

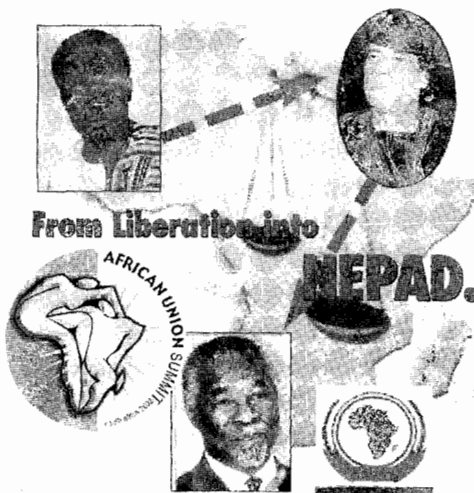
# NEPAD, Towards the African Century or Another False Start?

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NEPAD's publicised commitment to the developmental needs of the African people is appreciated, as are the attempts being made to penetrate the shield of sovereignty behind which too many corrupt leaders have hidden. But these noble goals may be undermined by the existing broader global power games of the G-7 that NEPAD does not question. Indeed NEPAD seems to legitimise rather than restructure the existing power relations, says \*Ian Taylor.

## African Agenda

DOUGLAS HOSKIN 1995-2002



NEPAD as a development plan fits into the claims of multilaterals and bilaterals that "ownership" of reforms is by developing countries. Reforms which, just a few years ago, foreign lenders were happy to prescribe from Washington for developing countries. This aside the assertion that Africa must "gel" with the world, as one report put it, without interrogating the structural situation within which the continent (and the South in general) finds itself, is highly disturbing. It is this very acceptability of and "fit" that carries within it the danger that the message of NEPAD will serve to legitimise (perhaps unknowingly) existing global power relations rather than restructure them. One of the marked features of NEPAD is its

apparent supine position before the globalisation juggernaut. Exemplifying this, Nelson Mandela remarked that 'globalisation is a phenomenon that we cannot deny. All we can do is accept it'.

### Misconception

These shortcomings are rooted in a too narrow a conception of the global political economy, and a too easy acceptance, and naïve belief, of the willingness of the North to compromise its power. This limited reading of the current world order belies any real potentiality for the necessary changes required for a more equitable world. The close fit between interests of externally-oriented elites and the type of project advanced by NEPAD is increasingly evident. Self-evidently, the trajectory chosen... amounts at best to attempting to join the system, to play by its rules and,

having discovered that the game is set up unfairly, to adjust these rules somewhat in the Third World's favour'. The strategic choice made by NEPAD is to challenge the North at its own game. This is not a North vs. South engagement however and is not an attempt à la the New International Economic Order to re-write the global rules. Rather, it is a broadly Southern attempt to use the North's rules.

Furthermore, the agenda that NEPAD seeks to push holds within it seeds for a further marginalisation of the majority of Africa's peoples whilst granting a few highly privileged strata of African elites the potential to benefit from the ongoing globalisation process. Indeed, a main criticism of NEPAD is that it serves the interests of externally-oriented fractions within key (comparatively developed) African states whilst leaving the rest of the continent to sink or swim, as it were, with the globalisation current.

#### Emerging Transnational Elite

Together with notions of globalisation are the three-fold domination of the world by transnational capital, the hegemony of neo-liberalism and the emergence of a global transnational capitalist class. Just as capital, production, labour and culture have become globalised, classes too are increasingly becoming transnational. This fraction does not openly admit itself as a class per se. However, it would be accurate to say that it has 'attained a clearly distinctive class consciousness' with an 'awareness of a common concern to maintain the system that enables the class to remain dominant'. This class of global elite comprises of transnational executives and their affiliates; globalising state bureaucrats; capitalist-inspired politicians and professionals; and consumerist elites. This transnational elite is increasingly developing linkages with like-minded parties in the South to form a truly global elite. The emerging elites of Africa may be seen as key representatives of this phenomenon. They have become increasingly aware of their shared values and interests.

This emerging network of 'transformed and externally integrated national states, together with...supranational economic and political fora' facilitates the agenda. Such economic fora as the World Bank, the IMF, the WTO, the regional banks and political fora like the G-7, G-22, the OECD, European Union, the United Nations system serve this purpose. 'It is through these global institutions that the [transnational elite] has been attempting to forge a new global capitalist hegemonic bloc'. The developing world's elites have been inexorably drawn into this process, with the 'leading capitalist groups in the Third World [having] 'transnationalised' by integrating into global circuits of

protectionism. And that in turn, threatens to undermine and ultimately unravel the open world economy that has been so painstakingly constructed over the past half-century'.

Indeed NEPAD is a full-scale retreat from the heady days of the call for a New International Economic Order. At the same time, the opportunities afforded to the national bourgeoisie in Africa with the vision to "ride the globalisation wave" mean that those pushing integration and/or accommodation with global capitalism have had their positions emboldened in quite phenomenal terms. They have indulged in mergers or co-operative pacts

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accumulation through a variety of mechanisms, ranging from subcontracting for global corporations, the purchase of foreign equity shares, mergers with corporations from other countries, joint ventures and increasing foreign direct investment abroad of their own capital.

#### Acceptance

This position, an essential acceptance of the basic tenets of the ongoing world order, reflects the actuality that elites from Africa are, in the main, just as interested in maintaining the global system as their colleagues in the North. Thus imagining that resistance to neo-liberalism might be located in the elites of the South is, to put it mildly, naïve. NEPAD as it is therefore, is a strategic choice in order to defend world-wide neo-liberalism from some sort of populist reaction. The UN secretary-general made this quite explicit, stating that 'the unequal distribution of benefits and the imbalance of global rule-making which characterises globalisation today inevitably will produce backlash and

with transnational corporations, moved offshore their portfolios, engaged in financial speculation, diversified their holdings outside the national space, and invested abroad. For instance, from March 1995 until mid-September 2000, the South African Reserve Bank approved 7.85 billion rand worth of direct investment by South African companies in southern Africa, whilst globally, South African companies received approval for a total of 74.5 billion rand in foreign direct investment overseas. One analyst remarked that 'South African big companies listed themselves in London and New York with the purpose to collect capital more efficiently. To sum up, South Africa is now firmly integrated within the international financial and business network'. This process is played out, to varying degrees, throughout Africa. Elite fractions have continued to integrate themselves into 'international financial and business networks' and have played the role of agent-on-the-ground for foreign direct investment. It is interesting

to note that between 1993-1998 the three countries in Africa receiving the most FDI also happen to be among the promoters of NEPAD, namely Egypt, Nigeria and South Africa.

### Inevitable

It is apparent that leading factions within key states in the South regard the integration of their territories into the global economy as absolutely crucial and inevitable. Thabo Mbeki summed up this attitude when he proclaimed that 'the process of globalisation is an objective outcome of the development of the productive forces that create wealth, including their continuous improvement and expansion', whilst Nigeria's Obasanjo stated that 'we must get used to the idea that globalisation is a fact of life. It's a reality of the new age.'

It is, of course, of no coincidence those promoting NEPAD most energetically spring from states at the forefront of advancing liberalisation and the neo-liberal package within their own territories: South Africa is currently busy implementing its own self-imposed structural adjustment programme known as GEAR. Indeed, according to one account, 'it is only a small exaggeration to say that NEPAD prescribes for an entire continent the kind of policies already pursued in South Africa'. Under Obasanjo, Nigeria has pushed ahead with deepening reform. Setting itself the goal of attracting \$ 10 billion worth of FDI per annum, opening the telecommunications, oil, transport and energy sectors and pushing for a free trade area with Ghana to broaden the market for investors, Obasanjo's Nigeria is determinedly seeking to lock into the global economy after years of growing 'marginalisation' and 'neglect'. Egypt, likewise, is following orthodox policies in an attempt to restructure its economy as a site of foreign investment and a welcoming destination for transnational capital. Although beset with internal insurrection, Algeria has been pursuing a liberalisation policy since 1995, intensifying on the accession of Bouteflika.

### Global partnership

These projects have been advanced at the behest of the global powers and have been encouraged by the transnational elites, with bail-out packages and new loans acting as lubricants to ease the process. This explains why in February 2001, Bouteflika, Obasanjo and Mbeki flew to Bamako in Mali to meet Horst Kohler, head of the MF, and World Bank chief James Wolfensohn in order to discuss how to construct a 'global partnership for African development' and advance 'its integration into the world, with the help of developed countries, the private sector and multilateral institutions' such as the Bretton Woods bodies. As the director of the South African Council of Churches' ecumenical service for socio-economic transformation, Mongezi Guma said, 'NEPAD correctly states that current "globalisation" policies fail to lift Africa out of socio-economic decline but then goes on to say that Africa therefore needs more of the same policies'.

Certainly, the apparent sympathetic hearing that NEPAD has received in various global power centres, is precisely because the message it carries lets off responsibility for growing world inequality and Africa's particular situation on any particular policies that cause such processes and rather, pins the blame on the amorphous phenomena known as "globalisation".

NEPAD's agenda is highly problematic if its new vision for North-African relations is the adoption of neo-liberalism as a prerequisite for development. This reality undermines the potency of NEPAD's message and suggests that the call from Africa is crafted by and for an externally-oriented elite who recognise, with their transnational allies in the North, that some sort of cosmetic changes may be required if the whole house of cards is not to collapse in on itself.

Indeed, by raising essentially reformist questions and negating the very possibility of alternatives, NEPAD's promoters seem

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to make neo-liberalism as the "only" macro-economic framework and development strategy that can solve Africa's problems. Africa-based initiatives are vitally needed, but it seems clear that NEPAD, far from ushering in a Twenty-first Century New International Economic Order is an endorsement of the status quo. It may yet represent another false start in Africa's quest for development.

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