Part III

AU-NEPAD and the Global Power Structure
Chapter 6

The Hegemonic Responses of the US-led Transnational Historic Bloc

Introduction

In this chapter we look at the fifth element of AU-NEPAD macro-restructuring: the deepening of external integration into the global capitalist economy through ‘partnership.’ The chapter explores the meaning of AU-NEPAD external ‘partnership’ by locating it in the process of rebuilding North–South relations since the rise of transnational neoliberalism in the early 1980s. In particular it shows how the politico-ideological agency of the transnational fraction of the African ruling classes has redefined the relationship between Africa and the dominant forces in the Northern core (namely the US-led transnational historical bloc). The chapter also highlights how Afro-neoliberal restructuring has been incorporated into a global development and policy process heavily influenced by the structural power of transnational capital. In this process the ideology of transnational capital articulates a discourse that defines norms, articulates particular claims about the global political economy and provides conceptual frames for defining the behaviour of states, classes and transnationalising elites. Finally, this chapter explores the content of Afro-neoliberal partnership and how this partnership engaged a hegemonic transnational neoliberalism.

In order to explore these issues, in this chapter we focus on the hegemonic responses to the AU-NEPAD’s macro-restructuring strategy by the United Nations (UN), the World Bank and IMF, the G7/8 and the World Economic Forum. These responses are not simply attempts to ‘construct partnership’ but rather are hegemonic class practices that remake geopolitical relationships between the US-led transnational historical bloc and the Afro-neoliberal historic bloc. The responses ultimately attempt to redefine the relations of force on the African continent and seek to define a new basis for consent and coercion between Africa and a neoliberalised world order. The content of these responses will be
highlighted as hegemonic class practices, by the US-led transnational historical bloc. Moreover the extent to which these hegemonic class practices provide consent to AU-NEPAD macro-restructuring and the leading role of the transnational fraction of the African ruling classes will be explored.

**Transnational Capital and the US-led Transnational Historic Bloc**

By the end of the 1970s North-South relations were in crisis and had reached an impasse. The call for a New International Economic Order (NIEO) by developing countries was unsuccessful. At the same time, a neoliberal offensive came to the fore with Ronald Reagan in the USA and Margaret Thatcher in the UK. Most of post-colonial Africa was also ensnared in national debt such that Africa’s debt crisis of the 1980s became a long crisis of failed structural adjustment, civil wars and deepening poverty through the 1990s. The global restructuring inaugurated by Western elites, in response to the 1970s crisis of accumulation, brought to the fore an accumulation model and ideology that advanced the interests of transnational capital: transnational neoliberalism (Overbeek, 1993). Nationally bounded capital with its roots in mass production and consumption accumulation structures was increasingly displaced by political projects that advance the transnationalising of capital. Moreover restructuring happened through European Union (EU) integration, the North Atlantic Free Trade Area (NAFTA) and the WTO. The neoliberal agenda brought to the fore in these institutions and processes, were championed by national interlocutors (Dezalay and Garth, 2002). In chapter 2 we explored the emergence and articulation of Afro-neoliberalism in various African countries and adjustment processes. Complimenting these restructuring processes was the emergence and role of new information and telecommunication technology.¹ The social and class forces engendered by these restructuring processes have increasingly linked

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¹ Consensus on what these phenomena amount to is non existent in the social sciences. Some refer to restructuring processes as ‘globalisation’ and within this literature there are attempts to focus on the negative and positive aspects of globalisation. Radical geographers such as Peet (2003: 1-4) bring into view the role of power in these processes. Evans (2008), a sociologist, refers to generic globalisation, neoliberal globalisation and counter-hegemonic globalisation. The former referring to processes of integration and compression driven by new information and communications technology.
into global financial and production circuits of accumulation. As a result a new division of labour has emerged further challenging North-South relations.

This new global division of labour is shaped by the structural and direct power of transnational capital (Gill and Law, 2003: 93-108). The structural power of transnational capital has remade geo-politics, exposed the limits of the territorially bounded state and has used inter-state competition for FDI and capital flows to its advantage. The structural power of capital has been complimented by its direct power (Gill and Law, 2003: 99-102). This refers to its ability to lobby, influence and shape politics and policy choices in its favour. Elite interactions within transnational development institutions and global policymaking processes also advance the direct power of transnational capital (Murphy, 2005:121-125; Gill, 1990). With almost three decades of neoliberalisation the world order has produced a global power structure expressed through a new US-led transnational historical bloc.

According to Robinson (2004: 85-144) this amounts to a transnational state. For the likes of the UN this amounts to ‘global governance’. In this study both the transnational state perspective and the ‘global governance’ perspective are understood as inappropriate for understanding the global power structure, as expressed through a US-led transnational historical bloc. The transnational state perspective misrecognises the restructuring of the state as the end of the state. It also exaggerates the global power configuration as amounting to a transnational state. The global governance perspective of the UN is also limited in trying to understand the socio-political infrastructure of globalisation. Soederberg (2006a: 1) highlights how the term ‘global governance’ is ‘notoriously ill defined and devoid of any critical theorisation’. She also problematises the specific definition of ‘global governance’ on offer by the Commission for Global Governance. She argues that while it precludes world or global government it does not bring into the view the role of the unilateral policies of the US government and neither does it deal with the inequality and exclusion within the ‘global neighbourhood’ (Soederberg, 2006a: 2).
To return to the US-led transnational historical bloc. Such a historical bloc is not merely rooted in national accumulation structures, but is also moored in globalised production and financial structures (Robinson, 2004: 1-32). Moreover, it has utilised transnational neoliberalism to shape a global policy process that expresses the structural and direct power of transnational capital. It has utilised the institutional apparatuses, within this global policy process, to advance and persuade other social forces to embrace a neoliberal approach to development. Many of these institutions such as the UN, IMF and World Bank, the G7/8, WTO, OECD, Tri-lateral forum, the Bilderburg Group, the World Economic Forum and the International Chamber of Commerce have evolved their own variants of transnational neoliberalism which converge on supporting and promoting a liberal global economy. The typology below reveals several varieties of neoliberalism inhabiting various institutional spaces in the power structure of the world order. (See Table 6.1.)

Table 6.1: Varieties of Neoliberalism

<table>
<thead>
<tr>
<th>Neoliberal Ideology</th>
<th>Main Policy Thrust</th>
<th>Global Institutions</th>
</tr>
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<tbody>
<tr>
<td>Free market conservative</td>
<td>Corporate self regulation, global laissez faire</td>
<td>International Chamber of Commerce</td>
</tr>
<tr>
<td>Disciplinary and Securitised post ‘Washington Consensus’</td>
<td>Liberalisation, deregulation privatisation and pre-emptive conditionalities for ‘fixing the state’</td>
<td>US state and WTO</td>
</tr>
<tr>
<td>Institutional Neoliberalism</td>
<td>Poverty focus to address imperfect markets and ensure ‘good governance’</td>
<td>IMF, World Bank and various UN agencies</td>
</tr>
<tr>
<td>Structural Neoliberalism</td>
<td>Global Competition, ‘good governance’ and policy focus on removing obstacles to competition</td>
<td>World Economic Forum</td>
</tr>
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Alongside these apparatuses of consent formation, which are central to global policymaking and the development system, there are also instruments of coercion (Murphy, 2005: 124-125). The role of the US military-industrial complex, of NATO and

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2 In this regard there is a rich literature emerging from various disciplines within the social sciences. Peet, a radical geographer explicitly refers to the ‘geography of power’ and the making of global economic policy (2007). Within IPE see Soederberg (2006a), Van Appledoorn (2002), Cox (1997) and Gill (1990).
increasingly the UN all provide the necessary coercive compulsion to advance the interests of transnational capital. Taken together, the social alliances led by transnational fractions of capital, global inter-governmental and transnational private institutions that support elite interactions and advance the hegemonic discourse of transnational neoliberalism constitute a transnational historical bloc.

This US-led transnational historical bloc has emerged over three decades of neoliberalisation. While it has won hegemonic consent for its project in the centres of capitalism, it has not been able to do the same in the developing peripheries. Rather transnational institutions have explicitly tried to engender consent in developing peripheries. Indeed, the social hierarchy produced by this new transnational historical bloc has provided the material bases to redefine North-South relations over the past few decades. In the developing peripheries, the integration of transnationalising classes fractions and new historical blocs into the new US-led transnational historical bloc has defined the remaking of North-South relations.\(^3\) In this context understanding how consent and a common consensus for Afro-neoliberal macro-restructuring has been constituted between the US-led transnational historical bloc and the Afro-neoliberal historical bloc becomes important. This articulation assists in understanding two important effects. First, it shows how the Afro-neoliberal historic bloc has had to adjust Africa to find a place in a global political economy that is increasingly organised around the interests of transnational capital. It brings to the fore the justifications provided for integrating Africa into the global political economy on the terms of transnational capital. Second, it shows how the Afro-neoliberal historical bloc led by Africa’s transnational fraction fits into the global power structure and how it attempts to ensure its own reproduction. This means the class practices that substantiate the real meaning of Africa’s external partnership are brought into view.

\(^3\) This is different from a world systems perspective that understands the world system as a hierarchy of states and inclusion or exclusion from the centre, semi-periphery and periphery is determined by the dynamics between states.
AU-NEPAD External ‘Partnership’

The AU-NEPAD macro-restructuring strategy is an attempt to remake Africa’s relations with the global North. At the level of the global power structure, it attempts to secure consent from the US-led transnational historical bloc for a political project led by the transnational fraction of Africa’s ruling classes. The approach of the AU-NEPAD is fundamentally different from the NIEO or the LPA agenda. For instance, Murphy (2005: 102-117) argues against the conventional wisdom in the North about the South’s NIEO proposals. He concludes that ‘some of the most trusted social scientists and policy-makers drew conclusions about the NIEO ideology that were peculiarly inadequate’. Thus, it is important to have an alternative explanation of NIEO ideology, origins, and justifications. This caution by Murphy also applies to how this study approaches the AU-NEPAD macro-restructuring strategy and its attempts to constitute an ‘external partnership’.

In the case of AU-NEPAD macro-restructuring, it has its origins, not so much in the diminishing strategic leverage of African countries in the aftermath of the Cold War. Instead and through historicising the conjunctural dynamics of Africa’s macro-restructuring two important developments throw more light on the origins of AU-NEPAD macro-restructuring. First, the disciplining of post-colonial Africa in national spaces within the conjunctures of radical post-colonial state-led development projects and the conjuncture of the debt crisis and national adjustment. Even before the Cold War ended Africa was already finding it difficult to play the Cold War game. Its deep organic crises, expressed through its weak national economies, were already redirecting Africa. The role of external forces in the context of the debt crisis facing African economies merely clinched the complete subordination of Africa to the Northern-centric power structure. National passive revolutions, with truncated democratic forms, became the political project to control and herd Africa towards its neoliberal dystopia.

Chapter 3 discusses the evolution of an Afro-neoliberal consensus in the context of the conjuncture of macro-restructuring. The loss of strategic leverage features prominently as a premise for many of the initiatives that came to the fore to guide Africa’s macro-restructuring.
The second important historical development that gave rise to AU-NEPAD macro-restructuring was the formation of an Afro-neoliberal consensus amongst Africa’s transnationalising elites during the conjuncture of macro-restructuring, which commenced from 1989. This Afro-neoliberal consensus was already evolving some of the key ideological elements that composed AU-NEPAD macro-restructuring. Concepts of ‘partnership’, ‘new security approaches’ and a ‘globalised conception of pan-Africanism’ were already in the making and part of the evolving Afro-neoliberal consensus in the 1990s. This was explored in chapter 3. In short, it is the political and structural subordination of Africa to the Northern-centric power structure, even before the end of the Cold War, and the embrace by its new transnationalising ruling elites of an Afro-neoliberal consensus that gave rise to the AU-NEPAD macro-restructuring project.

Unlike the NIEO, the AU-NEPAD macro-restructuring project, particularly its approach to external partnership, was not justified on the basis of ‘scientific’ arguments to regulate and restrict markets nor was there a justification based on the rights of sovereign states and duties to one another (Murphy, 2005: 109). Instead the AU-NEPAD was justified as an indigenised version of transnational neoliberalism, which made the case for an Afro-neoliberal capitalism; a market-led capitalism in which Africa owned and led integration into the global economy but on the terms of transnational capital. This comes through in the NEPAD base document and is expressed in different ways. First, African ownership and leadership is claimed through a rhetoric of determination which shuns ‘dependency’ or ‘marginal concessions’ (NEPAD, 2001: 18). Such African ownership and determination is also exemplified by the ‘new political will’ of liberal African leaders and by a top down call, an appeal, for African people to own NEPAD ((2001: 24; 27). Second, there is an idealistic reading of the ‘historical opportunities’ available in the contemporary world through capital, technology and human skills to end Africa’s poverty and underdevelopment (NEPAD, 2001: 18). Such a reading is blind to the power relations of North-South relations and does not feature in AU-NEPAD’s appreciation of the world order or in its case for external partnership. The ‘global revolution’ of ‘globalisation’ is understood as an opportunity that needs to be embraced through ‘managed integration’ (NEPAD, 2001: 22). Flowing from this is the third justification.
Africa’s failures of the past, while partly related to structural constraints, are mainly attributable to failed ‘economic and political leadership’, ‘weak states’ and ‘patronage and corruption’ (NEPAD, 2001: 23; 21). The SAPs of the World Bank and IMF are not seen as the problem. Rather the arguments made by these institutions for why Africa’s adjustment fails is accepted as a central part of the explanation for Africa’s failure.

With this acceptance of a neoliberal solution, the fourth justification is simply an extension of the argument but with a stronger emphasis on ‘social services’, the MDGs, greater economic competition and an important role for partnership with the private sector (NEPAD, 2001: 21-25). This is taken further with the suggestion that this Afro-neoliberal solution will yield ‘mutual benefits’ in which Africa’s physical resources, labour, culture, and infrastructure backlogs provide opportunities (NEPAD, 2001: 63). In short, ‘the collapse of more African states, poses a threat not only to Africans, but also to global peace and security. For industrialised countries, development in Africa will reduce the levels of global social exclusion and mitigate a major potential source of global instability’ (NEPAD, 2001: 64). This means the systemic threat posed by Africa’s poor can be neutralised with a few concessions as envisaged within the Afro-neoliberal solution.

These justifications provide the ideological basis for the choice made by Africa’s transnational fraction for the macro-restructuring of Africa including its external partnership. Moreover it provides the basis for soliciting consent from the US-led transnational historical bloc. Such justifications do not challenge transnational neoliberalism but embrace it through an African discourse. Thus, the Afro-neoliberal consensus also expresses commitment to elements that are championed from within the US-led transnational historical bloc. The interests and demands expressed by this bloc for good governance, peace and stability, liberal democracy, a poverty reduction emphasis through the MDGs, competition and market-led development, for instance, are already embraced as part of the Afro-neoliberal consensus and discourse. To this extent, the Afro-neoliberal consensus gives the US-led transnational historical bloc what it wants but in a way that best converges with the interests of the Afro-neoliberal bloc. Hence, it is
simplistic to merely reduce the external partnership of AU-NEPAD to a trade off: assistance from the Northern core for conflict resolution provided African countries hold each other accountable (Landsberg, 2008: 211).

From the side of the Afro-neoliberal historic bloc, soliciting partnership means two things: macro-restructuring within Africa and bringing in external partnership through class practices that support the Afro-neoliberal solution. Within the frame of macro-restructuring ‘partnership’ is about the Afro-neoliberal historical bloc leading a political project that engenders market led accumulation models in national spaces and through regional integration, redefining pan-Africanism as an ideology in support of globalisation, reducing the African state to an internationalised competition state, limiting the scope of democracy by ensuring state-civil society relations do not pose a challenge to macro-restructuring and using conflict resolution approaches to further remake and assimilate illiberal Africa into Afro-neoliberal capitalism. In short, partnership entails an ideological commitment, in theory and practice, from Africa’s transnationalising elites to pursue an Afro-neoliberal capitalism as the solution to Africa’s organic crises. It entails deep and fundamental structural change but through an African owned and led process.

On the other hand, Africa’s approach to partnership through AU-NEPAD macro-restructuring entails bringing in external partners in a particular way to support this project, that is, in a way that best advances Afro-neoliberal capitalism. There are two class practices advanced by Africa’s transnational fraction to achieve such an external partnership. The first relates to streamlining and ‘rationalising’ existing partnerships (NEPAD, 2001: 65). In other words, this has translated into AU-NEPAD being the main point of intersection between Africa and the rest of the world. External relations with Africa are focused around realising the objectives of AU-NEPAD macro-restructuring and are brought into the framework. In chapter 4 we saw how the HSGIC has been key in ensuring this falls into place. However, the actual responses of external partners will be explored further below in relation to the UN, the IMF and World Bank, the G7/8 and WEF. The second class practice realigning external partnership around the realisation of the Afro-neoliberal solution is through emphasising the ‘responsibilities and obligations’
of developed countries and multi-lateral institutions (NEPAD, 2001:65). There is an appeal for reciprocity not through demands for changing the system but in the context of framing a common consensus on how Africa should be adjusted to realise the interests and requirements of transnational capital. In the NEPAD base document there are thirteen responsibilities and obligations for developed countries and multi-lateral institutions (NEPAD, 2001: 65-66). In short, these class practices add up to ensure Africa successfully ‘globalises’ through countries, sub-regions and at a continental level and in this process important concessions are made to the poor to realise certain needs and interests within the framework of an Africa adjusting to transnational capital. These are reforms, initiatives and programs that do not threaten the project of the Afro-neoliberal historical bloc nor the US-led transnational historical bloc but assist in winning support and securing legitimization from above.

**Integrating the Afro-neoliberal Historical Bloc with the US-led Transnational Historic Bloc**

**(i) The United Nations**

Formed after World War II the United Nations’ preamble of its founding *Charter* declares:

> We the people of the United Nations determined to save succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind, and to reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small, to establish condition under which justice and respect for the obligations arising from treaties and other sources of international law can be maintained, and to promote social progress and better standards of life in larger freedom.

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5 These include: support for conflict resolution; acceleration of debt reduction linked to poverty reduction programs; improvement of debt relief strategies for middle income countries; reverse the decline of aid flows and linking such flows to poverty reduction; translate strategies related to education and health into concrete commitments; facilitate partnership with pharmaceutical companies and civil society organisations for HIV/AIDS drugs; increase bi-lateral trade and improve terms of trade for African countries within the WTO multilateral framework; encourage private sector investment into Africa which would be supported by mechanisms that limit risk; raise consumer protection standards for exports from developed countries; bring in the World Bank and other multi-lateral development finance institutions as investors in key infrastructure projects as part of securing private sector investment; provide technical support for capacity building in areas affecting implementation; support governance reforms of multi-lateral financial institutions and initiatives to set up mechanisms to combat corruption and to ensure the return of funds to Africa that have been illegally taken out.
The United Nations is not a world government but is an inter-governmental organisation made up of nation states in the world. It has six principal organs: the International Court of Justice, the Security Council (five countries - the USA, Russian Federation, China, UK and France – have a veto against any decisions they do not agree), the Secretariat, the General Assembly (which includes various programmes, funds & offices like the United Nations Development Programme and the United Nation Conference on Trade and Development), the Economic and Social Council (which includes specialised agencies such as the World Health Organisation, International Monetary Fund and the International Labour Organisation and Regional Commissions such as the Economic Commission for Africa) and the Trusteeship Council (which no longer meets).

The UN has a complex and sprawling bureaucracy, sometimes referred to as the UN system. This invites various institutional weaknesses. The underpinnings of the Security Council, for instance, are grounded in realist principles in which powerful states monopolise power. The US, particularly after the Cold War, has been deeply ambivalent about its relationship with the UN. On the one hand, it has tried to use the multi-lateralism of the UN to its advantage. This has included not paying its dues and using the settlement of this debt as leverage to push for reforms that advance its interests (Murphy, 2005: 99-101). On the other hand, the US has tended to be unilateral and has gone it alone without UN backing. The invasions of Afghanistan and Iraq are emblematic in this regard.

The UN has played a crucial role in attempting to embed the global market within rules and standards. Many of its specialised agencies have contributed to standard setting, affecting citizens across the globe. From the Universal Postal Union to the World Intellectual Property Organisation, these institutions have set various standards that have impacted on the global market and forms of regulation. Fasulo (2004: 191-196) argues the UN standard setting role has contributed to ‘guiding globalisation’. The battle between market-led development versus regulation also reached a head in the UN in the 1970s with the call for a NIEO by countries of the global South (Krasner, 1985). Spurred
on by structuralist thinking emanating from UNCTAD, under the leadership of Raul Prebisch in the 1960s, together with more militant dependency perspectives highlighting the inherent polarisation of the world system, many countries of the South rallied to the call for a NIEO. Their demand for a greater say in economic decision-making, based on the equality principle of the UN General Assembly, was effectively rolled back by the Northern-centric power structure. This defeat was the prelude to the neoliberal offensive of the 1980s.

The North-South confrontation around the NIEO also had devastating impacts on the indigenous development paradigm evolving in Africa. Such an effort to create an African development paradigm was led and pioneered by the UN’s Economic Commission for Africa (ECA). Since its inaugural meeting in 1958 the ECA has championed African development. This was largely buoyed by the desire amongst Africans themselves who wanted to secure the fruits of decolonisation and pan-African economic transformation. By 1983, through its technical support role the ECA fostered close to forty institutions such as the African Development Bank, as well as, institutions in earth resources (seven) and industrial development and services (seven) amongst other sectors (Adedeji 2004: 249).

However, with the onset of the third UN Development Decade the ECA was extremely active in developing an indigenised paradigm, an African paradigm, of development based on the principles of self reliance and self sustenance (Adedeji, 2004: 251-266). This translated into the LPA agenda discussed in chapter 3. However, with the defeat of the NIEO and the neoliberal offensive, by the end of the 1980s the African development paradigm was also neoliberalised. Through the 1990s the ECA increasingly imbibed and defined a new institutional neoliberalism.

The ECA was not the only UN institution captured by a new institutional neoliberalism. Peet (2007: 157-160) shows how a new institutional neoliberalism was also mainstreamed into UNCTAD and the UNDP. In the case of UNCTAD, Peet highlights how Supachai Panitchpakdi, former director general of the WTO (2002-05) and an
advocate of free trade, became the new UNCTAD secretary general in 2005. The secretary general of UNCTAD then established a Panel of Eminent Persons to advise UNCTAD on its strategic direction. The Panel made up of Fernando Henrique Cardoso, former President of Brazil who adopted neoliberal policies; Jagdish Bhagwatti, Professor of Economics and Law at Columbia University, an ardent academic advocate of free trade; and Lawrence H. Summers, at that time still president of Harvard University, and before that Secretary of the US Treasury, and before that Vice-President of Development Economics and Chief Economist of the World Bank and a firm advocate of neoliberal economic policies. Peet (2007:158) concludes that these eminent persons, ‘disciplined the one UN institution that dared occasionally to think in terms of a counter-expertise’.

Concomitant with the neoliberalisation of the UN system was a conscious effort on the part of the UN to construct a relationship with the International Chamber of Commerce (ICC). Since its inception in 1920 the ICC has defied classical notions of diplomacy. It has demonstrated how business, and not just states, could be an important actor in multilateral processes (Hocking and Kelly, 2002: 212). In the mid-1990s the ICC put in place a new Secretary General, Maria Livanos Cattaui (who had spent 19 years at the WEF in Geneva with responsibility for the annual meeting at Davos) (Hocking and Kelly, 2002: 218). At the same time, Kofi Anan made his call for partnership with various stakeholders including business. This was well received by the ICC which entered into a dialogue with the UN and this culminated in the Global Compact between the ICC and the UN. The nine principles of this Compact provide a ‘human face’ to neoliberal globalisation. Hocking and Kelly (2002: 223) conclude, ‘the place of the UN system, and of the Global Compact, in this strategy is clear: it is to provide the “moral authority” which business needs but lacks if it is to drive home the gains it has already secured, act as the thin end of the wedge in securing greater access to new and established markets, and clean up any messy loose ends in whatever form – social protest, environmental degradation, armed resistance – these take’. In a similar way, Kofi Anan’s diplomacy also

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6 These principles draw on the UN’s Declaration of Human Rights, the ILO’s Declaration on Fundamental Principles and Rights at Work amongst other international instruments and provide for the protection of internationally proclaimed human rights, the right to collective bargaining, abolition of child labour, a precautionary approach to the environment amongst other principles.
brought in sections of ‘reformist’ transnational civil society to buttress and participate in
global partnership (Cooper, 2002:6). In short, over the past thirty years the UN has
evolved from being the main theatre of North–South conflict to being a crucial apparatus
within the US-led transnational historical bloc that contributes to managing a
transnational neoliberal consensus. Such a consensus is at the forefront of shaping
development options for poor and peripheralised countries, including Africa.

**Consulting the UN on AU-NEPAD Macro-restructuring**

The UN was not ‘consulted’ on AU-NEPAD restructuring but instead played an integral
part in defining it. In the conjuncture of macro-restructuring (1989- until the present) on
the African continent it played a crucial part in the process of shaping the Afro-neoliberal
consensus that emerged on the continent. The UN more than any other actor in Africa’s
affairs fostered a discourse on partnership between Africa and the rest of the world in
order ‘to assist Africa overcome its problems’. This begins with the AAF–SAP and the
*United Nations Programme of Action for African Economic Recovery and Development*
(UNPAAERD) adopted in the late 1980s and which, according to the former Executive
Secretary of the ECA, Adebayo Adedeji, constituted ‘the basis for constructive dialogue
with Africa’s development partners for designing country programs that would ensure

The UN’s replacement program for the UNPAAERD in the 1990s, was the *UN’s New
Agenda for the Development of Africa* (UN-NADAF). The UN-NADAF continued the
theme and call for partnership with Africa. The Preamble of the UN-NADAF resolution
states, ‘Africa’s development is primarily the responsibility of Africans. The international
community accepts the principle of shared responsibility and full partnership with Africa
and therefore commits itself to giving full and tangible support to the African efforts’
(UN, 1991: 332). In this sense the UN-NADAF went beyond mere partnership but also
affirmed the need for African ownership of adjustment to transnational capital.
At the same time the UN Millennium Summit, further strengthened calls for a partnership between Africa and the developed Northern-centric power structure. The MDG’s which were also adopted at the UN Millennium Summit in 2000, became a key part of the Afro-neoliberal consensus and found a central place in the NEPAD base document. In chapter 3 we also provided an insight into how the UN-ECA, through its Executive Secretary, Mr. K.Y. Amoako, called for a ‘New Global Compact with Africa’ in November 2000. Such a compact was about bringing in the rich countries to assist Africa, provided the necessary political and economic reforms were in place. This was incorporated into the MAP process and became a key technical input for the NEPAD document. Similarly the ECA also played a crucial role in developing and supporting the operationalising of the APRM.7

UN Hegemonic Responses to AU-NEPAD Macro-restructuring

There are two main hegemonic responses of the UN to AU-NEPAD macro-restructuring. The first relates to locating AU-NEPAD macro-restructuring in the context of a neoliberalised global consensus that defines the meaning of development. This was done through affirming the centrality of AU-NEPAD macro-restructuring within the International Conference on Financing for Development, 18-22 March, 2002, Monterrey, Mexico, otherwise known as the Monterrey Consensus. This Summit affirmed the centrality of the international community in supporting AU-NEPAD macro-restructuring through its various initiatives to mobilise resources for development (UN, 2002a: 2). Together with the Monterrey Consensus, the UN also affirmed the centrality of AU-NEPAD restructuring within the World Summit on Sustainable Development (WSSD). The WSSD Implementation Plan provides an entire section dedicated to Africa and the importance of AU-NEPAD macro-restructuring. Besides calling for international support for AU-NEPAD macro-restructuring the WSSD Implementation Plan also affirms the

7 Interview with Professor Emmanuel Nnadozie, Chief, NEPAD Support Unit, NEPAD and Regional Integration Division (NRID), Economic Commission For Africa, Ethiopia Addis Ababa, 4 December, 2007.
centrality of NEPAD in realising the Millennium Development Goals (UN, 2002b: 35-40).

In 2005, Jeffrey Sach’s report on the Millennium Declaration entitled The Millennium Development Project: Practical Action Plan to Combat Poverty called attention to the inability of most African countries to realise the MDGs given the lack of adequate external flows to Africa. However, as Peet points out the Sachs’ team merely reinforced the existing poverty strategy approach associated with the World Bank HIPC program. The HIPC locks the UN and UNDP into a collaborative relationship with the IFI’s such that the UNDP ‘is made into a arm of the existing IFI apparatus. This is discipline disguised by sanctimony’ (Peet, 2007:159-160). On the flipside of this the MDGs have been constituted into the main AU-NEPAD discourse on poverty reduction. Africa is no longer thinking about poverty challenges on its own terms but has entrenched a UN-led poverty reduction approach central to its own variant of institutional neoliberalism. Besides reinforcing support for AU-NEPAD macro-restructuring through various development discourses the UN General Assembly has also had an annual debate on NEPAD.

Alongside this hegemonic practice of bringing in AU-NEPAD macro-restructuring into a global consensus shared by the US-led transnational historical bloc, the UN has also attempted to gear its entire system to support AU-NEPAD macro-restructuring. Such a hegemonic practice has mainstreamed AU-NEPAD macro-restructuring as the focal point for UN initiatives and engagements with Africa. This is consistent with the HSGIC practice of constituting external partnership. Such an approach has evolved into the following (ECA, 2007): a cluster system for targeted support for AU-NEPAD macro-restructuring, fostering sub-regional coordination and integration, the pursuit of improved cooperation and coordination between the UN and AU, NEPAD, AfDB and the RECs, support for the mobilisation of resources and capacity building and has established a system for monitoring and evaluating actions.8 Linked to this gearing of the UN system to

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8 Such an approach has built on various efforts within the UN system (ECA, 2007:1) and includes: the ECA’s report ‘Assessment of UN System Support to NEPAD: Rethinking the Collective Approach (2004)’,
support AU-NEPAD restructuring is a debate unfolding currently on establishing a symbiotic link between the UN Peace building Commission and the Evolving AU/NEPAD Post-conflict Reconstruction Framework (Murithi, 2008).

(ii) The World Bank and IMF

The World Bank and IMF were formed at Bretton Woods in 1944. The main purpose of the World Bank was to provide finance for development projects. Goldman periodises the evolution of the World Bank’s role into three periods. He suggests in 1944-68 it was a ‘reluctant Banker’; 1968-1980 we witness the Banks ‘rise to power’ which include calls for ‘poverty alleviation’ and meeting ‘basic needs’; and then the ‘green neoliberal period from 1989 to the present (Goldman, 2005: 50). However, in the 1980s and 1990s the Bank also converges with the IMF around marrying short-term stabilisation to long term macro and sectoral adjustment; the link between loans with conditionalities gets tighter. It is also during this time that the World Banks neo-classical economic outlook becomes explicitly neoliberal (Peet, 2003: 127). The World Bank also evolves during this time an approach to the Washington consensus but also its own institutional neoliberalism towards the end of the 1990s.

The World Bank group is made up of five specialised agencies through which it intervenes and plays a crucial role as master of the development universe. These agencies are: the International Bank for Reconstruction and Development (IBRD) which makes loans, guarantees loans and offers analytical advice; the International Development Association (IDA) which gives interest free loans to poor countries; the International Finance Corporation (IFC) which provides loans and equity financing for private sector projects in the developing world; the Multi-lateral Investment Guarantee Agency (MIGA) which provides investment insurance; and the International Center for Settlement of Investment Disputes (ICSID) which intervenes in disputes between governments and foreign investors (Peet, 2003: 111-112).

While the World Bank has generated loan financing from member subscriptions it has over the years evolved a sophisticated approach to sourcing finance directly from financial markets. This has mainly happened through issuing bonds on various types of financial markets. As Goldman points out, ‘whereas in 1968 the Bank received $2 billion worth of paid-in capital from twenty Western countries and borrowed $3.5 billion from financial markets, by 1994, it collected $4.7 billion in paid-in capital and a whopping $99 billion from the global bond market’ (2005: 66-67). Moreover this has ensured that Northern based corporations end up supplying technology, capital goods and expertise to developing countries involved with the World Bank and Northern banks receive massive returns on their investments.\(^9\) Moreover, given that the World Bank was a US creation it has been shaped by the US government over the years. This has partly been through the power accrued to the US to appoint the President of the World Bank, its intellectual influence on the Bank’s agenda and through the power derived from paying the largest subscription to the Bank (Peet, 2003:113 –114; Woods, 2006). Most importantly, the Bank has also ensured that its relationship with Wall Street is well managed to ensure access to capital markets.

The IMF’s purpose and initial mandate was to assist countries with balance of payments problems. This role evolved from maintaining stable currencies to managing ‘conditionality’ based lending, mainly through stabilisation programs. Loans are provided through various agreements and facilities. The funds for the IMF come from subscriptions provided by member countries. A country’s capital subscription also impacts on the weighted voting system the IMF has. In simple terms the more or larger a countries capital subscription the more votes it has. In this sense the power relations inside the IMF favour the rich member countries. The USA alone has about 17% of the total vote, given that it is the largest contributor (Peet, 2003: 60). This has given the USA immense power and control over the IMF. In many instances, it would seem countries affected by balance of payments crises have secured funding from the IMF largely

\(^9\) Goldman’s (2005) ethnographic study of the bank highlights who are the real beneficiaries of World Bank led development.
through securing a nod from the US Treasury. In the 1980s, during the debt crisis in Latin America and Africa, both the Baker and the Brady Plans emanated from the USA Treasury and were adopted by the IMF (Peet, 2003:76-79). Besides driving capital account liberalisation in the 1990s, the IMF has also been crucial in trying to manage a new international financial architecture to limit risk for transnational capital (Soederberg, 2004).

The World Bank is led by a board of governors and its main management structure is an executive board. The IMF has a similar structure. However, while these institutions might have different tools, different roles and mandates they are both central to promoting globalisation (Woods, 2006). Both these institutions have built up an incredible knowledge generation capacity and this has placed them at the centre of global development discourses. Together with loans, conditionalities and penalties, the technical approach of these institutions has ensured certain prescriptions, which reflect a global consensus of the US-led transnational historical bloc, is transmitted into government policy reform agendas. In short, the bargaining power of these institutions and the power of their technocratic discourses have been used to manage and guide the global political economy. These institutions also meet regularly and collectively to work out proposals and approaches to clients countries.

For countries, classes and citizens of the global South these institutions have played a crucial role in ensuring the domination of the global South. This perception has come through in different ways. At one end, various academic proposals have been made to reform these institutions and to ensure that internal power relations are transformed to ensure the voices of developing countries can impact on how these institutions operate. Some have argued a case for reform which calls for the uncoupling of these institutions from the US. Beyond the academic proposals for reform a strong post-development literature and critique has also developed which completely rejects the premises of the modernisation framework of these institutions. Accompanying and reinforcing some of this critique have been struggles in national spaces against big dams, against highways being built through the Amazon and against austerity programs imposed on national
governments (Peet, 2003: 134-139). Today through the World Social Forum process the neoliberalisation of the world championed by the World Bank and IMF has also come under direct attack. Transnational activist campaigns within the WSF process have profiled debt cancellation and have also included calls for the abolition of these institutions.

**Consulting the World Bank and IMF about AU-NEPAD Macro-restructuring**

For many commentators and advocates of the existential critique of NEPAD, the link with the IFIs is important. In terms of the formulation process of NEPAD both the World Bank and IMF have been emphatic that they have not defined the content of NEPAD.\(^{10}\) This can be explained by the fact that Africa in the 1990s was firmly on track in terms of adjusting to transnational capital. Afro-neoliberalism was maturing in the context of a disciplined Africa. By the late 1990s this also called for a new approach by the World Bank and IMF to Africa. This coincided with a challenge within the World Bank by its President James Wolfensohn for a new language and emphasis. His reformist talk assisted with reinventing the image of the World Bank but not its core mission (Pincus and Winters, 2002). This shift was captured in the World Banks *The State in a Changing World* (2007) in which the state was brought back into development discourse but to support markets.

The ‘capable state’ in places like Africa had to also operate within the frame of the Bank’s *Common Development Framework*, adopted in the late 1990s, which promoted the idea of ‘partnership’ and ‘ownership’ of poverty reduction strategies. More explicitly for the World Bank, a consolidated agenda for Africa was articulated in its report *Can

Africa Claim the 21st Century? (2000). This report was compiled as part of the growing collaboration between the World Bank and other leading institutions involved in African development such as the AfDB and ECA. The crux of the report calls for African countries to have a more businesslike approach to governance and economic management and it calls for more effective partnerships between Africa and its development partners. The IMF also reinvented itself in this period and took on board the poverty reduction discourse coming out of the World Bank. Its Poverty Reduction and Growth Facility discussed in chapter 2 captures this shift. Both the World Bank’s and the IMF’s institutional neoliberalism - poverty reductions discourses, ‘good governance’ and owner driven approaches to macro-economic management - chime with the concepts utilised within AU-NEPAD macro-restructuring. Except the latter is Afro-neoliberal and speaks with an African voice.

Hegemonic Responses to AU-NEPAD Macro-restructuring

More than any of the other institutions the World Bank and IMF have not trumpeted a formal partnership with the AU-NEPAD. Instead, the World Bank and IMF have merely continued what they had been doing in Africa. In many ways this reflects the disciplining impact of these institutions and the control they already have over Africa’s national economies. Most of the elements of the Afro-neoliberal consensus underpinning AU-NEPAD are acceptable to the IFI’s approach to adjusting Africa to transnational capital. From the APRM and good governance, poverty reduction strategies, an externally orientated Africa at a national, sub-regional and regional level, as well as, ‘African ownership’ all accord with the World Bank’s and IMF’s approach to Africa. Woods (2006: 141-178) has claimed the IFIs have an ‘unaccomplished mission in Africa’. However, AU-NEPAD macro-restructuring is the missing element that is assisting the IFIs accomplish their mission in Africa. In fact, AU-NEPAD macro-restructuring has enhanced the power and influence of these institutions over Africa and continues their domination over Africa.
The hegemonic response of the World Bank and IMF to AU-NEPAD macro-restructuring has merely amounted to affirming in its interactions with African countries that it is the right path for Africa. In the only IMF published book on NEPAD entitled: *The New Partnership for Africa’s Development – Macro-economics, Institutions and Poverty* which derives from a high level seminar held in Dakar, Senegal on December 9-11, 2002, the African Development Bank, the IMF and the World Bank all endorsed the importance of NEPAD. All three institutions affirmed, ‘a two pillar approach can form an important basis for the success of NEPAD – African countries implementing appropriate domestic policies and the international community providing adequate support. Increased international support will also be needed for capacity and institution building in Africa. Our three institutions support the ongoing efforts’ (Nsouli, 2004: v-vi). The twenty African countries present at the workshop also heard how the APRM was ‘close to the core of what the IMF has been trying to achieve over its more than 50 years’ (Bio-Tchane, 2004: 147-153). More importantly all African countries present at this workshop clearly heard that, ‘support will not be forthcoming –or it will be much less than needed – if African countries do not deliver on the major commitments embodied in NEPAD’s strategic framework’ (Nsouli, 2004: 8).

(iii) The G7/8

The G7/8 is not a conventional inter-governmental institution. It does not derive from a legal agreement and does not have a secretariat to take forward its decisions (Hajnal, 2007). To understand the G7/8 we have to first place into perspective the G7. The G7 is a member-based international institution for leaders of the advanced industrialised countries in the West – USA, UK, Canada, Japan, Germany, France and Italy. The seven member states are also leading Western democracies in a geopolitical sense. The G7 does not work with the bureaucratic operations of the multi-lateral system but operates with informality and flexibility between the member country leaders. The G7 was formed in 1976, but was preceded by the G6 in 1975 and the G5 in 1973, the latter also referred to as the ‘Library Group’. The G5 was mainly made up of the finance Ministers of France, the UK, the US, Japan and later Italy. According to Hajnal (2007: 6) these countries
‘recognised their common vulnerability to economic shocks and other major international developments, and saw the need to find solutions to these problems in a coordinated fashion, in a way that existing international institutions could not’. These meetings of the G5 finance ministers began in March, 2003, when they started meeting in the White House Library, and thus forming the Library Group (Hajnal, 2007: 12). The informality that prevailed gave these gatherings an effectiveness and laid the basis for the formation of the G6 – Germany, France, Italy, Japan, the UK and the US - in 1975. The G5 finance ministers announced that the first meeting will be held ‘to discuss economic issues of mutual interest, including promotion of recovery in the world economy, trade and monetary policy, developments in energy and other raw materials, and relations with other developed and developing nations’ (Hajnal, 2007: 21).

A year later, in 1976, the G7 was constituted which included Canada. The G6 finance ministers was extended to become the G7 finance ministers, but continued to meet in parallel to the G7 and these meetings have been extended to include Reserve Bank governors. In 1998 Russia became a full member, turning the G7 officially into the G8. It chaired and hosted its first G8 summit in 2006. However, this does not mean that the parallel structures of the G7 have disappeared. On the contrary, G7 finance ministers have met on their own and sometimes the G7 itself has interacted without Russia before the formal G8 summits. In a sense the inclusion of Russia has not ended the G7, but has merely added a parallel structure. The inclusion of Russia into the G7 was not based on its role and place in the global capitalist order. Actually a post-Soviet Russia is not a powerful economy and neither is it a shining example of liberal democracy. However, Hajnal (2007: 40-45) suggests the main reason for including Russia had to do with geopolitical calculation. The trade-off was letting Russia come into the G8 and integrate into other levels of the system, but also securing Western military interests through expanding NATO. Another element of geopolitical calculation had to do with Russia’s nuclear capacity and the need to assimilate it into a Western democratic camp. For all
these reasons we shall refer to the G7/G8, and not treat the G8 as one integrated institution.\footnote{It should be noted that Italy’s membership into the G7 was also a difficult matter. It was added reluctantly to the G6 mainly because of the fears other member countries had about the Italian Communist Party entering the government in the 1970s. This was dealt with through a large loan made to Italy with the assurance that the Italian Communist Party, the party of Gramsci, will not form part of the government. See Hajnal (2007:37-38).}

The G7 was formed in a context of the accumulation crisis facing Western capitalism in the 1970s and it was underpinned by the unravelling of the Bretton Woods system. The G7/G8 came into existence because the leadership of its member countries believed, ‘their political leadership would enable them to launch new ideas and resolve disputes that had persisted at lower levels; they could take effective and far-reaching decisions by virtue of their capacity to reconcile domestic and international pressures on policy-making; together they could introduce a system of collective management, where Europe, North America and Japan would share responsibilities hitherto exercised by the United States alone’ (Bayne, 2005: 4). According to Bayne (2000:4; 2005: 7) and Hajnal (2007: 143) the G7/8 summit series has had particular thematic thrusts that have featured over a few summits. In their separate but similar classifications the following thematic content has shaped G7/8 Summits: First Series (1975-1978) reviving growth; Second Series (1979-1982) holding down inflation; Third Series (1983-1986) the rise of politics; Fourth Series (1989-1993) end of the Cold War; Fifth Series (1994-1998) institutions for globalisation and a Sixth Series (1999-2005) fighting terrorism and its causes.

The endorsements of particular initiatives in the world order and G7/8 decisions have impacted in fundamental ways on the management of global capitalism. For example, the G7/8 countries have close to 50% member voting power in the World Bank and IMF. Its collective decisions in the management structures of these institutions carry a great deal of weight and in the 1990s the G7/8 has used this muscle to shape the direction and policy-frameworks of the IFIs to fit in with the global restructuring of capital (Ocampo et al, 2007 and Soederberg, 2006: 96-126). The G7/8 has also spawned the G20 in the context of trying to establish a new financial architecture for the management of global
capitalism (Soederberg, 2004). Moreover, it has also shaped reform of the UN (Hajnal, 2007: 85-95). In short, the G7/8 has a great deal of influence on other international organisations within the global power structure.

In its practices the G7/G8 has evolved into a system (Hajnal, 2007: 65-84; Bayne, 2000; Bayne, 2005). This has been portrayed in different ways, as a ‘network of networks’ and as an example of ‘global governance’. In this study we treat the G7/8 as an integral part of the US-led transnational historical bloc responsible for reproducing the hegemonic rule of capital in the world. Underneath and beyond the annual summits of leaders, the G7/8 works through personal advisors of the leaders, known as sherpas, who work with the heads of government to develop the agenda and themes for the summits. The hosting President has a great deal of initiative in defining the agenda. In addition, the G7 finance ministers have been meeting regularly together with Reserve Bank governors, foreign affairs ministers have also had a presence and role in the system and as the agenda has evolved others have been brought in like environmental ministers and labour ministers. However, besides these levels there have also been task forces, working groups and expert groups established as part of the G7/8 process. The G7/8 has also established various funds, programs and initiatives to take forward some of its decisions. The G8 Africa Action Plan is one such example. Generally when the media reports on the G7/8 the wider public merely gets a view of one little part of the system, particularly the annual summits.

The G7/8 member countries have also advanced the transnational neoliberal agenda within national and regional projects for restructuring capitalism. The role of the US in NAFTA and the role of Germany in EU monetary integration are more obvious examples. The member countries through their own neoliberal reform agendas have fostered the rule and power of transnational capital. Moreover, the G7/8 has had close ties with business and has been a focal point for lobbying by the International Chamber of Commerce (Hajnal, 2007: 95-102). It has also interacted with the WEF and it has promoted the idea of private sector-led development and ‘partnership’ with business as part of its own policy discourse. In this context the G7/8 has also become a major target
for transnational civil society protest action (Hajnal, 2007: 103-133). This began in the 1980s with attempts to host the ‘the other economic summit’ and ‘peoples summits.’ By the 1990s civil society engagement became more concerted. In 1998, at the Birmingham Summit, 70 000 peaceful demonstrators formed a human chain around the summit site as part of their challenge to the G7/8 to cancel debt. This Jubilee 2000 campaign spawned other major demonstrations against the G7/8 such as Genoa in 2001 and in Scotland in 2005.

Consulting the G8 on AU-NEPAD Macro-restructuring

Prior to the AU-NEPAD project, Africa has featured on the agenda of the G7/8 but more as an arm’s length issue. Africa was never a focal point for G7/8 deliberations but emerged on the G7/8 agenda in relation to debt (1980s and 1990s), flashpoints like South Africa (1980s) and Rwanda (1990s), endorsement of HIPC and through the focus on infectious diseases. However, the relationship between the G7/8 and Africa changes fundamentally in the context of the Okinawa Summit (2000). Hajnal (2007: 47) points to the Okinawa Summit as the first instance of formally agreed outreach to developing countries by the G8. The Japanese government, the host of the summit, hosted a pre-summit dinner in Tokyo in 2000 with guests including a number of leaders from key African countries and other important inter-governmental institutions. Maloka (2006: 95) affirms that the reason for this meeting derives from a mandate given to these leaders to convey the concerns of Africa and the global South about debt cancellation. Moreover, President Obasanjo has placed on record that the ‘OAU Summit in Togo in July 2000 also mandated the three of us to engage the developed North with a view to developing a constructive partnership for the regeneration of Africa’ (cited in Maloka, 2006:95). Some of the adherents of an existential critique of NEPAD have pointed to the consultation with the G7/8 and other institutions in the global power

12 The guests were the following leaders: President Thabo Mbeki of South Africa (as Chair of the Non-Aligned Movement), President Olusegun Obasanjo of Nigeria (as Chair of the Group of 77), President Abdelaziz Bouteflika of Algeria (as Chair of the OAU) and Prime Minister Chuan Leekpai of Thailand (as Chair of both the Association of Southeast Asian Nations, ASEAN and of the United Nations Conference on Trade and Development).
structure as evidence that NEPAD merely transmits an agenda of these institutions. However, such understandings and critique do not assist in understanding how Africa was remaking its geopolitical relationship with the Northern-centric power structure, how consent was being obtained for a project being led by Africa’s transnational fraction and how a new elite and global consensus were being formed to advance the long term macro-restructuring of Africa.

Moreover, as pointed out in chapter 3, the Okinawa Summit laid the basis for an agreement on a wider plan for Africa and opened the way for ongoing interactions between Africa’s leaders and the G7/8. In 2001 at the Genoa Summit this relationship was structured as an element of the G7/8 system through the creation of the Africa Personal Representatives (APRs) (Hajnal, 2007: 72). These APRs and their aids have interacted to take forward the Africa- G7/8 consensus for over five years. The APRs laid the groundwork for all the subsequent summits after Genoa and provided the channels for African leaders to engage in and participate in the G7/8 system. This initiated a process that had significance beyond African leaders doing the bidding of G7/8 leaders. The consultation on AU-NEPAD macro-restructuring, even before the formalisation of these policies, and the subsequent structuring of Africa’s interaction within the G7/8 system has had fundamental geopolitical implications for Africa’s place in the neoliberalised world order. This is developed further below.

**G8 Hegemonic Responses to AU-NEPAD Macro-restructuring**

The G8 hegemonic response to AU-NEPAD macro-restructuring has been expressed through three hegemonic practices. The first hegemonic engagement has been through giving consent for AU-NEPAD macro-restructuring through locating it within a wider global consensus about the direction of neoliberal restructuring of the world order. The *Africa Action Plan* (AAP), developed through the APR or G8 Africa Group, was adopted by the G7/8, Kananaskis Summit, Canada, held in June 2002. It is the official response of the G7/8 to AU-NEPAD macro-restructuring . In the *Preamble* to the AAP, NEPAD is

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13 Also see Bayne (2005: 171) who confirms this background.
described as ‘a bold and clear sighted vision for Africa’s development’ and the NEPAD’s ‘case for action is compelling’. Moreover G7/8 AAP is unequivocal in its acceptance of the Afro-neoliberal strategic thrusts and elements of AU-NEPAD. The AAP (G7/8, 2002:1) acknowledges that through NEPAD Africa’s leaders, ‘have emphasized good governance and human rights as necessary preconditions for Africa’s recovery. They focus on investment-driven economic growth and economic governance as the engine for poverty reduction, and on the importance of regional and sub-regional partnerships within Africa’.

The AAP of the G7/8 is based on an acceptance of the invite by African leaders, ‘to build a new partnership between the countries of Africa and our own, based on mutual responsibility and respect’ (G7/8, 2002: 1). In this sense the AAP accepts the principle of partnership with Africa. Moreover, in its Preamble it sets out other principles that form the basis of its acceptance of NEPAD. The second AAP principle, set out in the Preamble, is an acceptance of African leadership and ownership of NEPAD. Third, the AAP accepts the principle of supporting NEPAD through individual G7/8 member countries and through the collective of the G7/8. In terms of the commitments of individual G7/8 member countries the Preamble of the AAP stresses, ‘in support of the NEPAD objectives, we each undertake to establish enhanced partnerships with African countries whose performance reflects the NEPAD commitments. Our partners will be selected on the basis of measured results’. As a collective the G7/8 (2002: 1) commits that, ‘we will match their commitment with a commitment on our own part to promote peace and security in Africa, to boost expertise and capacity, to encourage trade and direct growth-oriented investment, and to provide more effective official development assistance’. Fourth, the G7/8 accepts AU-NEPAD macro-restructuring, through the AAP, as the basis to reject illiberal Africa. This convergence, in principle, comes through in the AAP in relation to its acceptance of the APRM. The AAP makes it clear that the G7/8 would support African countries within this process or planning to enter the APRM process. Those outside are deemed to be ‘governments which disregard the interests and dignity of their people’ and are governments the G7/8 ‘will not work with’ (G7/8, 2002: 2).
However, beyond the acceptance of AU-NEPAD macro-restructuring the G7/8 AAP discourse and hegemonic practice is about locating the AU-NEPAD within the global consensus of neoliberal restructuring of capitalism. The G7/8 is explicit about placing the AU-NEPAD macro-restructuring project within a wider ideological frame defining the meaning of development. The AAP states, ‘the new round of multilateral trade negotiations begun at Doha, the Monterrey meeting on financing for development, this G8 Summit at Kananaskis and the World Summit on Sustainable Development in Johannesburg, are key milestones in this process’. To lock in AU-NEPAD macro-restructuring within this global consensus the G7/8 spawned the Africa Partnership Forum (APF), at its Evian Summit, in France, on the 1-3 June 2003. The APF was welcomed and accepted by the NEPAD HSGIC (2003c: 7). At the core of the APF was the APR/G8 Africa Group. This was supplemented by the inclusion of the World Bank, IMF, the UN, non-G8 aid donors (eleven OECD countries that contribute more than $100 million per annum to development assistance in Africa) and the twenty African countries in the structures of NEPAD (Bayne, 2005: 175; HSGIC, 2004a: 6-7). The first APF meeting was held on 10 November 2003 in Paris at which it was agreed to have two meetings annually (HSGIC, 2004a: 7). At the same meeting it was agreed to have an APF in Mozambique in April, 2004, which would focus on peace and security; the fight against HIV/AIDS; education; economic growth and wealth creation. Over and above the APF the G8 has also kept Africa, including the NEPAD-AAP, on its summit agendas for the past few years. In the main, the G7/8 and the APF have coordinated efforts and support for the NEPAD-AAP within the wider global power structure and US-led transnational historical bloc. See table 6.2.
### Table 6.2: G7/8 Meetings

<table>
<thead>
<tr>
<th>G7/8 Presidency</th>
<th>Venue</th>
<th>Summit Date</th>
<th>Africa Agenda</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>Okinawa</td>
<td>21 – 23 July 2000</td>
<td>Agreed on need for Africa plan and continuation of outreach to Africa</td>
</tr>
<tr>
<td>Italy</td>
<td>Genoa</td>
<td>20 – 22 July 2001</td>
<td>Draft document, later to become NEPAD was tabled</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>APRs established as part of G7/8 system</td>
</tr>
<tr>
<td>Canada</td>
<td>Kananaskis, Alberta</td>
<td>26-27 June 2002</td>
<td>G8 <em>Africa Action Plan</em> (AAP) adopted in support of NEPAD</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Canada pledges $6 billion to support <em>Africa Action Plan</em></td>
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<td></td>
<td></td>
<td></td>
<td>$ 500 million Canada Fund for Africa established</td>
</tr>
<tr>
<td>France</td>
<td>Evian –les- Bains</td>
<td>1-3 June 2003</td>
<td>AAP reviewed</td>
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<td></td>
<td></td>
<td></td>
<td>Broadened complimentary support for water, health and famine</td>
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<td></td>
<td></td>
<td></td>
<td>Joint Africa /G8 Plan to enhance African capabilities to undertake peace support operations</td>
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<td></td>
<td></td>
<td></td>
<td>Africa Partnership Forum established involving other key development partners</td>
</tr>
<tr>
<td>United States</td>
<td>Sea Island, Georgia</td>
<td>8-10 June 2004</td>
<td>Various initiatives adopted related to Africa such as action plans to support peace operations, a vaccine for HIV/AIDS, a commitment to apply entrepreneurship to poverty amongst other commitments</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>Gleneagles, Scotland</td>
<td>6-8 July 2005</td>
<td>Review of <em>Africa Action Plan</em></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td><em>Africa Commission Report</em></td>
</tr>
<tr>
<td>Russia</td>
<td>St. Petersburg</td>
<td>15- 17 July 2006</td>
<td>Africa remained on the agenda but was not given a central place on the agenda</td>
</tr>
<tr>
<td>Germany</td>
<td>Heilingendamm</td>
<td>6-8 June 2007</td>
<td>African development and the globalised economy was made a priority. This included discussion on HIV/AIDS, encouraging democracy, good governance, fighting corruption and supporting growth and investment in Africa</td>
</tr>
</tbody>
</table>

(Source: Hajnal, 2007: 27; Bayne 2005)

The next important hegemonic practice of the G7/8 regarding the NEPAD-AAP has been through implementation of specific priority areas. In the G8 *Africa Action Plan* there is an emphasis on two political priority areas (peace and security and good governance) and
six economic ones (trade and investment, debt relief, expanding knowledge, improving health, agriculture and water resources) (G7/8, 2002: 2-19). Various institutions have tracked G7/8 commitments to the Africa Action Plan priority areas and there have also been important academic assessments.\textsuperscript{14} Conflict resolution, debt relief and trade stand out as important examples of how the G7/8 has dealt with specific priority areas. On conflict resolution the G7/8 Africa Peace Support Plan expressed the clearest commitment and for some scholars the AAP was more than a response to NEPAD, but was also a weapon in the fight against terrorism (Bayne, 2005: 172). In this regard G8 member countries committed to train 75 000 troops for peace-keeping operations by 2010, initially in Africa but also in other countries. There were also commitments made to develop transport and logistical arrangements, with the US Congress being approached for $660 million to finance their share of the program. On debt relief the G7/8 continued with its support for the HIPC initiative, endorsed in 1996 at the Lyon Summit, but which continued to be the basis of its support for AU-NEDAP macro-restructuring.

Contrary to the expectations of African leaders the G7/8 did not stray from the HIPC framework to provide greater debt relief to low and middle income African countries. The G7/8 stuck to the framework driven through the World Bank and its finance ministers. On trade, promises were made that African countries concerns and interests would be addressed through the WTO process. Thus far Africa has not benefited from improved trade access. It would seem in the context of the ‘war on terror’ building Africa’s coercive capacities for counter-terrorism and dealing with illiberal Africa has loomed large in the G7/8 approach to priority areas in the AAP.

The third hegemonic response to AU-NEDAP macro-restructuring has been through individual G7/8 members. All of the G8 member countries have foreign policy approaches to Africa. However, the most striking example of how a G8 member country has pursued an Africa foreign policy agenda within the G8 consensus has been the UK. Tony Blair as the host of the July 2005 Gleneagles summit, made it known publicly and early on that Africa and the environment would be priority focus areas. In February 2004,

\textsuperscript{14} In this regard see DFID (2005), G8 Research Group (2005), Bayne (2005) and Hajnal (2007).
Blair announced the formation of the Commission for Africa, with members drawn from the G7/8, Africa, government and the private sector (Bayne, 2005: 173). The Commission for Africa was set up to provide content to the UKs commitment to place Africa on the agenda at the 2005 G7/8 Summit. In early 2005 Blair also took his Gleneagles agenda to the WEF. By March 2005 it was published as a report entitled: Our Common Interest. While the Commission for Africa included prominent Africans like Meles Zenawi of Ethiopia, Benjamin Mkapa of Tanzania and South Africa’s influential finance minister, Trevor Manuel, the Commission for Africa was driven by the UK government and at a public level by the celebrity humanitarianism of Bob Geldof and Bono (Porteous, 2008: 61, 97). On the cover of the report sold to the public Geldof declares, ‘if our plan is adopted this could be the decade when Africa’s fortune turns’. Thus, the African victim was poised to be rescued by the celebrity hero.


but all is not gloom. For 2005 is also the year in which it is becoming clear to the outside world that things are changing on the continent – with African governments showing a new vision, both individually and working together through the African Union and its New Partnership for Africa’s Development (NEPAD) programme. Africa, at last, looks set to deliver.

The main proposals of the Commission span the following areas: governance and capacity building; peace and security; investing in people; growth and poverty reduction; trade; resources and how to make this happen. In many respects the Commission for Africa report of the UK government goes beyond the G8 AAP. It calls for the cancellation of debt, for an additional $25 billion dollars on aid and is explicit that developed countries must remove trade barriers to all exports from low-income sub-Saharan countries, for instance. The Africa Commission Report is actually closer to the aspirations of AU-NEPAD macro-restructuring and in many respects is much more explicit about supporting Afro-neoliberalism. This does not mean that the UK government was driven by a profound humanitarianism vis-à-vis Africa. On the contrary, as Porteous (2008: 64) highlights, the Our Common Interest report was based on a ‘third
way’ argument to convince the rich that it was in their interests to reduce poverty in
Africa. More importantly, as Porteous points out, it was also about highlighting Africa as
a market and a source of raw materials like oil.

This entire approach also buttresses existing UK foreign policy on the continent. That is
Afro-neoliberalism works in the interests of the UK and its transnational business
interests. Hence the UK was willing to embrace it in its actual foreign policy vis-à-vis
Africa. In the main, UK foreign policy in Africa is driven through DfID. DfID has
utilised aid to build leverage for the UK and UK linked transnational business interests in
two respects. First, it has supported Africa’s ‘good governed’ states. According to
Porteous (2008: 104) it has mainly supported former colonies of the UK and also
countries with which the UK has well established business ties. He points out that in
1997/98 DfID spending in Africa was £300 million, this went up to £1.25 billion in
2006/2007. By 2004/2005 DfID was providing direct budget support to seventeen
African countries. These were governments that had ‘showed genuine commitment and
had put in place donor-approved poverty reduction strategies and proper accounting

This approach to ‘good governed’ states converged directly with AU-NEPAD macro-
restructuring and re-enforced it. Within the NEPAD base document this relates to the
Capital Flows initiative and the role of the APRM, for example. The base document
states, ‘a basic principle of the Capital Flows Initiative is that improved governance is a
necessary requirement for increased capital flows, so that participation in the Economic
and Political Governance Initiatives is a prerequisite for participation in the Capital Flows
Initiative’ (2001: 50). Many African countries have fiscal constraints and are too poor
to finance their own development. The attraction of securing greater ODA, debt
cancellation and FDI is meant to induce participating African countries to support the
AU-NEPAD. In this initiative the proverbial ‘carrot’ is dangled before Africa. However,
for the carrot to be secured, in this case DfID Aid, African countries have to ‘decrease the
perception of risk’. This simply means African countries have to ensure their political and

15 This relates directly to the APRM mechanism but this will be dealt with below.
economic management operates within the standards of Afro-neoliberal capitalism. In short, the DfID approach to Aid incentivises the involvement of African countries within AU-NEPAD macro-restructuring.

Second, DfID’s approach to fixing ‘failed or weak states’ particularly in conflict and post-conflict situations has entrenched Africa’s passive revolution. These are states that have collapsed and are embroiled in open social conflict or on the verge of collapsing. Such states are not capable of receiving aid through direct budget allocations. In this case fixing Sierra Leon has been an important learning experience for DfID and is held up as a success story. Porteous (2008: 123-124) highlights that such a top down approach to fixing the African failed state entrenches the power of elites and is not sustainable. He points to the increased social resentment and conflict caused by the corrupt practices of the elites that end up controlling DfID aid and ultimately this is taking Sierra Leon back to crisis, conflict and collapse. The DfID approach to fixing failed African states resonates with the *African Post-Conflict Reconstruction Policy Framework* (2005) of AU-NEPAD macro-restructuring and is about ensuring these moments of social and political crises lock in an Afro-neoliberal peace.

(iv) **The World Economic Forum**

The rise of neoliberal hegemony over the past twenty five years, as ideology and project of transnational capital, cannot be understood without bringing into view the role and influence of the World Economic Forum within the global power structure. For this study its role in shaping and engaging with AU-NEPAD macro-restructuring is also crucial. Alongside the powerful multi-lateral inter-state institutions (IMF, World Bank, G7/8, the WTO) that compose the global power structure, the WEF is the most important transnational private sector body that reflects the structural and direct power of transnational capital.\(^{16}\) The WEF was formed in 1971 in the midst of the unravelling of

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\(^{16}\) It is for this reason it has spawned a counter mobilisation by transnational civil society through the World Social Forum and has become central to understanding the rise of transnational neoliberalism. See Rupet and Solomon (2006: 55-79). The collection by Plehwe, Walpen and Neunhoffer (2006) provides
the Bretton Woods system and the post World War II Pax Americana. It also emerged at a time when European firms were challenging corporatist relations and when ‘globalisation’ was taking root (Pigman, 2007: 6-7). It is a member-based institution exclusively composed of the top 1000 global corporations. Membership is constantly adjusted in keeping with structural trends in various sectors. In its annual reports this approach is constantly affirmed and one such report states:

The World Economic Forum’s membership is primarily drawn from the world’s 1,000 leading global companies. However, 35% of the membership is reserved for companies from developing countries and those which are corporate or technological trendsetters. Membership criteria are strict and forward-looking to ensure that the businesses chosen are representative of the evolving global economy and committed to the mission of the World Economic Forum. Our members represent the top companies within their industry and/or country; play a leading role in shaping the future of their industry and/or region; engage in activities with a global dimension; and enjoy a healthy growth and reputation. (2002 Report:17)

The vision and purpose of the WEF is threefold and it aims to be (WEF Brochure, 2005:24):

- The foremost organization which builds and energizes leading global communities;
- The creative force shaping global, regional and industry strategies;
- The catalyst of choice for its communities when undertaking global initiatives to improve the state of the world.

Consistent with this vision and purpose the WEF is a transnational policy-making institution that has played a pivotal ideological and organising role for transnational capital (Carroll and Carson, 2006: 58-59; Pigman, 2007). Since the global restructuring of capital in the seventies, the WEF has shaped the ideological orientation of transnational capital through its brand of structural neoliberalism. Such a conception of neoliberalism has been operationalised through various knowledge tools, such as its Global Competitiveness Reports, and discourses which attempt to remove structural

detailed insight into the role of think tanks and transnational private bodies, including the WEF, in advancing neoliberal hegemony.

17 As part of my fieldwork for this study I visited the World Economic Forum, in Geneva, Switzerland, on 2 October 2006. Staff in charge of Africa were not willing to give me a formal interview and instead I had an informal conversation with its Associate Director for Africa about the role of the WEF and how it works with regard to its Africa agenda.
constraints to competition and enhance the structural power of transnational capital (Pigman, 2007: 92-122). This will be discussed further below in relation to Africa’s macro-structuring. Moreover, the WEF is literally an agenda setting institution for transnational capital and does this through its consensus seeking forums. Such forums are crucial to extending the reach, networks and links between a transnational business community and national class fractions. Through these forums it has extended its geopolitical reach and influence through yearly meetings at Davos and in the peripheries like India, China and Turkey and more recently through its Centre for Regional Strategies to advance regional cooperation and development in the global economy (Carroll and Carson, 2006: 59). In the context of Africa the WEF has since 1990 decentralised its dialogue and ever since has convened an annual African Economic Summit. According to the WEF:

Our Regional Summits and Country Initiatives constitute an integrated and consistent system of involvement in all the key areas of economic activity of a specific region. The unique methodology and services available at each World Economic Forum gathering allow members and constituents to:

- share first-hand information and insights on the key trends and developments affecting a region’s outlook
- benefit from an exclusive and direct interface with political leaders of the region
- investigate new business opportunities directly with business leaders from the region, offering a privileged framework for intensive business networking, forging new partnerships and alliances have an impact on key issues affecting the business relationship between the region and its key partners around the world, participate actively in creating a more dynamic and investor-friendly environment. (WEF,1999:10)

Further the WEF claims:

The Regional Summits of the World Economic Forum are recognized today as the most time efficient and productive tool for senior executives wishing to consolidate or expand their business horizons worldwide. In 1999 close to 7,000 participants integrated our regional activities into their travel and business plans, thus proving the net worth we always seek to deliver to the top echelons of international business. (WEF, 1999:10)

The WEF defies conceptions of classical diplomacy in how it operates. It does not have the power of a nation state or resources of an inter-governmental institution but yet it
impacts on important global processes through its knowledge production and agenda setting role. In more explicit Gramscian terms we can refer to the WEF as the ‘modern prince’ of transnational capital.

**Consulting the WEF on AU-NEPAD Macro-restructuring**

An active dialogue has ensued between African ruling classes and the WEF for about eighteen years through its Africa Economic Summits/Forums. From its own perspective, ‘the World Economic Forum is an essential vehicle through which sub-Saharan Africa can engage the international business community at the highest level to work collectively towards shared solutions for African challenges. We represent an informal and privileged platform from which Africa can speak out loudly and directly to the world’s leadership’ (WEF-Africa, 2000: 4). The champions of AU-NEPAD macro-restructuring embraced the World Economic Forum as part of securing consent from the US-led transnational historical bloc.

By the June 2000 meeting of the Southern Africa Economic Summit, in Durban, key themes of AU-NEPAD macro-restructuring were being discussed. According to the President of the WEF foundation board the two key objectives of the Southern Africa Economic Summit, ‘were to give an economic input to the African Renaissance concept and to pursue regional integration priorities in Southern Africa. The main impediments to the African Renaissance were seen to be the insufficient capacity for conflict resolution and the healthcare issue’ (WEF, 2000: 2). By January 2001 this conversation matures and concentrates on the agenda emerging from Africa. In the formative stages of developing NEPAD, the WEF platform was utilised to test the main proposals. According to Klaus Schwab, President of the Board of the WEF foundation, ‘for the first time in Davos, four African heads of state assembled in the plenary hall to present a recovery plan for the continent, providing common guidelines for tackling economic, political and social challenges. South African President Thabo Mbeki, Nigerian President Olusegun Obasanjo, Senegalese President Abdoulaye Wade and Tanzanian President Benjamin Mkapa pledged their support to a recovery programme that would promote investment in
viable infrastructure and business opportunities in Africa’ (WEF, 2001: 4-5). Essentially engagement with the WEF and its input in shaping AU-NEPAD macro-restructuring was not a once-off event. The opportunities that Africa held out for transnational capital were brought into the mainstream of WEF discourse, agenda setting and global policy formulation. This is explored further below.

**WEF Hegemonic Responses to AU-NEPAD Macro-restructuring**

The hegemonic response of the WEF to AU-NEPAD macro-restructuring has been expressed through three class practices. First, through deepening consent and support for AU-NEPAD macro-restructuring at a global level, within the US-led transnational historic bloc, and on the continent. At a global level through marrying the NEPAD initiative to a wider consensus emerging in the transnational historical bloc on Africa’s development which has included infusing World Bank perspectives into the discussion of Africa like introducing the World Bank report *Can Africa Claim the 21st Century* into its 2000 Africa summit. In addition, the WEF has been able to link NEPAD to the Millennium Development Goals. While Kofi Anan introduced the Global Compact in 1999 in Davos he was forced to bring it back on to the agenda in 2001 to convince business to support it.18 However, with NEPAD the focus on Africa’s poverty was highlighted in the Davos process and this resulted in the launch of the Global Governance initiative in 2003. This initiative monitors progress around implementing the MDGs and has presented three reports to the WEF. The other two key areas of consensus building around NEPAD has been related to the G8 and Blair’s Commission for Africa. At the annual Davos meeting in 2002 the G8, represented by Canada’s Prime Minister, announced the creation of a $500 million fund for African countries committed to reform. This has evolved into the Africa Investment Climate Facility. Regarding Blair’s commission both the Davos and Africa Forum in 2005 were focused on this commissions findings. This further crystallised legitimacy for NEPAD and even widened the global

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18 According to Klaus Schwab, Chairperson of the WEF foundation board, ‘UN Secretary-General Kofi Annan returned to Davos to encourage business leaders to participate in the UN’s Global Compact which was introduced at the Annual Meeting 1999. Annan announced the appointment of Goran Lindahl, former CEO of ABB Switzerland, to lead moves to obtain the support of 1,000 companies. The compact aims to build social infrastructure through corporate support of nine principles in the areas of human rights, labour standards and the environment’ (WEF, 2001:4-6).
consensus for the macro-restructuring of Africa.

At a continental level the Africa economic summits/forums have been crucial in building consensus for AU-NEPAD macro-restructuring. Already in its 1999 meeting the issue of regional integration was placed on to the agenda of the WEF (1999:19). Since 1999 the Africa economic summits/forums have also mainly been convened in South Africa. Participation in the Africa Forum has included businesses, political leaders, academics, journalists and other prominent personalities on the continent.\textsuperscript{19} Flowing from this is a dialogue which in its content seeks to entrench transnational capitals requirements for expansion on the continent and most importantly bring Africa into globalisation. This is reflected in the various organising themes for the dialogues that have happened over the past few years.\textsuperscript{20}

\textbf{Table 6.3: WEF Dialogue Themes}

<table>
<thead>
<tr>
<th>Year</th>
<th>Theme</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>Responsible Leadership For Stability, Action and Growth</td>
<td>Durban, South Africa</td>
</tr>
<tr>
<td>2000</td>
<td>The African Economic Renaissance: Making it Happen</td>
<td>Durban, South Africa</td>
</tr>
<tr>
<td>2005</td>
<td>Call To Action: Turning Point For Africa</td>
<td>Cape Town, South Africa</td>
</tr>
<tr>
<td>2006</td>
<td>Going for Growth</td>
<td>Cape Town, South Africa</td>
</tr>
<tr>
<td>2007</td>
<td>Raising the Bar</td>
<td>Cape Town, South Africa</td>
</tr>
</tbody>
</table>

Second, the WEF has played a crucial organising role to secure active support from transnational capital and African capital for AU-NEPAD macro-restructuring. In 2001 when NEPAD was presented to the WEF, business responses were uncertain and lukewarm and the NEPAD was not endorsed and nobody really committed to support it. In 2002 transnational capital overwhelmingly resolved to support NEPAD. NEPAD was

\textsuperscript{19} The reports of the annual WEF Africa summit provides lists of attendees.

\textsuperscript{20} Also see WEF- Africa Summit reports for the detail on these discourses and how the WEF methodology translates it into common sense for aspirant and transnationalising African capital. In 2007, for example, the main themes for discussion were: building capacity for success, enhanced investment, Africa as a global partner, a competitive future and pathways to prosperity (WEF, 2007: 1).
engaged in the global and Africa forum and more than 200 companies signed a declaration supporting NEPAD. Moreover AU-NEPAD restructuring also gave a spur to WEF efforts to organise African capital on the continent. Since 1999 the WEF has been attempting to organise African capital and hence it made a formal commitment to establish the Southern African Business Council. This organising role of the WEF vis-à-vis African capital intersected with AU-NEPAD and the WEF has continued using its platform and institutional reach for this purpose. This led to the creation of the NEPAD business group launched at the Africa summit in 2002. The NEPAD business group has now evolved into the NEPAD business foundation, which was launched in 2004 as a vehicle to organise investment into Africa and which was discussed in chapter 4. Also the Gates foundation has used the WEF platform to support NEPAD by announcing on its platform a commitment to provide $50 million dollars to fight HIV/AIDS. In 2003 as part of efforts to improve economic and social prospects in Africa, more than 50 companies operating in the region signed covenants pledging to follow good corporate governance and promote ethical practices (WEF, 2003: 12).

Third, through its knowledge production role it has also attempted to influence AU-NEPAD macro-restructuring. This is best illustrated through the function of the Africa Competitiveness Report. The Africa Competitiveness Report is a compliment to the annual Global Competitiveness Report which was first published in 1979. According to the WEF the Global Competitiveness report has ‘evolved with globalisation itself’ (WEF, 2000: 4). Thus far four Africa Global Competitiveness Reports have been produced in this series. The last report was produced in 2007 and was joint effort between the WEF, the World Bank and African Development Bank. The major source of data for this report is obtained through an annual survey sent out to CEOS, known as the Executive Opinion Survey. This process has been used to build a network of institutions to intellectually resource and reinforce this ideological thrust. On the African continent there are 29 partner institutions ranging from government linked agencies, business aligned policy think tanks, business associations and academic institutions that support and feed into the
Executive Survey.\textsuperscript{21} The opinions of CEOs are meant to contribute to explaining why growth differs between countries and technically these voices are encapsulated in country profiles. Hence the voice of capital is systematically and scientifically presented to governments and societies. A powerful and persuasive discourse is constructed.

This is further reinforced by the centrepiece of the competitiveness report, the \textit{Growth Competitiveness Index}. This index, identifies three ‘pillars’ in the evolution of growth in a country: the quality of the macroeconomic environment, the state of the country’s public institutions, and the level of its technological readiness. The index uses a combination of hard data, such as budget deficits, the level of internet access in schools, and survey data, taking the ‘temperature’ in areas such as judicial independence, the prevalence of institutionalized corruption, and the extent of inefficient government intervention in the economy. These various pieces are brought together under several ‘sub-indexes’, each capturing a different aspect of the growth process and aggregated to give an overall competitiveness ‘score’ (WEF, 2004: 3). Two important sub-indices are the Improvement Index and the Optimism Index based on responses received from CEOs on the direction of change.

Ultimately the Competitiveness Research Program of the WEF is meant to change state and societal behaviour to achieve ‘high quality growth’, but most importantly it creates the conditions for further transnational capital accumulation and exploitation. In the words of the World Economic Forum the \textit{Global Competitiveness Program} (WEF, 2002: 11) aims to:

\begin{itemize}
  \item Act as a catalyst for economic policy change, by assisting governments in identifying impediments to growth and in designing strategies to achieve sustained economic progress.
  \item The programme also serves as an integrator between members and key policy makers, contributing to the creation of an economic framework that supports private investment, entrepreneurship and social progress supported by presentations around the world to national governments keen to strengthen their economies.
\end{itemize}

\textsuperscript{21} A full list is provided in the Africa-Competitiveness Report 2003 – 2004.
All of this resonates with and shapes the Afro-neoliberal capitalist model of AU-NEPAD macro-restructuring. The agenda setting, the research, the organising role of the WEF and the problem-solving methodologies it utilises within its dialogue process have had an important impact on the Afro-neoliberal historical bloc. It has also served as an institutional channel to cement links and ties with transnational capital.