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Abstract
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Keywords
African and African American Studies, neoliberalism, globalization, The World Bank, Comprehensive Development Framework (CDF), New Partnership for Africa's Development (NEPAD)

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Pragmatism and the Gradual Shift from Dependency to Neoliberalism:

The World Bank, African Leaders and Development Policy in Africa

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ABSTRACT

The long-standing disagreement between the international community and African leaders over an appropriate development strategy has been settled by the World Bank's *Comprehensive Development Framework* (CDF) and African leaders' *New Partnership for Africa's Development* (NEPAD). Both documents support neoliberalism and see increased global integration as the key to Africa's development. This paper traces Africa's journey from the dependency/neoliberalism debate in the early 1980s to the current endorsement of neoliberalism. It is argued that the overwhelming global attention and support enjoyed by NEPAD derives from its embrace of western development ideas as well as changes in the global political economy that have made reformist ideas more acceptable. NEPAD's success will however depend on how African leaders and the international community respond to the initiative.

Keywords: Africa, neoliberalism, globalization, The World Bank, Comprehensive Development Framework (CDF), New Partnership for Africa's Development (NEPAD)

> *"For the first time, there is a comprehensive plan [NEPAD] dealing with all aspects of the African plight. For the first time, it is constructed with reforming African leaders as partners, not passive recipients of aid … it is a new departure. It is a real signal of hope for the future and it is up to us now to make it a reality… Africa does matter; to us and to humanity" (British Prime Minister, Tony Blair, Statement on the G8 Summit to the House of Commons, July 1, 2002)*

1. INTRODUCTION

At no time in the short history of independent Africa has there been such a close convergence in development thinking. Twenty years ago, there were strong disagreements between African leaders and international financial institutions over the causes of the continent's underdevelopment, the solutions to the crisis and what should be the focus of development effort. The debate, which reflected the dominant ideological positions in the explanation of Africa's dilemma, was represented by the Organization of African Unity (OAU)[1]/ Economic Commission of Africa (ECA) on the one side and the World Bank (henceforth, the Bank) and other international financial institutions on the other. The OAU/ECA and other supporters of the dependency approach blamed the continent's underdevelopment on external factors, including foreign capital arising out of the world capitalist system and the massive capital and resource hemorrhage from the continent. The Bank, the International Monetary Fund (IMF) and other neoliberals, however, insisted that the extant political and economic arrangements in Africa created the disabling environment and slowed the rate of development. Over the years, as these positions were hotly debated and each camp accumulated some experience, the gulf between them has narrowed.

In 1998, the Bank adopted a new approach to development called the *Comprehensive Development Framework* (CDF) that signaled a shift away from the donor-led development assistance strategy of the past two decades to the development of a country strategy led by a country itself. Three years after the release of CDF, African leaders also published the *New Partnership for Africa's Development* (NEPAD), which abandoned the dependency approach and signified the continent's endorsement of neoliberalism. This paper was prompted by the remarkable similarities between the CDF and NEPAD and the latter's deviation from previous initiatives. NEPAD, which is being promoted by a group of African leaders who are sympathetic to western ideas, should not come as a surprise because opposition to neoliberal policies by African leaders has gradually been eroding over the years as demonstrated by the widespread adoption of structural adjustment programs (SAPs) in the 1980s. But NEPAD is also being touted by proponents and the international media as the first African-created vision that can potentially accelerate growth and sustainable development, eradicate widespread and severe poverty, and halt the marginalization of Africa. There is no question that NEPAD represents a significant step in the debate over African development policy — it has brought new life to the development debate; it seeks to take advantage of the favorable global political and economic environments and transform African economies; it shows the willingness of all involved in African development to talk to each other; and it has created a new sense of optimism and excitement. NEPAD, however, is not the first "home-grown" solution to the African crisis; in fact, African leaders have never been short of grand proposals. Past initiatives were ignored by the international community partly because the international environment at the time was not ripe enough for alternative solutions and partly because they contained issues that contradicted policies supported by the international community.

A discussion of Africa's gradual embrace of neoliberalism culminating in the adoption of NEPAD is important and timely for several reasons. First, although NEPAD is widely being discussed by the media and at many international forums, it has surprisingly received little attention in the development literature. Second, one is also struck by the lack of historical context in the media's discussions of NEPAD. Third, the international community and in particular, the Bank's indirect influence on the development of NEPAD through the CDF, has remained unexplored. Fourth, the question of whether Africa's embrace of neoliberalism would necessarily create favorable conditions for the continent's development has been assumed but not discussed. Finally, the articulation of NEPAD's implication for development policy in Africa has so far been left to politicians because the academic community has not given the initiative the vigorous scrutiny that it deserves. This paper is an attempt to address these issues and stimulate academic discussion of NEPAD. After all, NEPAD is probably the most influential initiative to come from African leaders since 1989. The paper has three major objectives: (1) it provides the context for understanding the NEPAD by chronicling the shift from the dependency/neoliberalism debate of the 1980s to the current convergence of ideas on African development; (2) it explores two main factors that account for NEPAD's support in the international community –– its endorsement of neoliberalism and a more receptive international environment; and (3) it undertakes a preliminary assessment of NEPAD and suggests what African leaders and the international community must do to make NEPAD succeed.

The remainder of the paper is divided into four sections. The next section reviews Africa's search for development by reviewing the major OAU/ECA and the Bank policy documents from 1980 to the present. Section three discusses the international community's reactions to NEPAD. The fourth section is a preliminary assessment of NEPAD. The final section summarizes the main ideas of the paper and provides a conclusion.

2. AFRICA'S DEVELOPMENT CHALLENGES AND THE SEARCH FOR SOLUTION

Although Africa has never been considered "developed," most countries performed relatively well from independence till 1973 when the economies began a downward spiral (Jespersen, 1992). In agriculture, during 1960-70 period, only 17 out of 45 countries had negative annual growth rates of per capita food production; for the 1970-76 period however, the number had increased to 29 countries. The drop in agricultural production led to massive food imports with a total food import bill rising from $1.9 billion in 1973 to $6 billion in 1980 for all non-oil producing African countries (Onimode, 1988). Similar trends can be identified in GDP growth ─ while 12 African countries had negative annual GDP growth rates per capita during 1960-70, 20 countries had negative annual growth rates in 1970-76. At the same time, Africa's foreign debts kept piling up, rising from $9.02 billion in 1970 to $49.6 billion in 1978. Manufacturing production also rose at sustained rates until 1973, when it began to stagnate. This economic growth occurred at a time when African states dominated their economies and the crisis in the 1970s coincided with the oil crisis and the slump in the global economy. But African countries were also saddled with domestic problems. The political scene was characterized by coups, civil strife and ethnic violence creating political instability. The public sector suffered from underproduction, while the number of urban unemployed and underemployed in the countryside continued to soar. There were also widespread administrative corruption, inefficiency and institutional anarchy. Thus, despite the initial promise of many African countries, the situation at the beginning of the 1980s had turned very bleak.

The crisis prompted responses from international agencies including the OAU/ECA and the Bank, but they offered contrasting answers to the following questions: Are domestic or exogenous factors to be blamed for Africa's crisis? Should African countries continue the state-led introverted development strategy of the previous decade, or should the states' role be limited to removing impediments to the efficient operation of markets? Should development policy focus on production (i.e., the promotion of economic growth) or distribution (i.e., reduction of income inequality, poverty and unemployment)? Both the OAU/ECA and the Bank based their answers on their ideological positions; the former adopted a dependency approach while the latter supported a neoliberal position.

(a) Early 1980s — Poles apart

The first comprehensive response to the African crisis was the OAU's *Lagos Plan of Action* (LPA) published in 1980. LPA was a classic dependency interpretation of the African dilemma. It exonerated African leaders and blamed the historical injustices suffered by the continent and the continued dependence on external forces for the crisis:

> … despite all efforts made by its leaders, [Africa] remains the least developed continent… Indeed Africa was directly exploited during the colonial period and for the past two decades; this exploitation has been carried out through neo-colonialist external forces which seek to influence the economic policies and directions of African states… We view, with disquiet, the over-dependence of the economy on our continent of the export of basic raw materials and minerals. This phenomenon had made African economies highly susceptible to external developments and with detrimental effects on the interests of the continent (OAU, 1981:7).

Having diagnosed the problem as essentially exogenous, the solution was obvious: it must involve "far-reaching regional approach based primarily on collective self-reliance" (OAU, 1981:5). LPA envisaged continental cooperation among African states to culminate in the establishment of an African Economic Community by the year 2000. African states were assigned increased roles in their economies, and national-based strategies and prescriptions were proposed on issues ranging from food and agriculture to women and development. It promoted both economic growth and income distribution.

In 1981, the Bank also issued its first major report on Africa, titled *Accelerated Development in Sub-Sahara Africa* (Berg Report). The Berg Report's diagnosis of the continent's problems and the solutions it proposed were in direct opposite to the LPA. It held African leaders responsible for the crisis and blamed it on domestic factors including failed domestic policies, corruption, mismanagement, etc. To address these problems, the report recommended a series of market-oriented policies with macroeconomic stability at their core, collectively known as SAPs. The main aims were to "get prices right," promote economic growth through production increases, especially in the export sector, while downplaying distributional concerns. SAPs also entailed a significant reduction in the role of the state in the economy and the reliance on market forces for the allocation of resources (World Bank, 1981).

As the blaming and the finger-pointing went on, the situation in many African countries continued to deteriorate. The debt load increased and debt servicing began to take a heavy toll on many countries. Natural disasters also ravaged the continent, particularly in 1984 when there were alarming reports of famine, starvation and death. The crisis affected governments' ability to provide basic services and fueled political instability. Regimes saw their survival as linked to access to external financial assistance, but the OAU could not back its initiative with the necessary funds[2]. The Bank and other international financial institutions that controlled the financial resources made the implementation of SAPs a prerequisite for getting loans and aid. Desperate for funds, African leaders abandoned their "home-grown" initiative and adopted World Bank/IMF-supported SAPs. Moreover, most were more concerned over the management of the crisis (and SAPs promised to address them) than the long-term self-reliance of the LPA. By the mid-1980s, it was clear that LPA had been abandoned in preference for SAPs.

The inability of the OAU to secure funds to support its initiative taught African leaders important lessons. First, they realized that blaming exogenous factors and the international community for Africa's crisis is not good politics, especially if access to foreign financial resources is an integral part of the solution. Second, they were forced to confront their own contribution to the crisis. Finally, they recognized that compromise, rather than confrontation, with the international community is necessary to ensure the continued flow of desperately needed funds into Africa. These lessons have influenced subsequent African initiatives.

(b) Mid-1980s — The search for a middle ground

By 1985, it was clear that LPA had failed to generate the desired attention and support for Africa's cause, so the OAU devised another proposal, titled *African Priority Program for Economic Recovery 1986-1990 (APPER)*.

While upholding the general principles of LPA, the APPER embraced some ideas from the Berg Report. Particularly important was the frank acknowledgement by African leaders that "internal factors" were partially responsible for the crisis: "We are fully aware of the fact that shortcomings in development policies have contributed to the present debt crisis" (OAU, 1985:5). APPER, however, maintained that exogenous factors also deserved some of the blame, arguing that "it is evident that the major causes of our countries' debt servicing problems are external ones and such causes are unfortunately beyond our control" (OAU, 1985:5). It blamed exogenous factors including international recession, commodity price collapse, adverse terms of trade, decline in real terms of ODA, increasing protectionism by developed countries, high interest rates, currency fluctuations, high debt and debt-servicing obligations for contributing to the continent's predicament. The OAU also saw a compromise between external and internal factors as a way out of the quagmire, and concepts such as "shared responsibilities" and "genuine partnership" became its trademarks. It admitted that "effective mobilization and judicious exploitation of our national and collective potentials, on the basis of well-formulated development strategies and plans" (OAU, 1985:4) were critical for pulling Africa out of the crisis. Thus, APPER was an effort by African leaders to move away from their previous extreme, blame-the-international-community position to a more central position that addressed both exogenous and internal factors.[3]

The United Nations (UN) was very receptive of APPER and called the first-ever session of the General Assembly to discuss the problems of a region. Through the *United Nations Programme of Action for African Economic Recovery and Development 1986-1990* (UN-PAAERD), the UN adopted APPER and pledged international support for the initiative. It appealed to the developed nations to change their relationship with Africa, arguing that elimination of protectionism, higher prices for agricultural commodities, greater balance of payments support and a reduced debt burden were critical for creating a favorable global economic environment for Africa's development (United Nations, 1986). Despite UN endorsement of APPER, African leaders were under no illusion that SAPs weren't still a prerequisite for access to assistance from the international community; therefore, African governments resigned themselves to SAPs, although the policies did not address the injustices in the global economy. The inherent weakness in enforceability of the UN's recommendations meant that its endorsement of the OAU's position was merely symbolic, as observed by Ihonvbere:

> The UN was unable to force African leaders to become more responsible and accountable, it could impose no sanctions on leaders for intimidating popular groups and communities, it could not get donors to redirect foreign aid to NGOs and to needy African states, it could not convince investors to return to or continue to invest in Africa, and it could not challenge the hostile conditions in the

global economy which continued to mediate OAU and ECA prescriptions for recovery (Ihonvbere, 1996:23).

APPER is significant because it represented a first step toward resolving the ideological gap between the OAU/ECA and the Bank. By admitting that domestic and exogenous factors were both responsible for the continent's crisis, African leaders lost the moral leverage for castigating exogenous factors without first putting their own houses in order. It elevated the role of domestic problems while downplaying the contribution of exogenous factors to the crisis. As a result, the pressure on African leaders to address their domestic problems became more intense, the international community became less sympathetic to countries that refused to do so, and support for SAPs continued to increase in the international community. Moreover, the financial incentives that came with the implementation of SAPs made them irresistible to African regimes that were starved of resources. No wonder then, that between 1980 and 1989 about 241 adjustment programs were initiated by 36 sub-Saharan African countries (Jespersen, 1992) while the "home-grown" APPER gathered dust.

(c) Late 1980s — Going after SAPs

By the end of the 1980s, three issues in the debate over Africa's crisis were clear. First, African leaders had lost the fight over the role of external factors in the crisis and domestic policy mismanagement had become the central concern of development policy. Second, SAPs were a short-term palliative measure and did not address the structural causes of the continent's crisis. Third, the social cost of adjustment was too high and threatened the long-term development of the continent. These realizations led the ECA to reexamine its previous analysis of the development challenges leading to the publication of the *African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation* (AAF-SAP) in 1989. AAF-SAP devoted its attention to developing an alternative strategy for addressing the crisis and articulating the role of the state in the development process. It did so by going after SAPs.

Mackenzie (1992) discusses the main highlights of the ECA framework. First, although AAF-SAP recognized the need for adjustment in African economies to correct past domestic policy inefficiencies, it insisted that SAPs are not appropriate for Africa. It distinguished between structural transformation and structural adjustment — the latter focuses on selected macroeconomic variables, while the former is a "holistic package" that would transform social and economic relations. It argued that SAPs focus on short-term objectives, but what Africa needs is a long-term social and economic transformation of societies:

> Africa has to adjust. But in adjusting, it is imperative that it is the transformation of the structures that fundamentally serve to aggravate the African socio-economic situation that constitutes the focus of attention. As such, adjustment and transformation must be conceived and implemented as inextricably linked and intertwined processes such that progress will be made simultaneously on the two fronts (ECA, 1989:32).

Second, AAF-SAP contended that SAPs focus exclusively on economic issues, but Africa's development challenges extend beyond economics. Drawing from the political economy perspective, it proposed a comprehensive approach to development that would transform the economic, social and political structures in Africa that hamper development. The document also drew attention to the various forms of inequalities inherent in African societies and warned that failure to address them could lead to a possible breakdown of societies. The ECA was also concerned about the lack of democratic political structures and called on African countries to embrace democracy and increased accountability. Third, the framework was also an attempt to redefine the debate over the role of the African state in development. It did so by drawing attention to the need for good governance and state-capacity building in the continent. It described public administration in Africa as consumed by "ad hoc crisis management" that hampers long-term economic planning (ECA, 1989:33). It also pointed to the increased rounds of negotiations for loans and debt rescheduling, which it argued, constrain the scope for independent policy-making and rational economic management. The key to restructuring African economies therefore, according to AAF-SAP, is to improve the capacity for national economic management. In sum, as a framework for development policy, AAF-SAP was ambitious but more "human-centered" and "holistic" than SAPs. It advocated the need to protect vulnerable groups, to retain state presence in areas with social responsibility to society, and to go beyond mere financial perspectives on the causes of the crisis. However, its immediate impact was minimal, as SAPs continued to dominate African development policy.

In 1989, the Bank also published yet another major report on Africa, *Sub-Saharan Africa – From Crisis to Sustainable Growth: A Long-Term Perspective Study*. The report was in response to SAPs' criticisms from UN agencies such as the UNICEF, the OAU, the ECA, and many scholars and therefore sounded more reconciliatory. It admitted that: "Responsibility for Africa's economic crisis is shared. Donor agencies and foreign advisers have been heavily involved in the past development efforts along with African governments themselves" (World Bank, 1989:2). Yet it defended the record of SAPs: "More than half [of African countries] have embarked on structural adjustment programs. The countries that have persisted with reforms since the mid-1980s are showing the first signs of improvement. These give grounds for believing that recovery has started" (World Bank, 1989:3). The Bank also began to broaden the focus of its policy to include the need for good governance, but unlike AAF-SAP, its concern was to enable African states to meet their global obligations and to better implement SAPs. In sum, although the Bank changed its rhetoric in the 1989 report, it was still confident in the efficacy of SAPs and therefore did not significantly alter its policies toward Africa. As a result, SAPs effectively replaced any form of development planning in Africa for the next decade, and African leaders surrendered their right to design and implement policies for their countries.[4]

(d) 2000s — Converging views on development?

The two decades of ideological debate between the Bank and African leaders did not improve the lives of ordinary Africans. Indeed, in many cases, the situation at the beginning of 2000 was no better than it was in the 1960s with a large number of people still living in poverty. The persistence of underdevelopment compelled both the Bank and African leaders to reevaluate their approaches to development, and the process has brought these two institutions much closer than anyone could have anticipated 20 years ago. The Bank's CDF and the African leaders' NEPAD differ from their previous approaches and exhibit an amazing consensus over the cause of the continent's underdevelopment, what should be the focus of development policy and how to achieve development. The CDF represents the Bank's most aggressive effort yet to address the concerns of its critics, albeit in a neoliberal framework. NEPAD also endorses neoliberalism through its support for globalization and calls on African leaders to put their houses in order in exchange for increased foreign investment. The two approaches are discussed below.

(i) CDF – World Bank's new development framework

The appointment of the Bank's current president, James Wolfensohn, in June 1995 was an opportunity for the Bank to reinvent itself. His 1998 address to the Board of Governors, titled *The Other Crisis*, was a frank admission that the Bank's policies have contributed to the crisis, which has dashed the hopes of many and created "dark searing images of desperation, hopelessness and decline" (Wolfensohn, 1998:2). At a time when there were concerns over the financial crisis in East Asia, he called attention to "the other crisis" — the crisis of poverty faced by an increasing number of people, many of whom lived in countries that have religiously followed the Bank's advice. He declared: "We talk of financial crisis while in Jakarta, in Moscow, in sub-Saharan Africa, in the slums of India and the barrios of Latin America, the human pain of poverty is all around us" (Wolfensohn, 1998:3). He was critical of SAPs, arguing that “Development is not about adjustment… Development is about putting all the component parts in place — together and in harmony” (Wolfensohn, 1998:11). He charged the Bank to come up with a new development framework that would not focus exclusively on macroeconomic stability, but one that would address the social, political, environmental, and cultural aspects of society: a more balanced development. A few months after the speech, he proposed the CDF, which has since become central to the Bank’s development policy (Wolfensohn, 1999).

CDF is based on four principles, namely, a holistic long-term strategy; the country in the lead, both “owning” and directing the development agenda, with the Bank and other partners each defining the support in their respective business plans; stronger partnership among governments, donors, civil society, the private sector and other development stakeholders in implementing the country strategy; and a transparent focus on development results to ensure better practical success in reducing poverty (World Bank, 1999). CDF differs from SAPs in many ways. First, unlike SAPs, which focus on macroeconomic stability, CDF endorses AAF-SAP’s call for a broader view of development that focuses on the economic, social, political, environmental and cultural aspects of a society. Second, unlike SAPs, which are excessively pro-growth, CDF’s focus on poverty reduction puts it closer to past African initiatives such as LPA and APPER. The CDF, together with the Poverty Reduction Strategy Papers (PRSP)[5], demonstrates the renewed interest in poverty reduction efforts; although the Bank still believes that the best way to alleviate poverty is through growth. Third, SAPs and CDF differ on the question of ownership of the development policy. Under SAPs, countries seeking financial assistance are required to implement a standard set of economic policies designed by the Bank and the IMF officials, often with little or no input from the country. The CDF emphasizes country ownership and participation in the decision-making process and supports the development of capacities within countries to create and direct their own development programs.

The distinction between CDF and SAPs, however, should not be taken too far, especially on the issue of conditionality. SAPs are based on coercive conditionality while CDF promises country ownership, but country ownership does not imply a lack of conditionality in determining eligibility. In fact, Hopkins et al. (2000) argue that conditionality is unavoidable as it allows the Bank to fulfill the core functions of a bank and a development agency. They suggest that since policy-change conditionality (as practiced under SAPs) proved to be ineffective, policy-level conditionality (eligibility based on current policies of the borrowing government) should be pursued under CDF. Interest in policy-level conditionality is based on research that suggests that aid is more effective in countries with good policies (Burnside and Dollar, 1997; World Bank, 2001). Thus, policy-level conditionality would allow donors to be more selective and limit foreign aid to countries with good a policy environment where it is more likely to be effective in promoting development. Governments that continue to pursue poor economic policies would be denied financial aid and instead be offered the Bank's development advice. In other words, the principle of selectivity inherent in CDF means partial reinstatement of conditionality — what Killick (1998) calls "agreed conditionality."

Selectivity based on good policy environment, however, presents some practical problems. There is the problem of defining "good policy environment." Pender (2001) speculates that based on the current thinking of the Bank, good policy environment may refer to governments with clear commitment to establishing pro-poor policies as the overarching priority of all government activity. The ambiguous definition of what constitutes a good policy environment and the potential subjectivity involved are major challenges to CDF. Some also argue that the selectivity criteria are tantamount to upfront conditionality, which is not compatible with CDF's principle of country ownership (Wood and Lockwood, 1999). As Pender (2001:409) argues: "the scope of ownership in the CDF approach seems to be severely constrained, if we understand ownership … to mean the freedom of a government to formulate and implement its own economic development policy." Another problem is whether poor countries around the world can be neatly categorized into those with wholly poor policies and those with wholly good policies – a situation that can complicate the implementation of CDF (Hopkins, et al., 2000). Furthermore, funding based on good policy environment may also conflict with the Bank's mandate of poverty reduction, precisely because most of the desperately poor people live in countries with a poor policy environment, where the Bank's aid may be most needed.

The change in the Bank's approach from SAPs to CDF should be put in perspective, however. Its introduction a few years after the Bank's 50th anniversary, which was marked by intense criticisms of its activities, and the "Fifty Years is Enough" campaign led by many non-governmental organizations, is noteworthy. Particularly important were criticisms from powerful western elites, including some in Washington who called for reforms in the Bank's activities, its abolition or privatization. The CDF was also an effort by the Bank to clearly distinguish its activities from its sister institution, the IMF. The blurred relationship with the IMF (which has the responsibility for ensuring macroeconomic stability) has been a source of criticism of the Bank (Meltzer, 1999; Walters, 1994). In other words, the Bank had no option but to propose a new development framework to ensure its own survival. The

CDF was an attempt to deflect criticisms of its activities and address some of the concerns of its critics (Pender, 2001).

Nonetheless, the CDF embraces some of the ideas that have been proposed in past African initiatives. The CDF agrees with African leaders that development should not be limited to macroeconomic stability, but must involve social, cultural, political and environmental issues. In addition, its focus on poverty alleviation is an indication that the Bank now considers income distribution as important as economic growth. Moreover, the Bank seems to realize that for development policy to be effective, country ownership is critical. Although conditionality is still an integral part of the Bank's activities, it has been redefined even if still ambiguous. All these are, however, done within a neoliberal framework.

(ii) NEPAD: Another African initiative

NEPAD is a promise by African leaders to deliver good governance, peace and security in return for increased foreign investment. The initiative, which is a merger of the Omega Plan and the Millennium Partnership for Africa's Recovery Program (MAP), is the brainchild of South African President Thabo Mbeki, Nigerian President Olusegun Obasanjo, and Senegalese President Abdoulaye Wade.[6] However, Mbeki is the main architect and cheerleader, leading the effort to promote NEPAD in the international community. Thus, an insight into his plan for Africa is critical for understanding NEPAD.

NEPAD evolved from Mbeki's vision of "African Renaissance,"[7] which has been a foreign policy guiding principle of the South African government in its dealings with African countries. According to Ajulu (2001), Mbeki's African Renaissance is based on two principles: that economic development results from fostering the productive forces of capitalism, and that political stability and accountability draw authority and legitimacy from the will of the people. To Mbeki, African rebirth hinges on its greater integration into the global economic and political system (i.e., globalization). His ideals have been criticized by some as an endorsement of neoliberalism — a support for a free market and a desire to make Africa safe for overseas multi-national investments and private capital (Kornegay and Lansberg, 1998). Others defend the vision and argue that Mbeki is not just a supporter of globalization; he also recognizes the unequal nature of the process and its negative impacts on African countries. But unlike many past African leaders who have sought to disengage from the process, Mbeki is more pragmatic; he has embraced it and is attempting to change the rules of the game from within. In other words, he is not only advocating for globalization but he is also the continent's vociferous emissary for "conscious and deliberate intervention in the process of globalization … to produce the results of ethics, equity, inclusion, human security and sustainable development" (Mbeki, 1999). Mbeki is not alone in advocating Africa's strategic engagement with the world; many African leaders including Obasanjo and Wade, Algeria's Abdelaziz Bouteflika, and Egypt's Hosni Mubarak — the so-called "emerging transnational elites" and many others who have implemented neoliberal economic policies in their own countries – agree with him.[8] However, nowhere in Africa has the acceptance of neoliberalism been more dramatic than Mbeki's South Africa. Post-Apartheid South Africa's journey from self-reliant, anti-imperialist political-economic philosophy to an endorsement of neoliberalism and the implementation of a "home-grown" structural adjustment has taken less than less than five years to complete (Bond, 2000; Carmody, 2002).[9] The approach however, has a built-in tension between the support for global free trade and a commitment to change the rules of the system to ensure greater equity (Taylor and Nel, 2002). We will discuss how this tension plays out in NEPAD.

NEPAD is a regional initiative that aims to eradicate poverty and to place African countries, both individually and collectively, on a path of sustainable growth and development and halt the continent's marginalization in the globalization process. Its goals include GDP growth of seven percent per annum and the achievement of the international development goals by the year 2015. NEPAD identifies a set of conditions for achieving sustainable development and sets up special initiatives for achieving them, including the Peace and Security Initiative, Democracy and Political Governance Initiative, and Economic and Corporate Governance Initiative. NEPAD also selects priority sectors at the sub-regional and continental levels, and suggests ways of bridging the infrastructure gap. The initiative requires an annual inflow of about $64 billion, much of which is expected to come from external sources through debt reduction, ODA and private capital. To help achieve the projected inflow of funds, the initiative has set up the Capital Flows Initiative and Market Access Initiative.[10]

Paradoxically, NEPAD has more in common with the CDF than it has with past African initiatives. For one thing, its tone is different from the confrontational tone of the earlier initiatives, especially the AAF-SAP. Another striking feature of NEPAD concerns its diagnosis of the causes of the crisis. As already indicated, African leaders began to accept responsibility for the continent's crisis in APPER; however, the rhetoric then was "joint responsibility." NEPAD goes further than APPER and attributes nearly all of Africa's problems and nearly all the responsibility for sorting them out to Africa itself. After briefly talking about the contribution of colonialism, the

Cold War, and the workings of the international economic system to the crisis, it quickly zooms in on domestic problems:

> Post-colonial Africa inherited weak states and dysfunctional economies that were further aggravated by poor leadership, corruption and bad governance in many countries… Many African governments did not empower their peoples to embark on development initiatives to realize their creative potential. *Today, weak state remains a major constraint to sustainable development in a number of countries. Indeed, one of Africa's major challenges is to strengthen the capacity to govern and to develop long-term policies (NEPAD, 2001a:5, emphasis added).*

This represents a significant departure from the dependency approach of the earlier African initiatives.[11] NEPAD's dramatic turn away from self-reliance, which had been central to all African initiatives to endorsement of African integration into the global economy is also noteworthy. NEPAD's proponents argue that the global political economy has changed significantly and that Africa cannot shield itself from globalization without risking further marginalization. Further, although globalization is inherently an unequal process, the plight of Africa has been worsened by countries' inability to take advantage of the many opportunities the process presents. They insist that while "structural impediments to growth and development in the form of resource outflows and unfavorable terms of trade" are partly responsible for the continent's inability to participate fully in globalization, "failures of political and economic leadership in many African countries impede the effective mobilization and utilization of scarce resources into productive areas of activity in order to attract and facilitate domestic and foreign investment" (NEPAD, 2001a:7). NEPAD's support for globalization is, however, tempered by an appeal to the developed world to change the rules of the game, because inequality inherent in the process poses a serious threat to both the developed and developing nations and threatens to derail the globalization process. According to the document, the imperative of development "not only poses a challenge to moral conscience; it is in fact fundamental to the sustainability of the globalization process" (NEPAD, 2001a:8). In addition, advocates view state-private partnership as fundamental to the globalization process, precisely because globalization does not automatically reduce poverty and inequality. They therefore call for commitment on the part of governments, the private sector and other institutions of civil society to genuinely integrate all nations into the global economy and body politic. The greatest advantage of NEPAD however, is the caliber of leaders who are promoting the initiative and their determination to succeed. NEPAD's leadership includes democratically elected officials with legitimacy within their countries who are highly respected in the international community. The promise of joint responsibility for the continent's development through an enforcement of a peer-review system also makes NEPAD unique (Kanbur, 2002). The leaders have also promised to engage with civil society and call on Africans "to take up the challenge of mobilizing in support of the implementation of this initiative" (NEPAD, 2001a:11).

NEPAD not only deviates from past African initiatives, it also has more in common with the Bank's neoliberal-based CDF. Even the choice of words in NEPAD is strikingly similar to CDF's principles. NEPAD is described as a "holistic, comprehensive, integrated and strategic framework for the socioeconomic development of Africa" (NEPAD, 2001b:2), and is centered on the concepts of "African ownership and management" (NEPAD, 2001a:9). It calls for a new global partnership "based on shared responsibility and mutual interest" (NEPAD, 2001:1) but not only on aid; one that "takes the country programmes as a point of departure" (NEPAD, 2001a:48) and sets performance targets and standards for both donors and recipient. NEPAD also shares its poverty reduction objective with the CDF.

3. NEPAD AND THE INTERNATIONAL COMMUNITY

NEPAD has generated a lot of excitement in the international community about Africa's development prospects. The document has also received high accolades from major world leaders, international financial institutions and the private sector. A recent visit by British Prime Minister Tony Blair to several African countries and the recent invitation of a number of African leaders to Paris by French President Jacques Chirac are examples of international effort to galvanize support for NEPAD (Bridges, 2002). Canadian Prime Minister Jean Chrétien, the host of the 2002 G8 Summit in Kananaskis, Canada, was at pains to retain Africa's concerns as top priority despite the threat by the US war on terrorism and Israel and Palestine conflict to steal the show. Some African leaders were invited to address the summit which is traditionally reserved for leaders of the member states. Italy and Germany have also declared their support for NEPAD. Support for NEPAD has also come from UN Secretary General Kofi Annan, the Managing Director of IMF Horst Köhler, the Director General of WTO Mike Moore, the World Bank's Wolfensohn as well as Peter Woicke, executive vice-president of the International Finance Corporation, the Bank's private-sector arm and the biggest investor in Africa. Furthermore, the Corporate Council on Africa, which represents over 80 percent of all US private direct investment in Africa, has declared its support for NEPAD (Hayes, 2002). Although not directly related to NEPAD, the 12-day joint visit by the conservative US Treasury Secretary Paul O'Neill and Irish rock star Bono, dubbed "the odd couple tour," is seen by some as the Bush administration's attempt to become more engaged in the continent's development efforts (Financial Times, 2002).

Mbeki and the other supporters of NEPAD have also been given unprecedented opportunities at international forums and unlimited access to international media to promote NEPAD. For instance, almost all of the major newspapers in the G8 nations had articles on NEPAD in the weeks preceding the 2002 G8 summit. The leaders also are playing prominent roles in discussions relating to the restructuring of the international political economy. For instance, Mbeki, Obasanjo and Buoteflika attended the G8 Summit in Okinawa in July 2000. Mbeki has been a guest at many international summits, including the European Union Summit in Portugal in late 2000, the Genoa G8 summit and the 2002 Nordic Summit in Molde, Norway. Bouteflika also addressed the closing session of the 53rd Annual UN Conference. Prominent African leaders were also at the 2001 World Economic Forum at Davos to promote NEPAD.

Although NEPAD is not the first African "home-grown" initiative, it is the first to receive such overwhelming global attention and support. The global support for NEPAD and the attention granted to its proponents, however, raise many questions. Why has the international community become receptive to "home-grown" initiatives? Does NEPAD offer anything new? Does its acceptance have something to do with its avoidance of the contentious issues in previous initiatives? Or has the international community "seen the light" and become more receptive to ideas originating from poor countries? If that is the case, how do we account for this change in attitude? These questions are addressed next and it is argued that NEPAD derives its widespread support from two sources: *the message of NEPAD* is more appealing to international audience and *changes in the global political economy* have opened a back door for new ideas to become more mainstream. Let's examine each of these factors.

(a) NEPAD: An African endorsement of neoliberalism?

In the hope that it might win them aid and extra debt relief, African leaders appear to have told the rich world everything it wants to hear, including the endorsement of neoliberalism as a legitimate solution to Africa's crisis. NEPAD is the first initiative conceived and developed by Africans for Africa that does not blame the West for the continent's socio-economic demise and puts the responsibility for cleaning up the mess on Africa. As already argued, unlike other African initiatives that advocate self-reliance, NEPAD embraces free-market principles. By evoking the globalization imperative, NEPAD conveniently avoids the domestic-versus-exogenous-factors debate and plays down the injustices in the global economy. NEPAD is also similar in many ways to the current Bank and IMF approaches, including the CDF and the Highly Indebted Poor Countries (HIPC) program. These qualities make the initiative acceptable to many in the international community. How important is NEPAD's embrace of neoliberalism? The proponents of the initiative may have learned from experience that in order for the voices of African leaders to be heard in discussions about the future of the continent, they must learn to speak the language of the hegemonic discourse — the language of neoliberalism. Also, they may have realized that Africa would not get the needed support from foreign donors through retelling of past exploitation and cries about the injustices in the world economy. Thus, NEPAD's endorsement of neoliberalism could be seen as a pragmatic solution to the continent's development quagmire: it provides an opportunity for the developed nations to participate in Africa's development efforts without admitting their role in creating the crisis. However, for those who seek transformation in the global political economy in favor of African countries, the initiative is a great disappointment.

Despite this, NEPAD's views on democracy, governance and the role of the state in development make it attractive to many in the international community (Kanbur, 2002). In the past two decades of neoliberal hegemony, the role of the state in the economy has been debated and African states in particular have come under severe attack for mismanagement of the economy, corruption, authoritarianism and abuse of power, poor human rights records, ethnic conflict and wars, and general inefficiency (Sandbrook, 1986; Young and Turner, 1985; Jackson and Rosberg, 1982, Ayittey, 1998; Frimpong-Ansah, 1991). As a result, African leaders have been on the defensive and the international financial institutions have required countries to pursue minimalist state policies. Unfortunately, years of experimentation with such policies have not produced the desired results, leading many in the development community to search for new ways to discipline the African state. NEPAD's promise to deliver good governance in exchange for investment therefore meets the demands of donors and gives legitimacy to the Bank's new "policy level conditionality" for disbursing development aid. Furthermore, we have already discussed the importance of NEPAD's respectable and credible leadership in promoting the initiative in the international community and how such legitimacy could make NEPAD acceptable to Africans.

In sum, NEPAD's global attraction has more to do with African leaders' decision to turn away from a dependency approach and adopt a western development approach. The initiative falls short of demanding structural transformation in the global political economy that has been at the heart of past African initiatives. As Taylor and Nel (2002:178) remind us: "African-based initiatives are vitally needed, but … what is emerging is a nascent reformism, emanating from key elites in the developing world, that far from ushering in a twenty-first century NIEO, remains rooted in an orthodox discourse that benefits but a small elite."

(b) A more receptive international environment?

In addition to the conciliatory tone of NEPAD, a series of events in the international community and the development experiences of some non-western countries have compelled bureaucrats and consultants of the international financial institutions to question the effectiveness of the policies that they require poor countries to pursue. The claim that the state was the problem and therefore Africa must have less of it is now seen as overly simplistic and is subscribed to by only a few. Instead, the discussion has shifted to state-capacity building and good governance. Also, many now view development not as something to be achieved through the manipulation of macroeconomic statistics; the social, cultural, political and environmental components are increasingly being recognized. These changes in ideas partly account for the general acceptance of NEPAD; hence an understanding of the causes of the change is critical.

The end of the Cold War and the emergence of the US as the only superpower is perhaps the most significant event that has transformed the global political economy and influenced current development thinking. The demise of the Soviet Union and communism gave legitimacy to western ideas of governance and the introduction of uncontested global standards of democratization — including political pluralism, allowing the existence of several political parties and workers' unions, fair, open free and democratic elections — into the development debate. Western political ideas have become the global norm, and the enforcement of democratic principles under US direction has become the main function of many international development institutions (Olsen, 1998; Stokke, 1995). Global democratization has also led to demands for transparency, accountability, integrity, respect for human rights and the promotion of the rule of law, and these have made it difficult for African leaders to hide behind the cloak of culture, tradition and national sovereignty to continue abuse and trample on the rights of citizens without commanding the wrath of their own civil society and the international community. Western political ideas also underpin the consensus over the nature of development process, the centrality of "good policy environment" in the development debate, and the willingness of the international community to listen to leaders with legitimacy and the mandate of the people.

Another reason for the shift in development thinking draws from the development experiences of non-western nations, especially the East Asian "tigers." By the late 1980s, when evidence about the causes of the region's phenomenal economic growth began to emerge, it contradicted the market-oriented policies prescribed by the Bank and other international agencies for Africa and other poor nations. The evidence confirmed that the economic miracle in the region was spurred by developmental states that often intervened in the economy to deliberately get relative prices “wrong” (Amsden, 1989). Wade (1990) also argued that East Asian states often “governed the market” through policies, while at the same time allowing the vigorous functioning of the market to guide resource allocation. The idea that the state and the market could work together to engineer rapid industrialization and produce such significant economic growth was very radical at the time. In fact, the Bank rejected the state-based interpretations of the region’s experience and instead saw the cases as vindication of its market-friendly policies (World Bank, 1993). Wade (1996) disagreed with the Bank’s interpretation, calling it a desperate attempt at “paradigm maintenance.” As the evidence continued to pile up, some of the Bank’s vocal advocates of market-friendly policies began to admit that left to itself, the market would not always result in the most efficient and effective outcome and openly questioned the institution’s unexamined faith in the appropriateness of free-market policies in Africa. The East Asian development experience thus challenged the hegemony of neoliberal policies and compelled the Bank and others in the international community to change their view on the role of the state and to focus on building state capacity.

Africa’s own experience with SAPs may have compelled many in the international community to change their views on development options for the continent. SAPs in Africa have been subjected to intense criticism, and attention has been drawn to their excessive focus on macroeconomic stability (Mosley, Subasat, and Weeks, 1995); their harsh impacts on the vulnerable in the society, especially women and children (Cornia, Jolly, and Stewart, 1987); their neglect of the social sector (Stein and Natziger, 1991); and its negative impacts on local manufacturing (Samatar, 1993; Carmody, 2001). Moreover, SAPs have negatively impacted institutions and social processes that are critical for the operation of free markets (Owusu, 2000). Although the Bank responded to some of the criticisms by creating new programs such as the Social Dimensions of Adjustment (Hutchful, 1994), overall SAPs were unable to generate the economic development promised by their architects. The Bank’s confidence in the policies was also shattered by severe economic crisis suffered by one of its model countries, Mexico, in 1994-95 (Pender, 2001). Thus, by the end of the 1990s, many in the international community were convinced that SAPs could not solve Africa’s problems and that it was time to look for alternative approaches.

Another factor responsible for creating a more receptive international community has been the prevalence of street protests against globalization and the international institutions that manage the process. Street protests and riots against the IMF and the Bank-supported austerity programs are nothing new in Africa and other developing countries (Walton and Seddon, 1994). However, it was the violent protests at the 1999 WTO meeting in Seattle that exposed many in the developed world to the injustices inherent in the way the globalization process is managed. Protesters now greet virtually every major meeting of the IMF, the Bank, the WTO and the G8. The media attention given to such protests serves as a constant reminder to those attending these summits that the world is watching. Such awareness may have helped keep the concerns of the poor on the agendas of major global summits and made other ideas more acceptable. The choice of a remote and inaccessible location in Alberta, Canada, for the 2002 G8 meeting is a testimony to the impact of street protests and riots.

Finally, the world has changed significantly since September 11, 2001. More important for our purpose is the causal linkage between poverty and terrorism that is easily evoked by many world leaders and ordinary people in the rich nations, especially in the US. The abject poverty in Afghanistan and Sudan, countries that have provided save havens for Osama bin Laden and his al'Qaeda operatives, is seen by many as evidence of the linkage between poverty and terrorism and the need for the US to expand the war on terrorism to include eradication of poverty. The Bank's president, for instance, argued that "the world will not be stable if we do not deal with the question of poverty. If it is not stable, we will be affected by migration, crime, drugs and terror" (Wolfensohn, 2002). In March 2002, President Bush surprised many when he announced an increase in US development aid to poor countries up to \$5 billion over three years — a move that many saw as an attempt to balance the war against terrorism with an attack on the conditions that nurture it. The terror of 9/11 is a reminder that we live in a global village and that the unilateralism and disengagement that characterized the early part of the Bush administration posed a threat to global security. As Mr. Wolfensohn (2002) noted, "If a wall ever existed between the developing and developed world, the image of the World Trade Center collapsing destroyed that world forever." The events of that day changed the view of many and the adoption of NEPAD around the time of the incident may have helped generate international support for the initiative.

In sum, NEPAD is receiving international support partly because its message is more appealing to the international community and partly because the current global political economy has become more receptive to alternative proposals. If NEPAD was proposed in the 1980s, it may not have stood any better chance of acceptance and may have been ignored just like the LPA, the UNPAAERD, and the AFF-SAP. Similarly, the LPA would not have been popular even in a post-9/11 world. The current global political economy has created opportunities that would make it possible for African leaders to negotiate a better deal from the international community. NEPAD is an important beginning in this direction, but its ability to lead Africa out of the crisis will depend on other factors.

4. NEPAD AND AFRICAN DEVELOPMENT: A PROVISIONAL ASSESSMENT

Years of acrimony between the international community and African leaders over the appropriate development strategy is partly responsible for the current sorry state of affairs in the continent. Hence the apparent convergence of ideas is itself significant, even if the parties do not always agree on the meaning of concepts. Yet there are still important questions about the NEPAD and the future of Africa. Will a compromise necessarily lead to Africa's development? NEPAD is still a work-in-progress; hence, only a provisional assessment can be undertaken now, but it seems that its fate will depend on the following factors: (1) Will African leaders deliver on their promise of good governance? (2) Will the international community provide the necessary funds to support NEPAD's initiatives? (3) Can African leaders and the international community balance the continent's short-term needs with the long-term objectives of NEPAD? (4) Can Mbeki and other proponents convince the developed nations to help create a global political economy that is favorable to poor countries? Regarding the first question, NEPAD's critics, who are anxiously waiting to see whether African leaders can deliver on their promise of good governance and enforce the peer-review mechanism, may not have to wait for long. Already, Mbeki and his colleagues have been criticized for their unwillingness to condemn human rights abuses and the elections in Zimbabwe, which were widely condemned as unfair. The architects of NEPAD also seem to be reneging on the commitment to implement the peer-review process by shifting responsibility for enforcing it to the newly created African Union (DevNews, 2002c). In addition, recent developments in Africa raise questions about their commitment to NEPAD in general and the peer-review process in particular. A senior advisor at the ECA recently suggested that African leaders would not likely rush to embrace the peer-review process until they see its benefits (DevNews, 2002a). Moreover, Botswana, one of the few Africa countries to experience significant economic growth in recent years, has also decided against endorsing some aspects of NEPAD (DevNews, 2002b). The wavering commitment to the peer-review process, which is seen as the cornerstone of NEPAD by the international community, compelled the Canadian prime minister to warn that NEPAD risks losing international support and the $6 billion pledge in extra annual aid if African leaders fail to ensure its proper functioning (DevNews, 2002c). Moreover, despite the excitement about NEPAD in the international community, many Africans are not aware of the initiative precisely because it was drawn up by a tight clique of leaders with virtually no public consultation. If NEPAD is to become the "African developed, managed and owned" program, then the leaders must do a better job of selling their intentions to ordinary Africans as they have so far done so effectively in the international community.

Moreover, the global political economy may have made an African initiative more acceptable, but it could also divert attention from the continent. This is critical since NEPAD's success would depend on financial assistance from the international community, but Africa must compete with other regions for such funds. The international community could easily shift its focus to other regions of the world in response to changes in global geopolitics. For instance, the escalating Palestinian and Israeli conflict and the need to rebuild Palestinian cities destroyed by Israel's invasion could divert resources away from Africa. Similarly, the war on terrorism and the need to rebuild Afghanistan threatens to divert resources from Africa. Already, despite the endorsement of NEPAD by the G8 at the 2002 Summit, only $6 billion out of the $65 billion requested by African leaders is committed to NEPAD. Moreover, unexpected domestic problems in Africa, such as the current threat of drought in southern Africa and the pressure on foreign governments to respond, could shift the focus of the international community from NEPAD to short-term crisis management.

Probably the biggest obstacle to NEPAD is the willingness of developed nations to help create a favorable global political economy. The popular slogan of African leaders — "trade not aid" — reflects their belief that the long-term development of African countries depends on greater access to the markets of developed countries and not on foreign aid. Unfortunately, the message from the rich nations continues to be "we subsidize, you liberalize," demonstrated by protectionist barriers, particularly in agriculture. It is estimated that the European Union, the US and Japan spend an estimated $1 billion a day to shield their farmers from external competition, mostly from the developing world. The decision by the Bush administration to increase US agricultural subsidies and the threat by other developed nations to respond with similar policies indicate that agricultural subsidies are here to stay. Such subsidies and other protectionist policies of the rich nations have crippled Africa's chances to export its way out of poverty at the same time that its countries are being pressured to open up their economies and embrace globalization. Clearly, NEPAD's strategic engagement with the global political economy may be more difficult to achieve than Mbeki and the other proponents would like to admit.

Whether or not NEPAD would succeed is still an open question. But even if NEPAD were to succeed, not all countries in the region would benefit equally from integration into the global economy. As in other places, some countries would benefit more from the process than others. Indeed, it may end up serving "the interests of externally oriented fractions within key African states while leaving the rest of the continent to sink or swim, as it were, with the globalization current" (Taylor and Nel, 2002:166). It is probably not by accident that the countries pushing NEPAD such as Egypt, Nigeria and South Africa have traditionally received most of the foreign direct investment to Africa. To get the support of all African countries, NEPAD has to address the special needs of countries that might be marginalized in the process and not benefit from capital investment (even if they delivered good governance).

5. SUMMARY AND CONCLUSION

The central concerns over Africa's development at the beginning of the 1980s involved the causes of the crisis, the appropriate development strategy and the focus of development policy. At that time, the OAU/ECA adopted a dependency approach while the Bank supported a neoliberal approach, and both sides seemed not to agree on any issue. However, due to its immense financial resources and international support, the Bank's views became dominant as African countries overwhelmingly chose pragmatism over ideology and implemented Bank-supported SAPs. In the following two decades, the ECA and the OAU continued to insist on the need to address both domestic and external causes of the continent's crisis. They also demanded that the objective of development policy should be broadened to include economic, social, cultural, political and environmental considerations, and that the state must continue to play a role in Africa's development. Unfortunately, their efforts yielded very little response from the international community and resulted only in cosmetic changes in the Bank's policies, partly because the leaders themselves were unwilling and/or unable to address the domestic problems and therefore lost the moral authority for demanding changes in external factors. Ironically, while the ECA and the OAU were debating with the international community over the appropriate development strategy, many African countries were busy negotiating with the international financial institutions for loans and implementing SAPs. Thus, even though by the end of the 1990s SAPs were being implemented in many African countries, the OAU and ECA did not officially support the policies. After years of supporting SAPs as a condition for granting loans to poor countries, the Bank was also compelled to change its development approach from SAPs to CDF largely to deflect criticisms of its activities.

At its 2001 Summit, the OAU unanimously adopted NEPAD. This is generally seen as a new chapter in African development policy because of the document's embrace of neoliberalism and its similarity with the Bank's CDF. The convergence of ideas appears to dovetail Fukuyama's (1992) claim that we are at "the end of history" because there are no serious alternatives to neoliberalism and therefore the major political and economic trends can be expected to remain essentially unchanged. Fukuyama is right in the sense that no radical transformation in the global political economy seems to be on the horizon, and power continues to be in the hands of those who possess it while the poor continue to remain powerless. We have seen this with Africa's acceptance of neoliberalism in the hope that it would bring in foreign investment. Fukuyama may also be right about the hegemonic position that liberalism currently enjoys. However, in such a world, neoliberalism will be held responsible for social problems since one can no longer blame communism, socialism, etc., for the failure of economic and political systems. Thus, neoliberalism both in its political or economic expressions would be subjected to intense scrutiny; this could raise questions about its credibility and potentially create avenues of alternatives, even if such alternatives are limited to reformism. For instance, widespread criticism of neoliberalism and the Bank's activities led to the Bank's shift from SAPs to CDF. Problems encountered by neoliberalism in Africa also compelled the international community to be receptive to NEPAD. As to whether African leaders could have negotiated a better deal than what NEPAD offers is a different question. It seems that neoliberalism's hegemony does not necessarily shut the door to all alternatives; in fact, it may have created opportunities for changing the dominant discourse, if even such changes come in through the back door.

In sum, NEPAD is a pragmatic strategy by a new breed of African leaders who hope to bring the continent's problems to global attention. It certainly falls short of demands for structural transformation and the creation of new international economic order, but it is an important step nonetheless. Its ability to end decades of underdevelopment and marginalization of the continent is doubtful, although not unattainable. It would depend on how African leaders and the international community respond to the initiative. One hopes that Mbeki and the other leaders would be able to convince the international community that turning a blind eye to the abject poverty and deprivation in the continent poses a threat to the global neoliberal agenda. The international community may also realize the need to broaden the war on global terrorism by helping to eradicate the conditions that breed terrorism worldwide. But if even the international community fails to provide funds for NEPAD and ignores calls for the removal of protectionist barriers, Africans leaders still owe it to their citizens to provide good governance.

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NOTES

[1] The OAU was replaced by the African Union (AU) in July 2002.

[2] Many pro-socialist regimes in African soon realized that their socialist allies were only willing to provide military assistance and not the desperately needed financial assistance. As a result, many regimes, including the Rawlings regime of Ghana, abandoned their populist rhetoric and adopted western policies, which came with financial assistance.

[3] This shift in development policy did not occur only in Africa; rather it was part of the global ascendancy of neoliberalism under the direction of international institutions such as the World Bank, IMF and World Trade Organization (WTO) (Stiglitz, 2002).

[4] It is important to note that many other initiatives were proposed by African leaders between 1980 and 2000. Others include the 1987 Abuja International Conference on the "Challenge of Economic Recovery and Accelerated Development in Africa." In December 1987 African leaders also came out with "Africa's Common Position on External Debt," which addressed the need for external debt relief. The 1988 Khartoum International Conference on the "Human Dimensions of Africa's Economic Recovery and Development" represents yet another effort. In 1990, the ECA with the support of other international agencies produced the "African Charter for Popular Participation in Development and Transformation." Also, in 1991, a meeting of over 500 African leaders led to the development of the Kampala Declaration that emerged from the "Conference on Security, Stability, Development and cooperation in Africa (CSSDCA)." Although these initiatives are important, they are more specialized and are focused on aspects of Africa's development and have therefore had much influence on the overall debate over Africa's development options.

[5] In September 1999, both the Bank and the IMF agreed that nationally-owned participatory poverty-reduction strategies should provide the basis for all their concessional lending and for debt relief under the enhanced Heavily Indebted Poor Countries (HIPC) Initiative. This approach, building on the principles of the CDF, has led to the development of Poverty Reduction Strategy Papers (PRSPs) by governments through a participatory process.

[6] The Omega Plan was an effort by President Wade to set goals and define the financial means to narrow the infrastructural gaps between Africa and the developed countries (NEPAD, 2001c). MAP was a proposal by South Africa to help Africa present a common front in its dealings with the developed world; to seek aid and investment in

return for good governance; and to unite the countries against social and economic problems (NEPAD, 2001d). The two documents were merged into the "New African Initiative." This document later became known as NEPAD when it was unanimously adopted at the OAU Summit in Lusaka on July 11, 2001.

[7] African renaissance is related to Pan Africanism. Pan Africanism began in the 1900s as people in the Diaspora began to reassert African dignity and humanity. During Africa's struggle for independence in the 1950s and 60s, the concept again became the rallying cry for leaders such as Ghana's Kwame Nkrumah, Congo Republic's Mobutu Sese Seko, Kenya's Tom Mboya, and Tanzania's Julius Nyerere. As Ajulu (2001) observes, African renaissance has meant different things to different people and the concept has historically become a terrain of contestation between different social forces.

[8] According to Taylor and Nel (2002), transnational elites originate from the developed countries but are able to develop linkages with like-minded parties in the developing world to form a truly global elite. Most of the states in the forefront, advancing liberalization and SAPs in many African countries, are led by such transnational elites. For instance, South Africa's finance minister, Trevor Manuel, is the chairperson of both the IMF and the World Bank's Board of Governors.

[9] The African National Congress' (ANC) transition to neoliberalism was achieved in a far shorter time period than was the case in any other African nationalist groups. For instance, it took Zambian, Mozambican/Angolan and Zimbabwean nationalists 25, 15 and 10 years respectively to accomplish such transitions (Bond, 2000).

[10] See Kanbur (2002) for a detailed discussion of the structure and content of NEPAD. Kanbur argues that since NEPAD is a regional initiative with democracy and governance as its strongest points, it should focus on this "comparative advantage" and not spread itself too thin over the many issues.

[11] Unlike the other initiatives, NEPAD does not call for an end to SAPs which are described as a partial solution that have worked for only a few countries" (NEPAD, 2001a).

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