Towards An Interpretation of Africa's Development Process: NEPAD And The New Global Orthodoxy

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Glossary of Terms

AAF-SAP	African Alternative Framework to Structural Adjustment Programmes for Socio-economic Recovery and Transformation
AfDB	Africa Development Bank
APPER	Africa's Priority Programme for Economic Recovery
AU	African Union
BWI	Bretton Woods Institution
CAP	Common Agricultural Policy
DFI	Direct Foreign Investment
EAC	East African Community
ECA	Economic Commission for Africa
ECCAS	Economic Community of Central African States
ECOWAS	Economic Community of West African States
FAL	Final Act of Lagos
FAO	Food and Agricultural Organisation (UN)
GEF	Global Environment Facility
GESI	Global Environmental and Sanitation Initiative
HIPC	Highly Indebted Poor Countries
HIV/AIDS	Human Immunodeficiency Virus/ Acquired Immune Deficiency Syndrome
IBRD	International Bank for Reconstruction & Devp. (World Bank)
IMF	International Monetary Fund
ISI	Import Substitution Industrialisation
LDCs	Less/ Least Development Countries
LPA	Lagos Plan of Action
NEPAD	New Partnership for Africa's Development
OAU	Organisation Of African Unity
ODA	Overseas Development Assistance
OECD	Organisation for Economic Co-operation and Development
OPEC	Organisation of Petroleum Exporting Countries
PPP	Public-Private Partnership
PRSP	Poverty Reduction Strategy Papers
SADC	Southern African Development Community
SAPs	Structural Adjustment Programmes
SDR	Special Drawing Rights
TRIM	Trade Related Investment Measures
TRIP	Trade Related Intellectual Property
UNCTACDA	United Nations Transport & Communications Devp. for Africa
UNDP	United Nations Development Programme
UNESCO	United Nations Educational Scientific & Cultural Organisation
UNPAAERD	United Nations Programme for Action for Africa's Economic Recovery & Development
WTO	World Trade Organisation

Introduction:

Africa at the dawn of the 21st century cuts the picture of gloom, despondency and desperation; the deplorable state of the continent contrasts sharply with the fortunes of almost every other civilization. The HIV/Aids pandemic is a terrible menace particularly to Africans threatening to reduce life expectancy by up to 20 years imposing costs on Africa up to 50% more than any other part of the South; over 340 million Africans live on US$1 or less per day, 20% i.e. 1 in every 5 live in countries ravaged by conflicts and civil wars, many more children are conscripted as soldiers and mortality rate of children under five years stand at an alarming 140 per thousand or 14%. Primary school enrolment is dropping, food production is dropping on the one hand (due to a myriad of both natural and economic factors) while on the other, population growth rate is rising, exacerbating poverty levels in the continent. As we gather for this conference, at least six southern African countries- Zimbabwe, Zambia, Lesotho, Mozambique, Malawi and Botswana are in the throes of famine and desperate food shortages.

Only 58% of our population has access to clean drinking water and average life expectancy at birth is 54 years[1].

Africa's peripheral influence in the global economy has further waned, commodity prices are dipping and Africa's share of primary products has also dwindled. As we were beginning to heave a sigh of relieve at the prospects of peace in Congo Democratic Republic, military mutiny broke out in Cote D'Ivoire, ceasefire collapsed in the Sudan and guerrilla warfare intensified in Uganda and Liberia. The authors of the New Partnership for Africa's Development (NEPAD) initiative refer to the situation in Africa

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[1] See Can Africa Claim the 21st Century, The NEPAD charter (23 October, 2001)

as 'abnormal'[1], in reality political disorder and socio-economic malaise have always characterised the continent.

The foregoing, coupled with the changing contours of international political economy reinforce the enormity and urgency of the challenge for Africa.

The political climate of the mid-1990s, the third wave of re-democratisation of the continent, the emergence of determined and progressive political leadership, the ouster of some of Africa's longest serving despots- Kamuzu Banda, Mobutu Sese-Seko, Didier Ratsiraka, Frederick Chiluba and Houphet-Boigny (by natural death), plus the milestone abrogation of military authoritarianism in Nigeria and, restoration of normalcy to and successful elections in Sierra-Leone augured hope for the continent that has been severally denounced with many obnoxious adjectives- hopeless, beleaguered, dark.

Unlike previously when inspiration for an African socio-political and economic resurgence was sought mainly in the enigmatic Ghadaffi of Libya, who on the one hand canvassed for a United States of Africa but on the other financed guerrilla styled insurrections against popularly elected governments, particularly on the west coast, a crop of leaders emerged by the eve of the 21st century who were genuinely perturbed about the plight of the continent. Abdulaziz Bouteflika, the Chairman of the Organisation for African Unity (OAU), Thabo Mbeki successor to the almost deified and well beloved Nelson Mandela, President of Republic of South Africa, Nigeria's President Olusegun Obasanjo and Abdoulaye Wade of Senegal formed the vanguard for the accelerated development of the Continent, after summits at Lusaka, Abuja and Durban the NEPAD initiative,, an amalgam of the Omega Plan and New Millennium African Initiative (NAI)

[1] New Partnership for Africa's Development, October 2001, p1

was launched in July 2002, as the official blueprint for the development of Africa. The apex pan-African organisation OAU also mutated into the African Union.

NEPAD in its very brief span has been severally denounced, Muammar Ghadaffi refers to it as 'a racist tool of neo-colonialists', more serious and competent assessment have regarded NEPAD as 'repackaged SAP'[1] and bearing 'uncanny resemblance' to the 'political conditionalities and governance reforms'[2] of Western donors. Before cynicism brims over NEPAD however, it is apposite to now properly contextualise the initiative in the annals of African development and then dissect the document as a developmental paradigm.

NEPAD And Africa's Developmental Policy Chronicle

Developmental strategies in Africa have been inspired by two main sources and can be classified into exogenous-liberal policies and endogenous-African alternatives. All the strategies that have been enunciated and adopted in Africa have been stimulated by a corresponding ideological interpretation of the African crisis.

The exogenous strategies were informed by neo-classical economic theories and always invariably (before 1989), conceived with the intention of containing or checkmating communism by, denouncing communism as an economic doctrine, the soviet autarky planning model and socialism as a political doctrine.

Influenced by the logic of Smith, Ricardo and later, Maynard Keynes the free market economy as argued by liberal apologetics, would be beneficial to all participants on the long run irrespective of levels of development for three main reasons:

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1 Sanou Mbaye
2 Olukoshi, A.

Firstly, the system provides and mobilises resources for development, secondly, 'structural relationships were created, sustained and dissolved by changing market prices, in other words the system is self-regulating and, thirdly, there was no long term bottleneck to development'[1]

After the first decade of the apogee of African independence, when commodity export earnings to the continent began to deteriorate against manufactures and the so-called benefits of free trade became imperceptible, neo-liberal apologetics at the peak of a sustained critique of the world economic order by emerging Latino-African scholars of a radical hue, rejuvenated their argument and contested whether commodity terms of trade with manufactures was unequal; they asserted that the bottlenecks and rigidities, LDCs complained of resulted from their interference with market forces, through economic dominance of the post-colonial state[2].

One of the interpretations of the developmental impasse in the South from a western perspective was summarised by the Harrod-Dommar model. According to this analysis, the problem was cyclical, a catch 22 situation, poor incomes from exports were resulting in low savings, leading to low investments resulting again in poor earnings. International trade they opined, was detrimental to new states for several reasons: First the exchange between primary products and manufactures was increasingly deteriorating; secondly, international trade was fluid and subject to several unpredictable variables; free trade makes the economies of the peripheral members to respond to stimuli in the core countries to the detriment of domestic exigencies therefore, making the developing economy susceptible and long term planning impossible. The solution proposed was,

[1] Harris, N., 1987:p18
[2] ibid, p26, also Aderemi, 1995:p4

simply put, for developing countries to maximise their domestic resources, stimulate savings and investments and, reduce import of industrial goods. This argument was for a while well received and as is shown later was pivotal to the choice of Import Substitution Industrialisation in almost the entire South.

Anne Krueger, incumbent Deputy President of IMF, explains that a variety of factors induced the preference for the ISI strategy in developing countries. According to her, the infant industry argument- that an economic activity with perceived external economies on the long run could be incubated from competition in the formative years provided the developing world 'a rationale for imposing high levels of protection for domestic manufacturing industries', irrespective of whether the case was valid or simply motivated by a desire to industrialise and be self-sufficient. The other conditions in her opinion that dictated the choice of ISI were the pessimism arising from the Great Depression about the in-elasticity of the prices of commodity products and, Arthur Lewis' theory of surplus labour[1]. Lewis (1954) had opined that to develop, developing countries needed to raise their profits from national incomes, and that this was only possible through industrialisation, Industrialisation in these societies in turn could only survive through protection.

The conviction of the first generation of statesmen and policy makers in the new world in Africa especially, that industrialisation was tantamount or at least close enough to modernisation or development was unshakeable, also resolute was the conviction that the state should spearhead indeed be the pivotal economic agent and retain ownership of the bulk of natural resources but, the issues of whether the classical economic principle of

[1] Krueger, A. Political Economy of Policy Reform in Developing Countries (Cambridge, Massachusetts, London: MIT Press, 1993)

comparative advantage, *laissez faire* and keynesianism should dominate economic planning or whether for instance to go the 'successful' autarkic Russian way, concentrating on heavy industrial development (especially steel rolling mills) and regulating the relatively closed economy were not as clearly resolved. Informed by the foregoing, Import Substitution Industrialisation and Export Promotion or Export-led Growth constituted the first set of developmental strategies embraced by Africa.

ISI was aimed at fostering a national economy fairly independent of the rest of the world. The growth of the national economy was to be sustained by the expansion of the domestic market, because at the initial stages, industries would be adequately protected against external competition and, production would initially be for the home market.

ISI was also supposed to engender the conservation of foreign exchange that would otherwise have been spent on banned imports, which are afterwards diverted to local investments. A component of the strategy was the imposition of a relatively high tariff wall or total restrictions on imported substitutes to domestic manufacture.

Export promotion strategy was contrived to create for the developing country, a specialised role in the global economy. The developing economy was encouraged to concentrate attention and resources in the area of the world economy where it had the greatest comparative advantage. If properly implemented the strategy was supposed to generate considerable inflow of foreign capital.

In the case of Nigeria, ISI was preferred above other strategies such as Export Promotion and Basic Needs, but in implementation the strategy achieved only ephemeral success and remarkably failed to transform the Nigerian economy into the fairly self sufficient model that was imagined, even in food production. The major features of Nigeria's manufacturing enterprise which is typical of most sub-Saharan African countries include the Nigerianisation of labour in the final stages of production, setting up of local Assembly Plants to ostensibly erect substantially finished products, packaging and licence manufacture[1]. Both ISI and Export Promotion were huge failures in Africa and probably everywhere else except South East Asia where they were implemented with grievous syncretism to the classical theory and the principles of free international trade in general. For instance the infant industry rationale was exploited to the point of making the Asian Tiger economies totally closed to the rest of the world, in promoting export-led growth, local manufactures, inferior to global standard and produced at exorbitant, non-competitive costs by inefficient labour and technology were hugely subsidised to below world market prices and exported as cheaper brands, this sort of sharp practice anomalous as it was, was condoned and ignored by the OECD ostensibly because of the politics of the 38th parallel.

Turok in his assessment of ISI makes the following observations:

> There has been relatively little utilisation of local materials in the total production process and therefore little saving in foreign exchange…Perhaps the biggest failure of the policy has been the failure to develop linkages backwards and forwards between agriculture and the rest of the productive economy[1]

The oil price shocks of 1973/74 and 1979/80 mark a watershed in the annals of development policies in Africa. The chain of cataclysmic consequences of OPEC's prohibitive increase in crude prices (300-400%) on African economies- collapse of commodity export trade, burgeoning balance of payments deficits, increasing reliance on

[1] see Graf, W. The Nigerian State: Political Economy, Class and Political System in the Post-Colonial Era. (Portsmouth: Heinemann Educational Books Inc., 1988)

foreign loans, ODA's etc., and biting domestic hardship with its socio-political repercussions betrayed the bankruptcy of ISI and Export-led growth as strategies for long term development.

The BWI offered intervention by introducing what was called 'policy -based lending' in developing countries. The IMF programme was known as Stabilisation Policies and the World Bank's as Structural Adjustment Programmes (SAPs); the difference between the programmes is that while the former was aimed at reducing short-term disequilibrium, especially budget deficits, balance of payments deficits and inflation, the latter are concerned to restructure economies towards greater efficiency in the medium term[1].

In 1981, a very objectionable synthesis of the crisis in Africa emerged in the form of a document titled *Towards Accelerated Development In Africa*, jointly produced by the World Bank and the UNDP; this document came to be better known as the Berg Report. The Berg Report insisted that the African crisis was totally due to internal factors and refused to consider any culpability of the international economic system or trade regime. The report became the springboard for Structural Adjustment Programmes, which stipulated the following sets of prescriptions, to be implemented throughout the South:

- Devaluation of the national currency and adoption of a floating exchange rate regime
- Deregulation of domestic interest rates
- Liberalisation of external trade and financial transfers
- De-control of prices
- Elimination of subsidies

[1] Turok, B. What Can Be Done? (London: Zed Books Ltd.,1987) p15

- Imposition of cost recovery measures in educational and health sectors
- Rationalisation of public enterprises, through privatisation or outright liquidation
- Reduction in the size of the Civil Service to curb budget deficits and public borrowing[2].

Gana[3] adds other features of the Structural Adjustment Programme.

Stabilisation and SAPs have been variously denounced not only in Africa but the Third World as a whole, it is of little importance to regurgitate the well-documented shortcomings of the strategies. It is however pertinent to repeat with emphasis that 'a significant sustained macro-economic improvement failed to materialise because the SAL (Structural Adjustment Loan) programme neglected to tackle fundamental structural requirements"[4] as Harrigan noted on Malawi. Another important critique of these strategies from the prism of the subject-matter here is made by Onimode that, 'even if these programmes had succeeded in meeting their own performance targets, we would still regard them as having failed, because they have not satisfied the objectives that African countries have set for themselves'[5].

The South Commission actually refers to the policies as 'a form of neo-colonialism', which enables the OECD to influence the domestic choices of the South, and 'to impose

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[1] Stewart, F., Lall, S. and Wangwe, S. Alternative Development Strategies in Sub-Saharan Africa (London: Macmillan, 1992) pp4-5

[2] The South Centre, 1998

[3] Gana, A. *Reflections on the Structural Adjustment Programme* in Olaniyan, R.O & Nwoke, C. (eds.) (1989)

[4] Harrigan, J. *Malawi* in Moseley, P., Harrigan J. and Toye, J. Aid And Power, Volume 2 (London, New York: Routledge, 1991) pp201-264

[5] Onimode, B. (ed.) Alternative Development Strategies For Africa, Volume 1: Coalition for Change (London: Institute For African Alternatives, 1990) p48

on them externally determined values, policies, concessions and patterns of development'[1].

ECA believes that, although the SAP/ Stabilisation policies were informed by sound econometric principles, they could not succeed in Africa because 'the programmes generally fail to capture the political, social, cultural and economic realities of African countries'[2], the Khartoum declaration regards the twin policies as 'incomplete, too mechanistic and too short-term'[3].

The critiques above have been re-stated to emphasise that a huge part of why SAPs failed in Africa was because it was neither African owned nor driven.

The first comprehensive and well articulated African blueprint for development is known as the Lagos Plan of Action (LPA), it was adopted by the OAU Heads of States and Governments second extraordinary meeting at Lagos, Nigeria in April 1980 following the Kinshasa summit (1976) and Monrovia Declaration (1979). LPA continues to be the benchmark for indigenous development policy formulation in Africa, to some extent including NEPAD.

The plan is especially notable for its vision for a sustainable, self-reliant and long term development strategy. LPA list of Africa's long-term development objectives has been added as an Appendix.

The Final Act of Lagos (FAL) was an adjunct to LPA; it strongly urged sub-regional economic co-operation and integration. FAL incorporates clear suggestions for regional integration and proposed the establishment of an African Community by the year 2000.

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[1] The Challenge to The South: The Report Of The South Commission (1990) p7

[2] ECA, The African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation (Addis Ababa, 1989) p20

[3] ibid.

Since LPA there have been several colloquia on fine tuning or reviewing the implementation of LPA; the significant ones being APPER (1986), UNPAAERD (1986) and AAF-SAP (1989).

AAF-SAP is central to any contemporary discussion of development strategies in Africa; it was put together under the auspices of ECA.

A critical study of AAF-SAP reveals an in-depth appreciation of the historical, socio-political and economic milieu within which the development dilemma situates, the theme of 'Adjustment with Transformation' is an apt summation of the document's main grouse with orthodox policies- African development and growth need not be sacrificed for short term fiscal and monetary stability.

The essential features of African political economy, detailed by the resolution have been restated accurately elsewhere as 'deep-seated disarticulation or distorted structural linkages, lopsided development, excessive external dependence, undue reliance on exchange activities, lack of democracy and social tension'[1]. The framework concludes that, 'one principal corollary of this structural reality of the African economy is that left to itself, it has a built-in tendency to generate crises from within and to assimilate others from abroad'[2].

The fivefold strategy proposed by AAF-SAP is based on three *macro-entities* viz.:

i. The operative forces i.e. the overall African climate- political, economic, scientific and technological; environmental, cultural and sociological, these could be positive or negative, internal or external, permanent or temporary

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[1] Onimode, B. A Future For Africa: Beyond Politics of Adjustment (London: Earthscan, 1992) p78
[2] ECA op cit. p28

ii. Available resources including human and natural resources, domestic savings and external financial resources and,

iii. The needs to be elaborated- these are the vital (basic) goods and services and the ability to acquire them[1].

The strategies of the framework are as follows:

a. committed pursuit of human centred and self-sustaining development
b. transformation of the African economy from an exchange to a production economy
c. democratisation of the development process through popular participation and accountability in public affairs
d. vigorous mobilisation of domestic resources and the revamping of institutions
e. serious and vigorous pursuit of regional economic integration[2].

The NEPAD Framework

Five distinct aspects of the NEPAD blueprint are distinguishable, these are the Peace, Security, Democracy and Political Governance Initiative, Economic and Corporate Governance Initiative; Human Resource Development Initiative; Capital Flows Initiative and Market Access Initiative.

Peace, Security, Democracy and Political Governance Initiative

This initiative is informed by the conviction of the architects of NEPAD, that sustainable development varies directly as a function of peace, security, democracy, good

[1] ibid. pp26-27
[2] Onimode, B. (1992) p79

governance, human rights and sound economic management. The goals of NEPAD in this department are several as follows:

- Promoting long term conditions for development and security
- Building the capacity of African institutions for early detection, prevention, management and resolution of conflicts
- Institutionalising commitment to the core values of NEPAD
- Peace-making, peace-keeping and peace enforcement
- post-conflict reconciliation, rehabilitation and reconstruction
- combating illicit proliferation of small arms, light weapons and land mines

The golden goal of NEPAD is the undertaking for sanctioning undemocratic governance, implied by the statement that:

> *The Heads of States Forum on the New Partnership for Africa's Development will serve as a mechanism through which the leadership of the New Partnership for Africa's Development will periodically monitor and access the progress made by African countries in meeting their commitment towards achieving good governance and social reforms. The Forum will also provide a platform for countries to share experience with a view to fostering good governance and democratic practices*[1].

This position provides for the peer review mechanism, which is hoped would be enforced by principles m and p of Article 4 in the Constitutive Charter of the AU[1].

Economic and Corporate Governance Initiative

[1] New Partnership For Africa's Development, October 2001.pp18-19

This aspect of the framework is concerned with State capacity building as a 'critical aspect of creating conditions for development'. Specifically the framework (i.e. NEPAD) recognises the constraints of many African States to design and implement poverty reduction programmes and to promote economic growth and development, 'even when funding is available'. Complementary to this is the realisation and admission of the weak infrastructural base of the continent including acute indigence in the areas of ICT, energy, transport, water and sanitation.

What NEPAD recommends with regards to capacity building, is the commissioning of a Task Force, comprising technocrats from the Ministries of Finance and Central Banks to initially evaluate the capacities of individual States and subsequently to assist in the areas of policy implementation, since a prototype policy for economic growth and development, emphasising private sector dominance is already in place.

In what is referred to as 'All infrastructure sectors' including roads, highways, airports, seaports, railways, waterways and telecommunications facilities, the objective is to improve availability and enhance quality, the proposals for achieving this are to increase investment in infrastructure, establish African institutions that will train and produce highly skilled technicians and engineers, through networking anchored by the AfDB with other financial agencies on the continent, mobilise finance for infrastuctural development; promote 'public-private partnerships' for attracting private investors.

NEPAD hopes to double teledensity on the continent from one line per 100 to two per hundred by 2005, lower cost and improve reliability of telephony, achieve 'e-readiness for all African countries, be competitive in software production. The African Telecommunications Union (ATU) is expected to play pivotal role here in design,

[1] see The Constitutive Act of the African Union, July 2001 pp3-4

implementation and training; Africa is also to collaborate with the G8, DotForce and the UN Task Force in realising this objective.

On energy, An African Forum for utility Regulation and other regional regulatory agencies are to be established, a Task Force is to be established to prioritise, implement strategies and accelerate development of energy supply on the continent, 'broaden the scope of the programme for biomass energy conservation from SADC to the rest of the continent.

On water and sanitation, work is to be accelerated on such multipurpose projects as the utilisation of the Congo River and Nile Basin Initiative. Guard against the negative impact of climatic change in Africa, collaborate with GESI (Global Environmental Sanitation Initiative) in promoting sanitary waste disposal and support the UN Habitat programme on water conservation.

Human Resource Development Initiative

Four sub-themes are discussed under this section- poverty reduction, bridging the education gap, reversing brain drain and health.

The objectives under poverty reduction include promoting policies aimed at incidental reduction of poverty, reduction of poverty among women, involving the poor in poverty reduction strategies and in verbatim:

'To support existing poverty reduction initiatives at the multilateral level, such as the Comprehensive Development Framework of the World Bank and the Poverty Reduction Strategic approach linked to the debt relief initiative for Highly Indebted Poor Countries'.

These objectives are to be achieved by an assessment of the impact of policy reduction initiatives before and after implementation, cooperation with BWI, AfDB and the UN agencies; Task Force teams are also to monitor and ensure women interest are represented in poverty reduction strategies.

In bridging the education gap, NEPAD recommends the review of current initiatives jointly with the UNESCO and other major international donors, promote increased budgetary allocation to the educational sector, constitute Task Force teams to accelerate introduction of ICT and review/present proposals to enhance research capacity and to establish specialised universities across the continent.

To reverse the brain drain syndrome to 'brain gain', a conducive socio-political and economic environment would be created as incentive to curb the drain, a database of experts in all field would be compiled and networking between Africa based experts and hose in the diaspora would be promoted, this will entail the repatriation of scientific, technological and specialised knowledge to Africa, those African experts in the diaspora should also be mobilised for implementing the NEPAD initiative.

Strategy for developing the health sector is basically to participate fully and conspicuously in international campaigns for eradication of diseases and raising quality of life, seek support from donors for increased funding for health campaigns in Africa by at least US$10billion per annum, advocate for increased budgetary allocation to health by African governments and mobilise for rapid improvement of healthcare infrastructure in the continent.

Capital Flows Initiative

Four thematic areas are identified in this category viz: Increasing domestic resource mobilisation- the goals here include to intensify the accumulation of additional resources within and outside the continent to boost savings and investment, improve on fiscal measures and method for collecting taxes, checkmate capital flight, build a conducive environment to attract DFI and clamour for the establishment of SDRs for Africa. Debt Relief is the second issue under capital flows; NEPAD wants debt relief to the continent increased, for debt relief on the short term, to be a function of fiscal revenue and on the long term tied to poverty levels. The final action is to create for a where African countries will share experiences in the management of their debt portfolios.

On ODA reforms, the thrust of NEPAD is basically to intensify collaboration with the G8, create an institutional mechanism for monitoring ODA flows and to harmonise the positions of donors and recipients. Private capital flows is the final piece in the Capital flows initiative, the primary target is to attract more long-term private investments into the continent; in realisation of this, priority is given he task of changing the perception of Africa as a 'high risk' investment zone, promote more investment friendly legislation, canvass for increased ODA and debt reduction and create PPPs to assist governments in facilitating private capital investment.

Market Access Initiative

The goals of the market access initiative include diversification of production, improving agro-productivity with emphasis on small scale and women farmers, enhance profitability of the mining, manufacturing, tourism and services sectors; promoting the private sector, promoting Afro exports and removing non-tariff barriers to international trade.

Achieving several of these goals is identified with both African and international challenges and actions, basically the African challenges compose of improving physical infrastructure, generally providing a conducive and safe trade environment, building human capital capacity, good legislation and even State capacities for attracting investment.

The immediate projects identified as urgent by NEPAD include expanding the integrated action plan for land and water management and the maintenance/ upgrading of Africa's fragile agricultural natural resources base in conjunction with GEF, FAO, the World Bank and AfDB among others[1].

Establishment of business incubators for promoting and re-invigorating the private sector, infrastructure development and regional integration; especially that the regional organisations- ECOWAS, ECCAS, EAC and SADC be strengthened.

Globalisation And African Political Economy

Any rigorous and proficient assessment of NEPAD must first and foremost set itself the task of scrutinising the socio-political and economic milieu that produced it. The changing outlook of international political economy is already dictating the trajectories of Africa's political and economic evolution in the 21st century.

Collapse of communism and of Soviet Russia, end of bi-partisan international politics and the ascendancy of the United States as the world's sole super power; rise and fall and resurgence of the pacific-rim countries and developments in Europe have all combined to completely alter the landscape of global order.

[1] New Partnership For Africa's Development, October 2001:p55

Unprecedented concern for the environment, mutation of GATT to WTO, high profile mergers and acquisitions, phenomenal breakthroughs in telecommunications and the increasing relevance of virtual markets, e-business and bio-technology, among several other factors have firmly entrenched globalisation or, the collapsing of international political, socio-economic and geographical barriers, and the creation of a monolithic, consensual, world order (grouped into economic regions rather than States) as the most salient feature of the new millennium.

The restructuring of the world order has several direct and indirect consequences for Africa, the collapse of communism signalling the end of the cold war resulted in what some have called the Americanisation of the global economy[1], the implications of this for Africa and the South generally are as follows:

- Increasing vehemence by the North (OECD, G8), led by the USA for African economies and markets to be reformed *à la* Bretton Woods prescription, and for their political process to be democratised.
- Aid fatigue to Africa i.e. diversion of Overseas Development Assistance, official and private outflows from Africa to the countries of the former socialist block to facilitate proper capitalist restructuring.
- The introduction of what has been termed internationalisation, political conditionalities as basis for development/ financial assistance.[2]
- Loss of sovereignty, a logical consequence of globalisation. For Africa, which is just marginally absorbed in the process of globalisation, this is felt by the relegation of supranational organisations, especially the United Nations and its

[1] Sanou Mbaye for instance (West Africa, issue 4333:p29)
[2] Internationalisation is held to be different from globalisation which is essentially economic

several organs as influential instruments for setting global agenda. LDCs for instance have not been able to table such grievances as the WTOs multilateral trade agreement and commodity terms of trade since UNCTAD has been unofficially subsumed under WTO.

- Loss of political leverage. Since bi-polarity and on issues of political economy where there is convergence between NAFTA and EU, little latitude for dissension exists, especially for LDCs.
- Breath taking breakthrough in ICT has further reduced Africa's competitiveness in the global arena.
- Bio-technology, the development of synthetic alternatives to primary commodities and September 11, have exacerbated the declining returns of primary products, the former by contracting the market, the latter through vast amounts of unethical subsidies to American farmers.
- The fusion of European markets and especially the CAP policy at the core of the EU affects commodity earnings negatively in the South, especially in Africa, the leading exporter of primary products to Europe.

Conditioned by the global environment in this largely unfavourable way, the substance, thrust, ideological underpinnings and goals of the NEPAD initiative are therefore hardly shocking.

Two strategies are available to Africa for a beneficial response to globalisation. Firstly Africa could tag along by keeping its markets open, its politics democratic and its economic policies inspired by fiscal and monetarist principles that would preserve market signals and also not interfere with prices. By generally being uncritical of the extant structure of global political economy; embracing among others, a floating exchange rate, eliminating subsidies, reducing public sector borrowing etc. Africa by this option would qualify to reap the fruits of obedience through larger handouts, more trickle down effects of the gains of neo-classical economic practice in the form of ODAs and even DFIs, but would never in this way achieve self-sustaining development over a long term. When finally adopted *by* a globalised international system, Africa could even be guaranteed a specialist role in international political economy, and a minimum living standard below which the continent will not be left to sink, Kananaskis spurs this assumption.

The second option for Africa is to regard globalisation as a perverted form of the New International Economic Order (NIEO) it clamoured for, and seize the opportunity to renegotiate its peripheral status. This would entail a more critical, more combative, even radical approach but the fruits would have been sweeter and longer lasting albeit delayed. NEPAD and the charade of Genoa and Kananaskis, are the eloquent testimonies to the preference the present generation of African leaders have settled for, a sacred oath to be on best behaviour and not upset the applecart of *real* capitalism. As Phil Twyford, Oxfam's international advocacy director put the celebrated G8-NEPAD partnership:

> They're offering peanuts to Africa- and repackaged peanuts at that. The thing that is most disappointing is that the leaders have spent the last year talking up this event as the moment they were going to deliver for Africa[1].

All Africa got from the G8 in spite of all the hype that attended the last summit was a promissory note for an additional US$1 billion in debt relief, strictly to those countries whose export earnings were hard hit by Washington's huge subsidy to its agricultural sector. Africa requires over US$64billion annually to finance NEPAD.

Interrogating The NEPAD Initiative

The international economic system has never been more adverse to Africa than presently, since the leverage of 'the other side' vanished with the cold war and the former East European States absorbed into mainstream politico-economic order, Africa and much of the developed world have been thrust at the mercy of the OECD and other wealthy nations including the cartel of creditors, transnational corporations and other investors. It is in the light of this backdrop that the NEPAD initiative must be assessed.

Although the NEPAD document succeeds at enumerating virtually all the conspicuous indigence of African socio-political and economic systems, by logic and philosophical conception it is nothing more than a capitulation to Western neo-imperialism and intellectualism; a capitulation inspired by the daunting challenges confronting the political leadership of Africa on the one hand and, by the overkill and intimidating technological sophistication, capital resource abundance and politico-military prowess of the North.

NEPAD is constructed on the waste-places of western strategies that are renowned for their emphatic failures in Africa and seriously underpinned and driven by neo-liberal principles, especially those inspired by the market economy philosophy. That the assumptions upon which western economic doctrine is premised is dubious has been quite eminently detailed, according to the South Commission:

> The Bank's theoretical paradigm and its neo-classical theoretical underpinnings are at best valid only under extremely restrictive assumptions, that is, there is

[1] in West Africa, ibid:p28

> perfect competition and full employment of resources; that there are no externalities of production and consumption; and that there are decreasing or constant returns to scale, among other things. However, in a world of increasing returns to scale both in the static and dynamic sense, of monopolistic or oligopolistic competition, and of incomplete markets, markets left to themselves may not yield full employment of society's resources, let alone further economic growth[1].

Toyo denounces neo-liberal paradigms for '…it's myopia in dealing with underdeveloped countries- the malicious eye, the evil intent or the absent mindedness which it employs for Third World problems of development'[2] and according to Ake:

> For the foreign patrons of Africa, this conception of development offered the advantage of dehistoricizing development, so that it was easier to represent their values and experience as objectively desirable and inevitable. Furthermore, their power and legitimacy as agents of development are associated with their scientific knowledge of the development process; knowledge that is less prone to being questioned when the development process is been regarded as autonomous[3].

As has already been noted above, the latitude for independent action, especially exercise of non-orthodox discretion has seriously evaporated for much of the South in the new schema, nonetheless, NEPAD espouses an almost contagious faith in the western approach, not betraying any handicap whatsoever in evolving an autochthonous, even crossbreed blueprint.

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[1] South Commission (1998) p53

[2] Toyo, E., "Non-Ethnocentric Flaws in Competing Non-Marxist Paradigms of Development" in Barongo, Y. (ed.), Political Science in Africa: A Critical Review (London, Zed Press, 1983), p156

[3] Ake, 1998:p12

The traumatic lessons of SAPs and other metropolitan strategies, instructs that no credible and viable blueprint for the African continent can be hinged upon purely neo-liberal economic principles. The base shortcoming of the blueprint is therefore its wholesale retention of neo-liberal ideologies, which fostered the same asymmetric structure Africa is seeking to emancipate from. Moreover, being hinged upon metropolitan tradition, NEPAD reinforces the centrality of two factors - capital and technology in global competitiveness; these are the two major entities Africa is most deficient and disadvantaged in.

The crux of any credible development agenda for the African people must not only target the obvious problems of acute socio-political institutional atrophy, systemic corruption and economic mal-administration inherent in Africa as NEPAD efficiently does, but also situate the development dilemma both within Africa's historic past and the international environment within which we operate, NEPAD is lopsided in this regard and is to some extent ahistoric and static.

The NEPAD document as a developmental stratagem is severely flawed by its failure to clearly and eloquently articulate the prejudices of the new orthodoxy to Africa; all through the document, critique of the international system is at best subtle where it should have been screamed. I proceed to present three vintage examples of this.

One of the greatest hurdles to Africa's development process is the crushing burden of the sometimes-dubious debt it bears. In several instances the size of the debt portfolio is disputed and serviced at a rate that makes provision of basic infrastructure nigh impossible. It is obvious enough that Africa cannot cope with meeting up with servicing her debt portfolio and concurrently financing her development project, which, by

NEPAD's estimation stands at about US$64billion per annum; rather than press for an outright cancellation of this 'odious' debt, the initiators of NEPAD 'seeks extension of debt relief beyond its current level'[1]. Rather than the document outrightly denounce the HIPC initiative as subterfuge, that the 22 African countries included in the scheme, desperately poor countries, still have to gulp $2 billion each year in debt repayments to wealthy creditor countries and institutions[2]. NEPAD instead stipulates that 'countries would engage with existing debt relief mechanisms- the HIPC and the Paris Club- before seeking recourse through the New partnership for Africa's Development'[3] this particular clause in NEPAD is not only obnoxious but extremely saddening in a regime where poor African countries are refused concerted voice in negotiating their debts but, where the creditors- private or institutional present a multilateral front.

NEPAD rather than its morbid absorption with debt relief should clamour for cancellation, not of the principal debt which in many cases have been long repaid[1], but of the criminal interests accruing to corporate and individual concerns in the west, NEPAD should go a step further that, reparations replace ODA's in financing the African project, in the same spirit that the OECD rose as a man to forthrightly demand reparations for hapless Jewish victims of Hitler's Holocaust.

A second terrible fate Africa and the South suffers in the new international political economy, is in regards to global trade regime, part of the reason the World Trade Centre edifice in Washington was always targeted by terrorists is because to them, the complex personified very imperialism and neo-colonialism. The global trade regime is of course

[1] NEPAD document, p37
[2] see Booker Salih's critique of HIPC www.africaaction.org
[3] NEPAD ibid, p38

the chief mechanism for the systematic exploitation of underdeveloped economies by the west. Sub-Sahara Africa even though comprises about 10% of total world population and most of its poorest, has less than 2% of total world trade.

According to a World Bank document:

> The erosion of Africa's world trade share in current prices between 1970 and 1993 represents a staggering annual income loss of US$68billion- or 21% of regional GDP[2].

Meaning if Africa redresses the imbalance in the trade regime it could finance NEPAD without external assistance.

Africa, like much of the South is disadvantaged in the global trade regime firstly because it has little leverage to influence decisions or even make an input as to what and what should comprise the constitutive and regulative norms of global trade; the so called 'Washington Consensus' for instance, which was supposed to be beneficial to LDCs was largely designed by BWI with little or no input from the South.

The subject of declining terms of trade between commodity products and manufactures has been removed from WTO's agenda, which presently is pre-occupied with China and the subject is relegated on the priorities of UNCTAD.

In spite of all its sermons about laissez faire, sophisticated barriers sre still selectively imposed by the rich countries to the detriment of African countries especially huge subsidies to farmers, CAP and bio-alternatives. The categorisation of African exports under the 'sensitive' category and restricted entry on grounds of health ought to be

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[1] Nigeria's principal debt is said to US$12 but Nigeria has paid a total of US$17 and is said to be owing US$21

[2] Can AFRICA claim The 21st Century? p20

cardinal projects for NEPAD. WTO, TRIPs and TRIMs should also be targeted as mechanisms for perpetrating inequality in global trade.

NEPAD is also too heavily dependent on foreign finance to qualify as a blueprint for sustainable dependent, any viable strategy must not be overtly dependent on aid but aim at self-financing

The claim that NEPAD is African owned is open to very serious disputations, the experiences of past developmental strategies have shown that any paradigm adopted for moving Africa forward must be enunciated by Africans themselves, and NEPAD appears to have borrowed this dubious claim to gain acceptability.

'Partnership' as a component of Africa's strategy for the new millennium features in almost all the agreements Africa sealed with the major economic countries; the Cotonou Agreement between the EU and 70 ACP countries is known as 'ACP-EU Partnership Agreement', the World Bank insists that 'reducing aid dependence and strengthening *partnerships* will have to be a …component of Africa's development strategy'[1]. Moreover it is known that the kernel for the NEPAD initiative originates from recommendations of a study group commissioned by Secretary Kofi Annan, chaired by Kwesi Botchwey and including several non-Africans[2].

Conclusions

The NEPAD initiative whilst commendable for exhaustively documenting the endogenous constraints to Africa's developmental progress and very fortright in being

[1] Can Africa Claim The 21st Century, p5
[2] see Appendix II for a list of members

gender sensitive is fraught with several shortcomings that undermine its suitability as the driving principle for African development.

NEPAD in conception was severely straitjacketed by what is known in the debt renegotiation parlance as TINA ideology, by way of a very oppressive and adverse international world order. The initiative by being uncritical of this, and the logic of international trade is very unlikely to move Africa forward.

NEPAD is too reminiscent of failed programmes in Africa and, even with regards to its most celebrated aspect, the peer group review, it has failed to demonstrate the clout to effect compliance as Zimbabwe clearly demonstrates and as we might see in Togo.

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