responds to past failures and calls for change in the focus of development initiatives. In its introduction NEPAD makes the claim that:

“it is African developed, managed and owned; it brings the concept of a ‘new’ partnership (with mutual commitments, obligations, interests, contributions and benefits); and Africa is undertaking certain commitments and obligations in its own interests which are not externally imposed conditionalities”⁴³.

This claim suggests that NEPAD is African owned and that it differs from the development initiatives that have preceded it. However, it will be argued here that NEPAD is not wholly African owned and that despite making a shift in the focus of development, it continues to follow the donor led DMS agenda. The compatibility between the DMS and the African development agenda will also be analysed. This will lead to a more broad ranging discussion regarding the relevance of NEPAD in light of the development dynamic.

⁴³ NEPAD, Annexure B, ‘Introducing the New Partnership for Africa’s Development, Parliamentary Papers, Cape Town, South Africa

(a) General structure and strategy

The NEPAD document outlines a three-tiered response to Africa's underdevelopment and strategic vision for how to achieve sustainable development in Africa. Each of the tiers offers specific aims and actions to be undertaken. In this way, it offers more guidance regarding its implementation than past African-led development initiatives. Some of the most important elements of NEPAD are in its first tier, 'conditions for sustainable development', which consists of three initiatives: 'the Peace, Security, Democracy and Political Governance Initiative' (PSDGI), 'the Economic and Corporate Governance Initiative' (ECGI), and 'sub-regional and regional approaches to development'.⁴⁴ This tier provides for the management of globalisation and governance of the economy, which is noted as a shortfall in Africa. Within it, the third initiative, 'sub-regional and regional approaches to development', is important as it underpins the functioning of the other two governance initiatives. The Peace and Security Initiative aims to promote long-term peace through developing regional and sub-regional organisations to mediate conflicts, intervene effectively as peacekeepers and design programs for post-conflict peace-building.⁴⁵ The Democracy and Good Governance Initiative seeks to codify the core values to be observed by African leaders. Some such values include: constitutional democracy; the rule of law; the separation of powers; the independence of the judiciary; fixed terms in office; impartial, transparent and credible electoral administration and oversight systems; more efficient civil services and the curbing of corruption. It also seeks to engender the necessary political will to adhere to such norms and values. It aims to empower African civil society groups to hold their governments accountable, and ensure the effective participation of women, minorities and other disadvantaged groups in Africa's political and economic processes.⁴⁶ The Economic and Corporate Governance Initiative is based on the belief that institutions that offer transparency and accountability best ensure the development of a viable private sector.⁴⁷ The idea is that each member state will propose its own plan to meet the range of NEPAD objectives.

Under the overall strategy of promoting sub-regional and continental economic integration through its political and economic initiatives, NEPAD's second tier, 'Sectoral Priorities', prioritises six areas: bridging the infrastructure gap, human resource development, agriculture,

⁴⁴ NEPAD, October 2001, Department of Foreign Affairs, www.dfa.gov.za

⁴⁵ NEPAD, October 2001, Department of Foreign Affairs, 'Peace and Security Initiative' paragraphs 72-78, www.dfa.gov.za.

⁴⁶ NEPAD, "Declaration on Democracy, Political, Economic and Corporate Governance", 18 June, 2002, paragraphs 7-15, www.sarpn.org.za

environment, culture, and science and technology.⁴⁸ First, African leaders aim to bridge the continent's infrastructure gap by closing the digital divide between Africa and the more developed countries and by investing in information and communications, technologies, energy, transport, water and sanitation. Second, the human resources development sectoral priority strives to reverse Africa's 'brain drain', reduce poverty, close in on the education gap, and direct investments into health, agriculture, the environment, culture, science and technology. Third, NEPAD's agriculture policy aims to bring down structural and institutional fences that obstruct private investment in this sector so as to increase the productivity of African farmers. Fourth, NEPAD's environmental agenda seeks to address such issues as the reduction of desertification, the preservation of wetlands, the effective use of coastal resources, and the creation of supporting institutions and regulations for Africa's environment. Fifth, NEPAD stresses the importance of preserving and promoting Africa's indigenous culture. Finally, NEPAD's science and technology sectoral priority aims to provide for the development of cutting edge information and expertise as a means to provide growth in the manufacturing and industrial sectors.

The third tier is constituted by the capital flows and market access initiatives that seek to mobilise broad resources to provide the means of realising NEPAD's sectoral priorities. The capital flows initiative aims to encourage domestic resource mobilisation, debt relief and cancellation, the reform and increase of Overseas Development Assistance (ODA), private capital flows and foreign direct investment. The market access initiative promotes diversification of production and increase of access in the areas of: agriculture, mining, manufacturing, tourism and services. NEPAD also aims to support the development of Africa's private sector, to increase African exports and eliminate non-tariff barriers to African products.⁴⁹

Summary

NEPAD offers a relatively clear, in depth general structure and strategy, which responds in theory to Africa's development needs and the failure of past development initiatives. Specific aims and actions are set out, which in itself illustrates a response to the failure of many past

⁴⁷ NEPAD, "Declaration on Democracy, Political, Economic and Corporate Governance", 18 June, 2002, paragraphs 16-19, www.sarpn.org.za

⁴⁸ NEPAD, Section B, "Sectoral Priorities", October 2001, Department of Foreign Affairs, www.dfa.gov.za

⁴⁹ NEPAD, Section C, "Mobilising Resources", October 2001, Department of Foreign Affairs, www.dfa.gov.za

initiatives to offer sufficient guidance for carrying plans through to implementation. The extent to which NEPAD is African owned and influenced by the DMS and the African development agenda will be explored in more detail later in the chapter.

b) Broad Policy Areas

From the NEPAD document several broad policy areas can be drawn out - infrastructure provision, human resources development, capital resources and market access, and governance and stability. They may be read as the major obstacles to African development and thus, in particular need of attention within the NEPAD strategy for African development.

(i) Infrastructure

Infrastructure is an important focus area for NEPAD as roads, ports, railway lines and telecommunications networks can link suppliers, producers and consumers, and are necessary to increase productivity and trade by lowering costs and improving production capabilities. The envisioned chain of effects is that increased productivity will increase return opportunities, which will attract increased FDI. The expansion of infrastructure networks would better link the region together physically and economically and in so doing this would boost regional integration, which would also strengthen the region's voice in pushing for more favourable terms within the global economic and political system. In some ways, NEPAD's infrastructure policy may be seen to envision development in a neo-liberal framework where economic growth and further integration into the world market through infrastructure provision is paramount. However, efforts to improve infrastructure also support the African development agenda goals of making Africa better integrated as a region and more able to be self-reliant.

(ii) Human resources

Human resources are also a key focus of NEPAD. Two aspects of human resources are drawn out as particularly problematic. Firstly, continent wide diseases such as HIV and malaria are highlighted as they kill 2.5 million and 2 million people globally a year and affect Africa more than any other continent.⁵⁰ Secondly, the brain drain is noted as a major problem, as this phenomenon sees the departure of one of Africa's key means to furthering its development aims-

its skilled labour. Instead of their skills igniting economic growth at home, 30% of Africa's "highly skilled workforce" has been lost.⁵¹ Africa spends precious resources educating and training people, only to see them disappear to developed nations, which already have a relative abundance of skilled workers. The effect is that 100 000 expatriates work in Africa at a cost of \$4 billion per year and this excludes the opportunity cost of lost entrepreneurial skill.⁵² Doctors and engineers who leave for lucrative jobs in more stable countries are acting rationally and under their own choice. At the same time, as the countries receiving this massive transfer of wealth from poor to rich countries accept the skilled workers, the unskilled labour that is prolific in Africa are largely denied entry into the developed countries. Similar to the case of cut-price / generic drugs, where their provision would serve as a large-scale public good, but where this often fails to materialise because no actor has a responsibility or an incentive to provide for them, vested or national interest is shown to underscore the current development system. NEPAD recognises the priority of improving education and the skills base in Africa, and reversing the 'brain drain', so as to better achieve its goals of self-reliance, self-sustainment, poverty alleviation and economic growth.

(iii) Procurement of capital resources and market access

Procurement of capital resources is central to NEPAD's ability to attain its development goals. In particular, to achieve its goal of 7% GDP growth rate, it claims that "Africa needs to fill an annual resource gap of 12% of its GDP" – some \$64 billion per year.⁵³ Such high levels of growth have previously only occurred in a very specific historical context, namely in the post World War Two economic boom.

NEPAD envisages that in the long term Africa's capital requirements need to be met through investment, either from domestic savings or FDI. This call comes in the face of daunting challenges, not least poor returns. Mills and Oppenheimer describe that:

⁵⁰ 'Aid for AIDS', *The Economist*, London, 27 April 2000

⁵¹ Mills, G., and Oppenheimer, J., 'Making Africa Succeed', in Gibb, R., Hughes, T., Mills, G., and Vaahtoranta, T., (eds.), *Charting a New Course: Globalisation, African Recovery and the New Africa Initiative*, South African Institute of International Affairs, Johannesburg, 2002, p.93

⁵² Mills, G., and Oppenheimer, J., 'Making Africa Succeed', in Gibb, R., Hughes, T., Mills, G., and Vaahtoranta, T., (eds.), *Charting a New Course: Globalisation, African Recovery and the New Africa Initiative*, South African Institute of International Affairs, Johannesburg, 2002, p.93

⁵³ NEPAD, October 2001, Department of Foreign Affairs, www.dfa.gov.za, paragraph 147

“A combination of poor infrastructure, distant geographical location, low productivity and a high-risk environment led to lower returns (around one-third of the global average) on capital investments between 1960 and 1990”.⁵⁴

Investments and savings in Africa have declined since 1970, and many African countries have the lowest savings rate in the world.⁵⁵ 37% of Africa’s wealth lies overseas, compared with 3% for East Asia.⁵⁶ In the 1990s, \$19.8 billion in FDI left Africa for other markets, including \$12.4 billion from South Africa.⁵⁷ While FDI outflows have been increasing, FDI inflows decreased rapidly from 28% of total developing countries’ FDI in 1980 to only 7% in 2000 with an inflow of \$6.7 billion.⁵⁸

Foreign investment is deterred by several factors, such as limited knowledge of overseas markets, political and economic uncertainty in light of threats from nationalisation, corruption, unstable inflation rates, tariff regulations and foreign exchange restrictions. Financial and investment flows also tend to be based on trends such as the Asian “miracle”, which collapsed in 1997 after a “self-validating panic” amongst investment funds caused the latter to pull their money out of the region in response to the crisis in Thailand⁵⁹. Investors tend to lump together developing countries or “emerging markets” and they are often prone to this panic and euphoria, which makes the levels of investment and the value of currencies far over- and under-shoot their real worth.⁶⁰ In the African context, there is a general lack of confidence or “Afro-pessimism” in African markets, regardless of any real value. This is evident in *The Economist* article dated 11 May 2000 and titled “Hopeless Africa”. NEPAD seeks to redress this negative perception, and to counter the forces, which deter foreign investment.

⁵⁴ Mills, G., and Oppenheimer, J., ‘Making Africa Succeed’, in Gibb, R., Hughes, T., Mills, G., and Vaahtoranta, T., (eds.), *Charting a New Course: Globalisation, African Recovery and the New Africa Initiative*, South African Institute of International Affairs, Johannesburg, 2002, p.93

⁵⁵ Pahad, A., ‘The New Partnership for Africa’s Development’, in Gibb, R., Hughes, T., Mills, G., and Vaahtoranta, T., (eds.), *Charting a New Course: Globalisation, African Recovery and the New Africa Initiative*, South African Institute of International Affairs, Johannesburg, 2002, p.3

⁵⁶ Collier and Gunning cited in Gibb, R., ‘Globalisation and African Economic Recovery: Compatibility or Contradiction?’ in Gibb, R., Hughes, T., Mills, G., and Vaahtoranta, T., (eds.), *Charting a New Course: Globalisation, African Recovery and the New Africa Initiative*, South African Institute of International Affairs, Johannesburg, 2002, p.12

⁵⁷ United Nations Economic Council for Africa (UNECA), *Globalisation and Liberalisation of African Exports*, www.uneca.org

⁵⁸ African Development Bank, *African Development Report*, Addis Ababa: African Development Bank, 2000, p.138

⁵⁹ Krugman, P., *The Return of Depression Economics*, New York/London: Norton, 1999, pp.97-98

⁶⁰ Gilpin, R., *Global Political Economy*, New Jersey, Princeton University Press, 2000, p.331

To attract foreign investment and to improve home-grown resources, NEPAD focuses on reforming foreign aid delivery systems, attracting increased aid, achieving debt relief and improving market access. It calls for acceleration of the IMF's HIPC Initiative and raising of official ODA levels to 0.7% of GDP for developed countries. This is particularly challenging given that ODA levels have been falling in recent years.⁶¹ Since 1992 ODA flows to Africa have dropped more than one fifth in real terms.⁶² After growing at an annual rate of 6.9% over the period 1985-1989, ODA to Africa fell by 3.4% (annual rate) in the 1990s, falling from a peak of \$27 billion in 1990 to \$18 billion in 1997 (1995 prices).⁶³ The challenge of using this aid to further development goals is an added challenge. According to the World Bank, US\$1 billion of aid lifted 105,000 people above the absolute poverty line⁶⁴ in 1990 and in 1997-1998 the same sum of aid lifted still only 284,000 people out of poverty.⁶⁵ The implication is that after fifty years of supposed development experience only a small percentage of the money given in aid goes directly to the people who need it most. Additional to the negative effects of the conditions attached to some aid donations, which will be discussed in more detail later, the political pressure on governments to undertake necessary reforms of their economies can also be directly diffused by aid. More specifically, the money from aid is in some cases used to make purchases that should ordinarily come out of the annual state budget. Corruption, which is commonly invoked as prolific in Africa, can thus distort the value aid can provide to development needs.

NEPAD also identifies that increased FDI and aid needs to come hand in hand with debt relief and increased trade access in order to maximise the benefits for Africa's development. Debt in Africa is a major drain on development opportunities. Excessive borrowing from banks or donor countries, on hard-to-say-no terms after Independence, to buy oil and arms, to balance payment deficits, and to finance big infrastructure projects, saw the siphoning off of large sums of money by corrupt officials. President Mobutu of Zaïre is said to have amassed in this way a fortune of \$5 billion.⁶⁶ As mentioned earlier, the costs of servicing African debts increased dramatically

⁶¹ According to UN statistics, in 1992 ODA stood at about 0.35% of GDP while in 2001 it had dropped to 0.22%.

⁶² Pahad, A., 'The New Partnership for Africa's Development', in Gibb, R., Hughes, T., Mills, G., and Vaahoranta, T., (eds.). Charting a New Course: Globalisation, African Recovery and the New Africa Initiative, South African Institute of International Affairs, Johannesburg, 2002, p.3

⁶³ Statistics taken from a World Bank report that was requested by US Treasury Secretary Paul O'Neil.

See Herbert, R., 'Implementing Nepad: A Critical Assessment', South African Institute of International Affairs - Paper, 24 June 2002 p.19

⁶⁴ This is taken to be US\$1 per day in income

⁶⁵ Statistics taken from a World Bank report that was requested by US Treasury Secretary Paul O'Neil.

See Herbert, R., 'Implementing Nepad: A Critical Assessment', South African Institute of International Affairs - Paper, 24 June 2002 p.19

⁶⁶ Bond, P., Against Global Apartheid: South Africa Meets the World Bank, IMF, and International Capital, Cape Town: UCT Press, 2001, p.60

when American interest rates rose to deal with the stagflation of the 1970s and as a result of the demise of the Bretton Woods agreements on fixed exchange rates. This led to the depreciation of African currencies and the local currency value of the loans soared. The real exchange rate index in Africa fell from 107.5 (1990=100) during 1985-89 to 84.3 during 1995-98 - a drop of 22%.⁶⁷ Thus, in 2000 sub-Saharan Africa was faced with making a \$10.2 billion payment in debt servicing.⁶⁸ Many African countries are heavily indebted so much so that the debt exceeds the entire GDP and the debt service requirement exceeds 25% of total export earnings.⁶⁹ Debt cancellation is based on the belief that African people should not be made to pay for the excesses of corrupt rulers like Mobutu, especially given the support such leaders received from the West, and given the limited political and ethical consideration from banks and lending institutions that supplied the capital to such governments. Moreover, it is argued that the opportunity costs of the amounts owed are much lower for the financial institutions and wealthy countries than they are for African states and their people.

Market access is also a central development focus of NEPAD. African economies tend to suffer from the negative effects of over reliance on a single commodity. For example, 99% of Nigeria's export earnings and 87% of Botswana's are earned from two commodities.⁷⁰ Added to this problem is the global oversupply of many of Africa's core resources and a corresponding decline in world prices. Africa's share of world trade faces serious decline. Despite its abundance of natural resources, Africa only constitutes 2% of world trade and without South Africa this figure drops by 0.8% to only 1.2% of world trade.⁷¹ There are a variety of causes, from the colonial economics to poor governance. There is equally a wealth of possible solutions, from diversifying production and improving Africa's technological advancement to pushing for the abolition of disadvantageous trade distortions. One of NEPAD's key goals is to provide effective strategies to reverse market access related problems. While in some ways this adheres to the African development agenda, the fact that NEPAD seeks to be better integrated into the international economic system can also be taken as evidence of its adherence to the neo-liberal DMS agenda.

⁶⁷ World Bank, African Development Indicators, 2000, p.52

⁶⁸ World Bank, African Development Indicators, 2000

⁶⁹ Pahad, A., 'The New Partnership for Africa's Development', in Gibb, R., Hughes, T., Mills, G., and Vaahtoranta, T., (eds.), Charting a New Course: Globalisation, African Recovery and the New Africa Initiative, South African Institute of International Affairs, Johannesburg, 2002, p.3

⁷⁰ United Nations Economic Council for Africa (UNECA), Globalisation and Liberalisation of African Exports, www.uneca.org

⁷¹ Pahad, A., 'The New Partnership for Africa's Development', in Gibb, R., Hughes, T., Mills, G., and Vaahtoranta, T., (eds.), Charting a New Course: Globalisation, African Recovery and the New Africa Initiative, South African Institute of International Affairs, Johannesburg, 2002, p.3

Past development initiatives have called for increased aid, debt relief and market access without much success. NEPAD recognises the need for further efforts on a variety of fronts, particularly the need to diversify production and address Africa's shortcomings in areas such as infrastructure, education and health, which it seeks to do through a variety of programmes, and to craft an environment where peace, stability, freedom, good governance, and respect of human rights can flourish. NEPAD also articulates a need for a deal or partnership between Africa and the donors. While past African and donor-led development initiatives have claimed and sought a balanced partnership, it has, as yet, not been successfully achieved. The notion of partnership is a controversial pivot for NEPAD. It is on this issue that its claim to be African led, managed and owned, conflicts with pressure from the DMS to bow to its interests. The precariousness of this balance and goal is discussed in more detail with reference to the African Peer Review Mechanism (APRM).

(iv) **Governance**

More than past development initiatives in Africa, NEPAD focuses strongly on governance, to both redress its 'negative' role through efforts to reduce the destabilising or unfair social and political environments, and to strengthen its 'positive' role through efforts to increase the provision of public goods, socio-economic planning and to help in the reduction of conflicts. In 2001 some form of armed conflict affected eleven states on the continent.⁷²

Improvement in governance is fundamental to efforts to work against the destructive phenomena of leadership by self-interested or authoritarian elites, who use the institutions of the state as their personal fiefdom to steal the state's wealth and/or remain in power, regardless of the broader social and economic costs to the country, its people and the region/continent. The case of Zimbabwe, where the economy has plummeted and poverty has dramatically risen, illustrates the negative consequences of this kind of leadership. Transparency International's '2001 Corruption Perception Index' ranks 91 countries on their perceived levels of corruption. The best-ranked African country is Botswana, which takes 26th position, scoring 6 out of 10. At the bottom of the table with scores of less than 3 out of 10 are Senegal, Zimbabwe, Zambia, Ivory Coast, Tanzania, Cameroon, Kenya, Uganda, and Nigeria.⁷³ This survey excludes failed states like Democratic

⁷² Nagan, W., "Post-Conflict Governance: Preventing Future Conflict and Ensuring Development", in Gibb, R., Hughes, T., Mills, G., and Vaahtoranta, T., (eds.), Charting a New Course: Globalisation, African Recovery and the New Africa Initiative, South African Institute of International Affairs, Johannesburg, 2002, pp.67-89

⁷³ Transparency International, The 2001 Corruption Perceptions Index, www.transparency.org

Republic of Congo (DRC) and Somalia, and war zones, at the time, like Angola and Sierra Leone. Africa is not alone in the corruption of its public officials. Bangladesh, Indonesia, Bolivia and Azerbaijan also perform poorly. However, corruption in Africa is so rife that the *Economist* writes, “[i]n parts of Africa, corruption, like an advanced form of cancer, has taken over the whole body”.⁷⁴ NEPAD seeks to strengthen the role of governance to provide for a stable and fair environment for markets to work, and for people to trade and produce. It therefore places a strong emphasis on redressing corruption and upholding the rule of law as a means to achieve its other foci of providing macro-economic stability, building investor confidence, and providing public goods that are beyond the reach of the market.

Summary

NEPAD’s focus in terms of its key policy areas tells a conflicting story. In most of its development aims and focus areas, as set out in the document’s structure and strategy, NEPAD emphasises self reliance, self-sustainment, partnership, democratisation of the development process, poverty alleviation and regional integration, thereby complying with the African development agenda. It emphasises self-reliance through its Sectoral Priorities that aim, among other things, to improve Africa’s infrastructure, agricultural production, education and skills base. It also gives attention to environmental preservation necessities, thereby demonstrating its adherence to the principle of self-sustainment. Partnership is pushed as a core component within the documents third tier, the capital flows and market access initiatives. Popular participation and respect for human rights is shown to be a goal within its Democracy and Good Governance Initiative, which aims to broaden civil society participation in Africa’s political and economic processes. Poverty alleviation underpins the entire initiative and regional integration is given a large focus in many ways, in its infrastructure goals and in that it underpins the functioning of the two governance initiatives in the first tier.

NEPAD also offers a greater emphasis on democracy and governance, as is evident in its first tier, ‘conditions for sustainable development’, in the Peace, Security, Democracy and Political Governance Initiative and the Economic and Corporate Governance Initiative. As touched on in the previous summary, this demonstrates that NEPAD extends on previous development efforts.

⁷⁴ “The Heart of the Matter”, *The Economist*, London, 11 May 2000

Despite being representative of the African development agenda and despite the aforementioned developments on past initiatives, NEPAD does, however, continue to move in line with the DMS agenda. In promoting free trade, western democratic values and institutions and in its focus on delivering economic growth, all of which come across most strongly in its procurement of capital resources and market access focus, NEPAD follows the core tenants of a paradigm that is donor led and has so far failed in lifting Africa out of poverty. In this way, NEPAD is not reaching far beyond the past development efforts, which have proved largely unsuccessful.

(c) **Methods**

Given that NEPAD's structure and strategy do not radically differ from previous development initiatives, it is important to assess the means through which it aims to achieve its goals. These means can be grouped into two categories: the bargaining and co-operation method, which prescribes policy co-ordination at the regional level as a means to provide public goods like infrastructure and to create a stronger bargaining platform from which market access and other agendas could be pushed; and the commitment method, which effectively stipulates that participating states use institutional commitment devices to build investor confidence and capital inflows.

(i) **The bargaining and co-operation mechanism**

The bargaining and co-operation mechanism that NEPAD aims to implement as a method of achieving its goals springs from the idea of regional policy co-ordination. There are two main avenues of regional policy co-ordination envisaged in NEPAD: to provide regional public goods, and to build a stronger regional bargaining and negotiating platform. The former relates to the need for efforts to address problems that are regional in nature, such as the HIV/AIDS pandemic and the need for provision of inter-regional infrastructure links. These problems can be addressed through co-ordination, aided by a supranational institution or mechanism to solve the co-ordination problems that arise. The latter policy co-ordination avenue relates to a regions (Africa's) interaction with the world outside it. This sets the basis for the 'partnership' aspect of NEPAD. Africa, as a region, is faced with an international political-economic system that is largely unfavourable to its development needs. Combined with this, it lacks the relative power at the systemic level to redress this problem. NEPAD hopes to establish a stronger bargaining

platform by consolidating the power and ‘voices’ of the affected countries, and by tying it in with a larger program of African development to catch the attention of the powerful international actors. The assumption is that this will strengthen Africa’s platform in the system so that it can better counter systemic barriers to its development, such as trade barriers. It is also assumed that such a move will, for example, work to redress the ‘brain drain’ to richer countries and benefit the debt cancellation project, which is aided by a moral theme. This lays emphasis on the debt that the rich world – especially Europe and the US – owes to Africa for its part in “the historical impoverishment of a continent”, either through colonialism, the Cold War, or “neo-colonial dependence”.⁷⁵ In many ways, Africa occupies the moral high ground on these issues. This, therefore, seemingly has the potential to open up political space for negotiation. The problem lies in the fact that previous African initiatives have tried and failed in this regard. It is anticipated that through the greater success of NEPAD this mechanism can achieve success. A more innovative break from the shortfalls of past development initiatives is the commitment method.

(ii) The commitment method

The commitment method rests on the fact that a central problem with capital flows in terms of attracting FDI or retaining domestic savings is investor confidence.⁷⁶ In the African landscape, historical evidence of equivocation over contracts or ownership of private property combined with the real and perceived problem of large-scale political instability, conflict, ‘creeping expropriation’ and/or nationalization undermines investor confidence. When the investors are foreigners and are not represented in the political bargaining process, respect for their interests can be more easily flouted. Game theory highlights that unless co-operation is the equilibrium of a game, which it is not always in the game of investors and governments in Africa, commitment without a commitment device is impossible. Thus, given the unfavourable climate for investor confidence in Africa, and given the lessons of game theory, devices to commit governments to reforms and good governance are crucial components within NEPAD. The document explains that what is required is “a series of commitments by participating countries” and the “institutionalisation” of these commitments.⁷⁷ These are seen as a means to strengthen confidence to thus keep Africa’s home-grown capital and attract more.

⁷⁵ NEPAD update, 02 May 2002, paragraph 18, www.dfa.gov.za

⁷⁶ However, increasingly ODA is also being linked to recipient states’ commitment to good governance

A commitment device is dependent upon the member states' willingness to cede some autonomy over certain policy areas to a supranational authority at a regional level. This supranational institution would need to be able to freely monitor and investigate respect for investment contracts and report to the regional executive or council of ministers. There would also need to be a credible system of punishments for member states that breach the governance agreements. This institution will only instil confidence if it is politically independent of any state or government's influence so that its organisational goals can be performed freely. A working commitment device should hardly ever need to be called into action because its threat is accepted and therefore it acts as a deterrent to defection. A commitment mechanism is also a signalling device to investors, both domestic and foreign, that their capital can be trusted to the markets of a region.

The APRM is NEPAD's answer to the need for a commitment method for attaining its goals. NEPAD's vision is that the APRM will be used specifically to support the plan's three key initiatives: peace and security, democracy and political governance, and economic and corporate governance. It aims to serve as a means through which African leaders can monitor compliance of other African states with NEPAD's principles of political and economic governance. In doing this, it seeks to engineer a climate conducive to investment inflows and development. African heads of state have picked seven eminent Africans to serve as reviewers. They will have a pool of about 20 African experts to visit states under review, to talk to opposition politicians and civic groups and recommend any necessary action.⁷⁸ The idea is to provide a mechanism by which leaders on the continent can scrutinise each other's performance, identify problems and provide support. While heralded as a cornerstone of the plan, the issue of standard setting and enforcement remains one of the most controversial in NEPAD.

Under its current form, the APRM will reward states that uphold the norms of free markets and democratic policies. Leaders found in violation of these norms will undergo a process of "constructive dialogue" with their African peers in an effort to rectify the situation.⁷⁹ Peer review criteria will be based on governance norms and democratisation goals to which African leaders have committed themselves. Crucial to the effectiveness of the mechanism is the agreement by both sides of objective criteria for judging adherence to NEPAD's "good governance" commitments. These have recently been agreed at the Summit in Rwanda's capital,

⁷⁷ NEPAD, 2002, paragraph 81, www.dfa.gov.za

⁷⁸ 'Africa to Review 16 Nations' Governance by 2006', *Reuters*, Kigali, February 14, 2004

Kigali in February 2004. It is still undecided whether and how African states will impose sanctions on wayward states that fail to come into line after the process of “constructive dialogue”.⁸⁰ Currently, the document does not suggest any punitive sanctions for NEPAD against wayward governments. This is a contentious issue and one that is particularly important to the success of NEPAD.

The APRM derives from the controversial concept of a ‘partnership’ between Africa and the developed states. Problems arise over how exactly this partnership is defined and where the emphasis lies. The term ‘partnership’ has become a vogue word in the domain of international co-operation. It conveys a relationship stronger than what is implied in the term ‘co-operation’ and weaker than what is implied in the term ‘compact’. It implies the existence of interdependence. However, the economic growth model upon which the prevailing development thinking is largely founded is characterised by the domination of the strong over the weak and a drain of resources from the poor to the rich nations.

In effect, NEPAD’s ‘partnership’ rests on the idea of a trade-off, where African leaders will hold each other politically and economically accountable for responsible governance, and in exchange, the industrialised powers are asked to make commitments on greater ODA flows, foreign direct investment, market access for African goods, and debt relief and cancellation. The G8 has stressed that its resource commitments depend on the commitment of African governments to pursue political democratisation and free market strategies and to uphold their commitments to economic and political reforms.⁸¹ In particular, its support hinges on Africa’s demonstrated commitment to good governance and the rule of law, human investment, poverty reduction, and economic growth policies.⁸² African leaders have emphasised that fulfilment of NEPAD’s goals by African states is dependent on the speedy provision of material benefits promised by the G8 and other donors in the form of aid, investment and debt relief. Whether or not the needs of both parties can be met depends on the success of the APRM.

The APRM offers the chance to test the nature of this ‘new partnership’. It seeks to offer a means to move away from donor driven conditionalities or “donor democracy” and to introduce

⁷⁹ NEPAD, The African Peer Review Mechanism (APRM), 2002, paragraph 24, www.dfa.gov.za

⁸⁰ NEPAD, The African Peer Review Mechanism (APRM), 2002, paragraphs 1,5, “Stages of the Peer Review Process”, www.dfa.gov.za

⁸¹ G8 Africa Action Plan, paragraph 7, Government of Canada, www.g8.gc.ca

⁸² G8 Africa Action Plan, paragraph 4, Government of Canada, www.g8.gc.ca

the idea of mutual accountability. If successful, the claim to partnership will be strengthened, as will NEPAD. However, if Africa is seen to be undertaking political and economic directives dictated by the West or if the West fails to come up with tangible benefits that demonstrate it is fulfilling its side of the partnership, the concept will be invalidated and NEPAD seriously weakened.

Several sizeable obstacles, not least mistrust based on historical realities, threaten the APRM. NEPAD is not the first initiative to structure itself on the basis of reciprocal promises of reform by African governments in return for aid and investment from donors. It follows from a series of efforts that have been marked by broken promises, contradictory policies, and non-compliance by donor governments and African leaders. Africa's slate is tainted by repeated violations of democratic norms and financial mismanagement by African leaders. This plays an important role in the West's scepticism of NEPAD, especially regarding the commitment of some of Africa's leaders to political and economic 'good governance'. Africa's belief in the West's commitment to increasing market access to assist in its development is also marred by doubt. This is exacerbated by the high tariffs presently imposed, particularly by the European Union and the US, on African agricultural products and by their controversial dumping of agricultural surpluses in Africa, which have distorted the latter's domestic markets and negatively affected the profits of African farmers. The current international political dynamic has also raised doubt over the ability of the G8 to fulfil its pledges to NEPAD, given competing demands on resources, coming most notably from America's War on Terrorism.

Another important doubt over the APRM derives from the contradictory aims of the African states and the donor governments. For African states the objective is that the APRM is African led, managed and owned, serving African interests in accordance with NEPAD's aims as described in its introduction. Conversely, donor states place the emphasis on pulling those African states that deviate from donor interests into line. This leads to concern that external actors could try and use the APRM to sanction leaders selectively, as some articulate was the case over Zimbabwe. The alarm here is that the APRM could become a means through which donors could impose collective penalties on Africa in cases where leaders go against donor interests and are not sanctioned by African peers. The concern is that even if African leaders may be unwilling to impose politically divisive sanctions on their fellow heads of state, they may face insurmountable pressure by the donors to do this. Such an eventuality would undermine the goal of the African development agenda and NEPAD itself.

These fears have been fuelled by the Zimbabwe case, where after the March 2002 elections in Zimbabwe, US officials and some members of the European Parliament warned that the West would not support NEPAD if the leaders of the two African countries, South Africa and Nigeria, in the three member Commonwealth committee on Zimbabwe, did not suspend the latter from the Commonwealth. In this instance, Mbeki and Obasanjo met the donors' demands and passed the suspension after Commonwealth observers submitted a report criticising the elections as flawed. For some, this is read as evidence of Africa's vulnerability under NEPAD to Western pressure and the lack of depth in NEPAD's claims to be African owned. Following this line of argument, NEPAD is accused of being dominated by the DMS agenda and not offering a plan significantly different from past development initiatives.

A major fear is that donor acceptance of the 'partnership' label and the goals of NEPAD may be superficial and that beneath the surface the donor community may continue to see the relationship between themselves and Africa as a donor-recipient one. These fears have also been fuelled by the outcome of the Monterrey UN Conference on Financing For Development, where no new or innovative proposals achieved a consensus and where the already discredited HIPC initiative was endorsed by the UN, which as touched on earlier, has been interpreted by some as a surrender by the UN to the economic neo-liberalism of the IFIs.

Currently, the APRM is voluntary in that only states that subscribe to it will be subject to its rulings.⁸³ There are now 22 African states⁸⁴ that have voluntarily agreed to open their financial, social and political books to APRM country teams, who check if the states conform to the strategic goals of good governance and prosperity, and are free of undemocratic governments and conflict. Among the five largest financial contributors to the AU, South Africa, Nigeria, Algeria and Egypt, have already signed up for peer reviewing, only leaving out Libya. Pressure is mounting for the remaining states to sign up. To carry out the process, each signatory African member is required to deposit US 100 000 Dollars into the APRM panel's coffers while additional funding is planned to come from the international donor community. Already, scores of African leaders, such as former AU chairperson, Joaquim Chissano, have been issued with a robust 80-page self-assessment questionnaire from the APRM panel.

⁸³ NEPAD. The African Peer Review Mechanism (APRM), 2002, paragraphs 1,5, www.dfa.gov.za

⁸⁴ Figure taken in August 2004

Summary

NEPAD seeks to achieve its varied goals principally through two methods – the bargaining and co-operation method, and the commitment method. While neither is particularly novel, the APRM, in the latter method, is NEPAD’s response to try and overcome the problems that have underscored the failure of past development initiatives, particularly regarding a partnership between Africa and the donor powers. The APRM does theoretically offer a bridge between the two conflicting interest groups. However, potential flaws because of its limited means of enforcement and donor influence, threaten to weaken the mechanism. Claims of donor influence over the APRM also undermine the validity of NEPAD’s assertion to be African owned. Contrary to this, they fuel the argument that NEPAD tows the DMS agenda.

(d) The management structure

African Union
Implementation Committee - 15 members (3 representatives from each of the 5 regions)
Steering Committee - 5 Members (South Africa, Algeria, Nigeria, Senegal and Egypt)
Secretariat
Task Teams

NEPAD offers a four-tier management structure as depicted in the box above. The supreme authority is the African Union and this body is charged with providing the policy framework. Under this is the Implementation Committee, which is constituted by three members from each of the five African sub-regions, and it meets every four months to determine policies and priorities and approve a programme of action. At the Abuja meeting in October 2001 where NEPAD was formally adopted, the decision was taken to create the Implementation Committee along geographical lines rather than based on the reformist credentials of the members. This was a compromise that not only affects the nature of NEPAD’s implementation but it also holds particular significance for NEPAD’s crucial standards of governance component. The five initiating members then make up the level below this known as the Steering Committee. The

function of this body is to develop a strategic plan for marketing NEPAD at the international, sub-regional, regional and national levels. It seeks to mobilise domestic support and facilitate private-public partnerships. South Africa, Algeria and Nigeria, being the three states that guided the initial development of MAP, Senegal that proposed the Omega Plan and Egypt that is seen as the other major continental power make up this structure, which meets monthly. Below the Steering Committee is a small permanent secretariat based in Pretoria, South Africa and led by the South African economist and advisor to Thabo Mbeki, Wiseman Nkuhlu. This is divided into three work streams: project and programme policy co-ordination; administration and secretarial services; and communications and marketing of the plan inside and outside Africa. Finally, the NEPAD structure includes five task teams beneath the secretariat, which add to the organisational complexity in that they fail to fit directly into the stated initiatives. Existing institutions are responsible for managing these task teams. The UN Economic Commission for Africa will manage the economic and corporate governance task team. The task team in charge of agriculture and market access will be run by the AU; infrastructure by the African Development Bank; the central bank and financial standards by the African Development Bank; and finally, capacity-building on peace and security, which will include a sub-committee on conflict prevention, management and resolution, headed by Mbeki, will be run by the AU. This reaffirms that while NEPAD is a new initiative, it is managed by the same organisations and figures that have been involved in past efforts. This does not necessarily mean it will follow the same path as past initiatives, though it adds to the risk that NEPAD may fall foul to the same inadequacies.

(i) **The AU and NEPAD**

There is a complex relationship between the AU and NEPAD. The latter, which grew out of earlier OAU-related development programmes, was finalised in 2001, and was formally adopted as a core programme of the AU at its inauguration. Its distinguishing features are that: it requires urgent action in order to arrest Africa's seemingly inexorable economic and political decline; and it needs interlocutors with the industrialised countries who are Africa's intended 'partners' in the rescue process. Largely, NEPAD and the AU have been presented as separate initiatives. In some respects NEPAD's architects have made a concerted effort to distance their plan from the AU. The creation of a separate set of institutions for the governance and promotion of NEPAD, particularly the establishment of a separate NEPAD secretariat in Midrand, South Africa, reinforces the impression of distinct, if not divergent, institutional frameworks, even though

these arrangements were formally mandated by the AU. This is likely to be a result of NEPAD's efforts to attract foreign support. The rationale is that because of the OAU's past failings, the flow of funding is likely to be greater if NEPAD is seen as separate to the AU, which, as mentioned earlier, only recently replaced the OAU. However, it may be argued that the distance between the AU and NEPAD is superficial and that in order to further the goal of African unity the two may increasingly converge. Ambassador Said Djinnit makes the point that "a strategic continental undertaking such as NEPAD could not be situated outside the OAU/AU, the premier continental and legitimate institutional framework."⁸⁵ Importantly, they share goals. In particular, NEPAD's aim for African development and a new partnership between African governments and its peoples are also central to the AU's objectives. Additionally, NEPAD's APRM is in line with what is called for by the Constitutive Act of the African Union.⁸⁶ At the AU's inaugural summit in Durban, the enlarged Implementation Committee was mandated to continue with its efforts and encourage all member states to adopt NEPAD's Declaration on Democracy, Political, Economic and Corporate Governance. It also called for the APRM to be located within the AU, as part of the Conference for Stability, Security, Development and Co-operation in Africa (CSSDCA) process.

A close alliance between the AU and NEPAD would help the former through enabling it to build a track record of development and thus fulfil its goals. It would also be in NEPAD's interest especially given that many would argue the AU has taken greater care to engage civil society than have NEPAD's architects. Compared to relatively little civil society involvement in the formation of NEPAD, the process of establishing the AU saw the OAU secretariat hold several consultations with civil society groups between 2001 and 2002.⁸⁷ This gives greater weight to the argument that a close alliance between the AU and NEPAD would better enable the latter to reach more organisations and to increase its constituency. In so doing, it would also boost NEPAD's legitimacy. That the alliance has remained cool and they are seen as separate initiatives in the public eye may be taken as evidence of donor influence over NEPAD.

⁸⁵ Djinnit, S., 'NEPAD: A View From the African Union', in *NEPAD: African Initiative, New Partnership?*, International Peace Academy Report, July 2002

⁸⁶ Constitutive Act of the African Union, Department of Foreign Affairs, October 2001, article 9 (1). This calls for the Assembly of the African Union to monitor and implement policies and decisions of the African Union and to ensure compliance by all member states.

Constitutive Act of the African Union, Department of Foreign Affairs, October 2001, article 23 (2) asserts that any member state that fails to comply with the decisions and policies of the AU may be subject to sanctions and other measures of a political and economic nature, which will be determined by the Assembly.

⁸⁷ Additionally, the Africa Institute of South Africa sponsored a series of meetings on NEPAD in which NGO's were involved.

(ii) **South Africa and NEPAD**

The donor community is not the only dominant force in NEPAD. South Africa also has a significant role. As the closest thing Africa has to a superpower and given the limited action by the international community, South Africa has become the main actor, real and perceived, in resolving Africa's problems. Indeed, as part of Mbeki's African renaissance concept, the South African president has actively sought to place South Africa within this role. Although not formally articulated until April 1997 in an address by Mbeki to an American Audience⁸⁸, the idea of an 'African Renaissance' has been a guiding rationale of South Africa's foreign policy since late 1996 when Mbeki started to play a more active role in the formulation of Pretoria's foreign policy. In 1997 a document entitled 'The African Renaissance: A Workable Dream' was published by the Office of the South African Deputy President. This suggested five areas of engagement with the African continent: the encouragement of cultural exchange; the emancipation of the African woman from patriarchy'; the mobilisation of youth; the broadening, deepening and sustenance of democracy and the initiation of sustainable economic development. Later, in April 1998 Mbeki expanded, in an address at the United Nations University, on some of the central tenets of his renaissance vision. Among them were the needs: to establish and maintain systems of good governance; to introduce new economic policies - to attract investment, to reduce the role of the state in ownership of the economy, and to build modern economies; and to pursue policies to ameliorate education, health care, housing, water and sanitation.⁸⁹ Evidently, there are strong parallels between the goals of NEPAD and those of the African Renaissance, spearhead by South Africa.

The fact that the backing of NEPAD is dominated so much by South Africa and Mbeki contributes in some ways to the argument that NEPAD is African owned. However, further analysis of Mbeki's African Renaissance reveals that it tends towards the DMS and thus, given Mbeki and South Africa's pivotal role in NEPAD, this undermines the claim that the latter is an African owned initiative. Mbeki's vision is criticised by many for towing the line with well-trodden orthodox liberal approaches⁹⁰. In particular, Vale and Maseko, in their seminal work, 'South Africa and the African Renaissance', which divides the thinking on the African

⁸⁸ Vale, P., and Maseko, S., 'South Africa and the African Renaissance', *International Affairs*, 74, 2, 1998, p.273

⁸⁹ Thabo Mbeki, 'The African Renaissance, South Africa and the world', speech delivered at the United Nations University, 9 April 1998

⁹⁰ See Nzimande, B., *The Sunday Independent*, Johannesburg, 11 July 1999 and Taylor, I., and Williams, P., 'South African Foreign Policy and the Great Lakes Crisis: African Renaissance meets Vagabondage Politique?' *African Affairs*, 100, 2001, p. 268

Renaissance into two camps - Globalists and Africanists, place Mbeki and his African Renaissance vision firmly in the Globalist camp. This is characterised by: an acceptance of the liberal international economic order within which its advocates seek to integrate Africa, and a focus is on economic development, conceived as GDP growth. Such thinking reflects the perceived need by many government elites to turn their countries into competition states in the expectation of a quid pro quo from the international community in the form of investment, debt relief, more favourable trade policies and market access, and assurance of a stronger position within the global economic and political system. It is based on the energetic promotion of the liberalisation of markets, trade and polyarchic institutions across Africa.

Vale and Maseko describe Mbeki's African Renaissance as:

“a continental effort led by South Africa to advance the familiar ‘end-of-history’ thesis....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.”⁹¹

They describe that “many believe that the African Renaissance is no more than an effort to secure non African (particularly US) interests in the African continent.”⁹² They see South Africa as comfortably settled into a post-Cold War era in which neo-liberal hegemony has been reasserted largely via President Clinton's geo-economic strategy, which Michael Cox describes as designed to create an environment where democratic capitalism can flourish within a world where the US remains the dominant actor.⁹³ Taylor and Williams support this thesis, arguing that “Mbeki's prescriptions clearly reflect the orthodox view in both contemporary development discourse and international relations... [his] government not only accepts the premises of this project but also endeavours to promote it in Africa through the notion of the African Renaissance.”⁹⁴ Fantu Cheru also sees Mbeki's vision as reflecting the arguments made by “the World Bank and other donors who would like to see South Africa take the leading role to facilitate collective economic liberalisation across the region by improving conditions for a more active role by private agents”⁹⁵. Mbeki's statement on 3rd June 2003, following the G8 Summit in Evian, in which he

⁹¹ Vale, P., & Maseko, S., ‘South Africa and the African Renaissance’, *International Affairs*, 74, 2, 1998, pp.278-9

⁹² Vale, P., & Maseko, S., ‘South Africa and the African Renaissance’, *International Affairs*, 74, 2, 1998, p.28

⁹³ Cox, M., *US Foreign Policy After the Cold War: Superpower Without a Mission?* Printer/RIIA, London, 1995, p.5

⁹⁴ Taylor, I., and Williams, P., ‘South African Foreign Policy and the Great Lakes Crisis: African Renaissance meets Vagabondage Politique?’ *African Affairs*, 100, 2001, p.270

⁹⁵ Fantu C., ‘Civil Society and political economy in South and Southern Africa’ in Gill, S., (ed.), *Globalisation, Democratisation and Multilateralism*, Macmillan, Basingstoke, 1997, p.239, cited in Taylor, I., and Williams, P.,

chose to emphasise donor concerns that, prior to the commitment of further funds, evidence was required of Africa's capacity to implement infrastructural projects (especially water supply) and deliver health and education services, further supports this view. In this instance, demands that G8 leaders disburse more of the additional 6 billion dollars per year, which was promised at Kananaskis, and act quickly to tackle agricultural subsidies were most vehemently articulated by organisations such as Oxfam and ActionAid, which intensively lobbied G8 nations prior to the summit. Such a reading further disproves NEPAD's claim to be African owned and instead adds weight to the argument that it tows the DMS line.

NEPAD's claim to be African owned is also undermined by the fact that even among African heads of state NEPAD has only gained nominal and shallow support. Thabo Mbeki is the only one to have spent significant time and energy promoting the plan. Noteworthy fissures are also appearing between Mbeki and other member representatives, particularly Obasanjo, regarding reform, corruption and governance. Many African states are excluded and even among those that are included there are significant differences in their vision of development, which may have serious implications for the success of the plan, especially its cornerstone - the APRM. Generally, small and medium-sized African nations are suspicious of the dominance of Nigeria and particularly South Africa. They fear that NEPAD's major beneficiaries will be the continent's two largest economies, which are the hubs of its principal mineral-industrial complex and oil-producing sector, and the loci of many G8 strategic and investment interests. Without all African countries being involved and with support made shallow through differences in development agendas, NEPAD's claim to be African owned is diluted.

The validity of NEPAD's claim to be African owned is also challenged by the lack of involvement by civil society. It is openly admitted that consultation within Africa and among African parliaments has been weak relative to efforts to entice Western donor support. NEPAD presently falls short of adhering to the popular participation / democratisation of the development process tenets of the indigenous development agenda, instead pursuing a DMS driven focus where the priority has been to attract support from the major IFIs and donor countries. The architects of NEPAD have focused their energies largely on selling NEPAD to the developed world and little attention has gone to finding African support. They are criticised for engaging in the design behind closed doors and failing to adequately cater for civil society and national

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African parliamentary consultation and participation. Consequently, civil society actors have taken objection to what they see as the elitist nature of the process in which a top-down approach by leaders has been employed rather than a bottom up approach by the people.

Summary

NEPAD's management structure is here taken to demonstrate that the plan only responds to past failures with limited novelty. Especially, given that it is managed by the same organisations and figures that have been dominant in past initiatives, it does not stand as radically different to what has gone before it. Further, while the dominance of South Africa and Mbeki may at first impression indicate the plan is African owned, under deeper analysis, it acts to debase such a claim because of South Africa and Mbeki's tendency to ally with the DMS agenda and because of limited support by other African states. In addition to the fact that not all states are included, even among those that are involved, differing development agendas obstruct the depth of support for NEPAD. The influence of the DMS in NEPAD's management structure is also evident in the relationship between the AU and NEPAD. That the two are marketed as distanced is taken as an indication of pandering to the DMS in order to be better positioned to gain FDI and aid.

Section Conclusion

NEPAD may be seen in many ways as a culmination of previous development initiatives and an attempt to address the weaknesses of them. It builds on past initiatives such as the LPA or the UN-PAAERD by placing greater emphasis on issues such as democracy and governance. UN-PAAERD fell short in this regard by skirting over these issues by, for example, defining the intensification of the democratisation process as related to popular participation. NEPAD also places greater emphasis on the need to address issues of compliance and enforcement of treaties and declarations by African leaders. However, NEPAD is largely managed by the same organisations and figures that have been involved in past development efforts and in this regard its ability to effectively respond to past failures may be limited. In its methods too, NEPAD does not propose to break from past efforts, though the APRM does take the pursuit of a partnership between Africa and the donor powers, based on a trade off of interests, a step further. It is

important to consider though that the effectiveness of this mechanism may be limited because of its enforcement and compliance constraints.

While NEPAD is officially a home grown initiative and while South Africa and Mbeki have been pivotal in its creation and management, it could be argued to be more a South African plan than an African one. Not all African countries are included and besides South Africa's involvement, commitment has been limited. Also, South Africa's role does not necessarily give credence to the claim that NEPAD is truly African owned as there is ample weight behind the opinion that Mbeki's South Africa is heavily influenced by the DMS.

Like African development initiatives before it, NEPAD places emphasis on self-reliance, regional integration, partnership, popular participation and respect for human rights and in this way it is representative of the African development agenda. However, in other ways, such as its limited civil society involvement, NEPAD diverges from the African development agenda. Further, while in some ways NEPAD is representative of the African development agenda as it claims, in other ways it allies itself with the DMS.

The current international political system is constituted by the vested interests of states and the dominance of the economic superpowers, especially the US, which consequently also constitute the main beneficiaries of the world 'system'. In contrast, weaker states especially in the third world are 'system dependent', having very limited control over the world 'system' in which they must survive.⁹⁶ Thus, they are subject to pressure to conform to the DMS interests.

The DMS agenda does not necessarily or in all aspects run counter to the African development agenda. However, the problem lies in the difference in priorities. While the vested interests of the Bretton Woods institutions and the leading Western governments are the priority of the DMS, the indigenous African development agenda is motivated by the priority of African governments' interests. This creates a paradox where the donor countries may want to help Africa out of its development crisis, but not to their own disadvantage.

This contradiction plays itself out clearly in trade discussions, as in the Doha round of the WTO, where the developing countries have been pushing for fairer access to foreign, especially

⁹⁶ Schrire, R. A., 'Globalization and the State: A View from the South', Cambridge Review of International Affairs, 14, 2000, pp.49-66.

European and American, markets in order to lift them out of poverty. Although, it can be argued that the European countries and the US are sympathetic to the ultimate goal of reducing poverty, they continue to fall short of reducing trade barriers and domestic grants that make it uncompetitive for developing countries.

One of the most controversial aspects of NEPAD is its reliance on the donor community. NEPAD has attempted to negotiate with Northern powers the terms of Africa's integration into the world economy without challenging the systemic and structural dynamics by which globalisation has further marginalised Africa and created polarisation both within and between African countries.⁹⁷ Thus, it places a strong focus on attracting FDI and aid, economic growth and better integration within the world economy, all of which indicate the pervading influence of the DMS agenda.

NEPAD generally adheres to neo-liberalism and the two-gap model of development. It is founded on the belief that more aid and freer trade will flow to Africa. Its vision sees poverty eradication as dependent upon the rise in GDP to 7% per annum, requiring an inflow \$64 billion of resources per year, which constitutes 12.75% of Africa's total gross national income per year. Equally, the amount needed, according to NEPAD, amounts to more than the total world wide ODA flows. NEPAD's main solution to the foreign investment drought is the promotion of a foreign stake via public private partnerships in privatised infrastructure. This has brought much criticism to the initiative, especially from Labour Unions and the left. By using such strategies NEPAD offers little to help Africa become self-reliant in financing. In this way, NEPAD contradicts the indigenous development agenda of self-reliance and self-sustainment. At the African Social Forum meeting in Mali in January 2002 most participants of the group rejected NEPAD because of the neo-liberal framework in which it was drafted.⁹⁸ At the World Summit on Sustainable Development in Johannesburg in August and September 2002, protesters took to the streets in opposition to NEPAD for this reason.

More than past development initiatives NEPAD, and particularly its APRM, brings convergence between the DMS and the African development agenda closer. However, the DMS and the African development agenda are conflicting animals in that each has their own agenda with

⁹⁷ Presentation to the Trade Strategy Group Workshop, 'Nepad and Globalisation: Some Initial Thoughts', *Alternatives*, Alternative Information and Development Centre, Vol. 2, No.2, South Africa, p.2

⁹⁸ *Alternatives*, Alternative Information and Development Centre, Vol.2, No. 2, South Africa, p.7
Also see African Social Forum, *The African Social Forum Report*, Bamako, Mali, 9 January, 2002

differing priorities. This highlights the problem inherent in NEPAD, whereby conditions, based on donors' selectivity, according to the priorities of globalisation, are attached to resource provisions in the APRM.

Further, even if the APRM were to succeed in gaining support for NEPAD, the plan itself will arguably face insurmountable odds to succeed in addressing Africa's development dynamic. The APRM is a step in the right direction but even beyond remedying Africa's internal problems, external factors, most notably unequal terms of trade, still need to be redressed.

University of Cape Town

Final Conclusion

The African continent currently constitutes what may be described as a development crisis. Following the high hopes of anti-colonial struggles, Africa remained economically and politically subordinate in the international political system, and its economy underwent decline. A variety of internal and external factors including terms of trade, market forces, debt, corruption and poor governance explain this.

A series of donor-led and African-initiated development plans have sought to reverse this decay. In theory, the summarising comparison of these two groups of development plans may at first thought be expected to read: the donor-led plans essentially advocate DMS interests while the African plans promote the African development agenda. However, in reality, and as this work explains, the analysis is more complex, particularly because the DMS has a pervading influence even in the African-initiated efforts.

The World Bank plans, which have historically been dominant in seeking to address African development, have made noteworthy efforts to take account of the need for a greater focus on poverty alleviation. However, they fundamentally remain driven by the DMS and primarily serve its interests. The World Bank's particularly influential SAPs, which were initiated in the 1980's, and which have been grounded in neo-liberal thinking, have been subject to strong criticism. As well as failing to address the link between income deterioration and corruption, one of their main failings in furthering African development has been their avoidance of addressing the causes of inequality and economic dependence, particularly the issue of unequal terms of trade. This has been an oft-repeated shortfall in Africa's development efforts and suggests the influence among them of the DMS. The diminishing role of the state, inherent in the ascendance of neo-liberalism and a prime effect of SAPs, has also had a destructive effect on African development indicators, especially regarding education and health services. Thus, despite and as a result of SAPs, Africa has been confronted with increased impoverishment.

The World Bank's effort to redress criticism has come in the form of post-modernist infiltration into its discourse. Although this has allowed for a greater stress on commitment to poverty alleviation, post modernism's characteristic avoidance of causal analysis, solution finding and its focus on deconstruction of theory has not served to offer any significant change to the World Bank's Africa focused development policies. Rather, it has served more as a tool, which remains

in the DMS interests, to deflect criticism away from much needed criticism of neo-liberalism, specifically with regards to Africa's development policies.

The series of UN development efforts for Africa, which are marked by a distinctive emphasis on 'partnership', have also failed to break out of the neo-liberal paradigm. Further, its plans have essentially not succeeded in bridging a compromise between Africa and the donors or significantly lifting Africa out of its development plight.

The numerous home grown African development initiatives, with their tendency to focus on tenets of the African development agenda – self reliance, self-sustainment, economic growth, democracy, good governance, human rights, popular participation, and partnership - have met with their own set of problems and criticism. From within, Africa has faced the obstacles created by poor governance, corruption, limited political will, restricted capacity, and unstable and externally dependent economies. By and large, the initiatives themselves have also failed to provide the necessary programmes and resources for implementation. External forces, most notably unequal terms of trade, have also played their part in limiting African development efforts. Further, the failure of African development initiatives can be linked to the influence of the DMS. On the one hand, disappointment has come from not ceding enough to DMS interests to secure support, and on the other hand, from criticism for towing the DMS line and thereby pursuing a development paradigm that places African priorities as secondary to donor interests and not raising sufficient domestic commitment.

NEPAD has partially responded to the failures of past development initiatives, by placing greater emphasis on issues such as democracy and governance, by taking the concept of a partnership between Africa and the donors further through the APRM, and by offering a more comprehensive plan that better provides for implementation. However, it falls short of offering anything radically novel. It is largely managed by the same organisations and figures that have been involved in past development efforts, it does not pursue any radically different methods, its ability to bring wayward states into check remains limited by enforcement and compliance constraints, and it is heavily influenced by the DMS.

The African development agenda is strongly evident in the policies and goals of NEPAD, in that the plan promotes in varying ways and to different extents: self-reliance, regional integration, partnership, popular participation and respect for human rights. However, the influence of the

DMS can be drawn out through the fact that it does not challenge the systemic problems that can be at least partially accountable for Africa's underdevelopment and it places a strong focus on attracting FDI and aid, economic growth and better integration within the world economy. This thrust towards raising significant foreign generated resources for NEPAD works against the African development goal of making the continent self-reliant in financing. While South Africa has a prevailing role in driving the plan, this in itself can support the argument that DMS interests' underpin it, as Mbeki's and South Africa's interests are served by adhering to the DMS. The influence of the DMS is also apparent in the fact that conditions, through which donors' can selectively assert their interests, are attached to the provision of resources in the APRM. DMS clout in NEPAD debases its claim to be African owned and managed, and to be truly driven by the African development agenda and by the priorities of African development needs. This also helps to explain the limited support for the plan within Africa, a fact that further weakens its claim to be African owned.

That the international political system is characterised by the dominance of the powerful states and institutions, which also constitute the principal beneficiaries of the 'system', validates the thesis that the DMS and the African development agenda are essentially incompatible. Unless Africa can strengthen its position within the international political system so as to promote its needs as a priority above those of the donor states or unless the DMS goes against its realist nature and places African development needs above its own, African interests will remain secondary to those of the DMS. While the influence of the DMS upon NEPAD may be a forced necessity because of the current international political system, it never the less highlights the paradox of Africa's development crisis. While African development plans depend on support from the donor community because of the imperatives of raising resources that are not accessible from within Africa, such reliance undermines the African development agenda and jeopardises the priority of Africa's development needs.

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