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FROM THE LAGOS PLAN OF ACTION (LPA) TO THE NEW PARTNERSHIP FOR AFRICA'S DEVELOPMENT (NEPAD): THE POLITICAL ECONOMY OF AFRICAN REGIONAL INITIATIVES

By

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Thesis submitted in partial fulfilment of the requirements for the award of the degree of Doctor of Philosophy (PhD) in International relations at the School of the Social Sciences, Faculty of Arts, University of the Witwatersrand.

December 2004

Declaration

I declare that this thesis is my original and unaided intellectual work. It is being submitted for the award of the degree of Doctor of Philosophy (PhD) at the University of the Witwatersrand, Johannesburg. To the best of my knowledge, it has not been submitted before for any degree or examination in any other university here in South Africa or anywhere else in the world.

Candidate: Francis Nguendi Ikome Supervisor: Rod Alence (Ph.D)

Date…… Date:……

Dedication

To Yoti my little daughter

To Loretta the unwavering partner

And to Robert Wundeh the selfless friend

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To claim I bore it all alone would be dishonest indeed. I am indebted to a number of people and institutions for invaluable moral and material support through out the period of my doctoral studies. Foremost is my supervisor, Dr. Rod Alence, whom I must thank in a very special way for always being there for me – willing to listen to all my frustrations, ready to read and comment on my usually very lengthy pieces of manuscripts no matter how disjointed – from the first draft of the research proposal to the final thesis write up. His frank and incisive comments and suggestions immensely strengthened this thesis both in form and substance. For that and a lot more, I owe him an indelible academic debt.

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Acronyms

AAPSAP	Africa's Alternative Programme to Structural Adjustment Programmes for socio-economic recovery and transformation
AD	Accelerated Development
ADB	African Development Bank
AEC	African Economic Community
AEF	Afrique Equatorial Français
AGOA	African Economic Growth and Opportunity Act
AMU	Arabe Maghreb Union
ANC	African National Congress
AOF	Afrique Occidentale Français
APPER	Africa's Priority Programme for Economic Recovery
APRM	African Peer Review Mechanism
AU	African Union
CEAO	Communaute economique de l'Afrique de l'ouest
CEMAC	Communaute Economique et Monetaire de l'Afrique Centrale
CEPGL	Communaute Economique des Pays des Grands Lacs
CFA	Communaute Financier Africain
CIEC	Council for International Economic Cooperation
COMESA	Common Market for Eastern and Southern Africa
CSSDCA	Council for Security, Stability, Development and Cooperation in Africa
DAC	Development Assistance Committee
DBSA	Development Bank of Southern Africa
DFA	Department of Foreign Affairs
DPSD	Division for Social Policy and Development

EAC	East African Community
ECA	Economic Commission for Africa
ECCAS	Economic Community of Central African States
ECOWAS	Economic Community of West African States
EEC	European Economic Community
EEC-ACP	European Economic Community – Africa, Caribbean and Pacific Countries
EFTA	European Free Trade Association
EU	European Union
FAL	Full Act of Lagos
FDI	Foreign Direct Investment
FLS	Front Line States
FTA	Free Trade Area
GATT	General Agreement on Tariffs and Trade
GCA	Global Coalition for Africa
GDP	Gross Domestic Product
GMS	Global Merchant System
GNP	Gross National Product
GNIpc	Gross National Income per capita
GSP	Generalised System of Preferences
G8	Group of eight
G7	Group of Seven
G 77	Group of Seventy-Seven
HIPC	Highly indebted Poor Countries' Initiative
HIV/AIDS	Human immunodeficiency virus/acquired immunodeficiency Syndrome

HSGIC	Heads of State and Government Implementation Committee
IBRD	International Bank for Reconstruction and Development
IDGs	International Development Goals
IDS	International Development Strategy
IFIs	International Financial Institutions
IMF	International Monetary Fund
ISI	Import Substitution industrialisation
IT	Information Technology
LAFTA	Latin American Free Trade Association
LDCs	Less Developed Countries
LPA	Lagos Plan of Action
LRS	Labour Research Service
MAP	Millennium African Development Plan
MDGs	Millennium Development Goals
MFN	Most Favoured Nations Principle
MNCs	Multi-national Corporations
MOU	Memorandum of Understanding
MPCC	Maghreb Permanent Consultative Committee
MULPOCs	Multinational Programming and Operational Centres
NAFTA	North American Free Trade Agreement
NAI	New African Initiative
NAM	Non-Aligned Movement
NEPAD	New Partnership for Africa's Development
NGOs	Non-Governmental Organisations
NIEO	New International Economic Order

NTBs	Non-Tariff Barriers
OAMCE	Organisation Africaine et Malagache de Cooperation Economique
OAU	Organisation of African Unity
OCAM	Organisation Commune Africain et Malagache
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OPEC	Organisation of Petroleum Exporting Countries
PASU	Policy Analysis Support Unit
PPPs	Public - Private Partnerships
PRSP	Poverty Reduction Strategy Papers
PTF	Preferential Trade Area
RECs	Regional Economic Communities
SACU	Southern African Customs Union
SADC	Southern African Development Community
SADCC	Southern African Development Coordination Conference
SAPs	Structural Adjustment Programmes
SSA	Sub-Saharan Africa
TICAD	Tokyo Conference on African Development
TRIMs	Trade-related Investment Measures
TRIPs	Trade-related Aspects of Intellectual Property
UAM	Union Africaine et Malagache
UAMCE	Union Africaine et Malagache de Cooperation Economique
UDAO	Union Douaniere de L'Afrique de l'ouest
UDEAC	Union Dounier et Economique des etats de l'Afrique centrale
UDEAO	Union Douaniere et Economique de l'Afrique de l'ouest

UMA	Union Maghreb Arabe
UNCTAD	United Nations Conference on Trade and Development
UNECA	United Nations Economic Commission for Africa
UNECE	United Nations Economic Commission for Europe
UNECLAC	United Nations Economic Commission for Latin America and the Caribbean
UN-ECOSOC	United Nations Economic and Social Council
UNECWA	United Nations Economic commission for West Asia
UNEP	United Nations Environmental Program
UNESCAP	United Nations Economic and Social Commission for Asia and The Pacific
UNIDO	United Nations Industrial and Development Organisation
UN-NADAF	The United Nations New Agenda for the Development of Africa in the 1990s
UNO	United Nations Organisations
UN-PAAERD	United Nations Programme of Action for African Economic Recovery and Development
USSR	Union of Soviet Socialist Republic
WB	World Bank
WDR	World Development Report
WEF	World Economic Forum
WTO	World Trade Organisation
WW II	World War Two

Abstract

The thesis examines the design and implementation of African regional economic cooperation initiatives using the Lagos Plan of Action (LPA) and the New Partnership for Africa's Development (NEPAD) as comparative case studies. With regards to design, it focuses on the international political economy of the shift from the LPA's state-led, inward-looking, collective self-reliance model to NEPAD's outward looking, market-friendly orientations. Pertaining to implementation, it examines the domestic political economy of institutionalising compliance with regionally agreed policy prescriptions in the absence of an overarching central authority. It focuses on the level of implementation of the LPA and the prospects of implementing NEPAD.

The thesis pursues two main sets of arguments: First, it argues that African states' common concerns about their vulnerability in the global economy have informed the design of a number of ambitious regional initiatives. Within this context, the shift from the LPA to the NEPAD has been dictated by changes in global realities and circumstances. Second, it argues that individual African governments' concern with vulnerability nationally has been responsible for the low levels of implementation of regional economic initiatives. In this regard, the prospects for the sustained implementation of regional cooperation initiatives is structured by expectations of socio- economic benefits, the cost of compliance to states and the institutions to enforce compliance.

The study employs neo-liberal and nationalist perspectives of international political economy to explain how global realities have dictated Africa's economic cooperation options. To explain African governments' attitude towards regional initiatives, the thesis uses insights from comparative political economy. The thesis meanwhile employs insights from institutional economics and rational choice institutionalism to highlight the difficulties of institutionalising compliance with regional policy prescriptions.

To capture the differences in the contexts within which the LPA and the NEPAD were crafted and the variations in their orientations, the thesis uses a combination of 'historical explanation' and 'structured focused comparison' methodology that allows for two separate, but structurally linked accounts of the processes of design and implementation of the two initiatives.

INTRODUCTION AND BACKGROUND

A major challenge facing Africa since independence has been to reverse the trend of economic decline and global marginalisation. Africa's overall record of economic performance has been disappointing, comparing very unfavourably with other regions of the developing world. Between the 1960s and 2000, Sub-Saharan Africa registered absolute decline on virtually all indices of socio-economic development. A key explanation to this has been that Africa attained political independence as a fragmented continent, with many small states that offered neither large enough internal markets, nor the physical or institutional infrastructure to engender industrialization and development. Moreover, like other developing regions, Africa was incorporated into the global economy from a disadvantaged position, as supplier of raw materials to the industries of the North and as a market for their finished goods within the logic of an already established global economic division of labour.

Against this backdrop, collective action in the form of regional economic integration and cooperation has long been identified as a potential strategy for restructuring the fragmented African region into a more coherent and viable economic space. The perception has been that the numerous obstacles to genuine development that individual African countries confront, including the vulnerability of their economies to global economic forces could only be overcome through collective action.[1] Over the years, the continent has formulated a number of ambitious collective initiatives. In Africa's quest for development through concerted action, the Lagos Plan

[1] See for example, United Nations Economic Commission for Africa (ECA), "African alternative framework to structural adjustment programmes for socio-economic recovery and transformation," *E/ECA/CM.15/6ref.3* (Addis Ababa, July 1989); S.K.B. Asante, *Regionalism and Africa's development: Expectations, reality and challenges* (London: Macmillan, 1997); Julius K. Nyerere, *Non-Aligment in the 1970s* (Dar-es-Salam: Government Printers, 1972).

of Action's state-led, inward-looking collective self-reliance model of the 1980s and the emergent market driven and more pro-liberal New Partnership for Africa's Development (NEPAD) appear to be the most ambitious continent-wide initiatives.

The Lagos Plan of Action (LPA) constituted a watershed in Africa's regional cooperation history in that it was the first genuinely indigenous continent-wide effort to forge a comprehensive, unified approach to the continent's problems of economic development. Emerging from perceptions of the continent's general vulnerability to global economic forces, the initiative's central thrust was that "Africa needed to actively strive to reduce its dependence on external nations and to replace this dependence with a self-sustaining development strategy based on the maximum internal use of the continent's resources,"[2] in what has been described variously as "collective self-reliance," "inward-looking regionalism," and "delinking."[3] Beginning in the early 1980s, the LPA's collective self-reliance strategy became an axiom of Africa's international relations. It translated into a series of resolutions and treaty agreements, creating a myriad of economic cooperation and integration institutions across the continent.[4]

Yet, most sub-regional groupings, building blocks of the LPA's philosophy of inward-looking developmental regionalism, have failed in achieving their stated

[2] Robert S. Brown and R. J. Cummings, *The Lagos Plan of Action versus the Berg Report: contemporary issues in African economic development,* Monograph (Virginia, Lawrenceville: Brunswick Publishing Company, 1994): 23.

[3] Delinking here does not imply "autarky" which is a severance of all economic relations with the outside world. Rather, it implies a deliberate partial disengagement from the dominant relationships that prevailed in the international economic system.

[4] See Percy S Mistry, "Africa's record of regional cooperation and integration," *African Affairs* 99 no. 397 (October 2000): 553.

goals.[5] Many of them have remained little more than paper arrangements as most of the agreed policy measures have hardly been implemented by member states. Overall, cooperation has remained painfully minimal and integration has not occurred, neither has development been engendered. Africa has, therefore, remained vulnerable to global economic pulls and initiatives. Africa emerged from the decades of pursuing self-reliance as a debtor continent, if anything, more dependent on the North than ever before.

The demise of the former USSR and the resultant end of the Cold War has heralded a new highly liberal world order, and an accelerated process of economic globalisation. This has created new opportunities while at the same time posing serious threats to global actors, particularly the peripherally integrated and vulnerable African economies.[6] Against this backdrop, a "new breed" of African statesmen have crafted yet another continent-wide plan of action - the NEPAD - aimed not only at bringing about the continent's socio-economic rejuvenation, but also, to negotiate Africa's integration into the global economy as a competitive and equal partner.

The NEPAD's design has been influenced by the awareness that there have been attempts in the past to set out continent-wide development programmes but that for many reasons, both internal and external, these have been less than successful. It has also been influenced by the assumption that there are new circumstances in the

[5] Jeffrey Fine and Stephen Yeo, "Regional integration in Sub-Saharan Africa: Dead end or a fresh start," in Ademola Oyejide et al. (eds.), *Regional integration and trade liberalisation in Sub-Saharan Africa*, Vol.1 (London: Macmillan, 1997).

[6] On the impact of the new phase of globalisation see Joseph E. Stiglitz, *Globalisation and its discontents* (London: Allen Lane, 2002); Peter H. Lindert and Jeffrey G. Williamson, "Does globalisation make the world more unequal?" NBER Working Paper 8228 (Cambridge, MA: National Bureau of Economic Research, 2001) accessed at http://www.nber.org/papers/w82228.pdf; Tatah Mentan, "Globalisation, democratisation, exploitation, and the state in Africa: the final conquest," *Annales de la faculte des sciences juridiques et politiques, de l' Universite de Dschang*, Tom 3 (1999): 161-170.

continent and the global environment that lend themselves to integrated practical implementation.[7] Three main elements can be identified in distinguishing the NEPAD's approach and strategy from that of previous plans and initiatives in support of Africa's development:

- First, while earlier initiatives - like the LPA advocated state-led, inward-looking collective self-reliance or closed regionalism, the NEPAD prescribes liberal, market-driven and outward-looking regionalism. It envisions 'deeper integration' of the continent's economies into the global economy, however, with emphasis on reforming relationships with global economic actors and processes (new partnerships).

- Second, unlike the LPA model that blamed the continent's economic woes almost exclusively on external forces, the NEPAD asserts a strong link between the lack of accountability and responsiveness of domestic governance institutions and processes and Africa's poor economic performance. Accordingly, its central thrust is to try to align African governments' political incentives to long-term development goals through domestic governance reforms.[8]

- Third, the NEPAD has emphasised the centrality of credible regional restraint institutions, on the prospects for implementing regionally agreed policy prescriptions. In this regard, African governments have pledged to hold each other accountable in their conduct of state affairs - within a self-selective and self-monitoring regional "lock-in" mechanism, the APRM.

However, the shift from the traditional state-led and inward-looking thinking about Africa's development to the market driven and outward orientations of the NEPAD is in tension with the continent's reluctance to embrace the global economy.[9] This shift has been seen as an attempt to revive African countries over-dependence on the global economic system, against which the LPA's self-reliance model was

[7] African Union (AU), *New Partnership for Africa's Development - NEPAD* (October 2001): Chapter 9 paragraph 42.

[8] Ibid. chapter 19, paragraph 79.

[9] For details on Africa's suspicions of the global economy, see Jeffrey Herbst, "Africa and the international economy," in Antoinette Handley and Greg Mills (eds.), *From Isolation to integration? The South African economy in the 1990s* (Johannesburg: SAIIA, 1996): 62-84**;** Edmond Keller cited in Mengisteab Kidane (ed.), *Globalisation and autocentricity in Africa's development in the twenty first century* (New Jersey: Africa World Press, 1996).

formulated.[10] This has made the initiative unpopular with many segments of the African societies with implications for the prospects of its implementation. More importantly, NEPAD's governance reform agenda, particularly its innovative APRM would require that African leaders subject sensitive aspects of domestic economic and political governance to external scrutiny. Yet, African governments are known to have been very defensive of their sovereign authority since independence. Therefore, by linking the sensitive issue of political sovereignty to Africa's economic development agenda, the architects of the NEPAD have greatly increased the cost of compliance to states for its sustained implementation.

Africa's cooperation balance sheet shows that regional cooperation initiatives in the continent have been very good at raising hopes and expectations, but have remained painfully very short at delivering. Despite Africa's expression of faith in regional economic cooperation and notwithstanding the design of ambitious regional initiatives, commitment to implementation has been "more visceral rather than rational and more rhetorical than real."[11] Therefore, NEPAD's promise for a better future through greater collective engagement with the global economy and through the reform of domestic governance, placed in the context of similar, but unfulfilled promises in the past (as in the LPA) gives rise to important questions regarding the design and implementation of regional economic initiatives in Africa.

- First, what explains the shift from the state-led, inward-looking, collective self-reliance initiative (LPA) which conformed with the continent's established suspicions towards the liberal global economy, to a market-driven and outward-looking partnership (NEPAD) which is evidently in dissonance with the attitude of many Africans towards the global economy?

[10] CODESRIA – TWN – Africa, "Africa's Development challenges," Millennium Accra Conference Declaration (April 23-26, 2002): 1-4

[11] Mistry, "Africa's record," p. 554.

- Second, given Africa's record of failed cooperation initiatives, and against the backdrop of the NEPAD's apparent "meddling" in traditionally sensitive sovereign issues of governance, what are the prospects and challenges for sustained implementation of the initiative?

These are salient research questions particularly in light of the surviving faith in regional economic cooperation as a strategy for overcoming Africa's development challenges. This research aims at beginning to answer these questions with the hope of improving the understanding of Africa's age-old economic cooperation and development dilemmas. Against the backdrop of NEPAD's emergence as the most important element in Africa's current development agenda, alongside continued expression of faith in the self-reliance prescriptions of the LPA amongst critics of the NEPAD, a comparative study of these two initiatives is of particular import. It will not only place ongoing debates on the emergent NEPAD into proper perspective, but more importantly it will, using hindsight from the LPA's record, highlight challenges to be overcome to increase the prospects for NEPAD's implementation. The study examines the design and implementation of Africa's regional economic cooperation initiatives, using the LPA and the NEPAD as comparative case studies.

To analyse the design and orientation of African regional economic initiatives the study employs insights from international political economy. It emphasises the role of regional economic initiatives as African governments' survival strategy in the context of perceived vulnerabilities to external political and economic forces such as great power conflicts and global economic shocks. To analyse the prospects and challenges of implementation of regional economic initiatives, the study leans on the field of comparative political economy, focusing particularly on the domestic (national) political economy of African states, in terms of the interplay between the potential long-term gains of regional initiatives and the perceived short-term political

costs to African governments. And in light of African governments' reluctance to commit to long-term development goals, the study draws from insights on new institutional economics to appraise, first, the role that the reform of domestic institutions of governance could play in curtailing African governments' perceptions of political insecurity and in aligning their behaviour to long-term development goals; and second, the potential of credible regional restraint mechanisms in 'locking in' African governments' commitments to regional agreements.

Given the prominence of regional economic cooperation in Africa's development agenda and in light of the fact that, until the NEPAD's advent the approach to African economic cooperation has been state-led and inward-looking, I advance two main sets of arguments:

First, I argue that African states' common concern about political and economic vulnerability in the global economy have informed the design of many ambitious regional economic initiatives in the continent. Within this context, I contend that the shift in orientation from the LPA's state-led inward-looking collective self-reliance model, to the NEPAD's market-friendly, extra-regional partnership has been informed by changes in the context and realities of the global environment (in terms of the emergence of liberal international "consensus," the ascendancy of asymmetry-based multilateral institutions in global economic management and the weakening bargaining position of Africa in 'North – South' relations).

Second, I argue that individual African government's concerns with political and economic vulnerability at home (nationally) have been responsible for the low levels of implementation of regional economic cooperation initiatives. Within this context, I contend that the prospects for sustained implementation of Africa's regional

cooperation initiatives is structured by governments' expectations of potential benefits, the perceived cost of compliance to governments (in terms of perceptions of domestic political insecurity and vulnerability) and the effectiveness of institutions to monitor and enforce compliance.

The authors of the LPA, influenced by notions of "political voluntarism" of states, hinged the prospects for the implementation of the initiative almost exclusively on incentives offered by expectations of potential economic benefits to African societies and peoples. They overlooked the fact that what constituted socio-economic benefits to African societies were not necessarily politically beneficial to African governments. The LPA's authors ignored the possible impact of African governments' perceptions of political insecurity on their willingness to implement the prescriptions of the LPA. They also paid inadequate attention to the role of credible regional restraint institutions to counter governments' tendency to free ride and to renege on regional commitments. In other words, the LPA's incentives were not compatible with those of politically insecure African governments and therefore, compliance was bound to be problematic.

Conversely, the NEPAD is anchored on the reasoning that African governments do not operate in political vacuums. Rather, the volatile African domestic environments and the uncertainties and insecurities they create for African governments serve as "lenses" through which African governments view regional cooperation initiatives. Therefore, the prospects for NEPAD's implementation hinge on reforming domestic institutions and processes of governance. Governance reforms can potentially improve the responsiveness, accountability, and political sensitivity of African governments, better aligning their political incentives with commitments to long-term development goals, including those defined in regional economic

initiatives. Moreover, to "lock in" otherwise unresponsive African governments' commitments to regionally agreed norms and standards of good governance, credible regional restraint mechanisms must be established. The NEPAD's APRM must therefore, be central to any assessment of initiative's prospects.

The chapter that follows lays out a framework for examining the validity of the foregoing arguments. It also specifies the methodology, data sourcing and data analysis techniques, and presents a summary of the organisation of the rest of the thesis.

CHAPTER ONE

ANALYTICAL FRAMEWORK AND METHODOLOGY

1.1 Introduction

Since independence, African governments have operated within politically and economically difficult national and international environments. Because of African countries' political and economic vulnerabilities, one of the most distinctive features of their international relations has been the prominence of issues of survival.[12] Issues of survival have not only defined African states' behavioural orientations towards the international system, but more importantly, they have shaped the attitude of governments towards long-term regional and national development goals.

While common concerns about political and economic vulnerability in the global economy have informed the design of many ambitious regional economic initiatives, individual African governments' concerns about political and economic vulnerability at home have been responsible for the low levels of implementation of these initiatives. The design and orientation of the LPA and NEPAD were (in different ways) influenced by perceptions of the vulnerability of African economies in the global economy. Pertaining to implementation, while the LPA's unenviable record of implementation could be partly explained in terms of African governments' perception of domestic economic and political vulnerabilities, the prospects for NEPAD's sustained implementation are anchored on domestic governance reforms that could remove the elements that create perceptions of insecurity for African governments and that make them generally unresponsive and unaccountable.

[12] See Christopher Clapham (ed.), *Africa and the international system: the politics of state survival*, third edition (Cambridge: Cambridge University Press, 2000), particularly chapter 1, "Fragile states and the international system."

The LPA's character for example, was fashioned from the exploitation that Africa had long suffered from its general weakness globally, beginning with the devastating slave trade, through colonisation to the continent's enhanced role as supplier of raw materials to the industries of the developed world at independence. Understandably, its inward-looking collective self-reliance strategy aimed to curtail the continent's dependence on the industrialised countries of the North and also to reduce their vulnerability to global economic fluctuations.

On the other hand, the character of the NEPAD has been structured by Africa's worsening economic situation, particularly in terms of the continent's unsustainable debt burden and its increasing marginalisation from global economic processes. Against the backdrop of Africa's financial indebtedness to the industrialised countries (and multilateral financial institutions) and their overall weakened position in North-South power relations, the option of disengagement prescribed by the LPA in the early 1980s was not conceivable at the turn of the century. Rather, globalisation has come to be seen as providing both the context and the means for the continent's economic rejuvenation.[13] It is imagined for example that by abiding by global norms of economic and political governance, Africa could hope to negotiate the reduction (cancellation) of its debts, attract greater foreign direct investments (FDI) and official development assistance (ODA), and greater access of African goods to the markets of the developed world.

The foregoing arguments highlight the fact that the LPA and the NEPAD were crafted under different contexts and differed in their contents and orientations. More importantly, it emphasises that the factors informing the design of African regional economic initiatives differ from those factors determining their implementation. To

[13] See AU, *NEPAD October 2001*, paragraphs 28-34.

capture these variations, the study evolves an analytical framework and a causal model that addresses issues of regional initiatives' design while at the same time embracing questions relating to implementation.

1.2 EXPLAINING THE DESIGN OF REGIONAL INITIATIVES

Africa's cooperation and economic development dilemmas have been the focus of systematic discourse and analysis over the years giving rise to a vibrant body of literature. The literature has been animated by two images of the African state: One has presented the African state as a predatory neopatrimonial agent and as an obstacle to development;[14] the other has portrayed it as a benevolent agent of development, concerned mainly with maximizing the welfare of its peoples.[15] These images have been imbibed in the neo-liberal and state interventionist (nationalist) paradigms that have dominated analyses of Africa's development problems, including efforts at regional economic cooperation.

Pro-liberal literature consistent with the neo-patrimonial thesis has emphasized the need to cut down on the involvement of the African state in economic

[14] See variously, Jean-François Bayart, *The state in Africa: The politics of the Belly* (London: Longman, 1993); Thomas Callaghy, "The state as lame leviathan: The patrimonial administrative state in Africa," in E. Zaki (ed.), *The African state in transition* (London: Macmillan, 1987); Patrick Chabal and J. P. Daloz, *Africa works: Disorder as political instrument* (London: James Currey, 1999); E. Amporo-Tuffuor and C.D. Delormey Jr., "The nature, significance and cost of rent-seeking in Ghana," *Kyklos* Vol. 44 no. 4 (1987): 537-59; Richard Sandbrook, "The state and economic stagnation in tropical Africa," *World Development* Vol. 14, no. 3 (1986); Mark Gallagher, *Rent-seeking and economic growth in Africa* (Boulder: Westview Press, 1991); Margaret Levi, "A theory of predatory rule," *Politics and society* 10, 4 (1981): 431-65; also see Peter Evans' portrait of Mobutu's Zaire as the archetype of the predatory state in Peter Evans, *Embedded autonomy: States and industrial transformation* (Princeton, New Jersey: Princeton University, 1995): 45-47.

[15] This image of the state as an agent of development has been in line with development theories, particularly the strand of thought that was propagated in the 1950s and 60s by development economists. See for example, Arthur Lewis, *The economic theory of growth* (London: Allen, Unwin, 1955); "Economic development with unlimited supplies of labour," *Manchester School* 22/2 (May 1954): 139-91; Albert O. Hirschman, *The strategy of economic development* (New Haven: Yale University Press, 1958); Dudley Seers "An approach to the short-period analysis of primary-producing economies," Oxford Economic Papers (February, 1959): 1-36; Ragnar Nurkse, *Problems of capital formation in underdeveloped countries* (London: Blackwell, 1953); Walter L. Sharp, "The institutional framework for technical assistance," *International Organisation* 7, 3 (1953): 342-79.

management. It has identified African states' interventionist and nationalist policies as the principal explanation to the continent's poor economic performance and as a partial explanation for the failure of regionalism.[16] In its neoclassical liberal economic growth version, the Third World's development predicaments are explained in terms of internal macro-economic inadequacies rather than in terms of global economic asymmetries and imbalances.[17] According to this perspective, any benefits of regional economic cooperation/integration must stem from an outward-looking strategy that would allow free market forces to dictate the pace and pattern of development.

Conversely, pro-nationalist literature, in part influenced by development economists' view of the state as the principal agent of development and concerned about maximising the welfare of society, has emphasised the need for the state to act as the principal economic manager in Africa's development agenda. Moreover, it has tended to blame Africa's economic failures on the continent's exposure to external economic forces. Analyses informed by the pro-nationalist perspective, particularly the dependency thesis, have blamed the Third World's development predicaments on the imbalances that have characterised their relationship with the developed world.[18]

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[16] See for example, World Bank, *Accelerated Development in Sub-Saharan Africa: An agenda for Action* (Washington DC: World Bank, 1981); Robert Bates, *Markets and states in tropical Africa: The political basis of agricultural policies* (Berkeley, California: University of California Press, 1981); Faezeh Foroutan, "Regional integration in Sub-Saharan Africa: Past experience and future prospects," in Jaime De Melo and Arvind Panagariya (eds.), *New dimensions in regional integration* (Cambridge: CUP, 1993).

[17] See variously, P. T. Bauer, *Reality and rhetoric: Studies in the economics of development* (London: Weidenfeild and Nicolson, 1984); Deepak Lal, *The poverty of development economics* (Cambridge Mass: Harvard University Press, 1985); Harry Johnson, "A word to the Third World: A Western economist's frank advice," *Encounter,* Vol. 37 (1971); Ian Little, *Economic development: Theories, policies and international relations* (New York: Basic Books, 1982).

[18] See for example: Samir Amin, "Underdevelopment and dependency in black Africa: origins and contemporary forms," *Journal of modern African studies* 10, 4 (1972): 503-24; *Accumulation on a world scale* (New York: Monthly Review Press, 1974); Walter Rodney, *How Europe underdeveloped Africa* (London: Bogle L'ouverture, 1972); *Unequal development* (Sussex: Harvester Press, 1973); Arghiri Emmanuel, *Unequal exchange: a study of the imperialism of trade* (New York: Monthly Review Press, 1969); F. H. Cardoso and Faletto, *Dependency and development in Latin America* (Berkeley, California: University of California Press, 1979); G. Kay, *Development and underdevelopment: a Marxist analysis* (London: Macmillan, 1975); G. Palma, "Dependency: A formal

Throughout much of the 1970s and 80s, most developing countries (including those in Africa) accepted this dependency analysis that ascribed their underdevelopment to the workings of the international economic system rather than to indigenous characteristics of their own societies.[19] Regional cooperation and integration were perceived as frameworks for Third World countries to manage their negotiated interdependencies, while challenging domination by the industrialised countries of the North.[20] They have therefore stressed closed and inward-looking approaches to cooperation as a survival strategy against the exploitative relationship with the North. Overall, this literature has argued that the global economic system posed a threat to the small, fragmented and unviable individual African economies. The perception that the global system was a threat to African economies constituted the official rationale for crafting regional economic cooperation initiatives, including the self-reliant model of the LPA.

In the late 70s and early 80s, the dichotomy between the pro-liberal and the pro-nationalist theses was very rigid. While African governments and technocrats emphasised the primacy of the African state in economic management, international financial institutions (IFIs) and western governments stressed the exclusive role of the market in economic development and perceived the state mainly as an obstacle that had to be eliminated. By the 1990s however, this divide had narrowed considerably. And although the liberal thesis appeared to have triumphed over the nationalist thesis, a consensus emerged that well governed states had an important role to play in

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theory of underdevelopment or a methodology for analysis of concrete situations of underdevelopment?" *World Development*, Vol. 6. (1978); Andre Gunder Frank, *Capitalism and underdevelopment in Latin America: Historical studies of Chile and Brazil* (New York: Monthly Review Press, 1967).

[19] See, Stephen Krasner, *Structural conflict: the Third World against global liberalism* (Berkeley: University of California Press, 1985).

[20] Samir Amin, "Regionalisation in the Third World – in response to the challenges of polarising globalisation," Mimeo (1998).

facilitating market-driven economic liberalism. It is within the context of the triumphant liberal economic agenda, which is more tolerant of good political and economic governance that the NEPAD emerged.

Although the liberal and nationalist paradigms have both been criticised for being too 'economistic,' they have remained useful tools for explaining the role of the international environment, history and external transformations in defining Africa's economic cooperation options. They allow for an appraisal of the economic opportunities and constraints for African states within the international system - including explanations of how global transformations have dictated the continent's economic cooperation orientations over the years. Within this context, I employ these paradigms to address the research question bearing on the shift in the design of African regional economic initiatives from the LPA to the NEPAD.

However, to place this shift in proper perspective, a causal model informed by an international political economy perspective helps clarify relationships between a select set of independent and dependent variables. The model is summarized in Figure 1. In it, the dependent variable is to the right while the independent variables are to the left. The arrows show the direction of the relationship between the variables. More precisely, the dependent variable is the "design of regional initiatives" i.e., the LPA state-led, inward-looking collective self-reliance model (closed regionalism) or the NEPAD market driven, extra-regional partnership (open regionalism). Three clusters of independent variables are identified as possible explanations for the choice of one or the other of the two designs of initiatives: (1) the realities and context of the international political economy (greater role for "equality enhancing" multilateral institutions or greater role for "asymmetry enhancing" multilateral institutions); (2) the dominant international economic and development ideas (protectionist

nationalism or global liberal consensus); (3) the nature of North-South relations (South in a position of relative strength or South in a position of relative dependence).

These independent variables are mediated by intervening variables in the form of diplomatic and political processes involving African states and African institutions in what we have tagged international processes. For example, Nigeria as a lead state in continental politics in the late 1970s and early 1980s played an important role in defining the continent's response to global politico-economic transformations of the 1970s, culminating in the LPA. Similarly, the emergence of a non-racial South Africa, with an economic and political system anchored on liberal principles and the re-emergence of Nigeria from years of military rule, converged to provide a new direction to the continent in response to new global forces – culminating in the NEPAD.

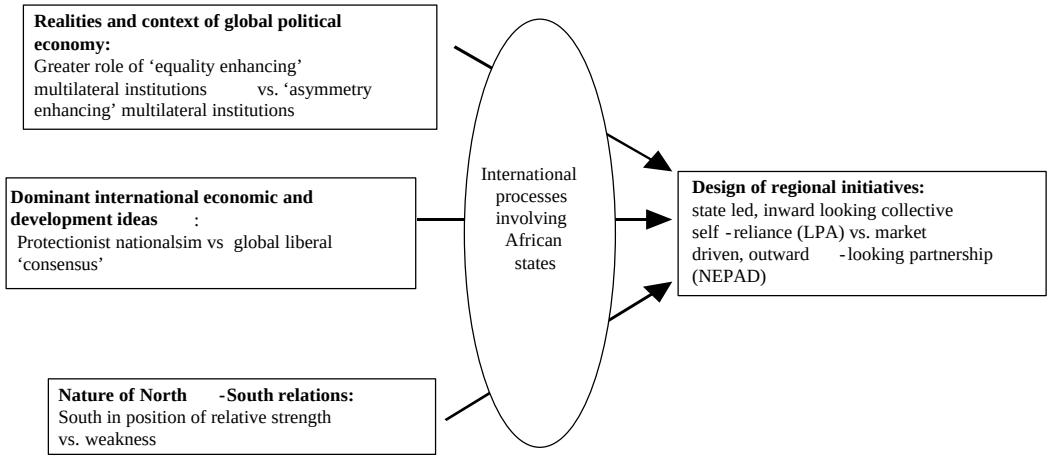

Figure 1 — Overview of causal framework for first research question.

To capture the different contexts within which the LPA and the NEPAD were crafted and the resultant differences in their contents/orientations, I adopt a "structured focused comparison" methodology, which requires that I give two

separate but structurally linked accounts of the processes involved in the design of the two initiatives.[21] Accordingly, the causal diagram addressing the question of design of regional initiatives has been further split into two sub-diagrams presented in Figures 1a and 1b below.

Figure 1a shows the values of the independent variables in the late 1970s that are assumed to have informed the design of the LPA's inward-looking collective self-reliance model (dependent variable). This period was defined by the prevalence of the Northern dominated Post-WWII global institutions of trade and finance – GATT, IMF and IBRD. However, the power of these institutions was mediated by the political role of global multilateral institutions, particularly the UN-General Assembly and the United Nations Conference on Trade and Finance (UNCTAD), which gave both developing and developed countries equal voting rights. Developing countries used their bonds of solidarity and their numerical strength in these "equality based" institutions to advance agendas of particular interest to them. One of such agendas was the NIEO campaign, whose failure obliged developing countries to seek for alternative development strategies, which for Africa was the design of the LPA's inward-looking collective self-reliance model.

[21] For details, see section on methodology below.

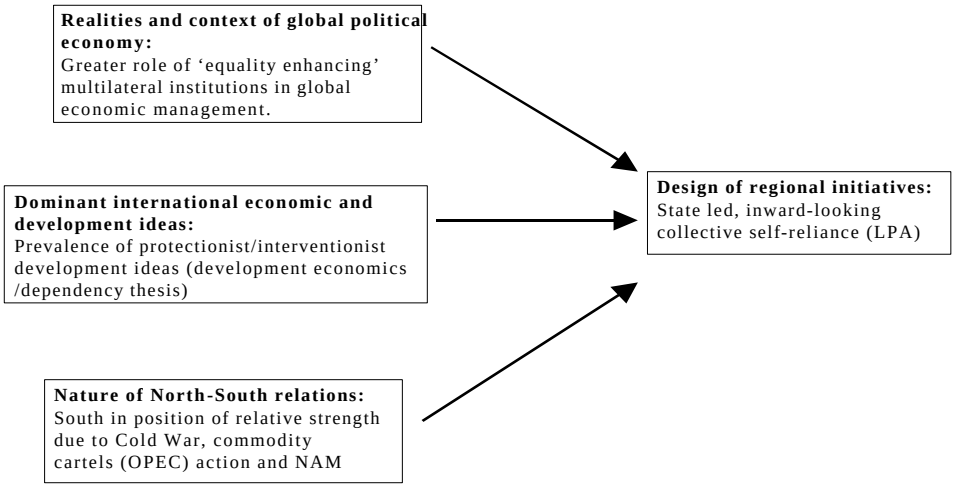

Figure 1a—Overview of causal framework for first research question, late 1970s

Pertaining to economic and development ideas, in the late 70s, the global system offered developing countries alternative political and economic models to choose from. Economically, they could adopt either liberal capitalism or variants of planned economic management. Politically, they could adopt either Western-styled political pluralism or any variant of communist or socialist organisation. However, with the prominence of dependency ideas that emphasised the exploitative nature of the global system, African governments opted for inward-looking developmental regionalism, epitomised by the LPA model.

Regarding North South relations, although Africa has always been the weaker partner in its dealings with the North, it was in a relatively more powerful position in the 1970s. This was as a result of the combined effects of the Cold War environment, the strong bonds of solidarity amongst Third World countries under the auspices of the Non-Aligned Movement (NAM), and the inspiration derived from the success of the Third World dominated OPEC cartel's concerted action against the North's domination of the global economy. This conspired to encourage African states to

design the LPA's inward-looking model, which in a way was a challenge to the global economic order.

Figure 1b on the other hand, shows the changes in the values of the independent variables that are thought to have brought about the change in design from the LPA's model, to the NEPAD's. Beginning in the late 1980s, the approaches to global economic issues witnessed a sea change. The influence of "equality-based" United Nations multilateral institutions in global economic management dwindled in favour of the "asymmetry-based" institutions of finance and trade – IMF, WB and WTO. Decision-making in these institutions (with the exception of the WTO) that now had near total control over global economic management was increasingly premised on "quota based" voting, that greatly enhance the position of the countries of the North while further weakening that of the countries of the South. This obliged the continent to formulate an initiative that would meet the basic requirements of these new global realities - NEPAD.

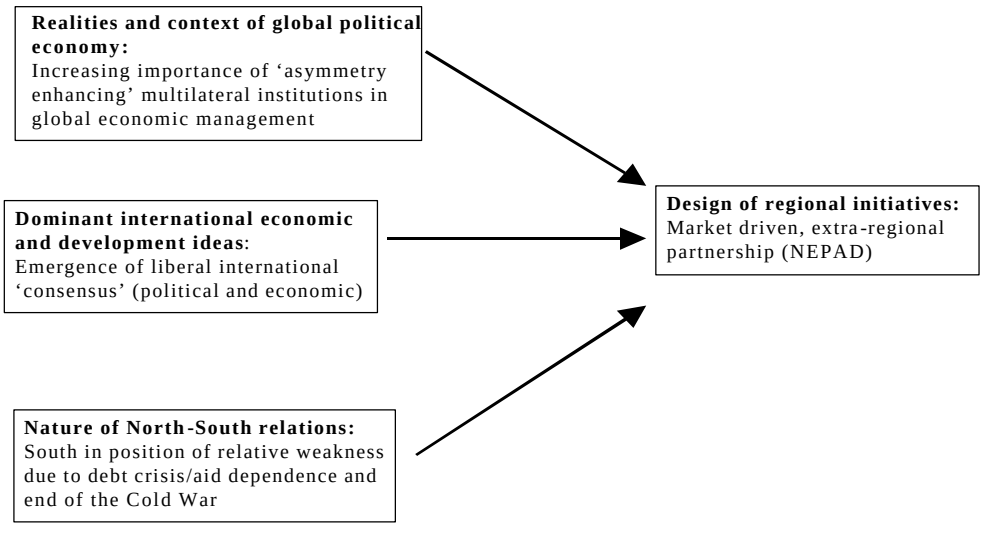

Figure 1b—Overview of causal framework for first research question, 1990s-present

Pertaining to economic and development ideas, in the late 1980s, with the failure of the Soviet economic and political models, there emerged global consensus over the viability of liberal economic and political liberalism. The acceleration of economic globalisation, which placed the market over and above the state, amplified this situation. Within this context, African governments had little choice but to design an initiative that was market-oriented and open to the global economy – hence, the NEPAD.

In North-South relations, beginning in the late 1980s, Africa's power position in her intercourse with the North was greatly weakened by the demise of the Cold War, the weakening of South-South solidarity and more importantly, by the onset of the debt crisis that deepened the continent's dependence on the good-will of the industrialised North. Against this background, the continent could not afford an LPA-type initiative that challenged the existing order. Rather, Africans had to craft an initiative that would attract the sympathy of the North – hence the NEPAD.

1.3 EXPLAINING IMPLEMENTATION OF REGIONAL INITIATIVES

While the liberal and nationalist paradigms of international political economy provide useful explanations to the design of African regional economic initiatives, they fail to capture important underlying internal political dynamics regarding the attitude of African governments towards long-term development goals, including those defined in regional economic initiatives.

To capture these dynamics and to extend the understanding of the sources of African regional economic cooperation beyond conventional liberal and nationalist

analysis, I employ a comparative political economy framework.[22] More importantly, the study uses insights from new institutional economics and rational choice institutionalism to integrate competing visions of the African state - as a predator by the neopatrimonial thesis, and as a benevolent maximiser of welfare by the development economist. Proceeding from the premise that African governments are not benevolent maximisers of social welfare, I employ the new institutional economics framework to analyse the potential of the reform of domestic institutions of governance to align African governments' behaviour to long-term development goals. And proceeding from the premise that African states are not condemned to being permanent predators, the framework allows me to analyse the role that a capable state can play in the development process in Africa, including region building.[23]

As emphasised earlier, while the design of African regional economic cooperation initiatives has been dictated by African governments' perceptions about the structures and workings of the international economic system and how to survive in it, implementation has been largely a product of African governments' perceptions about the potential political gains and costs of compliance with the prescriptions of these initiatives. Rational choice institutionalism posits that although individuals or groups involved in cooperation may expect gains from their cooperative behaviour, however, they usually face various types of incentive problems that make them vulnerable to

[22] For the distinction between international political economy (IPA) and national political economy (DPI), see Michael Nicholson, "The global political economy," in Nicholson Micheal (ed.), *International relations: A concise introduction* (Basingstoke: Palgrave, 2002): 121.

[23] On the role of the state in the development process, see variously Alence, "Political institutions;" Thandika Mkandawire, "Thinking about developmental states in Africa," *Cambridge Journal of Economics*, Vol. 25 (October 2004): 289-313; Peter Evans, *Embedded autonomy: States and industrial transformation* (Princeton, New Jersey: Princeton University Press, 1995): chapter 3.

short-term temptations to defect from cooperation.[24] Meanwhile, related literature on transactions costs and institutions emphasises that while parties may have strong incentives to strike bargains, their incentives after the fact are not always compatible with maintaining the agreements. Compliance is therefore, always a potential problem.[25]

In the theoretical literature, reputation emerges as an important factor in limiting governments' incentive to renege on commitments. This approach has been formalised in models of modern games theory – where it is held that the "long arm of the future" provides incentives to honour commitments to agreements today, so as to retain the opportunity for further cooperation tomorrow. In many repeated games, this incentive alone (the shadow of the future) can be sufficient to prevent reneging.[26] However, in some instances, repeat play alone may be insufficient to police reneging.

An important context in which repeat play alone is insufficient to police repudiation concerns variations in governments' time preferences or discount rate.[27] Generally, when political survival is at stake, or when future benefits are less valuable and uncertain, governments would heavily discount the future, making one-time gain of reneging more attractive relative to future opportunities forgone.[28] The general

[24] Barry Weingast, "Rational choice institutionalism," *Discussion draft paper* (Stanford: Stanford University, 2000): 23; also see Pranab Bardhan, "The new institutional economics and development theory: A brief critical assessment," *World Development* 17, 9 (1989).

[25] Oliver Williamson, *Economic institutions of capitalism* (New York, 1985): 48-49; Douglas North and Barry Weingast, "Constitutions and commitment: the evolution of institutions governing public choice in seventeenth-century England," *The Journal of Economic History* Vol. 49, no. 4 (December 1989): 806.

[26] North and Weingast, "Constitutions and commitments," p. 807.

[27] Ibid; B. Ames, *Political survival: Politicians and public policy in Latin America* (Berkeley, CA: University of California Press, 1987); P. M. Levis, *Of rule and revenue* (Berkeley, CA: University of California Press, 1988): 32-33; Arthur A. Goldsmith, "Risk, rule, and reason in Africa," African Economic Policy Discussion Paper No. 46 (Washington DC: USAID Bureau for Africa, 2000): 2-3.

[28] North and Weingast, "Constitutions and commitments," p. 907.

conclusion of rational choice institutionalism is therefore, that institutions often arise or persist in part to create self-enforcing cooperation in such environments.[29] In other words, institutions are necessary to extract compliance from actors facing incentives that are not compatible with those defined in a cooperative framework.

Literature on neo-patrimonialism has argued that African countries domestic economic and political vulnerability created by persistent economic decline and failure, and more especially, the inability of governments to establish consensus enhancing domestic political institutions have made concerns about domestic political survival paramount. Politics in Africa has generally been a zero-sum game with a discouraging history of violent political change. This together with the fate that has befallen many African leaders after they are forced out of power (assassinations in military coups, exiles, imprisonments and house arrests) has increased African governments resolve to maximise their gains under what they perceive as conditions of perennial political uncertainty.[30]

This has provided the lens through which African governments have viewed collective regional economic initiatives over the years. Arguably, because African governments have often been politically and economically insecure domestically, they have been especially sensitive about regional initiatives that could antagonise politically threatening domestic groups and constituencies – in terms especially of possible redistribution of costs and benefits of economic cooperation. They have been more preoccupied with placating the specific groups most pivotal to their survival and have generally been predisposed to giving high priority to the short-term interests of

[29] Weingast, "Rational choice," p. 31; Paul R. Milgrom, Douglass C. North, and Barry R. Weingast, "The role of institutions in the revival of trade, Part I: The Medieval Law Merchant," mimeo. (Hoover Institution: Stanford University, 1989).

[30] See for example, Goldsmith, "risk in Africa," pp. 3-6.

narrow constituencies, at the expense of longer-term social welfare including such welfare that could derive from regional economic cooperation.[31] Overall, African governments' assessments of regional economic initiatives has been that they can only offer long-term benefits - which are most of the time unsure in the context of immediate political and economic realities that they face.

Under such circumstances, the success of African regional economic cooperation initiatives is more likely if the elements that create political insecurity, unresponsiveness and unaccountability amongst African governments are removed. An important insight is that establishing responsive and accountable domestic governance institutions and processes is likely to curtail perceptions of political insecurity amongst African governments, while at the same time resolving the related time horizon problems. Lowering perceptions of political insecurity and aligning African governments' political incentives with the requirements of long term socio-economic development is more likely to encourage African governments to make more credible and sustained commitments to regional economic cooperation initiatives. However, to establish and sustain responsive domestic institutions amongst politically insecure African governments and to "lock in" their commitment to long-term development goals, credible regional restraint mechanisms are needed.

The authors of Africa's earlier regional initiatives, especially the LPA's self-reliant model, discounted the likely impact of Africa's domestic political environments on the ability of their governments to uphold the prescriptions of the initiatives. They were influenced by assumptions of 'political voluntarism' promoted by development economists in the 1950s and 1960s – assumptions that governments act as benevolent "maximisers" of the social welfare of their populations, otherwise in

[31] Ibid; Rod Alence, "Political institutions and developmental governance in Sub-Saharan Africa," *Journal of Modern African Studies* 42, no.2 (June 2004): 163-187

political vacuums. Understandably, the LPA's self-reliant model was crafted with the understanding that if policies could be shown to be economically rewarding (welfare enhancing), African governments could be relied upon to implement them faithfully. Little emphasis was placed on reforming dysfunctional domestic institutions of governance and establishing credible regional restraint mechanisms to monitor and enforce compliance with collectively agreed programmes.

Neoclassical political economists have argued that real governments' behaviours are not in line with these benevolent assumptions of development economists. Rather, they have emphasised that governments respond to political incentives that may or may not be compatible with achieving long-term development objectives – including those outlined in regional cooperation schemes. The experience with the collective self-reliance model of the LPA in terms of the gap between African governments' stated objectives and concrete achievements, demonstrates that the assumptions of political voluntarism were faulty. African governments were found to renege on regional commitments in response to short-term domestic political and economic survival concerns, and other related domestic pressures.

Recognising that African governments do not operate in political vacuums, the NEPAD has identified domestic governance reforms as a precondition for the continent's socio-economic development. The NEPAD implicitly assumes that African governments' political insecurity, unresponsiveness and unaccountability have stemmed largely from poor economic and political governance – that is, the lack of institutional arrangements to define and sustain relations between the governed and the governors to the satisfaction of both parties. In this regard, the over-centralisation of power in the continent and its arbitrary exercise particularly through widely

reported neopatrimonial practices are symptoms of state weakness in politically insecure environments.[32]

By seeking to reform domestic governance, the NEPAD aims at strengthening the African state.[33] While governance reforms potentially, could yield developmental dividends for the continent, the prospects of achieving compliance with such a reform agenda remain constricted. The question arises as to how self-interested African governments could effectively restrain themselves from temptations to renege on regionally agreed norms and standards of good governance. Simply put, how can African governments widely criticised for poor governance institutionalise compliance with NEPAD's governance prescriptions?

The NEPAD's response to this puzzle has been in the establishment of a self-selective "lock-in instrument" - the African Peer Review Mechanism (APRM). Yet, the APRM is not an overarching central authority. It is founded on a plausible model of self-restraint by still perceivably unresponsive and politically insecure African governments. While proponents of the APRM have been very optimistic about the model, projecting it as the most innovative element upon which the implementation of the NEPAD hinges, they have failed to address problems of incentive incompatibility.[34] Conversely, pessimists have been quick at dismissing the instrument as yet another misguided effort that simply cannot work, citing difficulties

[32] Alence, "Political institutions," p. 167; Evans, *Embedded Autonomy*, chapter 3; Thomas. M. Callaghy, "The state as lame leviathan: The patrimonial administrative state in Africa," in Z. Ergas (ed.) *The African state in transition* (Basingstoke: Macmillan, 1987): 87-116; A. Zolberg, "The structure of political conflict in the new states of tropical Africa," *American Political Science Review* 62, 1 (1968): 70-87.

[33] On the diagnoses of the weaknesses of the African state, see World Bank, *Sub-Saharan Africa, from crisis to sustainable growth: A long-term perspective study* (Washington DC: World Bank, 1989).

[34] On the perception that the APRM is the most innovative element of the NEPAD, see UNECA, "The African Peer Review Mechanism: Process and procedures," in *African Security Review*, Vol. 11, no. 4 (2002): 7; G8, "G8 Africa Action Plan," paragraph 7**;"** Grant Edward Thomas Masterson, "Governance quality and government commitment to the NEPAD African Peer Review Mechanism," *EISA Research Report* no. 5 (Johannesburg: Auckland Park, 2004): 8.

of institutionalizing compliance in the absence of an overarching central authority. Against this background, understanding the incentive problems plaguing the APRM must be central to any assessment of the NEPAD's prospects.

In a similar vein, some literature highlights the limits of internal institutions of restraint and accordingly stresses the need for external restraints mechanisms as a more dependable way of aligning African governments' behaviour with economic and political governance standards.[35] The LPA did not provide for an external restraint mechanism as evidenced in the confrontation between its prescriptions and the diagnoses of the World Bank sponsored Berg Report.[36] However, the NEPAD implicitly provides for an external restraint (anchor), within the ambit of the link between adherence to the NEPAD's peer review mechanism (APRM) and prospects for greater external resource flows – in the form of market access, debt relief, ODA flows and greater FDI.

To place the foregoing arguments on the implementation of African economic cooperation initiatives into perspective, this study has developed a causal model showing the relationship between a select set of independent and dependent variables. In the causal model, the main independent variable has been identified as the "design of regional initiatives" i.e., either inward-looking or outward-looking regional schemes, which through the influence of a number of intervening variables, is

[35] Paul Collier, "Africa's external economic relations: 1960 – 1990," *African Affairs* 90 (1991): 339-34; Paul Collier and J. Willem Gunning, "Why has Africa grown slowly?" *Journal of Economic Perspectives* 13, 3 (1999): 41-66; Larry Diamond, "Promoting real reform in Africa," in E. Gyimah-Boadi (ed.), *Democratic reform in Africa: The quality of progress* (Boulder, London: Lynne Rienner Publisher, 2004): 263-295.

[36] The World Bank's sponsored Berg Report heralded structural adjustment programmes (SAPs) in the continent, with a wide-range of conditionality norms that initially focused on correcting balance of payment difficulties in African economies. However, these conditionality norms subsequently broadened to cover more general economic management issues and even political governance questions.

expected to affect the level or prospects for sustained implementation of cooperative initiatives.

For example, designed regional initiatives (independent variable - either the LPA self reliance model or the NEPAD extra-regional model) potentially, offer certain benefits to states, and the scale of these benefits is expected to determine whether or not states would comply with the initiatives' prescriptions. However, adherence to each regional initiative carries some costs, which are expected to be lower in comparison to the envisaged gains, to be able to serve as incentives for states to be supportive (or otherwise) of the initiative. Lastly, the existence and effectiveness of institutional mechanisms (or lack of same) for the enforcement of the prescriptions of regional initiatives is expected to serve as an incentive or a disincentive for states to abide by the rules of regional initiatives, and therefore, determine the level of (or prospects for) sustained implementation. These causal relationships are summarized in figure 2 below.

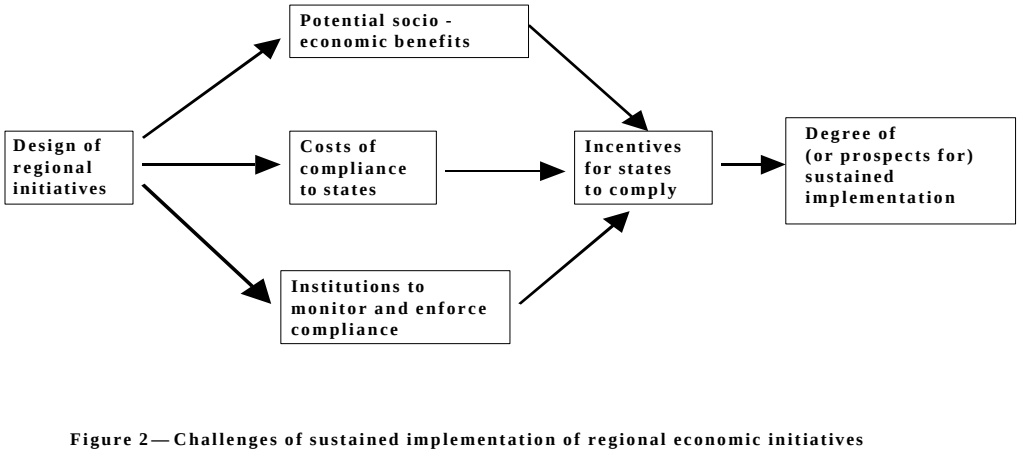

Figure 2— Challenges of sustained implementation of regional economic initiatives

The study gives two separate but structurally linked accounts of the level or prospects of implementation of the two initiatives under study. In Figure 2 above, with respect to the LPA, the dependent variable is the degree of sustained

implementation of the LPA. With respect to the NEPAD, the dependent variable becomes the prospects for sustained implementation. However, the intervening variables remain the same in the two cases (potential benefits, perceived cost of compliance to states, and institutions to enforce compliance). This is so because, while the LPA timeframe has elapsed, allowing for an appraisal of the level of implementation, the NEPAD is an ongoing process and therefore, only allows for an assessment of the prospects for sustained implementation.

1.4 METHODOLOGY

The analytical framework and its associated causal models are couched within the twin logic of "historical explanation" and "structured focused comparison." Historical explanations, in the words of Alexander George, may involve process tracing to identify the intervening steps or cause-effect links between an independent variable and the value of the dependent variable.[37] A comparison of two or more cases is "focused" insofar as the investigator deals selectively with only those aspects of each case that are believed to be relevant to the research objectives and data requirements of the study.[38]

In this approach, the study proceeds by giving two separate but structurally linked accounts of the processes of the design and the level or prospects of implementation of the LPA and the NEPAD, using the same "causal framework."[39] Ultimately, the study identifies and holds changes in the values of the independent variable(s) as explanations to the shift in design and as accounting for the

[37] Alexander George, "Case studies and theory development," Unpublished Draft Paper presented to the Department of Political Science (Stanford: Stanford University, 1996): 11

[38] Ibid. p. 15.

[39] See our causal diagram, figures 1 & 2 showing the identified common independent variables.

level/prospects of implementation.[40] It is noteworthy that expected changes in the values of the independent variables are not mutually exclusive (i.e., if the value of one or more of the variables remains constant, while the other(s) change, this will not prevent the study from holding the variable(s) whose value has changed as an explanation for the shift in the design or the level of implementation).

With regard to the design of regional initiatives, the study begins with an account of the context and processes leading up to the adoption of the LPA. It highlights the prevailing international political economic environment in the late 1970s, within which calls for a new international economic order (NIEO) were formulated and the failure of which culminated in establishment of the OAU-ECA led Lagos Plan of Action. The study attempts to reconstruct the negotiations between the OAU-ECA technocrats and African state leaders in evolving the LPA self-reliance model. It also examines the envisioned relationship between the LPA and sub-regional economic groupings, including the agenda for a continental economic space, epitomised by the Abuja Treaty establishing the AEC. It then gives a brief overview of the advent of Structural Adjustment Programs in the 1980s, the divergence of their prescriptions from those of the LPA and how this impacted on implementation of the LPA.

Proceeding from the poor performance of the LPA's collective self-reliance strategy, the advent of a debt crisis, the move toward an international liberal consensus and the emergence of a new phase of globalisation, we attempt to trace the origins and the evolution of the ideas and processes that led up to the adoption of the economic partnership initiative embodied in the NEPAD. The study traces the processes by which, "a new breed" of African leaders (the African Renaissance, the

[40] See our causal diagram, figures 1a and 1b showing the possible changes in the values of the independent variables.

Millennium African Plan - MAP of Thabo Mbeki, Obasanjo and Bouteflika; and the Omega Plan of Abdoulaye Wade), evolved into a concrete policy framework for the development of the African continent (NAI, later NEPAD).

The process tracing is in two main areas: First, the study gives an account of bargaining and negotiations amongst African leaders and with existing inter-African institutions (the OAU and the ECA) to arrive at an agreement over the policy shift contained in the NEPAD (i.e., inter-African diplomacy and politics involved in the establishment of the NEPAD partnership). Second, it gives an account of negotiations between the African promoters of the NEPAD and the international community – foreign governments, international financial institutions, international regimes and international non-governmental institutions, to whip up the support for the partnership inscribed in the NEPAD program.

With regard to implementation, the study first appraises the level of implementation of the LPA's self-reliance model, focusing especially on the interplay between the potential long-term benefits of the initiative and short-term costs for politically and economically insecure African governments. This is followed by an analysis of the role credible regional institutions could play in such an environment and how their absence, contributed to the poor record of the collective self-reliance model. Proceeding from the evidence of the poor record of LPA, the study examines the changes in the cost benefit calculus introduced by the NEPAD and how this could affect implementation. We focus especially on the NEPAD good governance agenda and its "self-selective" enforcement and monitoring mechanism, the APRM.

1.5 DATA SOURCING AND DATA ANALYSIS TECHNIQUES

To meet the requirements of process tracing, the data collection techniques included archival library search and unstructured personal interviews. The study made extensive use of secondary sources: books; monographs; journal articles and magazines; official circulars and publications by relevant government departments. Internet searches also constituted a valuable source of data for this study, including conference and seminar proceedings. Particular attention was paid to speeches and declarations by key political elites (past and present) involved in efforts at inter-African cooperation. Materials and documentation were also sourced from the offices of international bodies, particularly the OAU-AEC secretariat, the headquarters of the United Nations Economic Commission for Africa (UNECA), and offices of sub-regional economic Communities. However, the bulk of the data was readily available within South Africa. In this regard, the NEPAD secretariat in the Midrand was very central.

Interviews were conducted with some South African based officials of the core/leading states in the NEPAD process (South Africa, Nigeria, Senegal, Egypt and Algeria). I interviewed high-level officials from the South African Department of Foreign Affairs and from the Embassies of the Republics of Nigeria, Senegal, Egypt and Tunisia. This was supplemented by interviews with officials from embassies of countries that were less involved in NEPAD's development, for example Libya for the Maghreb region; Cameroon for the Central African region; Zimbabwe for the Southern African region; Ethiopia for the Eastern African region and Ivory Coast for the West African Region. I also interviewed official representatives of industrialised countries of the North (Europe, Asia and America), international financial institutions (World Bank/IMF) and other related bodies in South Africa.

Although I faced some difficulties convincing the identified resource persons in the various embassies and related institutions to accept been interviewed, overall, I succeeded in getting a majority of them to discuss with me. In some instances however, I was unable to talk to high-level personalities, who were directly involved in the NEPAD process. Nevertheless, the close collaborators they designated to speak on their behalf gave me the necessary insights. During some of the interviews, the interviewees were evasive to what they perceived as politically sensitive questions. However, I convinced some of them to address sensitive issues off record.

The data gathered from these interviews was used in analysing and interpreting the processes and interests involved in negotiating the shift from the closed regionalism of the LPA to the extra-regional partnership of the NEPAD. For example, it gave useful insights into how the merger of the Omega Plan and the MAP was worked out. It was also useful in analysing the roles of African institutions such as the OAU/AU, the ECA and the ADB in the processes leading to the establishment of the NEPAD. More importantly, the data was helpful in analysing the negotiations between the African leaders of the NEPAD and their external partners (IMF/World Bank, the European Union/the G8, and individual industrialised countries of the North). In a nutshell, the data from our interviews was instrumental in answering our first research question and also to partially address our second research question, at least from the perspective of the architects of the NEPAD.

Data from the NEPAD secretariat/website; conference and seminar proceedings; and speeches/declarations by statesmen and important members of civil society, was used in conjunction with the elite interviews to explain the process of the transition from the LPA to the NEPAD. It was also useful in highlighting efforts at

popularising NEPAD and by so doing, bringing to the fore the latent and manifest challenges for the sustained implementation of the initiative

Archival library search consisted of sourcing for data from books, journals, newspapers, classified documents bearing on regional organizations like the OAU and various regional economic communities (RECs), the UN-ECA, the IMF/World Bank reports etc. Data from these sources was used to reconstruct the history of past initiatives at cooperation for African development, bringing out their orientation to the global economy. This data was particularly useful in giving an account of the processes and circumstances that led to the formulation of the LPA self-reliance initiative in the 1980s. It was also used to explain the advent of Structural Adjustment Programs (SAPs) and their implications for the implementation of the LPA. These sources provided data on both specific and general aspects of cooperation, which was used to bring out the structural and philosophical differences between the closed (inward-looking) regionalism prescribed by the LPA and open (outward-looking) regionalism advocated by the NEPAD.

1.6 CHAPTER SUMMARY

In line with the "structured focused comparison" and the "process tracing" approaches adopted in this research, the thesis is organised into two structurally linked sections of three chapters each. The first section focuses on the state-led, self-reliance model of the LPA. It examines the context, design and level of implementation of the LPA. The second section, which is informed and structured by the first, focuses on the market-friendly, partnership prescriptions of the NEPAD. It examines the context, design and prospects of implementation of the NEPAD. The entire thesis is composed of seven substantive chapters – plus an introduction and

conclusion. The introduction and chapter one have been presented above. The rest of the thesis is organised as follows:

PART I: THE LAGOS PLAN OF ACTION: THE STATE-LED COLLECTIVE SELF RELIANCE MODEL

Chapter Two: African Economic Regionalism: An Overview of the Pre-Lagos Plan of Action regional initiatives.

This chapter locates efforts at regional cooperation and integration in Africa in their historical context to clarify the dynamics of region building in the continent. The chapter focuses on efforts at evolving regional economic cooperation arrangements prior to the advent of the LPA. It appraises the various factors that have informed region-building processes in the continent – particularly in the immediate post independence years. The chapter also examines the level of attainment of the stated goals of these earlier initiatives and how this influenced the region building enterprise in the continent in the following decades.

Chapter Three: The Lagos Plan of Action (LPA): From Economic Extroversion to inward-looking collective self-reliance

This chapter examines the rethinking of Africa's development cooperation options in the late 1970s and early 1980s that were informed by perceptions of the inadequacies of the strategies of extroversion adopted in the immediate post independence years. It has a three-pronged thrust: First, it examines the context within which the Lagos Plan of Action was formulated; second, it attempts a reconstruction of the diplomatic processes leading up to the adoption of the LPA; and third, it analyses the content and logics of the LPA, focusing on its regional bent and its overall orientation to the global economy in prescribing partial disengagement from the system.

CHAPTER FOUR: From Lagos to Abuja: the political economy of collective self – reliance

This chapter presents a political economy perspective of the weak implementation of the LPA's self-reliance model as a prelude to comprehending the new orientations contained in the NEPAD. Specifically, it investigates reasons why despite the potential socio-economic benefits of the LPA's self-reliance model, African governments were unwilling to uphold its prescriptions.

The chapter focuses on two broad dimensions of the poor implementation of the LPA. First, it examines the interplay between the long-term socio-economic benefits of the LPA and African governments' perceptions of political insecurity that made them vulnerable to temptations to renege on regional commitments. Second, it examines various collective action and distributional problems that plagued the LPA and evaluate the role that regional enforcement and monitoring institutional mechanisms could play in such an environment of uncertainty. It then demonstrates how the failure to endow the numerous institutions established within the LPA framework with adequate mechanisms to create incentives that could 'lock in' African governments commitments to implementation, contributed to the poor outcomes of the LPA.

PART II: THE NEW PARTNERSHIP FOR AFRICA'S DEVELOPMENT: THE MARKET-DRIVEN EXTRA-REGIONAL PARTNERSHIP MODEL

Chapter Five: The New Partnership For Africa's Development (NEPAD): The International Politics of a paradigm shift

This chapter examines the international politics of the shift from Africa's traditional inward-looking, state-led development cooperation paradigm epitomised by the LPA's self-reliance model, to the outward-looking and market-driven orientations contained in the NEPAD. The chapter has a two pronged thrust: first it

appraises the extent to which the NEPAD constitutes a shift in approach to African regional economic cooperation; second, proceeding from the premise that the NEPAD "indeed" constitutes a shift in orientation, it then examines the internal (continental) and external (global), forces, interests, pressures and processes that have informed this shift. It assesses how changes in the international political and economic environment precipitated Africa's shift from inward-looking regionalism, to outward-looking regionalism.

Chapter six: NEPAD: A reconstruction of the underlying diplomatic processes

This chapter reconstructs the diplomatic processes through which African leaders and other stakeholders evolved a continental economic cooperation framework differing in fundamental ways from all earlier African initiatives. The chapter has two main thrusts: first, it identifies the principal initiatives that were conceived at the turn of the twentieth century against the backdrop of Africa's worsening economic situation and attempts to explain how the architects of these initiatives, together with existing inter-African institutions pulled together their various ideas and preferences to produce the NEPAD (i.e. the inter-African diplomacy with key actors been leaders of the MAP, the leader of the Omega Plan and key African institutions been the OAU/AU, and the ECA); Second, it evaluates the extent to which interactions between the NEPAD's architects and various extra-regional actors (governments of the industrialised countries, international financial institutions, international regimes and international non-governmental institutions) might have influenced the contents and orientations of the NEPAD.

Chapter Seven: NEPAD challenges and prospects for sustained implementation: a political economy perspective.

This chapter evaluates the reasons and elements that make the NEPAD more amenable to sustainable implemented in comparison to earlier initiatives. The chapter

focuses on the NEPAD's good governance agenda that sets the initiative apart from earlier initiatives. It emphasises two dimensions of the governance agenda: First, it highlights the overall socio-economic benefits of good governance to the continent, however, with a particular focus on the potential of credible domestic institutions of governance to curtail the perceptions of political insecurity that have prevented African governments from genuinely committing to long term development goals, especially goals of regional economic cooperation initiatives. Second and more importantly, the chapter examines the NEPAD's APRM and evaluates the extent to which its design and operational principles make it a dependable enforcement and monitoring mechanism that could align African governments' commitments to the agreed standards and norms of good governance that are perceived as the precondition for the continent's development.

Conclusion

The conclusion summarises the major arguments and findings of the thesis. It addresses some broader issues regarding the design of appropriate regional initiatives and achieving compliance with their prescriptions.

PART ONE

THE LAGOS PLAN OF ACTION: THE STATE-LED INWARD-LOOKING COLLECTIVE SELF RELIANCE MODEL

CHAPTER TWO

AFRICAN ECONOMIC REGIONALISM: AN OVERVIEW OF PRE-LPA INITIATIVES

2.1 INTRODUCTION

Economic regionalism is an important aspect of the dynamics of modern society in its continuous process of transformation.[41] It is premised on the reasoning that individual states cannot readily achieve their goals in isolation from their neighbours.[42] The post World War Two (WW II) years saw regionalism emerging as a global phenomenon relevant to both the developed and developing countries.

However, whereas in the industrialised world, economic regionalism may be desirable for the regulation of the flow of certain goods and services or simply to secure a monopoly in the production and marketing of certain products to achieve more rapid economic growth, in the developing world conversely, economic regionalism has been acknowledged as a necessity for economic development.[43] In Africa, it emerged as a strategy for overcoming the continent's economic vulnerabilities resulting especially from its colonial experience.

This chapter locates Africa's efforts at regionalism in their historical context so as to clarify the dynamics of region building in the continent. It begins by examining rationale for regionalism in the continent. This is followed by an overview of the historical evolution of region building in Africa, with a focus on changes in regional

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[41] S. K. B. Asante, "Regionalism as a key element of African development strategy," in S. K. B. Asante (ed.), "*Regionalism and Africa's development,*" *p.* 2

[42] Christopher Clapham, "The changing world of regional integration in Africa," in Clapham Christopher, Greg Mills et al. (eds.), *Regional integration in Southern Africa: comparative perspectives* (Johannesburg, SAIIA, 2001): 59.

[43] Asante, "Regionalism as key;" B. T. W. Mutharika, *Toward multinational economic cooperation in Africa* (New York: Praeger Publishers Incorporated, 1972): 20; UNECA, *A survey of economic conditions in Africa, 1967*, E/CN.14/409/Rev.1 (New York: United Nations, 1969): 5

initiatives over time – in terms of their size, goals and orientation towards the global economy. It then appraises the level of achievement of immediate post independence regional initiatives, linking their poor performance with the renewed momentum for broader and more viable initiatives that were precursors to the collective self-reliance model of the LPA.

The chapter argues that the impulse for regionalism in the continent came primarily from the colonial legacy of fragmentation of the continent's economic space. Regionalism was seen as the only strategy that could enable the continent adjust to and mitigate individual African countries' weaknesses inherited from colonialism – particularly in reducing the continent's vulnerability to global economic shocks and dependence on former colonial powers. This is consistent with my argument that the design of regional initiatives in the continent has been informed by the political and economic vulnerability of African countries in the global environment.

Regional initiatives in the continent varied in terms of their membership, their institutional arrangements, the goals they set to pursue and more importantly, in their orientation to the global economy. As far as the pre-LPA initiatives are concerned, although they were informed by the Pan-African philosophy, they turned out to be narrowly based, unviable and very extroverted.

Overall, immediate post independence regional economic arrangements failed to produce envisaged economic development in the continent. More importantly, they failed to reverse the continent's dependence and vulnerability to external economic forces. One explanation for this unenviable record was the reluctance of African governments to accept the long-term commitments that were required by regional cooperation arrangements and the implicit restraints on their autonomy over national

policy making. This was compounded by concerns about the distribution of the potential and real benefits of economic cooperation, particularly against the backdrop of differential levels of development and resource endowments of the various states involved in regional economic groupings.

Disappointment with immediate post-independence regional initiatives informed the need for broader, more viable and more inward-looking initiatives beginning in the 1970s. The defining characteristic of the initiatives of the 1970s onwards was that they explicitly challenged the external domination of the continent and therefore, stressed the urgency of curtailing the external vulnerability of African economies. In this regard, the successful ratification of the ECOWAS treaty in 1975 by hitherto divided French and English-speaking West African states was a turning point in region building in the continent in that it came to serve as a catalyst for the establishment of other region-wide initiatives, all geared at evolving inward-looking economic development. The initiatives that followed the ECOWAS Treaty were precursors to the LPA's self-reliance strategy that became popularised in the 1980s.

2.2 ECONOMIC REGIONALISM IN AFRICA: RATIONALE

Regionalism emerged as a central element in Africa's international relations since the terminal years of colonialism.[44] It has remained a key aspect in the continent's development strategy such that regional and sub-regional economic cooperation and integration arrangements have been widely recognised as a necessary condition for the long-term sustainable development of the continent. In this light, African countries and the international community in various convergent policy

[44] William Zartman, "The future of regionalism in Africa," in Colin Legum (ed.), *Africa contemporary record, Vol. 23 1990 – 1992* (New York and London: African publishing Company, 1992); Olatunde Ojo and others, *African international relations*, second edition (London, New York and Lagos: Longman, 1987).

declarations have underlined the indispensability of inter-African economic cooperation for the socio-economic transformation of the continent.[45] The contention has been that regional cooperation could potentially assist African states overcome the economic disadvantages of smallness and fragmentation imposed by colonialism.

Against this background, regionalism has been seen as an "alternative" development strategy to nationally oriented strategies,[46] which could assist African countries in expanding their domestic markets and resource bases, increasing industrial opportunities, diversifying agricultural production, expanding inter-African trade – particularly through improved infrastructure and ultimately strengthening the continent's overall position in relation to the developed countries of the North, through greater independence and self-reliance.[47]

Oteiza and Sercovich have observed that only very large national units have sufficient resource base, climatic diversity, and population size to afford an "autarchic self-reliant model."[48] However, African states are characterised by sparse populations, small internal markets, limited infrastructure, new and fragile borders, and economies

[45] These included amongst others: Africa's Declaration on Economic Cooperation and Development (1973); The Monrovia Strategy (1979); The Lagos Plan of Action (1980); The Final Act of Lagos (1981); Africa's Priority Programme for Economic Recovery (APPER, 1985); Africa's Submission to the Special Session of the United Nations General Assembly on Africa's economic and social crises (1986); The United Nations Programme of Action for African Economic Recovery and Development: 1986-1990 (UN-PAAERD, 1986); The United Nations New Agenda for the Development of Africa in the 1990s (UN-NADAF, 1991): The Cairo Agenda for Action (1995); The Abuja Treaty (1991); The Constitutive Act of the African Union (July 2000) and the New Partnership for Africa's Development (NEPAD, October 2001).

[46] These included, national import substitution industrialisation and various national export promotion strategies that were pursued in the immediate post-independence years in the continent. These nationalist policies were in some ways encouraged by the OAU in its early years of existence.

[47] Mutharika, *Toward multinational cooperation*, p. 55; Kato Lambrecht, "From developmental regionalism to open regionalism: The case of the Arab Maghreb Union" (MA Dissertation, Faculty of Arts, University of the Witwatersrand, Johannesburg, 1999): 55; Asante, "Regionalism as key," p. 30.

[48] E. Oteiza and F. Sercovich, "Collective self-reliance: selected issues," *International Social Science Journal* Vol. 28, no. 4 (1976): 666.

vulnerable to fluctuating global prizes.[49] They are not only economically too small, but also and most unfortunately, enclose populations that are so poor that limiting production to the domestic markets alone would hardly make any economic sense.

The balkanisation of Africa's economic and political space is about one of the most unfortunate colonial legacies. Africa harbours most of the world's smallest states: nine African countries have populations of less than one million inhabitants and over thirty others have populations of less than ten million.[50] Only about ten African states have markets exceeding twenty five million people. Together, these ten countries account for 64 percent of the continent's population and well over 2/3 of its output. Moreover, five of them – Algeria, Egypt, Morocco, Nigeria and South Africa account for over 60 percent of Africa's gross domestic product (GDP), which is itself smaller than that of the Nordic community or Korea. More interestingly, excluding North Africa, Sub-Saharan Africa's gross domestic product (GDP) is about the same as that of Switzerland.[51] In 1989 for example the gross national (GNP) of all sub-Saharan African countries (excluding South Africa) put together was approximately equal to that of Belgium.[52] Worse still, in 1992 South Africa (Africa's largest economy) had a gross domestic product (GDP) of US $103651 million, which was slightly smaller than the Norwegian gross domestic product (GDP) of US$ 112906

[49] Ruth Schachter Morgenthau, "The developing states of Africa," *Annals of the American Academy of Political and Social Sciences*, Vol. 432 (July 1977): 87.

[50] Asante, "Regionalism as key," p. 27.

[51] Mistry, "Africa's record," p. 555.

[52] Asante, "Regionalism as key," p. 30; Foruatan, "Regional integration in SSA," p. 234.

million.[53] In other words, Africa's supposedly largest economy standing on its own is approximately the same size in terms of GDP, as that of a small European economy.[54]

The smallness of African national markets has informed the conclusion that only economic integration and cooperation could facilitate the production of investment and intermediate goods where economies of scale are especially important, promote industrial efficiency and competitiveness, and generally accelerate the rate of economic development in the continent.[55] The United Nations Conference on Trade and Development (UNCTAD), in 1967 recognised the importance of bigger markets for meaningful industrialisation in the developing world by pointing out that:

> The bigger the area and the more varied its resources, the larger the number of industries, likely to be capable of operating under optimum conditions. Projects not only economically feasible or only feasible at high cost in an individual country become a practical proposition if undertaken by several countries jointly.[56]

The need for large applications of capital investment arises as a result of various technical indivisibilities and external economies. In the developing countries, the indivisibility of the production function, especially in the supply of social overhead capital, causes investments to be less than profitable if undertaken by any individual state, largely due to the limitations in the domestic market. Moreover, even when it is possible for any individual state in the developing region to undertake large applications of capital investment excess capacity or under-utilization of plant capacity results. To avoid this, extensive participation in capital investments by a

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[53] World Bank, *World Development Report 1994* (New York: Oxford university Press, 1994): 188.

[54] Asante, "Regionalism as key," p. 30.

[55] Hollis Chenery, *Patterns of development 1950 – 1970: A study for the World Bank* (London: OUP, 1975); Mutharika, *Toward multinational economic*, p. 29.

[56] UNCTAD cited in Bajulaiye-Shasi Tunji , "Concepts and processes of economic integration," in *The challenges of African economic integration,* selected papers for the Annual Conference of the Nigerian Economic Society (Nigeria: Nigerian Economic society [NES], 1992): 9.

large number of countries is recommended.[57] The problem of capital accumulation and excess capacity has been more acute in Africa than in any other region of the developing world, due especially to the continent's extremely small, highly protected and underdeveloped national markets.[58]

Within this context, regional cooperation has been seen as a strategy for broadening African markets, facilitating industrial expansion as well as increasing the volume of external capital injection into African economies.[59] African countries have depended on foreign capital for their development and have acknowledged the need to make their investment markets more attractive, particularly in terms of fair return to capital outlay. However, single African countries have been incapable of providing such a framework, particularly with regard to the establishment of large-scale industries. The perception has been that foreign investors become more attracted when economies are integrated and when risk can be spread over a wider area, further strengthening the case for regionalism.

Regionalism has also been seen as pre-requisite for reducing the vulnerability and dependence of African economies to external influences. During the colonial era, African economies were geared at mineral extraction and the production of tropical crops for colonial industries. The colonial powers were not interested in long-term internal growth and self-reliance in the continent. They failed to create an indigenous industrial and technological base for an eventual take-off of African economies. Therefore, at independence "most African countries lacked both the required domestic endowments in terms of human, social and material capital, and the physical and

[57] Paul N. Rosenstein-Rodan, "Problems of industrialisation of Eastern and South Eastern Europe," *Economic Journal, Vol. 53* (June – September 1943): 202-211.

[58] Mutharika, *Toward multinational cooperation*, p. 23.

[59] Ibid. p. 26.

institutional infrastructure for industrialisation and development."[60] Several decades after independence, Africa's production pattern and physical infrastructure still largely reflects its colonial inheritance – with transportation and communication for example, remaining geared to extracting and exporting tropical crops and minerals (most of the time without any added value), and importing finished goods (capital, consumer and intermediate goods).[61]

This has not only made African states dependent on a narrow range of products (especially cash crops and minerals) for a greater proportion of their foreign exchange earnings, but more importantly, it has created a situation wherein "independent" African states' trade policies cannot be detached from the trade and development policies in the advanced countries. Fluctuations in prices of primary products and large increases in imports of manufactured goods render the African economies particularly vulnerable to external influences. To change this pattern, it has been found imperative that African countries through concerted action diversify their economies through the development of industries geared to manufacture consumption and intermediate goods.[62]

The need to change the pattern of trade between African states and the developed world was recognised as early as the 1960s. In this respect, many African governments adopted national policies of import substitution industrialisation (ISI) as a development strategy, aimed at reducing their high dependence on the former colonial powers. However, these policies could not be effectively prosecuted largely because of the smallness of individual national African markets and also because of

[60] Mistry, "Africa's record," p. 554.

[61] Ibid. p. 555.

[62] Mutharika, *Toward multinational cooperation*, p. 27.

the high cost of acquiring the required technology, which was understandably beyond the capacity of a majority of individual African states. The failure of national import substitution industrialisation strategies further underscored the fact that African countries could only break their excessive dependence on the developed world through collective action.

In a nutshell, regional cooperation and integration has been seen as both desirable, and necessary to overcome the economic disadvantages imposed by the fragmented nature of Africa's economic space. It has been perceived as a viable strategy to engender the industrialisation of the continent, the development of inter-African trade and the capacity to effectively evolve global linkages and interdependencies, reduce the continent's vulnerability to fluctuating overseas markets, mobilize and maximize the continent's use of scarce resources and to forge a way to effective African economic and political unity.[63]

There has been convergence of views among African scholars and political leaders that very little progress can be made in any area of endeavour in the development process in Africa without some significant level of cooperation between African states. This perception together with the fact that Africa got independence during the era of regionalism have served as an impulse for African states to resolve to vigorously pursue a policy of promoting regional cooperation and integration.[64] Since independence therefore, African states have contemplated and experimented with various forms of cooperation and integration arrangements.

These schemes have varied in terms of the number of states involved, from the minimum of two (like the Senegambian Confederation or the Mano River Union) to

[63] Asante, "Regionalism as key," p. 30.

[64] Ibid; also see Adedeji Adebayo, "History and prospects for regional integration in Africa," Paper presented at the Third Meeting of the African Development Forum (Addis Ababa, March 5 2002): 2.

sixteen (the Economic Community of West African States – ECOWAS). They have sometimes (like the East African Community – EAC or the Customs and Economic Union of Central African States –"Union Dounier et economique des etats de l'Afrique Centrale" –UDEAC) been essentially carryovers into the independence era of former colonial arrangements, and at other times (like the case with the ECOWAS, or the Southern African Development Community – SADC) been intended to bridge over the divisions created by colonial partition. They have likewise differed in the complexity of their institutional arrangements, the level of common services possessed, and the ambitions of their goals.[65] More importantly, regional arrangements in Africa have varied in terms of their orientation to the international political economy. In this respect, Steven Radelet has argued that "these schemes have been established either to support an inward-oriented or an outward oriented trade strategy."[66]

2.3 AFRICAN REGIONALISM: HISTORICAL EVOLUTION

Africa has had a very long and complex history of regional endeavours. Generally however, five main phases are discernible in the historical development of regionalism in Africa: [67]

- The first phase was that led by what Adebayo has called "supra-national Pan-Africanism."[68] It spanned from Ghana's independence in 1957 to the formation of the OAU in1963;

[65] Christopher Clapham, "The changing world of regional integration in Africa," in Clapham Christopher et al., *Regional integration in Southern Africa: Comparative international perspective* (Johannesburg: SAIIA, 2001): 59-60.

[66] Steven Radelet, "Regional integration and cooperation in Sub-Saharan Africa: Are formal trade agreements the right strategy?" African economic policy discussion paper no. 20 (Washington DC: USAID Bureau for Africa, office of sustainable development, July 1999): 2-3.

[67] My analysis in this section leans heavily on Adebayo Adedeji's discussion of the phases of regionalism in Africa in Adebayo, "History and prospects," pp. 1-12.

[68] Ibid.

- The second phase consisted of efforts to modify or restructure colonially inherited or pre-independence cooperation and integration arrangements;

- The third phase meanwhile, encompassed efforts to set up larger and more sustainable sub-regional arrangements among independent states, culminating in what appeared to be a "breakthrough" in sub-regional cooperation in the 1970s and 1980s;

- The fourth phase was heralded by the advent of the historic Lagos Plan of action (LPA - 1980) and its associated Full Act of Lagos (FAL - 1981) and extended up to the signing of the Abuja Treaty – establishing the African Economic Community (AEC) in 1991;

- The fifth phase has been seen as commencing with the Abuja Treaty, through the constitutive Act of the African Union to the emergence of the New Partnership for Africa's Development (NEPAD).

Pre-LPA initiatives fit into the first three phases of Adebayo's classification and are the focus of this chapter. The logical starting point in the reconstruction of these endeavours is the famous Pan-African movement of the early independence era.

2.3.1 PAN-AFRICANISM: THE POLITICAL EMBRYO OF AFRICAN REGIONALISM

Pan-Africanism has been described as the consciousness and awareness of oneness that developed amongst Africans as a result of the deep feelings of dispossession, inferiority, discrimination, and loss of dignity and freedom occasioned by long years of inhuman treatment of Africans during colonial rule. The identification of a common enemy – colonialism deepened the consciousness of oneness amongst Africans. Understandably, in the early days of the struggle for independence, Pan-Africanism denoted the movement towards self-rule and self-determination of the African people.[69]

[69] Mutharika, *Toward multinational cooperation*, p. 10.

Political liberation in Africa was the harbinger of the embryo of economic integration and union that found eloquent articulation in the late 1950s with the emergence of Ghana as the first black independent state in Sub-Saharan Africa in 1957.[70] Pan-Africanism as an idea and as a movement on the African continent was predicated on cooperation and unity, such that the struggle to develop new patterns of post-colonial, continental and regional cooperative arrangements was, in a very real sense, an aspect of the struggle to institutionalise Pan-Africanism.[71]

Little wonder, regional cooperation and integration have been seen to have began as aspects of the Pan-African movement, which was aimed at the 'unification of African forces against imperialism and colonial domination.' It was recognised as an essential component of the strategies of economic decolonisation long before the attainment of political independence.[72] One of the first African integration plans was debated at the Fifth Pan -African Congress held in Manchester, England in 1945, under the leadership of Kwame Nkrumah of Ghana and George Padmore of the West Indies.[73] At the congress, the establishment of a West African economic union was recommended as a means of combating the exploitation of the economic resources of the West African territories and ensuring the participation of indigenous people in the industrial development of West Africa.[74] Meanwhile, as early as 1942, Nkrumah was already mapping out his politico-economic agenda for the continent by insisting that;

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[70] Abraham Kinfe, "The challenges and prospects of Pan-African economic integration," paper presented at the Conference on economic integration and trans-boundary resources (Ethiopia: Ethiopian International Institute for Peace and Development - EIIPD, nd): 2.

[71] Ojo et al., *African relations*, p. 143.

[72] Asante, "Regionalism as key," p. 32.

[73] Ibid; Mutharika, *Toward multinational cooperation*, p. 11.

[74] Adedeji Adebayo, "Comparative strategies of economic decolonisation in Africa," in Ali A. Mazrui (ed.), *General history of Africa, VIII: Africa since 1935* (London: Heinemann, 1993): 408.

all the West African colonies "must unite and become a national entity, absolutely free from the encumbrances of foreign rule, before they can assume the aspect of international cooperation on a grand-scale."[75]

Pan-Africanism became both an integrative force and a movement for the liberation of the continent. It was anchored on the belief that "a divided African continent could never control its economic destiny and therefore, could never be genuinely independent."[76] The centrality of the twin logics of integration and liberation in the Pan-Africanist movement is well captured by Nkrumah's submission that:

> If we are to remain free, if we are to enjoy the full benefits of Africa's rich resources, we must unite to plan for our total defence and the full exploitation of our material and human means in the full interest of our people. To go it alone will limit our horizon, curtail our expectations and threaten our liberty.[77]

The advent of Ghana's independence in 1957 gave a new fillip to the struggle for the liberation and integration of the African continent. The three historic All-African Peoples' Conferences held in 1958, 1960 and 1961 respectively, and the Second Conference of Independent African States held in Addis Ababa in June 1960, all strongly urged the newly independent African states to accept economic cooperation as the basis of economic transformation.[78] There was also agreement on the need to establish an African common market, devoted uniquely to African

[75] Kwame Nkrumah, *Towards colonial freedom* (London: Heinemann, 1962): 33.

[76] S. K. B. Asante, "Towards a continental African economic community by the year 2000?" In Fyfe Christopher (ed.), *African futures* (Edinburgh: University of Edinburgh, 1987): 78.

[77] Nkrumah cited in Kinfe, "Challenges and prospects," p. 2.

[78] Ibid; Mutharika, *Toward multinational cooperation*, p. 18.

interests, as a strategy of efficaciously promoting the true requirements of African states.[79]

Meanwhile, during the 1958 conference, delegates adopted a resolution to establish economic and research committees within each African country; and a joint economic and research committee with representatives of all independent African countries. The tasks of these committees was to consolidate the economic development policies of African states, promote trade and common industrial policies and coordinate economic planning among African states with a view of achieving an all-African economic cooperation arrangement.[80] At the Addis Ababa Conference of 1960, the independent African states recommended the creation of an African council for economic cooperation, an African Development Bank and an African Commercial Bank. The collective fervour for economic integration and cooperation ran through the various resolutions that sanctioned post independence Pan-Africanist conferences.[81] However, there was no consensus on the scope and form that integration-cooperation would take among the emerging African states.

Efforts to institutionalise the concept of Pan-Africanism in the early post-independence years structured and shaped the debate on the proper form and scope of African unity. Attention became focused on the geographical extent as well as the intensity or degree of cooperation deemed necessary.[82] Nkrumah, the greatest proponent of Pan-Africanism canvassed for an all-embracing continental regionalism, which was to involve total economic integration and political union of all African

[79] Asante, "Regionalism as key," p. 33.

[80] Adebayo, "Comparative strategies," p. 408; Mutharika, *Toward multilateral cooperation*, p. 18.

[81] Asante, "Regionalism as key," p. 33.

[82] Ojo et al. *African relations*, p. 143.

states.[83] He strongly believed that the only way African countries could ever achieve the level of development of industrialised countries was through the total integration of African economies on a continental scale.[84]

Nkrumah struggled to impress his case on his peers by pointing out that no independent African state by itself had a chance to follow an independent course of economic development, and that many African states that had tried to do this had almost been ruined or had returned to the fold of the former colonial rulers. He argued with conviction that this was not to change unless African states had a unified policy - working at the continental level. And in the realm of actualising his ideal of political unity, Nkrumah proposed a 'continental union government' or, at the very least, a political union of West African States. A Ghana-Guinea-Mali union, a Ghana-Guinea union and a Ghana-Congo (Zaire) union were each envisaged by Nkrumah as a nucleus for continental union.[85]

Nkrumah's radical and all-embracing "supra-national Pan-Africanist" approach to African cooperation came into sharp confrontation with the "gradualist" preferences of a majority of African states, particularly Nigeria. Nigeria's position was that "economic integration was to precede political union and that economic integration itself must begin at the sub-regional level and proceed in stages beginning with functional cooperation and coordination and leading towards, perhaps, a common market."[86] The disagreement over the proper form and scope of African cooperation heralded a power struggle between Nigeria and Ghana, which broadened

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[83] This is where Adebayo Adedeji derives his notion of "supra-national Pan-Africanism." See Adebayo, "History and prospects," p. 2.

[84] Kwame Nkrumah, *Africa must unite* (New York: Preager; London: Heinemann, 1963): 163.

[85] Ojo et al. *African relations*, p. 143.

[86] Ibid. p. 103.

to engulf the entire continent with attendant implications for the direction and depth of inter-African relations.

This struggle culminated in the emergence of two main power blocs: the socialist oriented Casablanca Group formed in January, 1961 (between Ghana, Guinea, Mali, Egypt, Algeria, and Morocco) stood for the immediate unity – political and economic; the Monrovia Group established in May 1961 (between 19 African states - Nigeria, Liberia, sierra Leone, Senegal, Ivory Coast, Cameroon, Togo, Madagascar, Mauritania, Dahomey (now Benin Republic), Chad, Niger, Burkina Faso, Congo Brazzaville, the Central African Republic, Gabon, Ethiopia, Tunisia and Libya) emphasised a more gradual and functionalist approach to African unity. Meanwhile, French-speaking African states wary of Nigeria's hegemonic potentials in particular and apprehensive of cooperation with Anglophone states generally, formed a splinter group within the Monrovia bloc (between Cameroon, the Central African Republic, Ivory Coast, Benin, Gabon, Mauritania, Burkina Faso, Madagascar, Niger, Senegal and Chad) that came to be known as the Brazzaville group.[87]

The divisions among these blocs formed the stuff of inter-African relations in the 1960s.[88] However, by the end of 1962, it emerged that notwithstanding the Anglophone- Francophone bifurcation within the Monrovia power bloc, and despite the general weariness of African states of Nigeria's hegemonic potentials, Nigeria's gradualist approach to cooperation was preferred as a lesser evil to Nkrumah's radicalism and unavowed personal ambitions for continental leadership.[89] Therefore,

[87] For further insights into these power blocs, see Godwin Onu, "The institutional consequences of domestic politics on Africa's international relations and regional cooperation," Paper presented at the Department of Political Science, Nnamdi Azikiwe University, Akwa, Anambra State, Nigeria [n.d.): 97. Accessed at http://infoweb.abs.net

[88] Ojo et al. *African relations*, p. 144.

[89] See generally Willard Scott Thompson, *Ghana's Foreign Policy, 1957-1966* (Princeton: Princeton University Press, 1969): 196-269 & 305-89.

the Nigerian-led Monrovia bloc eventually prevailed over the Ghanaian-led Casablanca bloc in this ideological impasse, precipitating the formation of the Organisation of African Unity (OAU) in 1963.[90]

The question of political and economic unity on a continental or regional scale was laid to rest in the greater part of the 1960s with the formation of the OAU,[91] particularly as its charter emphasised the respect of colonially inherited frontiers and non-interference in the internal affairs of states as the defining elements of interactions between African states.[92] This was despite the enshrinement of regionalism as an important element of the OAU Charter. Furthermore, the OAU's focus on the liberation dimensions of Pan-Africanism and the sudden overthrow of Nkrumah in 1966 precipitated a loss in momentum in the integration dimension of Pan-Africanism through most of the 1960s.[93]

Given the environment of early 1960s,[94] the whole concept of continental unity of interests (political and economic) was admittedly tenuous, despite the common heritage of colonialism. Moreover, the link between the movement towards political unity and the call for continental economic integration in the form of a common market turned out to be counterproductive because African leaders who were opposed

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[90] Asante, "Regionalism as key."

[91] Ojo et al., *African relations*, p. 144; Francis Kornegay, "Beyond the OAU: African Union or Afro-Jamahiriya?" IGD Foreign Policy Paper (Jaohannesburg, Braamfontein: IGD, 2000).

[92] OAU, *Charter* (Addis Ababa, May 25 1963)

[93] Rajab, Ahmed, "The future of African Unity," accessed at http://news.bbc.co.uk/hi/english/word/africa/newsid_1351000/1351625.stm

[94] The environment of the 1960s was defined by: the newness of African states and the concern of African leaders with their newly acquired sovereign power; the heterogeneity of African states in terms of differences in size, culture, and levels of development; the lack of adequate infrastructure, particularly transport and other means of communication; the differences in colonially inherited political ideologies – pro-socialists and pro-capitalists; and the strong bilateral ties established with former colonial powers.

to political unity, also tended to give less than serious attention to economic integration even as they acknowledged its importance.[95]

Therefore neither Nkrumah's enthusiasm for the noble Pan-African ideal of political unity and economic "continentalism" nor Julius Nyerere's preferred "incremental regionalism" leading eventually towards Pan-Africanism went beyond the stage of theoretical discussion.[96] Understandably, continental economic integration remained a "dream of unity" in the sixties and it was slowly supplanted by "economic sub-regionalism."

Under the impetus of those states which favoured functional cooperation and coordination, and with the backing of the United Nations General assembly as well as the relentless independent efforts of the United Nations Economic Commission for Africa (UNECA), it became generally accepted that for the purposes of economic cooperation and development, Africa be divided into five economically viable sub-regions: North Africa comprising the Arab states; West Africa (from Mauritania to Nigeria); Central Africa (from Chad and Cameroon to Sudan/Zaire); East Africa (from Ethiopia to Tanzania) and Southern Africa (from Angola to Mozambique).[97] A good number of initiatives attempted in the late1960s and 1970s centred more or less on this regional mapping although none of them attained the scope originally envisioned. Moreover, most of them turned out to be oriented towards former colonial powers as they were constructed on the structures inherited from the colonial era.

[95] Asante, "Regionalism as key," p. 33-34.

[96] Ibid. p. 34.

[97] Ojo et al., *African relation*, p. 144.

2.3.2 SUB-REGIONALISM IN THE 1960S: DEPENDENCE AND EXTERNAL ORIENTATION

Pre-independence sub-regional institutions served as a foundation to most of the economic cooperation initiatives that were attempted in Africa in the 1960s and early 1970s. In Francophone Africa especially, regionalism in the 1960s virtually amounted to a form of "damage control" of the abrupt reversal of French colonial policy of political and economic integration to one of balkanisation before granting independence in the 1960s.[98] The French colonial administration had established a high level of political organization, grouping its thirteen Sub-Saharan African territories into two federations: French West Africa (AOF – Afrique Occidental Français) and French Equatorial Africa (AEF – Afrique Equatorial Français).

The former, whose capital was in Dakar, was made up of eight territories – Mauritania, Senegal, French Sudan (now Mali), French Guinea (now Giunea), Dahomey (now Benin Republic), Niger, Cote d'Ivoire, and Upper Volta (today's Burkina Faso). The French Equatorial African Federation meanwhile was made up of the Central African Republic, Chad, Congo, Gabon and later Cameroon with its capital in Brazzaville. These two federations had a great potential for economic integration and development. However, on the eve of independence, the French engaged in the systematic fragmentation of these territories, culminating in the dissolution of the AOF and AEF by 1958. At independence therefore, the former French colonial territories faced the challenge of minimising the restrictions and constraints of fragmentation through a policy of promoting economic cooperation and integration.[99]

[98] See Adebayo, "History and prospects," p. 3.

[99] Ibid. p. 3.

In French West Africa, efforts to maintain pre-independence cooperation ties on a new basis began as early as 1959 when Dahomey (Benin), the Ivory Coast, Niger and Upper Volta (Burkina Faso), agreed to set up a council of understanding (Counseil de l'Entente) with the objectives of promoting economic development and integration among members through a customs union. The arrangement also provided for the coordination of policies in the fields of communication, administration and fiscal policies, and assistance in the preparation of economic and industrial projects including sourcing for foreign aid to implement them. Despite early successes, the council did not make much progress towards a common market and was unable to establish supra-national institutions to move integration forward. Worse still, trade among its members remained a small fraction of their trade with non-members.[100] It eventually started diminishing in importance due to the diversion of attention to an apparently larger and more dynamic grouping – the Economic Community of West Africa (Communaute economique de l'Afrique de l'Ouest – CEAO).

The creation of the CEAO can be traced back to the establishment of the West African Customs Union (Union Douaniere de l'Afrique de l'Ouest – UDAO) in 1959 to cushion the economic effects of the pending break up of the Federation of French West Africa, which collapsed in 1962. It was revived in 1966 as the Customs and Economic Union of West Africa (Union Douaniere et Economique de L'Afrique de L'Ouest – UDEAO), with a less ambitious objective than a full customs union. By 1969 however, UDEAO had been pronounced a failure by its council of ministers and it was to be replaced by the Economic Community of West Africa (Communaute Economique de L'Afrique de L'Ouest - CEAO) that came into being in 1973.

[100] Ojo et al., *African relations*, p. 152.

The CEAO was deemed to be a customs union of seven states – Benin, Niger, Senegal, the Ivory Coast, Mali, Upper Volta (Burkina Faso) and Mauritania. The April 1973 Treaty establishing the CEAO provided for free trade in certain commodities, free movement of persons, a common external tariff and a community fund for compensation to those states that benefit less from the union. Although the CEAO has registered some relative successes, particularly in expanding trade among its members, tensions have persisted over the relative share of regional trade, and no significant progress has been made in the area of coordination and harmonisation of industrial and economic development plans. Jalloh observes pessimistically, "the CEAO gives the impression of stagnating with little prospects for the expansion of regional tasks."[101]

Meanwhile after the demise of the Federation of French Equatorial Africa (AEF) in 1956, Congo (Brazzaville), Gabon, the Central African Republic and Chad chose to maintain their former economic links in the form of a customs union and also to coordinate their fiscal policies. In this light, a treaty formerly establishing the Equatorial Customs Union was concluded in 1959 and in 1964, a new treaty that sought to strengthen the union in the direction of common market was negotiated. In January 1966 the treaty formerly establishing the Economic and Customs Union of Central African States (Union Douaniere et economique de L'Afrique Centrale – UDEAC) was signed.[102] This organisation has not performed any better as restrictions on the opening of markets and non-compliance with its rules have sapped it of most of

[101] Abdul Aziz Jalloh, "Recent trends in regional integration in Africa," *Nigerian Journal of Internal Affairs, no. 61 &2* (1980): 75.

[102] Peter Robson, "Economic Integration in Equatorial Africa," in Hazelwood Arthur (ed.), *African integration and disintegration* (London: Oxford University Press, 1967).

its energy as an integrative system.[103] Since 1966, not much has been achieved beyond the unification of tariffs and import duties. The envisaged full customs union has remained a distant illusion and very little progress has been made in other areas of cooperation.[104]

Under French influence, former French African colonies engaged in efforts to evolve an umbrella organization for cooperation among themselves, and between them and France. In 1961 they established the African and Malagasy Economic Cooperation Organization (OAMCE – Organisation Africaine et Malagache de Cooperation Economique), to manage economic relations between them. Meanwhile, an African and Malagasy Union (UAM – Union Africaine et Malagache), was also set up to take care of the political aspects of cooperation. With the emergence of the OAU in 1963, which eclipsed political unions in the continent, the OAMCE and the UAM and their affiliate organizations were consolidated into the African and Malagasy Union for Economic Cooperation (UAMCE – Union Africaine et Malagache de Cooperation Economique) in 1964 to carter solely for economic, socio-cultural and technical matters. However, given that at the time the OAU was still finding its feet, the UAMCE was given the mandate to perform both political and economic roles. Accordingly, in 1965 UAMCE was reorganized into what became known as the African Malagasy Common Organization (OCAM – Organisation Commune Africaine et Malagache).[105]

The objectives of OCAM included amongst others: the harmonization of economic, social, technical and cultural policies and activities, coordination of

[103] Asante, "Regionalism as key," p. 35.

[104] Ojo et al., *African relations*, p. 157.

[105] Roland Julienne, "The experience of integration in French-speaking Africa," in Hazelwood, *African integration*, pp. 349-51.

development programmes; and consultation and coordination in foreign policy matters. In relation to France, OCAM has been seen in many circles as a major instrument by which France maintained cohesion and control over her former colonies, while at the same time wading off the influence of radical African states – particularly Nkrumah's Ghana and Nigeria.[106] Criticism by some progressive member states like Mauritania of the excessive dependence of OCAM on France, divergences over the Arab-Israeli conflict and apartheid South Africa brought severe strains on the organization. This pushed the organization to resolve to make itself completely non-political and to become an exclusive instrument of economic, cultural and social development. In 1975, its charter eliminated reference to political consultations among member states.[107] In terms of concrete realisations, OCAM's showcase achievement was the establishment of the Pan-African Airways (Air Afrique), followed by the setting up of the Association of Development Banks and the Afro-Malagasy Industrial Property Organization. Unfortunately, because of the numerous problems that have faced this organization, its projects, including the showcase "Air Afrique," have seriously declined. And as Ojo and others put it: "OCAM has not been able to move forward, it has been in a state of encapsulation, or stagnation."[108]

While the British colonial administration did not go as far as their French counterparts in linking their territories into federal unions, they did not entirely neglect the usefulness of economic cooperation between their colonial territories.[109] In British West Africa they established a common currency and common services

[106] Ojo et al., *African relations*, p. 153-4.

[107] A. Y. Yansane, "West African economic integration: is ECOWAS the answer?" *Africa Today no.* 24, 3 (1977): 46-7.

[108] Ojo et al., *African relations*.

[109] Adebayo, "History and prospects," p. 4.

such as the West African Currency Board, the West African Court of Appeal, the West African Cocoa Research Institute and the West African Airways Corporation. In British East Africa, there was the well-known East African Economic Community.

However, at independence, while the Francophone West and Equatorial African countries consistently strove to maintain or restructure pre-independence cooperative institutions and even to establish new ones, their Anglophone counterparts disbanded the few joint institutions left behind by the British. Thus, each of the Anglophone West African states adopted its own currency and under the instigation of Ghana, all the common institutions were systematically dissolved, with the end result being the advancement of the disintegration of the region. Even more dramatic was the fact that the East African Community, arguably the most sophisticated regional cooperation arrangement in the Third World at the time, started facing acute tensions in the 1960s, such that by the end of the decade, its known level of economic integration had considerably declined.[110]

The East African Community was a regional grouping of Kenya, Uganda and Tanzania established by a treaty that came into force in 1967. However, this treaty was only a culmination of a long process that began with the British colonial measures to promote more unified administrative control over its East African territories by establishing an East African Court of Appeal (1902), a Postal Union (1911), a Customs Union (1917), and the East African Currency Board (1920). In 1948, a quasi-federation was established with a common market and a number of important common services such as the East African post and telecommunications administration, and the agricultural and medical research services.[111] The significance

[110] Asante, "Regionalism as key," pp. 35-6.

[111] Ojo et al., *African relations*, p. 157.

of the EAC can best be grasped by reflecting on the fact that at the time its member states got independence, external trade, fiscal and monetary policies, transport and communications infrastructure, including university education were all regional rather than national. Subsequently, these links and services were systematically dismantled and all the high hopes that Kenya, Uganda and Tanzania would evolve into a full federation evaporated. By June 1977, the whole structure of the East African Community, once regarded as a model for African regional cooperation had collapsed.[112]

In Northern Africa, the Maghreb states were heavily dependent on France for their economic life; particularly in terms of export and import trade. The signing of the Treaty of Rome in 1958 establishing the European Economic Community drastically altered the terms of cooperative relations between these states and their former colonial master. Within the new context of a united Europe, Maghreb leaders organised a Conference of Unity at Tangiers in 1958, during which the issue of economic cooperation was discussed for the very first time at an executive leadership level. The idea of a united Maghreb front to strengthen the region's leverage towards the emerging Western European economic bloc was hatched. The need was recognised to coordinate and harmonise industrial policies between the Maghreb states and to define a common position towards the EEC with a particular focus on multilateral trade relations as a strategy for the development of the region.[113]

[112] Ibid. p.158; Asante, "Regionalism as key," p. 36.

[113] Lambrechts, "From developmental regionalism," pp. 79-80.

Agreement was reached on the establishment of a Maghreb Consultative assembly and a permanent secretariat to institutionalise the process of cooperation.[114] However, between 1959 and 1963, economic difficulties, political instability and a number of powerful centrifugal forces became stronger than the unifying forces in the region and therefore, rendered the regional cooperation project a lesser priority.[115] Regionalism in the region therefore, remained confined to declarations and governmental proclamations in the years preceding the creation of the Maghreb Permanent Consultative Committee (MPCC) in 1964.

Notwithstanding the divisive centrifugal forces in the Maghreb region, and although the individual Maghreb states were fully embroiled in the task of building their respective national economies, the need for regional cooperation still lingered in the minds of the Maghreb leaders. At two important conferences in Tunis and Casablanca in 1962, the economic ministers of the region came to the conclusion that "national economic policy making should henceforth take account of the regional context, otherwise it will not be successful, and that political unity can only succeed if it is based on economic cooperation."[116] From 1964 onwards, Maghreb states revived efforts to institutionalise regional cooperation beyond the scope bilateral arrangements. And with the assistance of the Economic Commission for Africa (ECA), the first Maghreb ministerial conference on industrial development was held in 1964, with discussions focussing on evolving cooperation in line with

[114]Toumi Mohsen, "Des developpements 'ego-centre' au developpement solidaire," in Kadmani Darwish and M Chartouni Dubarry (eds.), *Le Maghred: les annees des transition* (Paris: Masson, 1990): 166.

[115] Lambrechts, "From developmental regionalism."

[116] El Jabri cited in Ibid. p. 83.

institutionalising a collective self-reliant and regional import substitution development strategy.

In a follow-up to the 1964 Conference a protocol agreement recommending the creation of a Maghreb Permanent Consultative Committee (MPCC) was adopted in Tunis in November 1965. Maghreb ministers gave the MPCC a joint mandate to facilitate the coordination of the development policies of their respective states, to examine conditions that could enhance industrial harmonisation and develop the conditions that would support a multilateral framework, which would encourage intra-regional trade. Although Maghreb ministers only vaguely discussed the type of integration to be pursued, their general approach corresponded to sectoral integration, with the guiding objective being "collective self-management."[117] Between 1964 and 1975 under the aegis of the PMCC seven ministerial meetings were held, a total of four protocols signed and two ministerial declarations made all outlining the principles of cooperation.[118] However, because national governments were not legally bound by these protocols and declarations, their impact and potential as a driving force for the integration process in the region remained limited.

A 1967 conference of economic ministers of the Maghreb adoptted a resolution to alter the approach to the regional cooperation project, from a sectoral to a "comprehensive regional development strategy." The MPCC was, therefore, to focus on accelerating trade liberalisation and industrial harmonisation over a five years transition period. It was to examine problems of economic cooperation and coordination as well as appropriate measures to facilitate structural integration. A particular emphasis was to coordinate the respective Maghreb states' trade relations

[117] Ibid. pp. 85-6.

[118] Jean-Claude Santucci, "Le Grand Maghreb Reactive: Crise des etats et ideologie de substitution," *L'Annuaire de l'Afrique du Nord, Vol. 23* (1983).

with the EEC and other third countries. It was also to explore the possibilities of intra-regional trade liberalisation and the gradual establishment of a customs union with a common external tariff, harmonised customs policies and a multilateral payment system.[119] However, centrifugal forces in the form of divergent development trajectories, political tensions and ideological differences persisted between the governments of the region, making regionalism in the Maghreb during the first two decades after independence a big failure.

In the Southern African region, regionalism in the 1960s and 1970s was driven by South Africa's policy of apartheid. On the one hand, smaller neighbouring states embarked on regional arrangements to shield themselves from economic domination by apartheid South Africa. On the other hand, South Africa initiated a regional project as a veil its widely criticised racist supremacy policies. First, Pretoria's apartheid policies were seen by its smaller neighbours as a threat to their interests, therefore, these states sought a collective approach and solution in their intercourse with South Africa. This started with the creation of an alliance of Front Line States (FLS) that ultimately led to the formation of the Southern African Coordinating Conference (SADCC) in 1980. This body became the vehicle through which South Africa's smaller neighbours sought to lessen their economic dependence on the hegemonic minority regimes in the Republic of South Africa.[120]

On its part, South Africa in the face of the resurgence of armed struggles in its peripheries in the late 1960s adopted a policy strategy of establishing strong economic relations with the neighbouring former British protectorates in Southern Africa

[119] Lambrechts, "From developmental regionalism," p. 89.

[120] Naomi Chazan, Robert Mortimer, John Ravenhill and Donald Rothchild, "Africa and the world economy," in Chazan et al., *Politics and society in contemporary Africa*, second edition (Boulder: Lynne Rienner, 1992): 357-8.

namely: Botswana, Lesotho, and Swaziland (BLS states). South Africa therefore, championed the revival of the Southern African Customs Union (SACU) in 1969. This revived customs union which in a very real sense was a restructuring of preceding cooperation arrangements (dating as far back as 1910) between the Republic of South Africa and its surrounding dependent enclaves, was South Africa's strategy to establish a form of economic "apron-string" over these dependent states and to prevent them from participating in the political, diplomatic and military efforts to liberate the oppressed majority black population in South Africa. SACU also offered South Africa a propaganda weapon internationally to demonstrate how beneficial the association was to the satellite states and therefore strengthen their rationale for the infamous Bantustan policy (homelands) for Africans.[121] SACU was arguably more of a politico-diplomatic device in the hands of South Africa's apartheid regimes than a genuine instrument for sub-regional cooperation for development.

Alongside these initiatives with a semblance of regional outlook, there was a proliferation of mini schemes, in the form of intergovernmental, multi-sectoral and multi-national organizations for the promotion of technical and economic cooperation among different clusters of African states. This proliferation of regional initiatives converted the 1960s into what Asante has described as "the halcyon years of African regionalism."[122] However, by the early 1970s most schemes that had been launched with a lot of fanfare in the 1960s had become moribund.[123] Indeed, the process of region building in Africa's first decade of independence was often no more than a declaration of intent and an indication of continental alignment. Considering the

[121] Ojo et al., *African relations*, p. 156.

[122] Asante, "Regionalism as key," p. 35.

[123] Adebayo, "History and prospects," p. 4.

collapse of the East African Community in 1977, the decade after independence could be said to have witnessed a decline rather than a progress in the field of effective regional cooperation and integration in Africa.[124] The reasons for this dramatic failure of efforts at regionalism in the immediate post independence years are many and varied.

2.3.3 EXPLAINING THE FAILURE OF ECONOMIC REGIONALISM IN THE EARLY POST INDEPENDENCE YEARS

While African countries' enthusiasm for concerted action in the immediate post independence years reflected an awareness of their weakness inherited from colonial partition, the failure to commit genuinely to regional arrangements was informed largely by domestic political and economic considerations.

One of the most prominent explanations for the rather poor outcome of economic cooperation and integration during the early years after independence was the growth and impact of national consciousness. States spawned by the process of colonialism were by no means nations; rather, they represented the shells of territorial independence in which the kernel of national identity had been planted by the independence movements. The major task of the new governments was to provide the soil in which the seed could grow. Anxious to encourage national integration, the new African state leaders were compelled to look inward and to rank as their first priority the political, economic and social developments of their respective national polities. "National consolidation came to be perceived as the most urgent and most important concern, and to that extent, cooperation with other African countries became relegated to a subsidiary position."[125]

[124] Asante, "Regionalism as key," pp. 36-7.

[125] Ibid. p. 37.

The primacy of national concerns over regional cooperation was propelled by the perception that meaningful cooperation necessarily implied long term commitments, which invariably translated to consenting to accept restraints on autonomous national policy making, in certain key areas - including development planning.[126] This explanation is in line with the conventional wisdom of integration scholars that governments of countries preoccupied with nation building are usually poor partners for economic integration, as they cannot be relied upon to make vital decisions that might undermine their control at home.[127] Arguably, in the immediate post independence years, African states did not display much willingness to sacrifice perceived national interests on the altar of regional cooperation. They entered into agreements to liberate trade or allocate industries on a regional basis only when such commitments conformed with considerations of national security and prestige, or economic advantage.[128]

Political and ideological differences between the newly independent African states have also been seen as an important explanation to the poor record of early efforts at regionalism in the continent. Indeed, political and ideological cleavages threatened even existing and otherwise viable cooperative arrangements such as the defunct East African Community.[129] Commenting on the EAC's failure, Ojo and others have argued, "the pursuance of divergent ideological paths appeared to have

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[126] Ibid. pp. 36-7.

[127] Ernst B. Haas, "The study of integration: Reflections on the joy and anguish of pre-theorising," in Lean N. Linberg and Staurt A. Scheingold (eds.), *Regional integration: theory and research* (Harvard: Harvard University Press; Cambridge: Mass, 1971): 15.

[128] Asante, "Regionalism as key," p. 37.

[129] Ibid. p. 37.

had consequences that magnified stresses among the partners of the scheme."[130] While socialism engendered significant socio-economic disruptions in Tanzania and Uganda, capitalism is assumed to have ostensibly accounted for Kenya's socio-political and economic stability. Therefore, while Kenya's stable capitalist system and stronger economic base enabled her to attract external investment and to exploit the opportunities that the community offered, Tanzania's socialist system and its weaker economic base had the opposite effect.[131] The end result was a disproportionate sharing of the benefits of integration.

Disagreement among members over the relative shares of actual or potential gains of regional arrangements has therefore, been another important explanation to the failure of regional schemes in the 1960s and even beyond. The disparity in endowments and levels of development of the different states that engaged in the various regional schemes in the post independence years created a situation wherein the economically more viable countries seemed to be reaping more dividends from the regional arrangements than their poorer partners.

In the EAC, for example, Kenya, the most developed of the three members of the union, gained more from the union and apparently widened the gap between itself and the other members. Common external tariffs had the effect of protecting its industries against competition from outside the community and guaranteed it a market in Uganda and Tanzania. The latter two countries with fewer and less effective industries, found themselves buying Kenyan products at higher prices than they would have had to pay had the common external tariff arrangement not shut out similar

[130] Ojo et al., *African relations*.

[131] Ibid.

products produced outside the community. They also had to forgo the revenue from duties they were collecting from imports from outside the community.

Worse still, foreign companies that decided to establish industries in the region preferred Kenya because of its already well-established manufacturing base and better infrastructure. Thus, the net foreign private capital inflow into Kenya between 1969 and 1976 was $184.9million compared with $95.9 for Tanzania and $31.0 for Uganda.[132] The implication was that Kenya dominated the community trade, accumulated trade balances against its partners and widened the industrialisation gap among them.[133] Compensatory and corrective measures adopted to address the problem of uneven distribution of gains in the EAC proved grossly inadequate, resulting in frustration, suspicion and mutual acrimony.[134] By 1975, the situation became intolerable for Tanzania and Uganda and the community was irrevocably headed for collapse – which came in 1977.

In the case of the Customs and Economic Union of Central African States (UDEAC), the two poorest members – Chad and the Central African Republic – persistently complained that most of the union's gains went to Cameroon, while they received little or nothing. They insisted on a system of industrial allocation that would guarantee that some industries are located exclusively on their territories despite their unattractiveness to investment. Although some concessions were made in this direction, the more viable states of Cameroon and Gabon were reluctant to subsidise their poorer partners. Frustrated by UDEAC, Chad and the Central African Republic

[132] Ibid. p. 159; Domenico Mazzeo, "Problems of regional cooperation and integration in East Africa," in Christian Potholmm and Richard Fredland (eds.), *Integration and disintegration in East Africa* (USA: University Press of America, 1980): 103.

[133] For insights on these imbalances see generally, Ibid.

[134] Ojo et al., *African relations*, pp. 159-160.

withdrew their membership and joined the former Zaire, to form the Union of Central African States (UEAC – Union des Etats de l'Afrique Central).[135] This not only weakened the UDEAC, but also accentuated the problem of duplication and ineffectiveness of regional arrangements.

The situation was not very different in the various regional organizations that were attempted in West Africa – UDAO, UDEAO and CEAO. Dispute over the distribution of customs duties collected by the coastal states on goods moving to and from the landlocked and poorer states caused the collapse of the UDAO. Its corrective, the UDEAO, introduced a system of distributing the proceeds of the common external tariffs and fiscal charges in a way that would compensate the poorer landlocked partners. However, this arrangement remained a dead letter as the issue of uneven distribution of gains persisted as evinced in Mali's bitter complaints of being cheated, particularly by the Ivory Coast, of whatever little trade increase there was from the regional arrangement.[136] Even within the CEAO that replaced the UDEAO, tensions have remained among members over the relative share of regional trade and the industrial location.

Another important factor in the failure of regional arrangements in the immediate post independence years has been seen as the impact of external actors and influences. Most of the regional arrangements established in the 1960s were either built on pre-independence colonial foundations or were established at the instigation of former colonial masters as devices to maintain control over their former colonial empires. This was particularly true of most of the initiatives between former French colonial territories in West and Central Africa – in what has come to be known as

[135] Ibid. pp. 151-152.

[136] Ibid. p. 155.

Francophone Africa's neo-dependence on France. The famous umbrella organization for French West and Central African territories for example was formed at the instigation of France as a common front against Nkrumah's radicalism in particular and the risk of Anglophone domination in general. So behind the avowed economic cooperation motives of OCAM laid a real political objective.

On the other hand, the Customs and Economic Community of West Africa (CEAO), was a French driven arrangement aimed at counterbalancing Nigeria's economic and political weight in West Africa.[137] Most of the regional arrangements in the 1960s were oriented mainly towards fostering trade with and securing aid from the industrialised nations (particularly former colonial masters) as a means of providing the necessary resources to satisfy the national aspirations for autonomous, self-reliance development. They were therefore, necessarily dependent on the developments and attitudes of the former metropolitan countries for their very survival. Despite the rhetoric of regional solidarity, African states in the 1960s devoted greater attention in strengthening ties with former colonial masters than in strengthening interactions within the various regional groupings they had formed.

A tendency therefore emerged wherein African states either individually or as groups competed for foreign partners with the consequence being the creation of desperate conditions in terms of tax incentives, patent laws, labour conditions and foreign exchange privileges. All of these cumulated to impede the coordination and harmonization of national development plans with respect to external resource procurement so vital for the various economic cooperation and integration projects.[138] Also, competition for foreign aid helped to reinforce dependence on donors' goods

[137] Ibid.

[138] Okwudiba Nnoli, "External constraints on Pan-African economic integration," *Nigerian Journal of Internal Affair,* no.4, 1&2 (1978): 69-70.

and equipment, which inadvertently offset the local efforts to develop certain complements such as spare parts and technical skills. This rendered the goal of self-reliance development very obscure and integration schemes found it very difficult to generate the necessary transactions.[139]

A second consequence of intra-community competition for foreign partnership and foreign aid was the duplication of inefficient mini-plants within regional communities – which tended to undermine the realisation of economies of scale, one of the principal justifications for most regional initiatives. Moreover, the competitive relationship between integrating states encouraged the emergence of a form of "inter-imperialist rivalry" – which culminated in the creation of de facto zones of influence in the continent. African countries became divided in the 1960s into groupings such as the 18 French-speaking Associated States with the EEC under the Yaounde system; the Commonwealth Non Associates and the Commonwealth Associated States like Nigeria under a special trade agreement with the EEC, signed in 1966.[140] This alignments did not foster regionalism in Africa, and the puzzle was only partially resolved with the advent of the Lome Convention, in 1975, which finally united the Fancophone and Anglophone states in Sub-Saharan Africa in a common framework for economic relations with the EEC. However, even the Lome Convention only enhanced the outward orientation and external trade dependent nature of African economies.

The failures of the 1960s did not dampen the enthusiasm towards regional cooperation. However, with the experience of the 1960s, the need was realised to seek to establish broader, more viable and inward-looking cooperation initiatives.

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[139] Ibid. p. 65.

[140] Asante, "Regionalism as key," p. 37.

2.3.4 THE QUEST FOR MORE VIABLE REGIONAL ECONOMIC ARRANGEMENTS

One of the defining characteristics of regionalism in the 1960s was the smallness and multiplicity of regional initiatives that emerged in the continent. Indeed, within fifteen years of independence, over twenty intergovernmental, multi-sectoral economic cooperation organisations and well over 120 single sectoral multinational and bilateral organisations meant to promote technical and economic cooperation had been created in the continent.[141] This multiplicity created a serious problem of viability and duplication with some states belonging to as many as ten regional initiatives at a time. Even the supposedly "wider" regional arrangements like the UDEAC, MPCC, EAC, SACU and UDEAO, were not broad enough to overcome the constraints of economic fragmentation that informed the fervour for regionalism at independence.

Moreover, most of them were built on narrow linguistic and ideological lines with a very high level of dependence on former colonial masters for their very survival. The underlying assumption behind most of these initiatives was that increased trade with countries of the North, together with aid, was to bring about the much yeaned for autonomous development in the continent. Little effort was therefore made to link up these narrow cooperative arrangements to establish broader regional and even continental groupings as envisioned in the Pan-Africanist agenda.

From the mid 1970s there emerged a renewed enthusiasm for Pan-Africanism as an integrative force at the regional level, understandably because of the disappointing economic performance of African economies during the first post-independence decade.[142] The hopes of African leaders in the 1960s – that a

[141] Ibid; Adebayo, "History and prospects," pp. 4 -6.

[142] Asante, "Regionalism as key," p. 38.

combination of trade with aid from the industrialized nations would provide the necessary resources to satisfy national aspirations for autonomous, self-sustaining development failed to materialise. The record of the 1960s was most disappointing as neither the trade nor the aid policies practiced by the industrialized nations appeared capable of accelerating economic expansion in the continent.

Africa thus emerged from the first United Nations Development decade (1960-1970) as the region registering the lowest rate of economic growth among developing countries: 2.0 percent as against 4.1 percent for Southern Asia, 5.6 percent for East Asia, 4.5 percent for Latin America and 7.2 percent for the Middle East.[143] Despite export promotion policies adopted by these regional initiatives, many African countries during much of the 1970s showed a pattern of sluggish economic growth, low levels of productivity, circumscribed and fractured industrial base, high dependence on a vulnerable narrow spectrum of primary export commodities, low levels of life expectancy and widening deficits on aggregate current account balance of payment.[144]

The impetus for broader and more viable regional arrangements for Africa's development was strengthened by two important developments in the mid 1970s. First, there was the 1974 United Nations General Assembly Resolution on the New International Economic Order (NIEO) (United Nations Document, 1974), which drew attention to economic cooperation among developing countries as its key element. Second, there was the signing in February 1975 of the celebrated Lome Convention that brought together, the hitherto divided French and English speaking African states, creating a new political climate and economic structure favourable to more

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[143] Ibid.

[144] Ibid.

meaningful cooperative interactions. These developments led to a new rash of regional initiatives in Africa – supposedly broader in scope and more sustainable than those of the earlier decade.

The defining characteristic of the regional economic arrangements of the mid 1970s onwards was that they were explicit challenges to the external domination of the continent inherited from the colonial era. Apart from the orthodox benefits promised by regional groupings in terms of expanded trade and investment, economic integration came to be vigorously advocated as a means of reducing external vulnerability. It was hoped that regional economic integration and cooperation would break Africa's dependent relationship with the North, by helping each member country to export manufactured goods and eventually capital goods to their neighbours. African states and leaders hoped to be able to determine as far as possible their own economic policies based on their national aspirations, natural resources and political ideologies outside the influence of developed countries.[145]

Neo-colonial centrifugal forces against regional economic arrangements were strongest in West Africa, where years of conscious efforts to bridge the colonially induced divide between Anglophone and Francophone states in the region were all frustrated. Moreover, in terms of multiplicity and duplication of immediate post independence economic cooperative schemes and their attendant ineffectiveness, West Africa ranked first. Furthermore, West Africa harbours some of Africa's smallest and economically unviable states (for example, Benin, Togo, Sierra-leone and Ghana). Understandably, the impulse to establish broader and more sustainable regional arrangements was strongest and most urgent in West Africa.

[145] Ibid. p. 40.

After the failure of protracted efforts by the United Nations Economic Commission for Africa (ECA) to bring about the economic integration of the Anglophone and Francophone states in West Africa, Nigerian senior diplomats in June 1969, identified the fourteen – nation French protected francophone organization (OCAM- Organisation Commune Africaine et Malagache) as a political and economic threat to Nigeria, and as a real obstacle to broader cooperation in West Africa.[146] The Lagos government tried to undermine OCAM through a policy of strengthening bilateral ties with its francophone neighbours with the ultimate goal of evolving a bilingual sub-regional economic grouping. The envisaged organization in the minds of the Lagos policy elites was intended not only to supplant OCAM, but also to open new markets for Nigeria's goods.[147] Building on the civil war understanding with president Eyadema of Togo, the Nigerian leader, General Yakubu Gowon while on a state visit to Lome in 1972, signed an agreement to establish a Nigeria-Togo Economic Community, which was to be an embryo for the West African Community.[148]

The task of popularising the idea of a broad-based West African Economic Community was entrusted to Adebayo Adedeji, the then Nigerian minister of economic development (later Executive Secretary of the United Nations Economic Commission for Africa (UNECA)), and the Togolese Trade minister, Henry Dogo. After months of difficult negotiations, the much yeaned for Economic Community of West African States – ECOWAS, was established with the signing of the Treaty of

[146] Adekeye Adebajo, "Pax Nigeriana? ECOMOG in Liberia, 1990-1997," Thesis submitted in partial fulfilment of the requirements for the degree of Doctor of Philosophy in International relations (Oxford University: Faculty of Social Studies, February 1999).

[147] John Stremlau, *The international politics of the Nigerian Civil War, 1967-1970* (New Jersey: Princeton University Press, 1977): 380.

[148] Adebajo, "Pax Nigeriana," p. 49.

Lagos on May 28, 1975 by nine Francophone states (Cote d'Ivoire, Dahomey (today's Benin Republic), Guinea, Niger, Mauritania, Mali, Togo, Senegal and Upper Volta (present day Burkina Faso); five Anglophone states (Gambia, Ghana, Liberia, Nigeria and Sierra-Leone); and one Lusophone state (Guinea-Bissau), later joined by Cape Verde. By December 1975 the competent state organs of all the consenting member countries had ratified the ECOWAS Treaty. The main goals of ECOWAS, as enshrined in its five protocols agreed on at the 1976 Summit in Lome, Togo include: the elimination of customs duties and all quantitative and administrative restrictions to trade; the establishment of a common customs tariff within fifteen years; the abolition of obstacles to the free movement of persons, labour and capital; the harmonization of agricultural, industrial and monetary policies; and the establishment of a fund for cooperation, compensation and development to help compensate poorer countries for loss of tariffs.[149]

The inauguration of ECOWAS in May 1975, not only marked a breakthrough in the long series of efforts to institute some form of economic cooperation and integration embracing the entire West African region,[150] but it represented the first indigenously negotiated post independence economic cooperation arrangements with a truly sub-regional character. In the words of S.K.B Asante, "ECOWAS constitutes a geographical zone larger than Western Europe with a total population of about one hundred and eighty millions (180m), and it is the most peopled of all the Sub-regions in Sub-Saharan Africa."[151]

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[149] Ralph Onwaka, *Development and integration in Africa: The case of the Economic Community of West African States* (Ile Ife: University of Ife Press, 1982).

[150] Ojo et al., *African relations*, p. 171.

[151] Asante, "Regionalism as key," p. 40.

The fact that one of the driving forces behind the creation of ECOWAS was to curtail the excessive dependence of francophone states on their former colonial master (France), the successful establishment of ECOWAS could also be seen as marking the beginning of the shift in African economic regionalism from an outward dependent orientation to an inward-looking self-reliant approach. More importantly, the enthusiasm with which the ECOWAS Treaty was ratified came to serve as a catalyst for the establishment of other region-wide economic integration arrangements, all geared towards evolving and promoting real inward-looking self–reliant development.

Therefore, inspired by the example of the Economic Community of West African States (ECOWAS), the 1980s saw the emergence of broader and presumably more viable sub-regional economic arrangements in the continent, particularly under the edges of the Economic Commission for Africa (ECA). The first OAU-ECA sponsored region-wide initiative was in Southern and Eastern Africa, in what has come to be known as preferential trade area (PTA), sanctioned by the Lusaka Treaty of December 1981 and effectively launched in Harare in July 1984. In the Central African region, the momentum of the ECOWAS Treaty led to the establishment in October 1983 of the Economic Community of Central African States (ECCAS), comprising of the member states of the earlier Central African Customs Union (UDEAC), and the Economic Community of the Great Lakes countries (CEPLGL – Communaute des Pays des Grands lacs). For Northern Africa, the Arab Maghreb Union (UMA), which had been in gestation since the mid 1960s, was revamped in 1989.[152]

So between the formation of the ECOWAS in 1975 and 1983, "Africa had successfully established three sub-region-wide cooperation and integration schemes

[152] Ibid. p. 41; Adebajo, "Pax Nigeriana," p. 60.

with memberships of 16, 22, and 10 countries for the ECOWAS, PTA/COMESA and ECCAS respectively."[153] These sub-region-wide integration arrangements were to become the building blocks of the self-reliance strategy of the Lagos Plan of Action ratified by African leaders in 1980.

[153] Adebayo, "History and prospects," p. 6.

CHAPTER THREE

THE LAGOS PLAN OF ACTION (LPA): FROM ECONOMIC EXTROVERSION TO INWARD-LOOKING COLLECTIVE SELF-RELIANCE.

3.1 INTRODUCTION

The asymmetrical and unequal character of Africa's economic relation with the industrialised world became more conspicuous in the 1970s. The multiple crises that hit the global economy symbolised by the collapse of the Bretton Woods Agreement, the OPEC induced oil shocks and the resulting energy crunch, and the continuing stagflation of the mid 1970s, revealed the extreme vulnerability of African economies to external forces.[154] An ECA initiated review of the development paradigms and strategies pursued by Africa during the early years of independence revealed that the continent's performance was substantially below all the targets set by the United Nations Second Development Decade.[155] These unsettling realities engendered a reassessment and redirection of Africa's policy options – at the national and regional levels.

Consciousness of the limits of the paradigm of extroversion in Africa's development strategies that emerged in the mid 1970s with the signing of the ECOWAS Treaty reached a turning point in 1980 with the adoption of the LPA and

[154] Asante, "Regionalism as key," p.39.

[155] This review revealed that Africa's GDP annual growth rate was 4.5% instead of the target 6%; its export was 2.8 percent instead of 7.0 percent; its agricultural growth rate was 1.6 percent instead of 4.0 percent while manufacturing grew at 6.0 percent instead of the target of 8.0 percent. Paradoxically, the only macroeconomic aggregate whose performance-exceeded target was import with actual growth rate per annum being 10 percent instead of the target 7.0 percent. For details see generally, Adedeji Adebayo, "From the Lagos Plan of Action to the New Partnership for African Development and from the Final Act of Lagos to the Constitutive Act: Wither Africa?" Keynote address presented at the African forum for envisioning Africa (Nairobi, Kenya, 26-29 April 2002).

the Full Act of Lagos (FAL).[156] The LPA departed fundamentally from earlier African development cooperation strategies in advocating partial disengagement from global economic processes and linkages and also in emphasising inward-looking, self-reliant and self-sustaining development. More than any earlier African development initiatives, it made regional economic cooperation the centrepiece of Africa's development. Moreover, in contrast to narrowly based and parallel regional schemes of the earlier decades, the LPA envisioned linking Africa's five main economic regions into a continent wide economic space – an African common market, by the year 2000.[157]

Given the centrality of the LPA in Africa's regional cooperation history and against the backdrop of the perception that NEPAD's option of greater engagement with global economic processes constitutes a reversal of the prescriptions of the LPA, an understanding of the shifts contained in the NEPAD must of necessity commence with an evaluation of the core logic of the LPA and the context within which it was formulated.

This chapter discusses the core logic of the LPA, with a particular focus on its regional bent and its overall orientation to the global economy and how this sets it apart from earlier African economic development strategies. It also examines the global political and economic context within which the LPA was formulated. This is done within the causal framework presented in chapter 1 namely: the realities and context of the international political economy; the dominant international economic and development ideas; and the nature of North-South relations. Finally, the chapter

[156] The Full Act of Lagos (FAL) was conceived as the implementation arm of the LPA and any discussion of the LPA's self-reliance model must also refer to the FAL. For purposes of convenience however, I will use the LPA hereafter, to refer to both the LPA and FAL.

[157] See the OAU, *The Final Act of Lagos* (Geneva: International Institute of Labour Studies, 1981): 99.

reconstructs the continental diplomatic processes leading up to the adoption of the Lagos Plan of Action.

3.2 **THE LPA: CORE LOGIC AND ECONOMIC ORIENTATION**

The LPA represented the first continent-wide effort by Africans to forge a comprehensive, unified approach to the economic development of the continent.[158] It was the offshoot of the idea that "Africa's development could not be merely a passive result of the world system to which the continent had been bound by the historical legacies of slave trade, colonialism and the various neo-colonial associations and agreements such as the Lome and Yaounde Conventions with the European Economic Community."[159]

It consisted of a listing of what had to be done to put the continent on a self-sustaining growth path.[160] The LPA was a short, medium and long-term programme, covering a broad range of issues related to the socio-economic development of the continent. However, a detailed examination of the contents of the LPA is not intended here. Rather, we focus on elements of the inward-looking economic orientations of the initiative and its overall regional character. These elements do not only distinguish the LPA from earlier African development strategies, but also define the differences in orientation between the LPA and the NEPAD. They are therefore, of particular significance for this study.

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[158] See generally, Browne and Cummings, *The Lagos Plan;* Also see Adebayo, "History and prospects," p. 5.

[159] Samir Amin, "Africa: from the Lagos Plan (1980) to the World Bank Plan and the United Nations Conference (1980)," in Samir Amin (ed.), *Maldevelopment – Anatomy of global failure*, The United Nations University – Third World Forum (Tokyo, London and New Jersey: The UN University Press; Zed Books, 1990): 1.
Accessed at http://www.unu.edu/unupress/unupbooks/uu32me/uu32me07.htm

[160] Brown and Cummings, *The Lagos Plan*, p. 23.

3.2.1 THE LPA: UNDERGIRDING PRINCIPLES AND PHILOSPHY

The LPA was adopted against the backdrop of two decades of stagnation in output; worsening balance of payments brought about by deteriorating terms of trade; increasing payments for the import of high-level skills, capital goods, spare parts and equipment, raw material inputs, marketing, shipping and insurance services; widespread unemployment and mass poverty. More importantly, it emerged in response to the realisation that past policies were not viable and sustainable for the realisation of the objectives of self-reliance, poverty eradication, reduction of unemployment, equitable distribution of the benefits of development and economic growth, sovereignty over natural resources and equitable participation in international decision-making processes.[161] African Heads of state and Government summarised the background under which the LPA was formulated in the following words:

> The effect of unfulfilled promises of global development strategies has been more sharply felt in Africa than in the other continents of the world. Indeed, rather than result in an improvement in the economic situation of the continent, successive strategies have made it stagnate and become more susceptible than other regions to the economic and social crises suffered by the industrialised countries. Thus, Africa is unable to point to any significant growth rate, or satisfactory index of general well being, in the past twenty years. Faced with this situation, and determined to undertake measures for the basic restructuring of the economic base of our continent, we resolved to adopt a far-reaching regional approach based primarily on collective self-reliance.[162]

[161] Ibid. p. 151; Also see Adedeji Adebayo, "The evolution of the Monrovia Strategy and the Lagos plan of Action: A regional approach to economic decolonisation," Lecture delivered under the distinguished lecture series of the Nigerian Institute for Social and Economic Research (NISER) (Ibadan: University of Ibadan, 23 March 1983). This speech is also contianed in Jeggan Senghor (ed.), *Towards a dynamic African economy: selected speeches and lectures 1975 – 1986, Adebayo Adedeji United Nations Under Secretary-General and Executive Secretary of the Economic commission for Africa* (London and New Jersey: Frank Cass and Company Ltd., 1989): 343.

[162] The Lagos Plan of Action (LPA), (Lagos, Nigeria, April 1980): Preamble, paragraph 1; Timothy Shaw, "The African crisis: debates and dialectics over alternative development strategies for the continent," in John Ravenhill (ed.), *Africa in economic crisis* (Basingstoke: Macmillan, 1986): 108.

Formulated against the backdrop of dissatisfaction with past approaches to African development, the LPA was understandably conceived as an instrument for redressing the imbalance inherent in African economies, including their excessive external dependence.[163] Thus, the philosophy underpinning the LPA and the FAL was self-reliance, at the national and inter-country levels.[164] It called for the development of capacities and capabilities at the national and inter-country levels, to formulate and apply autonomous decisions, to generate and implement independent ideas, to identify problems and analyse them in terms of domestic, African and extra-African requirements for their solutions. It also emphasised the need to develop capacities and capabilities at national and inter-country levels to meet, albeit progressively, the greater parts of the region's needs in terms of factors of production and of final goods and services.[165]

A corollary of the LPA's basic philosophy of self-reliance was the concept of internally generated, self-sustaining development. In other words, in addition to basing African development and economic growth on internal factors of production, distribution and consumption, there was a felt need of making such development sustainable in terms of techniques of production, the composition of goods and services and of the style of development and economic growth, that was to constantly draw on the reserve power of the society to renew itself over time.[166]

Together, self-reliance and self-sustenance implied the need of making domestic human, physical and financial resources the constant stimuli for the economic growth

[163] Senghor, *Towards a dynamic economy*, p. 344.

[164] Adebayo, "History and prospects," p. 5.

[165] Ibid.

[166] Senghor, *Towards a dynamic economy*, p. 344.

and development of the continent.[167] The single theme that ran across the thirteen chapters of the LPA was that "Africa must actively strive to reduce its dependence on external nations and replace this dependence with a self-sustaining development strategy based on the maximum internal use of the continent's resources."[168] This required that African states veer dramatically from the economic paths they had pursued since independence and link their economic futures to those of their equally fragile neighbours (South-South cooperation).

However, self-reliance and self-sustenance in the LPA context did not mean autarky or complete disengagement from the global economy. Rather, it emphasised a meaningful redefinition of interdependence.[169] This stemmed from the perception that from the early days of independence, African economies both individually and collectively through the various immediate post independence regional economic initiatives had been dependent on those of the North, particularly the former metropolitan countries of the Organisation of Economic Cooperation and Development (OECD). The effects of this dependence had generally been negative and even worsened with the multiple global economic crises of the 1970s. There was therefore, a pressing need for a change in the nature and character of this relationship.

3.2.2 OBJECTIVES AND STRATEGIES

The LPA was fashioned to tackle the continent's multifarious problems, so that it could not only initiate and nurture an internally generated and self-sustaining

[167] Ibid.

[168] Brown and Cumming, *The Lagos Plan*, p. 25.

[169] For insights on the concepts of dependence and interdependence, see variously, Theotonio Dos Santos, "The structure of dependence," *American Economic Review,* no. 60 (1970): 231-36; C. R. Goddard et al. (eds.), *International political economy: State- market relations in the changing global order* (Boulder and London: Lynne Rienner Publishers, 1986): particularly chapter 11.

development and economic growth process, but also attain national and collective self-reliance.[170] It was designed to lay a durable foundation for internally generated, self-sustained processes of development and economic growth based on the twin principles of national and collective self-reliance.

The LPA emphasised the reorientation of Africa's development strategies with implications for sectoral linkages, processes of planning and plan implementation, and participation in the development process.[171] For example, for industry to function properly, natural resources had to receive proper attention, and transport and communication had to be well organised to facilitate the delivery of goods and services where they were needed. Its thirteen chapters therefore dealt with all economic and social sectors: food and agriculture; industry; natural resources; human resource development and utilisation; science and technology; transport and communications; trade and finance; economic and technical cooperation; the environment; least developed countries; energy; women and development; and development planning, statistics and population.

On agriculture, proceeding from the premise of gravity of the food situation in Africa, the LPA aimed at engendering self-sufficiency in food and a diminishing dependence on exports and expatriate technical assistance. Increased volumes of resources were to be allocated to agriculture to bring about a qualitative and quantitative improvement in agricultural output.[172] Still within the framework of the strategy of limiting external dependence, the LPA cautioned against the type of

[170]Adedeji Adebayo, "The Lagos Plan of Action: main features and some other related issues," International Conference on 'OAU, ECA, The Lagos Plan of Action and the future of Africa' (Ile Ife Nigeria: university of Ife, 26 March 1984): 1-2.

[171] Ibid. p. 5.

[172] OAU, *LPA*, chapter 5; Browne and Cummings, *The Lagos Plan*, p. 82-3.

agricultural mechanisation that could rather increase Africa's dependence on others. More importantly, emphasis was on the production for African consumption (markets), although African countries were urged to continue to grow export crops for vital foreign exchange earnings.[173]

In the area of industry, the United Nations Industrial and Development Organisation's (UNIDO's) declaration of the 1980s as "the African industrial Development Decade" provided the impetus.[174] The LPA aimed at increasing Africa's share of the world industrial production from a meagre 0.8 percent in 1980 to 1.0 percent in the short term (up to 1985), 1.4 percent in the medium term (up to 1990) and 2 percent in the long term (by 2000).[175] Within this time frame, it was proposed that at the continental level, various national industrial structures would have been integrated into a common continental economy. At the national level, industries were to be linked to one another as well as into other sectors of the economy "so as to promote interdependence among them and achieve harmonised industrialisation and overall economic development."[176] Within the LPA self-reliance philosophy, African countries were cautioned to select technology that was socially suitable, compatible with resource endowment, and that was capable of increasingly reducing Africa's over dependence on the developed countries for technology.[177]

Although the need for greater cooperation and self-reliance ran through the entire LPA text, it was most articulate in the industry section in the series of measures that

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[173] Ibid. p. 85.

[174] UNIDO, "The implications of raising Africa's share in the world industrial production to 2.0 percent by the year 2000," CMK.3/INR/TP/3 (UNIDO, 1979).

[175] Browne and Cummings, *The Lagos Plan*, pp. 83-84.

[176] OAU, LPA, chapter 11.

[177] Browne and Cummings, *Lagos Plan*, 84.

had to be taken at the national, sub-regional and regional levels, to achieve the industrial targets laid down by the plan. At the national level for example, the LPA counselled individual countries: to create a machinery to coordinate and promote industrial cooperation between the country concerned and other countries of the sub-region and region; and on the need for African countries to lessen their excessive dependence on imported industrial inputs.[178] At the sub-regional and regional levels the LPA contended that:

> Member states are convinced of the fundamental role of intra-African industrial cooperation, in all its various forms, as an instrument for self-reliance and acceleration of industrial development to achieve the Lima, target for Africa, taking into account, in particular, the discouraging attitude of developed countries, and of the present low progress in the intra-African cooperation…[179]

In light of the centrality of intra-African cooperation in the domain of industrialisation, African states decided to adopt the following far-reaching measures:

- Preparing sub-regional and regional plans for the creation of major industrial complexes whose cost and production capacity would exceed national financial and absorptive capacities;
- Creating multinational regional or sub-regional institutions to make an inventory of and exploit shared national resources;
- Giving high priority to the establishment of multi-national industries in Africa, especially in such basic areas as metallurgy, foundry, chemicals etc., with high investment cost; expand bilateral industrial cooperation among African countries through joint ventures;
- Strengthening existing African regional institutions such as the African regional centre for technology; the African regional centre for engineering design and manufacturing; the African development fund;
- Establishing machinery to monitor industrialisation at the sub-regional level;
- Creating industrial cooperation areas without customs barriers;

[178] Ibid. p. 85.

[179] Ibid.

- Adopting of measures to ensure harmonisation of tax systems at the sub-regional and regional levels in order to facilitate industrial cooperation among African countries;

- Creating of multi-national institutions to promote financial flows and the acquisition of technology to Africa;

- Undertaking measures at national, sub-regional and regional levels to facilitate fuller utilisation of excess industrial production capacity in Africa.[180]

The LPA's emphasis on cooperation and integration was premised on the fact that the initiative had as ultimate goal the promotion of continental economic unity via the creation of an African economic community. This made economic integration and cooperation the centrepiece of the LPA. And as Browne and Cummings put it: 'without regionalism, the LPA collapsed both as a concept and as a strategy'.[181] Probably the most significant message in the LPA was the recognition that "Africa's economic development required a far greater degree of cooperation among African nations than had been heretofore evident."[182] The LPA preamble emphasised that "efforts towards African economic integration must be pursued with renewed determination in order to create a continent-wide framework for the much needed economic cooperation for development based on self-reliance."[183] The LPA aimed at creating, at the national, sub-regional and regional levels, a dynamic and interdependent African economy that could pave the way for the establishment of an African common market leading to an African economic community[184]

[180] Ibid. pp. 84-86; OAU, LPA, chapter 11.

[181] Adebayo, "History and prospects," p. 5; Browne and Cummings, *The Lagos Plan*, p.28.

[182] Browne and Cummings, *The Lagos Plan*, p. 85.

[183] OAU, *LPA*, Preamble paragraph 14 (VI).

[184] Browne and Cummings, *The Lagos Plan*, p. 28.

The approaches to planned development that emerged from the LPA twin principles of self-reliance and self-sustenance were premised on the thesis that in the circumstances of the African region at the time, and in the context of self-reliance and self-sustenance, the supply of natural resources and raw materials expected to be available for development and economic growth; and the choices of commodity and service composition of output was to determine the pattern of skills to be developed, the pattern of equipment to be imported or produced at home, and the type of institutional services to be organised.

In effect, the LPA called for fundamental restructuring of African economies, not only in increasing the share of goods and services, but in changing the sources of inputs into the process of production and distribution and the ownership of the factors and institutions of production and distribution.[185] The LPA insisted that "Africa's almost total reliance on the export of raw materials must change. Rather, Africa's development and growth must be based on a combination of Africa's considerable resources, her entrepreneurial, managerial and technological resources, and her markets (restructured and expanded), to serve her people."[186]

In light of the fact that trade and monetary issues, constituted central elements in Africa's discontent with the Post-WWII international economic order, the LPA resolved to make the expansion of intra-African trade the mainstay of its self-reliance strategy and to take measures to geographically and structurally diversify Africa's trade patterns.[187]

[185] Adebayo "The LPA, main features," p. 4 -5.

[186] OAU, *LPA* , preamble paragraph 14 (ii).

[187] Ibid. paragraphs 250 and 251.

In the area of inter-African trade, a series of measures were recommended with well-defined timeframes, for the reduction and elimination of trade barriers amongst African states, beginning with the establishment of appropriate preferential trade areas within the framework of the ECA – Multinational Programming and Operational Centres (MULPOCS).[188] This was to be followed by strengthening existing economic integration groupings and the creation of new ones where deemed desirable. The LPA also emphasized the need to explore possibilities of processing locally available raw materials for marketing within the African region and the establishment of African multinational production co-operations and joint ventures.[189] Meanwhile, to facilitate the quick and efficient movement and preservation of goods, the LPA recommended the establishment and improvement of the necessary transport and communications links among the various African states. The aforementioned measures were aimed at gradually reversing the 'colonially induced' low volume of trade exchanges between African states, with the ultimate ambition of establishing an African Common Market by 2000.[190]

In the realm of trade relations with other regions of the world, the LPA advocated a geographical and structural diversification of Africa's colonial and postcolonial trade patterns.[191] Geographically, the LPA called for a systematic exploitation and exploration of trade and economic cooperation potentials with other developing countries and regions within the framework of proposals for the establishment of a generalised system of trade preferences among developing countries. In other words,

[188] Ibid. paragraph 250 (ia)

[189] OAU, *LPA*, paragraph 250 (iii).

[190] Ibid. paragraph 250 (iv).

[191] Ibid. paragraph 251.

the LPA advocated a shift from the prevalent dependent North-South trade relations, to presumably more balanced South-South economic relations. South-South economic cooperation was to be supplemented in the LPA dispensation with the expansion of trade and economic cooperation with the developed countries with centrally planned economies.[192]

Structurally, the LPA called for measures to enforce and strengthen state (national) control of foreign trade by way of state intervention or private indigenous corporations, or a combination of both.[193] Meanwhile, within the ambit of calls for a New International Economic Order, the LPA resolved on setting up a new trading framework at the international level including agreement on new trading rules and principles covering, amongst others, structural adjustment, preferential treatment for developing countries, and elimination of protectionist measures that hampered access of manufactures and semi-manufactures from developing countries to markets of developed countries.[194] It also argued for the regulation of the operations of trans-national corporations in the region with a view to eliminating all forms of restrictive business practices and controlling transfer pricing. The ultimate goal was to increase Africa's share of world trade in manufactures within the framework of the 30 percent target set for the developing countries as a whole.[195]

Another important area where the LPA proposed measures for restructuring to serve its self-reliance strategy was finance. At the national level, it called for a complete restructuring and reorientation of the policies and programmes of monetary

[192] Ibid. paragraph 251(b)

[193] Ibid. paragraph 251(c).

[194] Ibid. paragraph 251(d).

[195] Ibid. paragraph 251(f).

and financial institutions imported into Africa (central banks, commercial banks), in such a way as to integrate them better in the development objectives of each African country.[196]At the sub-regional level, member states were expected to integrate their national monetary arrangements into sub-regional multilateral clearing and payment arrangements, in line with negotiations for the creation of preferential trade areas.[197] More importantly, at the regional level, the LPA envisioned strengthening the financial capacity of the African Development Bank (ADB), so that it could be able to offer more assistance to member states in their development efforts.[198] It also called for the establishment of an African Monetary Fund and an African mutual guarantee and solidarity fund. These financial institutions and structures were intended to make African states self-reliant and less dependent on the structures and institutions of the Western dominated global monetary and finance order.

This notwithstanding, the important role of external resources for the implementation of the policy prescriptions of the LPA and FAL has been acknowledged.[199] Foreign aid and technical assistance had implications for the viability of the LPA and the FAL. The argument was however, that self-reliance did not preclude relevant external assistance. The LPA expected the international community to assist African countries in their efforts to mobilise the necessary human, material and financial resources by massively transferring resources to the continent.[200] Concretely, the LPA called for the intensification of international negotiations on a fundamental reform of the international monetary system; it

[196] Ibid. paragraph 252.

[197] Ibid. paragraph 253 (a-b).

[198] Ibid. paragraph 254.

[199] Adebayo, "The LPA, main features," p. 5.

[200] Ibid. p. 6.

emphasised that African states take necessary steps for establishing an adequate international financial framework to sustain their development efforts; and appealed to the industrialised countries and international financial institutions to give increased financial assistance and aid to Africa.[201] In this particular respect, the LPA, called for increased Official Development Assistance (ODA) for the LDCs, the softening of the conditions and criteria for obtaining such assistance and the cancellation of all debts contracted by African countries.[202]

The foregoing expectations created the impression that the initiative was only inward-looking in declarations, but largely externally dependent for implementation.[203] John Ravenhill captured this perception when he argued that "for the most part, the plan appears to be little more than a plea for externally-financed self-reliance. Rather than meeting the costs of development from internally-generated resources, international donors are expected to foot the bills."[204] However, proponents of the LPA have contended that most of the resources for the attainment of the goals of the LPA were to be internally generated, and external resources were only a supplement. The LPA echoed this point by stating that: "these outside contributions should only supplement our own effort, they should not be the mainstay of our development."[205]

The foregoing analysis shows that the LPA constituted a radical departure from earlier outward-oriented African development strategies. It represented a challenge to the nature of Africa's links with the global economy and had as ultimate goal

[201] OAU, *LPA*, paragraph 252 (a, b, c).

[202] Ibid. paragraph X.

[203] Amin, "Africa: From the LPA," p. 89.

[204] John Ravenhill, "Africa's continuing crises: The elusiveness of development," in John Ravenhill (ed.), *Africa in economic crisis* (Basinstoke, Hampshire and England: Macmillan, 1986).

[205] OAU, *LPA*, p. 8.

engendering a 'partial disengagement' of the continent from the system. The question, however, arises as to the circumstances that informed the design of such an arguably radical policy framework by African leaders and technocrats.

3.3. THE LPA's SELF-RELIANCE MODEL: A CONTEXTUAL OVERVIEW

The LPA was the offshoot of the combined influence of the unsettling realities of the international political economy in terms of the constraints and limitations imposed on developing countries by the structures and the operational principles of the Post-WWII trade and monetary orders; the dominant economic and development ideas as they tended to interpret and explain the post war global order; and the overall nature of North-South relations within the context of the Cold War, the lessons of the OPEC cartel's concerted action and the challenge posed by the call for a new international economic order (NIEO). Although these external constrains were mediated by poor domestic institutions and policies, African leaders discounted the role of domestic political factors in Africa's economic failures. They tended to believe that the removal of external constraints was most crucial in Africa's development prospects. Therefore, the nature and character of the LPA was informed more by perceptions about the external environment than by considerations of the realities of the domestic environment.

3.3.1 THE REALITIES OF THE INTERNATIONAL POLITICAL ECONOMY

The Post-WWII global economic order emerged from the conviction that the division of the world in the 1930s into rival political and economic blocs contributed in the deterioration of trade, heralding a global recession that ultimately culminated in

WWII.[206] In light of the consequences of the foreign economic policies of the 1930s, the need to encourage relatively free international movement of goods and capital was felt widely to be essential for world peace as well as global prosperity.[207] It was towards the ends of peace and prosperity that the major Western states created two complementary institutions, namely the International Monetary Fund (IMF) and the General Agreement on Tariff and trade (GATT), in 1944 and 1947 respectively.

These two institutions, alongside the International Bank for Reconstruction and Development (IBRD), founded upon liberal economic principles and ethos formed the foundation of multilateral efforts to prevent the political and economic consequences of economic nationalism that preceded WWII. Their structures and operational principles became the substance and overriding reality of the post World War II international economic order. Considering that international trade has always been the principal source of foreign exchange earnings for developing countries (including those in Africa), the functioning and subsequent decline of the post war trade and monetary orders had serious implications for Third World economic development endeavours.

3.3.*1a POST-WWII TRADE AND MONETARY ORDERS: STRUCTURES AND PRINCIPLES*

The GATT is a legally binding codification of rules for the conduct of trade among states. Its general goal has been to maximise growth in world trade and the global economy through the reduction of trade barriers pursued on a non-discriminatory basis. It has provided the international infrastructure and the locus for

[206] Robert S. Walters and David H. Blake, *The politics of global economic relations,* fourth edition (New Jersey: Princeton-Hall Inc., 1992): 13-14.

[207] Ibid.

all the major multilateral tariff negotiations since WWII. Meanwhile, the IMF was established to promote the stability and liberalisation of international monetary transactions.[208] The goals of trade liberalisation inherent in the GATT would have been unattainable without an adequate global supply of foreign exchange and provisions for capital mobility to finance trade flows. The logic was that a liberal international economic order required the free flow of capital as well as goods. The instability in the international monetary order and the shortage of liquidity were seen as been at the base of the trade decline, protectionism, and depression during the 1930s.[209] The IMF was therefore designed to make states internationally accountable to each other for their monetary policies.

Trade issues have long figured prominently in the political dialogue between less developed states and the advanced industrial ones. Less developed countries shared a profound sense of frustration with the international trade order that emerged after WWII. This frustration stemmed from a number of substantive trade practices and institutional characteristics of the GATT that in the view of Third World conspired to inhibit the development of their economies and relegated them to a secondary status in the global economy.[210] Prominent amongst these were the tariff structures under the GATT.

Under the GATT prescriptions the general level of tariff protection was to be reduced through successive multilateral negotiations. The progressive lowering of tariffs under these circumstances was expected to stimulate international trade and production. Tariff reductions were to be implemented in a non-discriminatory fashion

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[208] Ibid.

[209] Suzan Strange, "Protectionism and world policies," *International Organisation* 39, no. 2 (Spring 1985): 233-60.

[210] Walters and Blake, *The politics of global*, p. 40.

in accordance with the "most-favoured-nations" (MFN) principle. This principle was aimed at making sure that the goods of any state in GATT entered the markets of all GATT members at rates of duty no less favourable than those applied to similar products of any country. The MFN principle was designed to accelerate the pace of tariff reductions and trade growth through out the world, as well as to avoid the creation of new preferential trade blocs protected by discriminatory tariff barriers except under conditions specified in the GATT.[211]

Successive rounds of negotiations under the GATT auspices reduced average tariffs on dutiable manufactures and semi-manufactures, to less than 5 percent However, the manufactured and semi-manufactured products of particular interest to less developed countries (such as textiles and semi-processed metal or wood products) typically faced tariff levels of two or even four times this average. Moreover, tariffs on these items were frequently ignored in the GATT negotiations. In addition, agriculture that is the mainstay of the economies of most developing economies faced a variety of trade barriers designed to protect the agricultural sector of developed countries.

More subtle aspects of tariff structures in advanced industrial states supplemented these explicit barriers to less developed countries' exports. For example, tariff protection typically increased by stages of production, thereby presenting greater barriers to processed commodities than to raw materials in their unprocessed state. These cascading tariff structures and other trade policies of advanced industrialised states have been seen as imposing particularly severe barriers to goods that less developed countries are most capable of producing for export – agricultural goods, semi-processed and labour intensive consumer goods. Capital and

[211] GATT, Article XXIV

industrial goods that faced the lowest tariff barriers within the GATT dispensation were traditionally the exports of the industrialised states of the North.[212]

The general feeling in the less developed countries was therefore that the institutional characteristics of GATT contributed to these discriminatory practices against them, which made it difficult for them to secure trade reforms commensurate to their needs. The "most-favoured-nation" (MFN) principle was identified as the greatest problem in the GATT set-up. The MFN principle was seen as inhibiting rich states from granting preferential treatment to less developed countries' exports of manufactured goods as a spur to their development. Hence, developing countries appealed for exemption from the MFN rule.[213]

Yet another inhibiting characteristic of GATT from the perspective of less developed countries (LDCs) was the "bargaining principle of reciprocity" underlying all tariff reduction negotiations. It placed the poor states at a disadvantage by the necessity to offer rich states an equivalent tariff concession for every tariff reduction they received from them. Developing states argued that reciprocity is equitable when applied to negotiations among states at approximately the same level of development. As with the MFN principle, and the whole philosophy of the Post-WWII trade order, "reciprocal tariff reduction was seen as a call for equal competition among fundamentally unequal economic units."[214]

Although the international institutional arrangements in trade and monetary policies within the GATT and IMF facilitated rapid growth in trade, the benefits had not been distributed symmetrically across products and geographic regions. The Third

[212] Harry Johnson, *Economic policies toward less developed countries* (Washington D.C: The Brookings Institute, 1967): chapter 3.

[213] Walters and Blake, *The politics of global*, pp. 41-42.

[214] Ibid.

World in general and African states in particular, did not benefit much from the global growth in trade, if anything they were aggregate losers. Contrary to the logic of GATT and the IMF, trade problems have remained questions of high politics among all variety of states,[215] but most especially, between the industrialised North and the underdeveloped South.

The perception in the LDCs was that the Post-WWII global trading order was a club created by the advanced industrialised states and managed in accordance with their primary interests. The conclusion was that continued participation in the liberal international trade order could not allow the LDCs to keep up, much less catch up, with the advanced industrial states (see fig. 3 below). This perception partly informed the LPA's option of partial disengagement from the global economy.

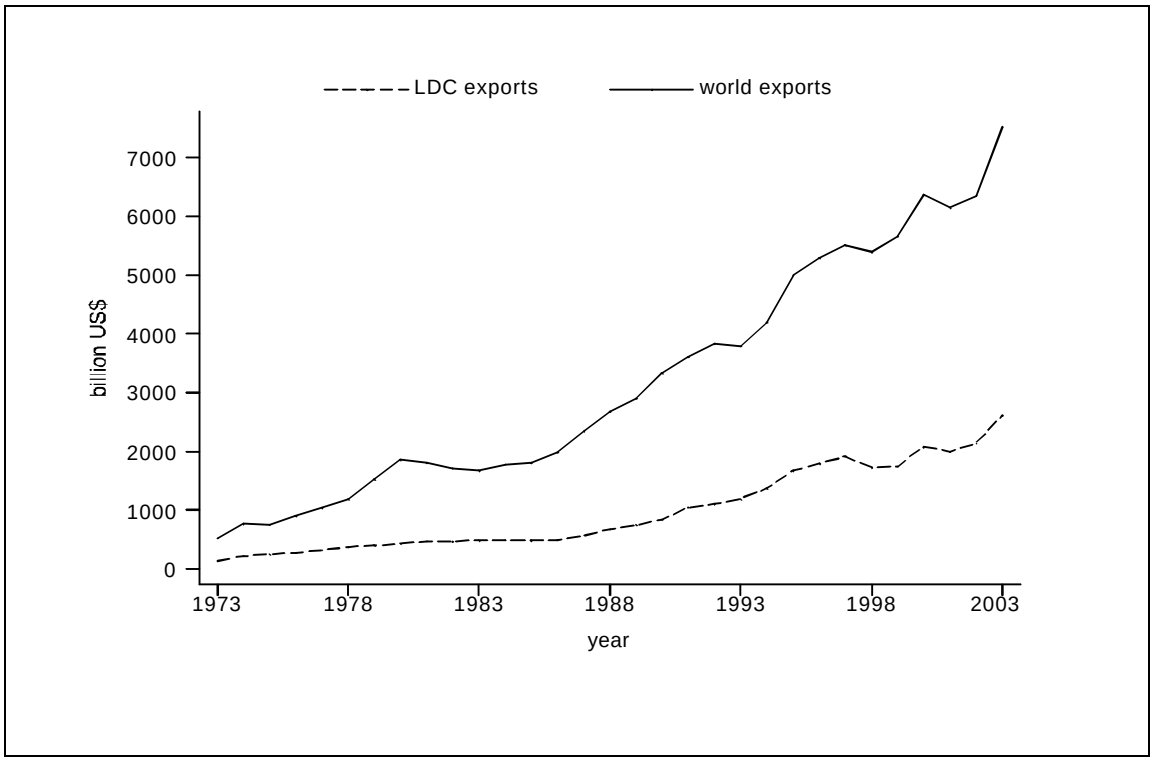

Figure 3: LDCs and World Exports 1973-2003 (US$ billion).[216]

[215] Ibid. p. 16.

[216] Data for plotting this graph was sourced from: International Monetary Fund, Direction of Trade Yearbooks, 1979, 1980, 1981, 1985, 1986, 1990, 1991, 1993, 1994, 1996, 1997, 1998, 2001, December 2003 and September 2004; IMF and IBRD, Direction of Trade1968-1973

3.3.1b *THE DECLINE OF THE BRETTON WOODS SYSTEM: IMPLICATIONS FOR THE LDCs*

The establishment of the Bretton Woods system ushered in an era of unprecedented growth in international trade and increasing global economic interdependence. Yet "within this global 'Keynesianism' lay an inherent flaw that in time brought down the system. The American economy became the principal engine of global economic growth; American monetary policy became world monetary policy and the outflow of dollars provided the liquidity that greased the wheels of commerce."[217] As other nations pegged their currencies to the dollar, a system of fixed exchange rates was achieved. Adjustment involved simply taking actions that changed the par value of a currency against the dollar. Since the dollar was the principal reserve currency, international liquidity became a function of America's balance of payments.

This balance was in frequent deficit from 1959 onwards and the linchpin of the system was the pledge of the United States to keep the dollar convertible into gold at $35 per ounce.[218] Understandably, the entire post WWII trade and monetary order was constructed on American post war hegemonic political and economic power over the industrialised Western world. As long as America's economic and political prominence lasted, and as long as America had no economic peer in the non-communist world, and, to the extent that the Cold War was perceived as the most salient problem in international politics, the post war economic order functioned smoothly.[219]

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[217] Robert Gilpin, *The political economy of international relations* (New Jersey: Princeton University Press, 1987): 133.

[218] Ibid. p. 134.

[219] Walters and Blake, *The politics of global*, p. 133.

However, beginning in the 1960s and 1970s, with the détente between the superpowers and the economic recovery and growth of former war ravaged western economies and that of Japan; intra-western conflicts of interests hitherto subordinated to the dictates of alliance cohesion began to emerge. The emergence in 1971 of the first US trade deficit in the twentieth century marked a watershed in America's foreign economic relations and introduced an epoch of turmoil in the post war international economic order, with far-reaching implications for the developing world. The US trade and monetary policies took a decidedly more nationalistic cast. America less consistently shaped its own economic policies to underwrite the cost of maintaining an open international economic order.[220]

Arguably, the evolution in the Cold War and the economic resurgence of Western Europe and Japan combined to place severe strains on the cohesion among leading industrialised economies that held together the post war economic order. This culminated in the collapse of the Bretton Woods system in 1973 with attendant ramifications for the global economy at large, and for the economies of the vulnerable developing world in particular. The collapse of the Bretton Woods system coincided with the devastating energy crisis of 1973/74 orchestrated by the Organisation of Oil Exporting Countries (OPEC).

The collapse of the Bretton Woods system and the energy crunch of the 1970s caused an inflationary spiral in the industrialised world, accompanied by unparalleled levels of unemployment, due to the decline of industrial production. As expected, the non-oil producing developing countries were most hard-hit by both the energy crisis and the inflationary spiral of the 1970s as evidenced in their current account deficits (see figure 4 below).

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[220] Ibid. pp. 18-19.



Figure 4: Current account deficits of non-oil-exporting LDCs, 1973-1985 ($ billion).[221]

As if this was not enough, the Western response to the multiple crises of the 1970s was the deepening of protectionism and increasing economic nationalism, which amounted to an increase in the discrimination against developing economies.[222]

It was against the backdrop of dissatisfaction with the structures and workings of the post-WWII international trade and monetary orders, and the impact of the multiple crises engendered by the economic failures of the 1970s, that the LDCs initiated moves for the establishment of a new international economic order (NIEO). The limited outcomes of the negotiations for a new international economic order forced LDCs to emphasise alternative development strategies, which for the African continent came to be epitomised in the self-reliance strategy of the Lagos Plan of

[221] Data for plotting this graph was sourced from: International Monetary Fund, *Finance and development*, 17, no. 3 (September 1980): 7; International Monetary Fund, *World Economic outlook* (April 1985): 239. This data is also presented in Walters and Blake, *The politics of globa*l, p. 94

[222] See Ibid. pp. 88-89; Gilpin, *The political economy*, chapter 5.

Action. However, the Third World's call for a new international economic order and its outcome can only be understood within the context of North-South power relations in the post-WWII years.

3.3.2 NORTH – SOUTH POWER RELATIONS AND THE LPA DESIGN

Our world has always been a divided world and the much-vaunted planetary unity has simply been a geographical metaphor. "Politically and economically, however, the world has always consisted of many little and unequal worlds."[223] In the 1950s and 1960s, the world economy was simply divided into two - developed and developing. Since the Paris Conference on International Economic Cooperation of 1975/1977, the world economy became characterised by economic bi-polarity consisting simply of North and South. And although neither of the defined poles is a homogenous or permanent grouping, the "North" and the "South" are broadly synonymous with "rich" and "poor," "developed" and "underdeveloped."[224]

Economic relations between the North and the South within the framework of the post World War II global economic order has been seen as been essentially asymmetrical. In the 1970s, three important developments brought to the limelight, the essential nature of the relationship between the world's rich and poor. These developments were instrumental in defining and shaping the development options of the poor regions of the world, including Africa. They included the OPEC oil crises of

[223] Adedeji Adebayo, "Africa in a divided and inequitable world economy: the permanent underdog?" Lecture delivered in commemoration of the 10th Anniversary Celebration of the International Development Research Centre of Canada (Ottawa, 3 December, 1980): 2.

[224] Willy Brandt, *North-South: A programme of survival*, The Report of the Independent Commission on International Development Issues under the Chairmanship of Willy Brandt (Cambridge: MIT Press, 1980): 31.

the 1970s, calls for a New International Economic Order (NIEO), and East-West Cold War confrontation.

3.3.2a THE OPEC INDUCED OIL CRISIS AND THE LPA DESIGN

The developing countries of the South have always felt entangled with the industrialised states of the North by a variety of asymmetrical relations, resulting largely from the dominant role the industrialised states exercised during the colonial era. Trade patterns that developed between the industrialised states and countries of the South during colonial times form a key historical element of this asymmetrical dependence.[225] At independence most countries of the South were "integrated" into the global economy within the framework of an already established international division of labour, as suppliers of raw materials for the industries of the developed North, and as market outlets for the manufactured goods from the North. Adebayo Adedeji has aptly described these linkages in the particular case of the African countries as "hub-spoke" arrangements, with the countries of the North representing the hub and the poor, export-dependent African countries individually representing the spokes.[226]

Not only was the development of the South dependent on the North, but also, all global economic developments that affected the North, were bound to have serious implications on the dependent countries of the South. This reality became very manifest in 1973-74 and 1979, when the organisation of oil exporting countries (OPEC), initiated actions that drastically reduced the supply of oil to the world market, occasioning an energy crisis. It is beyond the scope of this study to detail the

[225] Walters and Blake, *The politics of global*, p. 169.

[226] Adebayo, "History and prospects," p. 2.

politics of the OPEC induced energy crises. However, the OPEC cartel action had a three-dimensional impact on North-South relations with implications for the African sub-system.

First, the OPEC oil crisis revealed like never before the excessive dependence of Third World countries in general and African countries in particular, on the North and their vulnerability to external economic shocks. Second, the success of the OPEC action came to popularise the concept of strength through collective action, and therefore, provided a compelling case for collective "Southern" action in pursuit of counter-dependency ambitions. Third, with the alliance that emerged between the OPEC states and the less developed countries (LDCs), the LDCs found themselves in a position of 'relative strength' that emboldened them to intensify their challenge of the prevailing international economic order and to contemplate inward-looking, self-reliance development strategies which in the case of Africa, was most succinctly articulated in the LPA.

The 1970s were a decade of economic upheavals and the energy crisis engendered by the OPEC concerted action was one of the most devastating of these upheavals. In many developing countries, particularly the least developed, the impact of the crisis was so severe that their per capita income was reduced quite substantially.[227] John Stoessinger has contended that "if the impact of oil prices on the Western world was dramatic, it was devastating on the poorer nations. In 1976, for example, when OPEC quadrupled oil prices, the increase in the bill for the developing countries more than cancelled out the foreign aid they were receiving."[228]

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[227] Gilpin, *The political economy*, p. 106.

[228] John Stoessinger, *The might of nations: world politics in our time*, ninth edition (New York and London: McGraw-Hill Publishing Company, 1990): 218.

The developing world in general and the weak, predominantly primary-product centred and external trade-dependent African economies in particular were the hardest-hit by the rapid sequence of energy related shocks of the 1970s.[229] First, industrial production in the North was dependent on the cheap supply of petroleum energy that was, until the OPEC cartel action, a monopoly of Western controlled multinational oil corporations. The energy crunch forced a contraction in the industries of the North because of the unprecedented increases in the cost of energy. And since the Post-WWII economic order had made the Northern industries the principal outlet for the raw materials of the South, the oil induced economic squeeze resulted in a sharp fall in the demand for the raw materials produced by the South resulting in dramatic declines in prices and aggregate foreign exchange earnings and associated balance of payment difficulties.

Moreover, African countries were specialised in a narrow range of primary products that had little or no elasticity of supply. They could not, therefore, adjust their supplies in the face of the decline in demand. Meanwhile, as a result of the increases in the cost of production in the North, the prices of manufactured goods that were in high demand for development projects in the South more than quadrupled. Lacking the foreign exchange to pay for the much-needed manufactures, the South embarked on heavy borrowing, marking the beginning of the debt crisis.[230]

The Third World debt crisis originated partly from the first OPEC oil shocks of 1973. The oil price hikes created a situation wherein, suddenly, the oil-rich nations earned billions of dollars – while on the other hand poor oil importing nations were

[229] Thomas M. Callaghy, "Between Scylla and Charybdis: The foreign economic relations of Sub-Saharan African states," in Peter Lewis (ed.), *African dilemmas of development and change* (Boulder: West view, 1998): 383.

[230] Julius Nyerere, "The debt bomb," *Time* (January 10 1983): 46; Stoessinger, *The might*, p. 220.

hard-pressed to pay higher prices for energy and other important imports. The practice of 'recycling petrodollars' emerged – by which oil-rich nations deposited their excess wealth in the world's major banks, which in turn lent the 'petrodollars' to the developing countries that needed to buy oil or were eager to get technology from the North to modernise their economies. Borrowing countries contracted 'petrodollar' loans with enthusiasm with the assurance that their economies will grow faster than oil prices. Besides, since international loans were mainly in dollars, and inflation in the United States was rising during the 1970s, borrowers (mostly developing countries) believed that they could repay loans in cheaper dollars.[231]

However, with the unilateral adjustment measures of the American administration in the mid 1970s, the American inflation was reversed, strengthening the dollar. Contrary to expectations, the poor borrowing countries had to pay higher interest rates on their loans. They found themselves unable to repay the loans, particularly against the backdrop of the worsening terms of trade for export commodities, which constituted their principal source of foreign exchange. In most borrowing countries, interest payments that did not even reduce the principal devoured more than half of the already meagre export earnings. Yet in some others, particularly in Latin America, debt service repayments exceeded all export revenues. A serious debt crunch was building up.[232]

The extreme vulnerability of the developing countries to the oil crunch of the 1970s underscored the implications of their dependent relationship with the North. It equally led to the intensification of calls for a new international economic order and

[231] Ibid. p. 220.

[232] Ibid.

eventually led to the formulation of alternative development initiatives, which for African countries was epitomised by the Lagos Plan of Action's self-reliance strategy.

Although the OPEC cartel action had devastating economic effects on the developing world, it had the positive effect of demonstrating to Third World countries that they could acquire strength in their intercourse with the North, through concerted action. The dramatic success of OPEC between 1973 and 1979 has been described as a seismic event in world affairs that directly affected virtually all dimensions of international politics. Most Third World countries took great pleasure in seeing the non-western oil-producing states of OPEC wrest control over the international oil market from northern industrialised states and their multinationals. It ended the developed world's previous domination of virtually every important dimension of international economic exchange.[233] It therefore, emboldened Third World countries to contemplate other forms of collective actions to counter what they perceived as the exploitative and dependency enhancing post-WWII global economic division of labour.

The OPEC success enabled the developing countries to elevate North-South economic issues to the top of the international agenda.[234] It intensified and sharpened the Third World's demand for a new international economic order. More importantly, the close ties that developed between OPEC states and the rest of the Third World gave these otherwise powerless states some leverage in their interaction with the industrialised North.

Although Third World countries had been working together as a group (the Group of 77) since the foundation of the UN Conference on trade and Development

[233] Walters and Blake, *The politics of global*, p. 205.

[234] Chazan et al., "Africa and the world," p. 298.

(UNCTAD) in 1964, it had previously been unable to persuade industrialised countries to give serious attention to its demands for global reforms. The OPEC action raised new concerns in the North regarding the future security of supply of raw materials and rendered the North more amenable to negotiations.[235]

The OPEC countries used their oil power to advance long-standing demands for international economic reforms of importance to all less developed countries, particularly in the areas of trade, aid, investment and monetary relations.[236] For example, a few months after the oil hikes and the Arab led oil embargo of 1973, they led the call for convening a special session of the United Nations General Assembly to address the problems of raw materials and development. It was at this session that the "UN –Declaration on the establishment of a new International Economic Order" of interest to all Third World countries was passed.[237]

A further evidence of the OPEC-LDCs alliance was in OPEC's rejection of a western initiative to negotiate an orderly oil production and pricing scheme in 1974. Rather, they insisting on and succeeded in creating a negotiation forum including other Third World states, the West, and OPEC states. Negotiations were based on an expanded agenda that addressed the gamut of less developed countries' commodity trade, industrialisation, and international financing interests, in addition to oil production and pricing.[238]

The OPEC states linked threats for further oil price increases in late 1975 to the West's willingness to negotiate seriously with the Third World within this larger

[235] Ibid.

[236] Walters and Blake, "The politics of global," p. 205.

[237] Chazan et al., "Africa and the world," p. 298.

[238] Ibid.

framework. The OPEC induced negotiations took place in Paris in the form of a specially created Council on International Economic Cooperation (CIEC) that held between 1975 through 1977. While the substantive accomplishments were modest, it is noteworthy that it was within the OPEC induced CIEC framework that the industrialised North agreed to the creation of a 'Common Fund' as part of the United Nations Conference on Trade and Development's (UNCTADs) Integrated Programme for Commodities.[239]

Another aspect of the OPEC-LDCs alliance, which served in strengthening the LDCs in their intercourse with the North in the 1970s, was the OPEC's initiation of economic assistance to the less developed countries. The assistance was to the tune of US $5 billion per annum by the late 1970s. OPEC aid, as a percentage of donors' gross national product (GNP), was several orders of magnitude higher than Western aid during the same period.[240] OPEC countries, through these actions, "managed to forge a loose economic coalition with the Third World states and to provide the cutting edge in their dialogue with the industrialised states of the North over international economic reforms."[241]

Although the overall financial burden placed upon oil importing less developed countries by the OPEC oil price increases was economically destabilising, the alliance between OPEC and the LDCs gave the LDCs significant leverage in their relationship with the powerful states of the North. This leverage gave the South the opportunity not only to wrest important concessions from the North, but also to adopt policies that were sometimes out of tune with Northern interests, and yet get away with them. The

[239] Ibid. p. 205.

[240] Ibid.

[241] Walters and Blake, *The politics of global*, p. 209.

design of the LPA was in line with the OPEC inspired radicalism and 'non-conformism'.

3.3.2b *THE NIEO CAMPAIGN AND THE LPA DESIGN*

The issue of a development strategy for the Third World in general and Africa in particular has been complex and ambiguous. The debate over a development paradigm for the developing world has revolved around the question of whether development should be conceived in accordance with the demands of the prevailing international order, or conversely, whether it is necessarily in conflict with it. The question has always been, as Samir Amin puts it, "can the international order be transformed and adjusted to the priority demands for Third World development, or conversely, can the latter only be the result of the reverse adjustment?"[242]

Against the backdrop of the perception that the post-WWII international economic order was both unjust and biased against the developing countries of the South,[243] and in light of the multiple crises that emerged within the system in the 1970s, the developing countries concluded that only a transformation of the world order, to incorporate their priority needs could engender genuine development. They conceived what became, perhaps, the most widely publicised plan for bridging the gap between the North and the South – the project for a new international economic order (NIEO).[244] A detailed analysis of the NIEO Campaign is not intended here. Rather, I limit myself to an overview of the substance and content of the calls for a NIEO and

[242] Amin, "Africa: From the LPA," p. 3

[243] Jeffrey A. Hart, *The new international economic order: Conflict and cooperation in North-South economic relations, 1974 – 1977*, second edition (Houndmills, Basingstoke, Hampshire and London: Macmillan Press, 1985): 3.

[244] For insights into the NIEO campaign, see variously, Stoessinger, *The might*, p. 218; (Sir) W. Arthur Lewis, *The evolution of the international economic order* (Princeton: Princeton University Press, 1977): 3; Gilpin, *The political economy*.

an appraisal of how the limited outcomes of the NIEO negotiations prompted African states to adopt the alternative policy of partial disengagement embodied in the Lagos Plan of Action.

The cleavage between periphery and centre states in the global economy was formalised in the United Nations Conference on Trade and development (UNCTAD) by a group system, in which 120 poor states (originally 77) adhered to a united position in making concrete proposals for the complete reform of international economic relations between the rich and poor states.[245] During the 1970s common LDCs proposals for international economic reforms (first made explicit and given coherence by the UNCTAD) evolved to comprise a set of formal demands for a new international economic order.[246] During much of the 1970s, the NIEO provided the agenda for North-South dialogue, that was however, displaced in the 1980s by an ascendancy of bilateralism championed particularly by the IMF and the World Bank.

In substance, the NIEO was the aggregated demands for economic reforms of interest to the LDCs. The demands were intended to bring about increased resource transfers from rich to poor states on improved terms and in a manner that could facilitate the initiation and implementation of development policies in the South.[247] The issues tabled for negotiation by the LDCs included:

- The implementation of the UNCTAD's Integrated Programme for Commodities, alongside the establishment of the Common Fund as its centrepiece;
- The liberalisation and extension of the Generalised System of Preferences for LDCs exports of manufactured and semi-manufactured goods;

[245] United Nations, *Handbook of international trade and development statistics* (New York: United Nations, 1984): 54.

[246] See Walters and Blake, *The politics of global*, p.217.

[247] Ibid. p. 218; also see generally Adedeji Adebayo, "Africa and the new international economic order: a re-assessment," National Bank of Egypt Diamond Jubilee Commemoration lecture (Cairo, December 1979b).

- Increase in LDCs' share of the world industrial output to 25% by the year 2000;
- The establishment of a link between the creation of new special drawing rights in the IMF and development assistance;
- Increased stabilisation of international reserves and exchange rates by movement away from the dollar as the linchpin of the international monetary system;
- Increased access to IMF and commercial loans with lower interest rates, longer payment periods and lesser conditionalities;
- A comprehensive international approach to the management of debt confronting the LDCs;
- Conformity of advanced industrialised states with the target of 0.7% of GNP in official development assistance to LDCs;
- Enhancement of science and technology;
- International regulation of multinational corporations;
- The development of enhanced research and development capacity within LDCs.[248]

These demands were informed by the conviction that the Northern dominated global economy had produced a maldistribution of income and influence at the expense of the South. The resource transfer that was sought in the NIEO was, in the view of the Third World, to eliminate the international sources of their economic and political weakness. Besides the call for resource transfers, the NIEO also focused on the establishment of new principles to guide international economic relations. Understandably, the NIEO was as much a demand for alteration in standards of conduct and norms governing economic relations as a demand for resource transfers.[249]

[248] Ibid; Walters and Blake, *The politics of global,* p. 218.

[249] Ibid. pp. 218-219.

Although the NIEO campaign hardly matched the drama of OPEC confrontations with the advanced industrial states and the oil multinationals, it nevertheless constituted an organised effort that attempted to completely transform the North's established and dominated post-war economic order. The seriousness of this challenge was indicative of the relative power position of the South in the 1970s.

Because the major post-WWII international economic institutions were established when most Third World countries had not yet attained independence, these states, to enhance their position and voting power in multilateral economic decision making, pressed for: 1) the expansion of the membership of existing organs of the UNO family of institutions; 2) taking negotiations of economic importance from forums excluding LDCs into institutions where they were represented, and 3) creating entirely new international economic institutions to champion developing countries' interests (such as UNCTAD, UNIDO, and the UN Commission on Trans-national Corporations). Overall, the developing countries' strategy consisted of "attempting to subordinate multilateral decision-making on economic matters in the IMF, IBRD, GATT, and elsewhere to the authority and supervision of organs in the United Nations, where less developed countries enjoyed a voting majority."[250]

Less developed countries pressed hard to legitimise the new principles upon which they hoped a new world economic order had to be built through the passage of a number of U.N resolutions.[251] Most of these resolutions pushed through the UN-General Assembly tended to enhance the sovereignty of LDCs, and were structured to alter long-standing principles of international law regarding rights of foreign

[250] Ibid.

[251] These included: "The Charter of Economic Rights and Duties of States," *UN Monthly Chronicle* 12, no. 1; "The Declaration on Establishment of a New international Economic Order," *UN Monthly Chronicle* 11, no. 5; and "The Programme of Action on the establishment of a New International Economic Order," *UN Monthly Chronicle* 11 no 5.

investors, and replacing the market mechanisms with commodity agreements or commodity cartels in international commerce for raw materials.[252]

However, the principles advanced by the LDCs and the strategies they adopted for their actualisation became a bone of contention between the states of the North and those of the South. While the South saw the principles enshrined in the NIEO campaign as seeking to establish a just and equitable global order, the North interpreted them as an attempt for a wholesale redistribution of resources and political-economic power in the international system from advanced industrialised states of the North to countries of the Third World. The North was therefore, opposed to the massive restructuring of international economic institutions and the norms of behaviour they embodied as called for by the NIEO campaign.

The furthest they were willing to go was to agree to highly specific, selective reforms in international trade, financial, or investment relations that took into account particular economic needs of LDCs and over which most Northern states were in agreement. They essentially isolated and "domesticated" a few of the most palatable demands for a new international economic order on which they were willing to negotiate.[253] And by 1979, it had become evident that the bid by the Third World for a NIEO was a failure. And as Adebayo Adedeji puts it:

> In spite of the 6th and 7th special sessions of the UN General Assembly, in spite of the UNCTAD IV and V, we are no nearer to establishing a NIEO now than we were in 1974…one is not been alarmist if one says that between 1974 and now {1979} the international situation has gone from bad to worse.[254]

[252] Walters and Blake, *The politics of global*, p.59.

[253] Ibid. p. 221.

[254] Adebayo, "Africa and the new," p. 2.

Although the demands of the less developed countries for a far-reaching reform of the international economic system were not met in any comprehensive fashion, the continued emphasis in the NIEO performed an important agenda-setting function for less developed countries. "It proved the means by which Third World countries placed their political-economic priorities alongside Cold War issues and intra-western economic concerns in international diplomacy."[255] It removed Third World countries from the position of mere objects of world politics, to that of non-negligible actors. More importantly, the NIEO demands provided legitimacy and greater coherence in less developed countries' regional and national foreign economic policy making. Indeed, it brought about increased multilateral economic cooperation among Third World states and emboldened unilateral bargaining by LDCs with foreign firms, public and private financial institutions, and advanced industrial states. It is within this context that the impact of the NIEO calls on Africa's development options can be evaluated.

Although some African technocrats and scholars have argued that the issues raised in the NIEO negotiations were of no direct relevance to Africa's development challenges,[256] I contend that they played a very important role in the formulation of Africa's self-reliant development strategy contained in the LPA. First, Africa's peculiar situation in the global economy as the most economically backward region and the least prepared of all Third World regions for the NIEO invariably implied that if it were to benefit from the negotiations for a new international economic order, then it had to be well organised as a group, to be able to articulate and project its specific

[255] Walters and Blake, *The politics of global*, p. 221.

[256] Adebayo, "Africa and the new."

needs and interests within the broader NIEO framework.[257] Therefore, the need for concerted action for meaningful and fruitful participation in the NIEO negotiations induced greater cooperation amongst African states that eventually evolved to the inward-looking, collective-self reliance development strategy contained in the LPA.

Moreover, the failure of the NIEO negotiations clearly demonstrated to African countries that as the least developed region in the world, the continuation of the traditional patterns of economic cooperation and dependent relationship (trade and aid) with the prosperous industrialised states of the North was not going to help them become economically prosperous. To secure Africa's long-term interests and to achieve the goal of economic independence, that could make their political independence more meaningful, African statesmen leaned on the failure of the NIEO campaign, to strive to put the ownership, control and management of their national economies in their own hands and in the hands of their citizens.[258] The most concrete manifestation of this new African resolve was the self-reliant and self-sustenance agenda defined in the LPA.

3.3.2c *THE COLD WAR* AND THE LPA DESIGN

The ideological cleavage between the East and the West after WWII hovered over all regions and countries of the globe. It became so omnipresent in the daily intercourse between international actors that it virtually came to be accepted as an axiom of international relations.[259] It unavoidably became an integral element in the

[257] See Adedeji Adebayo, "The crisis of development and the challenge of a new economic order in Africa," ECA Thirteenth Session and the Fourth Meeting of the Conference of Ministers (Kinshasa, 1977).

[258] See Adedeji Adebayo, *Indegenisation of African economies* (London: Hutchinson and co. Publishers, 1981b).

[259] Stoessinger, *The might*, p. 40.

conflict of interest between the rich countries of the North and the poor countries of the South.

The influence of Third World states on the international system could be measured from their three central goals: to redefine the terms of their relations with the former tutelary powers following their achievement of political independence; to build up a regional space favourable to their "milieu goals;" and to attenuate, individually or collectively, their subordinate position in the international system.[260] In these three situations, the former Soviet Union in the Cold War setting endeavoured to present itself as the "midwife" in the completion of the independence process of the new states, helping them maximise their territorial or regional positions, and posturing as the "sympathetic ally" of countries subjected to an unfair international order. Therefore, one of the major rules that the Soviet Union adopted towards the Third World countries during the Cold War was to encourage them in all situations with a potential for weakening Western positions, while limiting its commitments whenever the East-West split was not very obvious.[261]

The West headed by the USA and the East championed by the USSR became engaged in a contest for the loyalties of the Third World countries – with the USA emphasising economic and political support to regimes which it considered friendly – while the USSR emphasised military support to countries and insurgency movements which it considered most likely to advance Soviet interests. In all circumstances, both states put their own domestic economic systems as models for the Third World countries.[262] The Soviet Union hoped, by supporting movements in Africa, Asia, and

[260] Wolfers cited in Zaki Laidi (ed.), *The Third World and the Soviet Union* (Bombay, London and New Jersey: Zed Books, 1988): 14.

[261] Ibid. p. 17.

[262] Hart, *The New international order*, pp. 148-9.

Latin America, which were struggling against Western evils such as racism, economic injustices, and the last vestiges of colonialism, it could be on the winning side of enough conflicts so that in the long run, they could have more allies in the Third World than the USA, especially in areas of strategic importance.[263] Therefore, during the Cold War, the industrial countries of the West had an interest in promoting economic development in the Third World.

To the extent that the Third World countries cared more about the political issues of race and colonialism, the Soviet approach earned more loyalty within the Third World than that of the USA. In the economic sphere, however, the combination of Third World scepticism about the value of adopting Soviet-styled economic measures, with the record of the rather limited Soviet economic aid, did hurt the Soviet Union in its quest for the hearts and minds of people in the developing countries. It was, therefore, all the more important that the industrial capitalist countries maintain an image at least of offering more in the economic sphere than the Soviets.[264]

As the East-West tension grew in intensity, it became imperative for the West to differentiate their position toward the Third World countries from the Soviet bloc. On the one hand, concern for Soviet involvement in specific Third World regions created greater willingness within Western countries to increase assistance to the affected regions (like in Southern Africa, Central America, and later in the Caribbean). On the other hand, where there was a threat to regimes which were friendly to the West, there was a tendency to overemphasize the importance of military aid and to overlook the importance of encouraging domestic social and economic reforms as a way of pre-empting insurgency movements. Thus, the net result of increasing East-West tension

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[263] Ibid. p. 149.

[264] Ibid. p. 150.

was the increase in the flow of assistance to the Third World countries, even when the policies of these countries were not totally in line with the expectations of the West.[265] The South was therefore, in a position of relative strength during the heydays of the Cold War, at least, in securing aid from the West with minimum conditionality.

North-South relations were not limited to aid flows. Other key issues in their relations included; trade, monetary relations, foreign investment, differences in interests and outlooks resulting from the disparity and spread of industrial production worldwide. These issues continued to exist independently of what happened in the East-West relations. During the Cold War, it was in the interest of the Soviet Union to carry out actions that intensified and magnified the North-South conflicts by, for example, exacerbating differences within the capitalist industrial countries, dramatising the gap between the North and the South and, by so doing, facilitating their direct influence of the policies of the Third World through skilful diplomacy and military intervention. It therefore followed that it was in the interest of the West to insolate negotiations about changes in the regimes governing North and South economic relations as much as possible from issues arising from the increase in the East-West tension and to isolate the Soviet Union from those negotiations.[266]

Contrary to this Western design, the Third World realised that it was in their interest to use the increased East-West tensions as a bargaining lever in North-South negotiations.[267] Therefore, the South did all in its power to couch their negotiations with the North, particularly over the establishment of a new international economic order, within the Cold War realities. The fear by the West of possibly losing out their

[265] Ibid.

[266] Ibid. pp. 150-1.

[267] Ibid.

Third World allies to the Soviet camp encouraged them to grant some concessions to the South, irrespective of how minimal they were.

The Cold War global environment was not entirely adverse to the interests of the Third World in general, and Africa in particular. Despite being 'squeezed' by the forces of the two blocs, which discouraged autonomous social change, and despite intensification of internal conflicts due to external intervention, Third World countries were able to derive some benefits from the rivalry between the two camps in the Cold War.[268] Besides enabling them to exercise some degree of autonomy, the Cold War also allowed Third World countries the latitude to exert some influence on the international system. The Non-Aligned Movement (NAM), the United Nations General Assembly, the UNCTAD, and UNIDO were among some of the international forums that the developing countries used in their efforts to influence the global agenda and to participate in the global decision-making process.[269]

The Non-Aligned Movement, founded by the Third World under the dictates of the Cold War, to assert their neutrality and independence from the opposing camps in the East-West confrontation became a powerful instrument of Third World solidarity and strength in its relationship with the rest of the world. This was despite the fact that in reality, most developing countries were sacked into one side or the other of the ideological divide. Nevertheless, in the 1970s, the Third World presented itself as a single bloc despite the evident disparities between different regions and states within regions. It is worthy of note that this helped to probe up the African region, which left on its own was about the most backward and weakest regions of the globe.

The European Economic Community-Africa, Caribbean, and Pacific (EEC-ACP) agreements, and the Generalised System of Preferences (GSPs) of the GATT were

[268] Kidane Mengisteab, *Globalisation and autocentricity,* p. 153.

[269] Ibid. p.154.

some of the concessions of the Cold War era from which some African states derived modest benefits. Although some of these concessions have been seen as perpetuating the asymmetries between the North and the South, the ability of the South to wrest them nevertheless, showed that the South was in a non-negligible bargaining power position vis a vis the North in the 1970s.

This position of relative strength, derived mainly from the solidarity between Third World countries under the edges of the Non-Aligned Movement, support from the Organisation of Petroleum exporting Countries (OPEC), and the ability to outplay the East against the West in the Cold War. All these emboldened Third World states in general and Africa in particular, to contemplate and adopt inward-looking development strategies, that were not in tune with Western dictates, and still expect to get support from the west. The LPA's self-reliance strategy could be seen to have partly originated from the combined logics of the global realities of the late 1960s and 1970s.

3.3.3 PREVALENT INTERNATIONAL ECONOMIC AND DEVELOPMENT IDEAS IN THE 1960S AND 1970S

Prevalent economic and development ideas in the 1960s and 1970s also had a great influence on the design of the Lagos Plan of Action and its self-reliant approach to development. To begin with, the economic and development ideas behind the structures and operations of the post-WWII international economic order were dominantly of the liberal and classical Marxist (modernisation) genre. These strands of thought tended to see development as a process by which economic growth was diffused from the advanced industrialised states, to the backward traditional societies. Drawing upon historical lessons of European development, modernisation theorists

evolved an archetypal model of modernity, counterposed to a generic image of traditional society.[270]

Not only did modernisation theory pose a dichotomy between traditional and modern societies, it also indicated a unidirectional pattern of change – from traditional to modern attributes. The evolution of the world was viewed as diffusing the process of economic growth from advanced to traditional economies. The less developed economies were to be incorporated into the world economy and transformed from traditional to modern economies through the flow of trade, technology and investment.[271]

Modernisation theory tied the development of Third World countries to engagement in the global capitalist system. It was under the dictates of modernisation prescriptions that most Third World countries, particularly those of Africa, adopted development strategies that favoured external trade, transfer of foreign technology and other development stimuli including hiring expatriate manpower. Within the same logic African states at independence adopted development policies that were virtually imitative of western development patterns. This was particularly the case with early economic integration initiatives that were tailored to suit the track model of the European Economic Community (EEC) – from free trade areas, through customs unions and common markets to economic communities. African development strategies from the period of independence, to the turn of the 1970s were anchored on

[270] For details on modernisation postulations, see variously Cyrill Black, *The dynamics of modernisation* (New York: Harper and Row, 1966); W.W. Rostow, *The stages of economic growth* (Cambridge: Cambridge University press, 1962); Gabriel Almond and Bingham Powell, *Comparative politics: A developmental approach* (Boston: Little Brown, 1966); Richard Higgott, "From modernisation theory to public policy: Continuity and change in the political science of development," *Studies in Comparative International Development* 15, no. 4 (1980): 26-58.

[271] Gilpin, *The political economy*.

development ideas and theories that were designed to rationalise the colonial patterns of production.[272]

Although most Third World countries had attained political independence by the 1960s, and despite their adoption of the prescriptions of the modernisation theories, it was realised by the turn of the 1970s that development had eluded them. Most countries in Sub-Saharan Africa (SSA), Asia, the Middle East continued to be economically and technologically dependent – exporting mainly raw materials in exchange for manufactured goods. Rather than progressing into the higher stages of economic development in line with the projections of modernisation theories, most of these countries instead increased their reliance on advanced industrialised countries for capital, technology and even food. This situation gave rise to a rash of radical ideas about the development options and strategies of the developing world. This new thinking about Third World development gave birth to what came to be known as underdevelopment theories. [273]

In contrast to the modernisation thesis, underdevelopment theory – whether in its structuralism or dependency versions - sees the operation of the world economy as detrimental to the interests of the less developed countries, in both the short and long run.[274] The essence of underdevelopment theory is that the international capitalist economy operates systematically to underdevelop and distort the economies of the less developed economies. The rich who control the world economy were seen as

[272] See Adedeji Adebayo, *Development and economic growth in Africa to the year 2000: alternative features for Africa* (Boulder, Colorado: Westview, 1982): 280; "The evolution of the Monrovia strategy and the Lagos Plan of Action: A regional approach to economic decolonisation," Lecture delivered under the distinguished-lecture series of the Nigerian Institute of Social and Economic Research - NISER (Ibadan: University of Ibadan, 23 March, 1983): 5; Timothy Shaw, "The African crisis: Debates and dialectics over alternative development strategies for the continent," in John Ravenhill, *Africa in crisis,* p. 108.

[273] Gilpin, *The political economy.*

[274] Ibid. pp. 273-290.

been responsible for the poverty of the Third World due to what Arghiri Emmanuel, has called unequal exchange – founded on the bias in the terms of trade in favour of the developed world.[275] In other words, the international trading system was perceived as been inherently skewed toward entrenching the interests of the developed North and dooming the less developed South through inequitable commodity exchange to perpetual dependency.[276]

The seeming lack of Third World development was first addressed by the research of scholars like Ragnar Nurkse, Gunner Myrdal and Hans Singer.[277] Their findings became closely identified with the work of the United Nations Commission for Latin America (UNCLA), under the leadership of Raul Prebisch, in what became known as the structuralist theory of underdevelopment.[278] Structuralists focused on those features of the world economy that they alleged restricted the development prospects of less LDCs, with a particular emphasis on the deteriorating terms of trade for LDCs' commodity exports. They concluded that the solution to the problems of the less developed countries was to be found in the reform of the international economy and the adoption of a development strategy based on import substitution. This structuralist prescription formed the theoretical base of the Third World championed NIEO campaign. It also spurred the adoption of policies of import substitution industrialisation by Third World countries in the 1960s and early 1970s. The

[275] Emmanuel, *Unequal exchange.*

[276] Fine and Yeo, *Regional integration in SSA*, p. 432.

[277] Ragnar Nurkse, *Problems of capital formation in underdeveloped countries* (New York: Blackwell, 1953); Gunnar Myrdal, *Economic theory and underdeveloped regions* (New York: Harper and Row, 1971).

[278] Gilpin, *The political economy*, pp. 274-281.

structuralist import substitution industrialisation policy turned out to be counterproductive[279] and developed countries largely ignored the call for a NIEO.[280]

In response to the apparent failure of the structuralist diagnosis and prescriptions by the late 1960s and 1970s and in light of the deepening economic problems of the LDCs, a more radical interpretation of, and solution to, the development predicaments of the Third World was evolved. This new radical formulation became known as the dependency theory. Dependency theory challenged the premises of both modernisation and structuralist theories. They proceeded from the logic that developing countries had a separate history from that of the industrialised capitalist states and that they were dominated by Western imperialism for at least a century before independence. Moreover, they attained independence in a world already stratified and dominated by the advanced industrialised countries. The principal premise of the dependency theory was therefore, the struggle between the North and the South in a stratified world.[281]

Dependency theory presents a single international model in which two spheres, core and periphery, are pitched in an unequal relationship. The core countries of the North grow wealthier by exploiting and subordinating the resources, markets and labour of the peripheral countries of the South. From this logic of exploitation and subordination, the underdevelopment of the Third World has been attributed mainly to the structures of the international system. [282] While liberals have defined underdevelopment as a condition in which most nations find themselves because they

[279] Ian Roxborough, *Theories of underdevelopment* (London: Macmillan, 1979): 33-35.

[280] Amin, "Africa: From the LPA," p. 3.

[281] Rodney, *How Europe*; Amin, *Underdevelopment and dependency*.

[282] Cockroft et al., *Dependence and underdevelopment* (New York, Garden City: Doubleday, 1972): 321-98.

have not kept up with the front-runners, dependency theorists have seen it as a process in which the LDCs are caught because of the inherent relationship between developed and underdeveloped nations.[283]

The conclusion of the dependency theory was that since the chronic underdevelopment of the Third World could only be explained in global terms, the primary objective for developing countries was to change their relation to the international system. They therefore admonished countries of the South to minimise exploitative linkages with the North and rather take collective action to change the dynamics of the international system. From the perspective of the radical dependency theorist, for poor states to escape from the economic exploitation that has condemned them to poverty, they needed to interrupt the existing linkages between centre and periphery – indeed to rebel against the existing global system.[284]

Although dependency theory has been criticised for being economically reductionist, and therefore, inadequate in explaining and addressing specific disaggregate realities on the ground, in the Third World, it was arguably the most popular and dependable interpretation of the Third World situation in the 1970s.[285] It therefore, had great influence in the formulation collective self-reliance developing strategies in the developing world in the late 1970s. Within this context, the LPA's twin philosophy of collective self-reliance and self-sustenance – partial disengagement from a supposedly unfavourable international political economy could

[283] David A. Baldwin, "Interdependence and power: A conceptual analysis," *International Organisation* 34 (1980): 471-507.

[284] Walters and Blake, *The politics of global, pp.* 57 & 221.

[285] This was so because it converged with the prevailing perception in developing countries that their relationship with the global economy was biased and was not in any way helping them develop. The dependency model's harsh criticism of the global system and its alternative model of disengagement were understandably very attractive to the LDCs at the time.

be seen as the most far-reaching application of dependency ideas, though not in their crude autarchic form.

Overall, a combination of the unsettling realities of the post-World War Two global economic order, the asymmetrically nature of North-South relations and the influence of the dominant economic and development ideas of the late 1960s and 1970s, informed Africa's formulation of an inward-looking self reliant development strategy contained in the LPA. But how did African statesmen and technocrats go about the formulating what came to be known as the Lagos Plan of Action?

3.4 THE LPA: UNDERLYING INTER-AFRICAN DIPLOMATIC PROCESS

By the late 1970s, a development gap emerged amongst African states, as the continent was slowly dividing into semi-peripheral and peripheral states. The former, relatively affluent and comparatively successful economies (Ivory Coast, Kenya and Malawi; and oil-exporting states like Algeria, Gabon and Nigeria) were more inclined to acquiesce to continued engagement in the liberal global political economy despite the devastating effects of the global economic crises of the 1970s. The latter (a majority of African states), however, were most hard-pressed by the global economic slump and were inclined to be supportive of disengagement from the global economic order.[286]

In light of the apparent divergence of interests amongst African states, it was certain that formulating a common approach to resolve the continent's economic development dilemmas was challenging. It would therefore be of interest to 'unpack' the processes that made possible the emergence of an African consensus that produced the policy of partial disengagement, self-reliance and self-sustenance

[286] See generally, Thandika Mkandawire, "African state responses to economic cycles and economic crises: A preliminary note," *African Studies Association* (Washington D.C., November 1982).

contained in the Lagos Plan of Action (LPA) and the Full Act of Lagos (FAL) in 1980. This section gives an account of the various actions and efforts of the UNO, the OAU, the ECA technocrats, and African leaders that culminated in the formulation of the LPA and the FAL.

The struggle to formulate an alternative economic strategy for the economic decolonisation of Africa can be traced to the creation of the Economic Commission for Africa (ECA) in 1958. However, the impetus for the series of actions that eventually led to the Monrovia Strategy in 1979 and the LPA in 1980 can be located in1975. Indeed, the LPA can be seen as the culmination of a four year long effort, initiated and led by the Economic Commission for Africa, together with the Organisation of African Unity (OAU), to review the development paradigms and strategies that Africa had pursued since independence in the 1960s.[287] The assessment showed that Africa faced a serious development crisis and that of the five regions of the globe (Africa, Europe, Latin America and the Caribbean, Asia and the Pacific, and West Asia) performance in the African region was the worst.[288]

Against this backdrop and within the context of the NIEO campaign, "it became imperative that Africa should first put its house in order otherwise, it risked remaining marginalized and "peripherised" even in a reconstructed international economy."[289] Accordingly, in 1976 the ECA crafted its first landmark document entitled, *The Revised Framework of Principles for the Implementation of the NIEO in Africa*. This became the intellectual and theoretical foundation of Africa's self-reliant and self-

[287] Adebayo, "From the LPA," p. 5.

[288] U.N General Assembly Resolution 3101 (S.vi) and 3202 (S.vi) of May 1974 cited in Senghor, *Towards a dynamic*, p. 309.

[289] Adebayo, "From the LPA," p. 7; Adebayo, "The evolution of the Monrovia," p. 327.

sustenance strategy, upon which the Monrovia Strategy (1979), the Lagos Plan of Action (1980) and the Final Act of Lagos (1980), were subsequently built.[290]

The Revised Framework argued that a credible and appropriate development strategy for Africa must satisfy four fundamental principles: self-reliance; self-sustenance; the democratisation of the development process; and a fair and just distribution of the fruits of development through the progressive eradication of unemployment and mass poverty.[291] The ECA technocrats evolved a sort of self-reliant development charter for the continent that had as key elements:

- The internalisation of the forces of demand that determine the direction of development and economic growth process, including the patterns of output;
- Increasing substitution of domestic factor inputs for external factor inputs;
- Increasing the participation of the mass of the people in the production and consumption of the social product; and
- Increasing self-sustenance through the promotion of the patterns and process of a holistic human development in which the different sectors, and programmes and activities mutually supported and reinforced each other, so that when related to the internalisation of the forces of demand and supply, the whole economic, social and political system develops its own internal dynamics.[292]

The revised framework was an articulation of the ECA technocrats' idea of the kind of continent they envisaged for the African peoples and the development strategy, which had to be adopted to establish it. Their basic proposition was that an increasing measure of self-reliance and self-sustaining development was a most important accompaniment of political independence since it was to lead to economic decolonisation. The argument was that a development strategy based on the four pillars – self-reliance, self-sustenance, democratisation of the development process,

[290] Ibid. 328**;** Adebayo, "From the LPA," p. 7;

[291] Adebayo, "The evolution of the Monrovia," pp. 328-331.

[292] Adebayo, "From the LPA," p. 7.

and the fair distribution of the fruits of development, called for a complete departure from the past. It was to be inward-looking rather than externally-oriented. The ECA therefore, embarked on "evolving and promoting a development strategy and ideology, which was to be genuinely African and not imitative of western models as had hitherto been the case."[293]

Recognising that African states and their governments were the principal actors in the eventual operationalisation of the Revised Framework, the ECA technocrats were resolved on having it endorsed by the relevant African states' auspices. Accordingly, in 1976, African ministers of planning and finance (who constituted the Executive Committee of the ECA) approved the Revised Framework. In June 1977, the Assembly of Heads of State and Government of the OAU also endorsed it. The ECA technocrats interpreted this endorsement as marking the beginning of a breakthrough in bringing about Africa's long cherished self-reliant development strategy. However, the awareness persisted that a lot still had to be done.[294]

In light of this awareness, between 1976 and 1979, the ideas contained in the Revised Framework were expanded and improved upon through a series of internal ECA secretariat meetings and conferences, alongside a number of specialised consultations such as the "OAU-ECA Colloquium on Perspectives of Development and Economic Growth in Africa up to the year 2000," held in Monrovia in February 1979 and the Joint ECA-UNEP, seminar on "Alternative Patterns of Development and Life Styles for the African Region," held in Addis Ababa in March 1979.[295]

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[293] For details on the principal thrusts of the revised framework, see Adebayo, "The evolution of the Monrovia" pp. 328-331.

[294] Ibid. p.331

[295] Ibid. pp. 331-2.

The continuous search for a genuinely African approach to development was given a great spur by the need to prepare the International Development Strategy for the Third UN-Development Decade (IDS).[296] To ensure that Africa played an important role in determining the contents and the scope of the international development strategy for the decade of the 1980s, and to avoid been left out as in the previous decades, the ECA technocrats, together with African ministers of Planning and Development agreed to prepare a development strategy for Africa.

With valuable inputs from proposals worked out by a number of sectoral conferences (such as the conference of African ministers of industry, the conference of African ministers of trade and the conference of African ministers of transport, communications and planning),[297] an African strategy was finalised during the ECA conference of ministers of development and planning and the fourteenth session of the commission held in Rabat, Morocco, in March 1979.[298] After the preparation of the African Strategy, the African ministers of planning and development also resolved to prepare a "Declaration of Commitments of the Heads of State and Government of the OAU on Guidelines and Measures for National and Collective self-reliance in Social and Economic Development for the Establishment of a NIEO" (ECA Resolution (XIV)). These two documents were then presented to African heads of state and government during their meeting in Monrovia in July 1979. Upon the adoption of both the Strategy and the Declaration of Commitments by the African heads of state

[296] Ibid.

[297] Browne and Cummings, *The Lagos Plan,* p. 150.

[298] Adebayo, "The evolution of the Monrovia," p. 332.

and government in Monrovia, they became known as the "Monrovia Strategy and the Monrovia Declaration of Commitments respectively."[299]

Meanwhile, during the Monrovia meeting, and in light of the critical importance of the two documents, the African Heads of State agreed to hold an extra-ordinary Summit devoted exclusively to economic issues in Lagos, Nigeria, in April 1980. More importantly, they commissioned the secretary general of the OAU, in collaboration with the executive secretary of the Economic Commission for Africa, "to draw up annually specific programmes and measures for economic cooperation on sub-regional, regional and continental basis."[300] Pursuant to this charge, the OAU and the UN-ECA proceeded to give substance to the Monrovia Declaration, by preparing a plan of action for its implementation.

During the ECA Conference of Ministers in Addis Ababa, in April 1980, the African ministers and the ECA technocrats came up with a detailed Plan of Action for endorsement by African heads of state and government, titled "The plan of Action for the implementation of the Monrovia Strategy for Economic Development of Africa."[301] This document was adopted by the African leaders, at their Economic Summit in Lagos later in April, and it became known as the "Lagos Plan of Action for the Economic Development of Africa 1980 – 2000."[302] The LPA was accompanied by the Full Act of Lagos, which consisted of a statement of the kinds of economic and political institutions and agreements that were to be put in place for the effective

[299] Ibid.

[300] See variously, OAU, *LPA*, Preamble paragraph 3(h-vi); Browne and Cummings, *The Lagos Plan*, p. 79; Peter Anyang' Nyongo, "From the Lagos Plan of Action to NEPAD: The dilemmas of progress in independent Africa," *African Academy of Sciences* (Nairobi 26-29 April 2002): 1.

[301] Adebayo, "*The evolution of the Monrovia,*" p.332.

[302] Ibid.

realisation of the principles, programmes and projects enunciated in the LPA.[303] The Plan was also presented to the United Nations General Assembly at its eleventh special session in September 1980 and it became an integral part of the International Development Strategy for the Third United Nations Development Decade.[304]

CONCLUSION

This chapter has presented the core logic and underlying principles of the LPA. It has demonstrated that the LPA was a radical development policy framework that departed fundamentally from earlier strategies for the development of the continent. It has identified the LPA's prescription for partial disengagement from the global economy and its emphasis on broad-based regional integration as the key elements of the initiative's overall strategy of inward-looking, self-reliant and self-sustaining development.

The chapter has also examined the context within which this admittedly revolutionary development cooperation framework was formulated. The account revealed that the LPA model was crafted against the backdrop of African countries' perceptions of vulnerability to global economic forces. This is consistent with the central argument that the design of Africa's regional initiatives is informed by perceptions of external vulnerability.

In line with my causal framework, I focused on the influence of prevailing international realities on the formulation of the LPA and its inward-looking self-reliance regional development strategy. The cumulative effects of the prevailing realities of the international political economy (particularly the structures and operational principles of the GATT and IMF and the impact of their eventual

[303] Anyang' Nyongo, "From the LPA," p. 6.

[304] Browne and Cummings, *The Lagos Plan*, p. 151.

decline); the unbalanced nature of North-South relations (as reflected by the effects of the OPEC oil crises of the 1970s, the NIEO campaign, and the Cold War environment); and the dominant international economic and development ideas combined to bring about a review of Africa's development options as reflected in the LPA. The LPA was largely the product of generalised revulsion against excessive dependence on the outside world. It was facilitated by the success of the OPEC cartel concerted action, and the position of relative power in which the Third World found itself because of the exigencies of the Cold War.

The chapter has also attempted to reconstruct the diplomatic processes leading up to the establishment of the LPA and its associated FAL. Although African states lacked homogeneity in their economic and political outlook in the 1970s, they were able to evolve a unified approach to their economic development, largely because of the gravity of the crisis that faced the continent. The diplomatic efforts to bring about the LPA were facilitated by the technocrats of the Economic Commission for Africa, the revived Pan-Africanist spirit within the OAU and amongst African leaders. Emerging from dissatisfaction with the continent's dependent relations with the North, and against the backdrop of a feeling that past efforts to engendered African development had faltered because they were imitative of foreign models, the LPA content was essentially a prescription to break away from the past and to be truly inward-looking, self-reliant and self-sustaining. The extent to which African states and their leadership translated the good intentions contained in the LPA and the FAL into concrete reality is the object of the next chapter.

CHAPTER FOUR

FROM LAGOS TO ABUJA: THE POLITICAL ECONOMY OF COLLECTIVE SELF-RELIANCE

> "Regional self-reliance has been given the same symbolic status in the 1980s as was accorded Pan-Africanism in the 1960s: a concept to which lip service is paid but one which is largely ignored when it comes to policy implementation." (John Ravenhill, 1986:)

4.1 INTRODUCTION

The LPA's regional self-reliance strategy became the most popularised element of Africa's international relations from the 1980s onwards, forming the hub of all African economic development cooperation endeavours. It envisioned the broadening of existing regional economic groupings and creating new ones with the ultimate goal of establishing a continent-wide economic community.

However, despite the establishment and broadening of regional economic communities (RECs), and despite the signing of the famous Abuja Treaty in 1991 establishing the African Economic Community (AEC), the record of achievement of collective self-reliance remained disappointing. From the signing of the LPA in 1980, to the establishment of the AEC in 1991 and beyond, the pace and pattern of socio-economic and political development in the continent did not improve.[305] If anything, Africa performed even worse in the 1980s and 1990s than it did in the 1960s and 1970s.

This chapter appraises the level of implementation of the LPA as a prelude to comprehending the policy shifts contained in the NEPAD. The chapter investigates the reasons why despite the potential benefits of the LPA, African governments were unwilling to uphold its prescriptions.

[305] E. C. Edozien and E Osagie (eds.), *Economic integration of West Africa* (Ibadan: University of Ibadan Press, 1982): 17-18.

I argue that the authors of the LPA assumed that if policies could be shown to be welfare enhancing, African governments could be relied upon to implement them faithfully. Therefore, leaning on the assumption that the LPA's policy prescriptions portended socio-economic gains for African states and their peoples, they overlooked the possible impact of African countries' domestic environments on the willingness of their governments to uphold its prescriptions.

However, African governments faced urgent domestic political and economic difficulties that most of the time, threatened their political futures. These difficulties and the threats they posed provided the lens through which they viewed the collective self-reliance agenda of the LPA - especially as the potential benefits of the LPA were somewhat uncertain and of a long-term character. Because of the short time horizons of politically insecure African governments, they were very vulnerable to temptations to renege on long-term regional commitments within the LPA framework.

I argue further that individual African government's commitment to the LPA depended on how many other governments demonstrated effective commitment to the initiative. Any African government that perceived other governments' commitment as unlikely was also less likely to be committed. No African government was willing to see other governments reap the benefits of regional initiatives without making the necessary sacrifices like them. This created collective action problems, with each state pinning its actions on the expected actions of others. Under these circumstances, regional restraint mechanisms that could "lock in" African governments' commitments to implementation were imperative. The numerous regional institutions established on the heels of the LPA lacked such incentives.

The rest of the chapter focuses on two broad dimensions of the problem of the low level of implementation of the LPA. First, it examines the interplay between the

long-term benefits of the LPA and the perceived short-term costs for African governments; and second, it shows how inadequate institutional mechanisms accentuated collective action problems and contributed to the poor outcomes of the LPA model.

4.2 THE LPA MODEL: LONG-TERM GAINS AND PERCIEVED SHORT-TERM COSTS

Although the LPA was informed by perceptions of the exploitative nature of the global liberal economic system, and despite its advocacy for protectionism against the system, the relationship among African states within the envisaged regional communities was hinged on liberal economic principles of free trade. More importantly, the LPA aimed ultimately at restructuring and diversifying African countries' economies, to make them more competitive and less vulnerable to external economic fluctuations. Regional trade liberalisation and economic restructuring were both potentially beneficial to African economies. However, they contained elements perceived by African governments as constituting political costs, and this informed their attitude towards the initiative.

Trade liberalisation for example, involved the loss of tariff revenues that in most cases was the principal source of revenue for African governments. The loss of revenue had the undesired effect of constricting African governments' capacity to deliver on the social needs of their populations and gratifying political allies. This was perceived as laying the seeds for 'destabilising' political contestation.

Meanwhile, economic restructuring and diversification especially on a regional scale were long-term strategies that involved diverse cooperation and distributional problems with political implications for African governments. Moreover, the onset of a multidimensional economic crisis in the continent in the 1980s and the introduction

of Structural Adjustment Programmes (SAPs) further complicated the political environment within which African governments operated. They faced the dilemma of making a choice between the long-term benefits of LPA and readily available financial resources from the Bretton Woods Institutions. This choice too had major political implications.

To place the interplay between the potential socio-economic benefits of the LPA and the underlying political forces behind African governments' uncooperative behaviour into perspective, I focus on four issue-areas: (i) trade liberalisation and market expansion (ii) economic restructuring and diversification (iii) distributional problems of real or perceived gains of cooperation; and (iv) the opportunity costs involved in the choice between the prescriptions of the LPA and those of SAPs. My focus on these four issue-areas has been informed by the fact that they all involved trade-offs between economic gains and perceived political sacrifices for African governments, consistent with our political economy framework. Moreover, the choices that African leaders eventually made in all the instances clearly reflected their prioritisation of short-term national and individual political survival concerns over the long-term economic development of the continent.

4.2.1 ISSUES OF TRADE LIBERALISATION AND MARKET EXPANSION

The conventional rationale for regionalism in Africa has been that of overcoming the constraints of fragmentation and smallness of the continent's economic space. The LPA undertook to resolve this handicap by building broader regional economic communities (RECs) and ultimately establishing a continent-wide economic space. The benefits of a larger economic space are couched on the proposition of liberal economic theory that, for production of goods to be competitive

and profitable, there is need for large-scale production – which can only be achieved through the pulling together of resources and division of labour.[306]

This is particularly relevant to the characteristically small economies of individual African states, which do not have the economic infrastructure to produce in large volumes, nor the required population size to absorb the output of large-scale production particularly in the manufacturing sectors that involve significant fixed cost.[307] Under such circumstances, large-scale production would only become feasible when an export market (integrated sub-regional and continental markets) is added to the domestic market (individual African states' national markets), and labour is divided among the factors of production of countries, which do not have any barriers to trade among themselves.[308]

The LPA defined a 'protectionist' and preferential regional trading system whose basic strategy was to rely on export-led growth and specialisation, but in African markets rather than those of industrialised countries.[309] The various sub-regional economic groupings envisaged in the LPA aimed at stimulating intra-community trade. They undertook to "gradually reduce and eventually abolish customs duties and non-tariff barriers (NTBs), so as to build potentially larger markets that were to be later merged to form an African common market."[310]

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[306] See for example, F. Machlup, *A history of thought on economic integration* (London: Macmillan, 1977): 43-4; 86-7.

[307] For details on the dynamic effects of integration, see generally, Bela Balassa, *The theory of economic integration* (London: Richard D. Erwin, 1961); R. G. Lipsey, "The theory of customs unions: A general survey," *Economic Journal* no. 70 (1960).

[308] Machlup; pp. 43-4.

[309] Stephen Gelb, "South Africa's role and importance in Africa and for the development of the African agenda," Paper prepared for the UK Department of International Development (Braamfontein: Edge Institute, 2001): 8.

[310] Asante, "Regionalism and Africa's," p. 45.

In situations where there is the free movement of labour and capital, and where states share common institutions and jointly formulate policies (as envisioned in the LPA and the various treaties establishing the RECs – ECOWAS, ECCAS, PTA), enterprises were likely to be pressed to copy best production practices. Under such conditions, hitherto protected producers had to either initiate new production or emulate more competitive producers to survive.[311] Overall, larger African markets were to stimulate economic growth; with the potential of attracting much needed foreign direct capital investment.[312] The aggregate long-term benefit of the LPA's broader sub-regional and continental markets was the provision of goods and services at lower prices.

Although the elimination of obstacles to the free movement of goods, services and factors of production among member states of the LPA's RECs was to unleash tremendous forces that could drive intra-African industrialisation and development at a faster pace,[313] it invariably implied depriving individual African economies of one of their most vital sources of revenue. The loss of tariffs had political implications in terms of curtailing the financial capability of African governments to provide immediate socio-economic amenities to their populations, satisfy political constituencies and to fulfil other state functions.[314]

Although in the long run regional trade liberalisation was to bring greater welfare benefits to African peoples, the politically insecure African governments were wary of the reactions of the various national constituencies to the short-term hardships

[311] Lambrechts, "From developmental regionalism," p. 56.

[312] R. G. Lipsey, "Customs unions, survey."

[313] Mistry, "Africa's record," p.568.

[314] See H. Bienen and Jeffrey Herbst, "The relationship between political and economic reform in Africa," *Comparative Politics* 29, 1 (1996): 23-42.

likely to follow the regional trade liberalisation prescribed in the LPA. They perceived the trade liberalisation prescriptions of the LPA as a serious political gamble that they could honestly not afford.

Moreover, the LPA's strategy of making the development of domestic markets dependent on the nature and scope of regional integration processes, through shared market institutions and jointly formulated policies, was perceived as a threatening encroachment into the discretionary authority of individual African governments over economic policy making. African governments needed to retain unfettered control over national economic policy making to be able to sustain neo-patrimonial networks that were vital for their continued political survival.

Additionally, the LPA's regional trade liberalisation strategy raised static issues of trade creation and trade diversion. Customs union theory posits that although the formation of customs unions will lead to increased trade between union members, however, the desirability (profitability) of this would depend on the balance between trade creation and trade diversion.[315] Trade creation consists of the shifting of production of some goods from a less efficient to a more efficient member of the union, while trade diversion consists of the shifting of production from an efficient non-union member to a less efficient union member.[316]

Scholars of Third World economic regionalism have argued that in customs unions arrangements amongst developing countries (especially those of Africa), trade diversion (at least in the short run), obviously prevails over trade creation and that on the basis of this balance of forces, such unions are not profitable and should be

[315] Viner, *Customs union issue.*

[316] William Lyakurwa et al., "Regional integration and economic liberalisation in SSA: A review of experiences and issues," in Ademola Oyejide et al. (eds.), *Regional integration,* p. 164; Asante, "regionalism as key," p. 23.

discouraged.[317] Beyond mere considerations of lack of profitability, however, trade creation and trade diversion carried potential political implications that could be useful in explaining the uncooperative behaviour of African governments towards the LPA.

To begin with, the shift of production from less efficient regional producers to the more efficient ones though perceived in customs union theory literature as constituting trade creation and as been welfare enhancing, however, was a potential threat to the economies of weaker member countries of the LPA envisaged economic unions. This was particularly so, in light of the production of similar goods and the existence of similar industrial structures in most Africa countries that made the "reallocation gains" expected from customs unions and other free trade arrangements hard to come by.[318]

African governments with weaker economies were apprehensive they would be losers in the envisaged regional schemes. Moreover, they feared that such liberal market policies could unite local owners of capital and labour against their governments. Fearful of the prospects of threatening labour and political unrest, African governments were reluctant to genuinely commit to the kind of regional economic liberalisation defined in the LPA.

Meanwhile, in light of the LPA's prescription of inward-looking regionalism, the trend would have been towards shifting production from more efficient producers of the industrialised world to less efficient African regional producers – trade

[317] Asante, "Regionalism as key," pp. 23-4; Paul Collier and Willem Gunning, "Trade policy and regional integration: Implications for relations between Europe and Africa," *The World Economy* 18 (1995a): 387-410; De Melo et al., *New dimensions*; Faezeh Fouratan, "Regional integration in SSA" in De Melo et al., *New dimensions.*

[318] Ahmed Ahmed-Aly, *Economic cooperation in Africa: In search of direction* (Boulder, Colorado: Lynne Rienner Publishers, 1994): 37.

diversion. Classical liberal economic analysis has focused largely on the efficiency and welfare implications of trade diversion.[319]The kind of trade diversion that was to be engendered by the inward-looking regionalism of the LPA was to have far-reaching political implications, especially in African countries' trade relations with traditional Northern partners.

African states' existing external trade was usually larger relative to their domestic production and also, their intra-group trade was characteristically a minor component of their total trade.[320]The cost of redirecting trade, from traditional external partners to regional neighbours as warranted by the LPA, was potentially costly for most African states. This, despite the fact that "many politicians and academics considered such trade diversion to be good in itself simply because it symbolised self-reliance."[321]

A rigorous implementation of the LPA's inward-oriented strategy would have, for example, necessitated a review of most of the preferential trade arrangements between individual or groups of African states and the industrialised countries of the North. Good examples of such arrangements included the trade arrangements between African states and the countries of the Organisation for Economic Cooperation and Development (OECD); the arrangements within the framework of the African, Caribbean and Pacific countries and the European Economic Community (ACP-EEC) as defined by the Lome conventions; and the common currency arrangements between France and her former colonies of West and Central Africa (Franc zone).

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[319] See especially R. G. Lipsey, "The theory of customs union: Trade diversion and welfare," *Economica*, no. 24 (1957): 40-60; Viner, *Customs union*

[320] See Asante *Regionalism and Africa*, p. 48 particularly table 3.1

[321] Richard E. Mshomba, *Africa in the global economy* (Boulder and London: Lynne Rienner Publishers, 2000): 103.

According to the LPA, all these arrangements represented a perpetuation of the traditional exploitative ties with the industrialised world[322] and needed to be replaced with inward-looking African arrangements or by trade relations with other Third World countries within the ambit of South-South cooperation.[323] In light of the heavy reliance of most African states on tariffs and other forms of foreign exchange earnings derived from trade with countries of the North for their national economic survival, the kind of trade diversion (redirection) required by the LPA inward-looking regionalism was unlikely to go beyond mere rhetoric. More so, as most African states entered the 1980s as debtor countries, that needed even more assistance from the North, not only to repay their debts, but for the execution of national development projects.

Overall, the trade liberalisation and market expansion strategies defined in the LPA had potential socio-economic benefits for African states in the long run. However, they were associated with short-term economic and political costs, which were perceived by African governments to be of greater import both for the survival of their nations and for their immediate personal political future. Particularly important in African governments' consideration were issues of revenue losses as a result of tariff suppression, the closure of supposedly less efficient national industries and the possible unrests due to layoffs, the political and economic costs of diverting trade from traditional Northern partners to regional members. These factors combined to serve as incentives for African governments to renege on regional cooperation commitments – hence the low level of achievement of the LPA model.

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[322] Adebayo, "From the LPA," pp. 12-15.

[323] There was a strong perception that even by emphasising greater South-South economic interchanges; Africa was still likely to be a weaker and disadvantaged partner. Therefore, redirecting economic links from a North-South direction, to a South – South direction was only going to shift the target to blame for the continent's economic failures.

4.2.2 ECONOMIC RESTRUCTURING AND DIVERSIFICATION: TIME HORIZON PROBLEMS

Regional economic cooperation and integration in Africa is in some sense, a strategy for transforming the continent's backward production and distribution structures.[324] The LPA identified the overall lopsided nature of Africa's economic structures - in terms of the volume of goods and services produced, the sources of inputs for industry, the direction of outputs and the ownership of the factors and institutions of production, and distribution as largely been responsible for the low level of cooperation and development in the continent.[325]

The LPA resolved to undertake far-reaching restructuring and diversification of African economies, at the national and regional levels so as to make them more complementary and competitive and, by so doing, to increase the "reallocation gains" of increased intra-African integration. However, the economic transformation and diversification envisaged in the LPA did not consist of short term marginal changes; rather, they were profound structural changes whose net effect could only be felt after a fairly long period of time.

Moreover, African governments were required to commit huge resources to these transformation efforts. Within the self-reliance framework, these resources could only be raised through higher taxes and by postponing the provision of basic social amenities to the people, with political implications. The economic restructuring and diversification defined in the LPA thus created a time-horizon problem for African governments and African governments appeared to be more concerned about

[324] See Asante, *Regionalism and Africa*, p. 46; Adedeji Adebayo, "Collective self-reliance in developing Africa: Scope, prospects and problems," International Conference of the Economic Community of West African States – ECOWAS (Lagos, 23 March, 1976): 8; H. M. Onitiri, "Towards a West African economic community," *Nigerian Journal of Economic and Social Studies*, Vol. 5 (1963): 33.

[325] Adebayo, "The LPA: main features," pp. 4 -5; also see chapter 3 of this thesis.

providing short-term solutions to immediate national problems, as opposed to redirecting resources to long-term economic restructuring on a regional basis.

In the LPA economic restructuring strategy, the development of transport and communication infrastructure was of prime importance. The deplorable state of communication infrastructure within and between African states was perceived as a serious obstacle to meaningful cooperation and integration between African states. African governments recognised that growth in other sectors, the promotion of intra and extra-African trade, as well as the socio-economic integration of the continent all depended on the development of the transport sector. It was a prerequisite for the successful restructuring of the African economy, envisaged in the LPA strategy.[326]

Overall, restructuring transport and communication potentially could engender an expansion of African industry, agriculture, trade, forestry and mining. The LPA imagined that improved transport and communication could facilitate the rational exploitation of the immense potentials of the continent for the overall well being of the African people.[327] Besides, the improvement of communication links between African states had the potential of reversing the continent's excessive dependence on the North in most of its economic transactions with huge foreign exchange savings.

However, the development of infrastructure is generally not only a long-term investment, but also requires huge financial resources. African governments would have had to divert scarce resources from other sectors, including sensitive social sectors to the development of communication infrastructure. With the onset of economic crisis in most African countries in the 1980s, focussing on long-term

[326] See OAU, *LPA 1980*, chapter VI (205 & 206): 51, particularly the "ECA's Declaration on an African Decade of Transport and Communication, 1977."

[327] Ibid. chapter VI (245).

infrastructure development would have had the effect of deepening the sufferings of the masses, with political implications.

More importantly, the LPA's economic restructuring and diversification, to be facilitated by the development of the transport and communication sector, consisted of amongst other things: altering the nature and the direction of the continent's output of goods and services; making changes in the sources and nature of inputs for the production process; and making changes in the ownership of factors and institutions of production and distribution.[328] All these changes were to have far-reaching effects on African economies, both nationally and regionally and in relation to the external environment.

The need to alter the nature and direction of Africa's output of goods and services arose from the fact that under the logic of the colonial and post colonial international division of labour, Africa was assigned the role of producer of primary goods, specifically cash crops and minerals. These products had as principal market outlet, the industrialised countries of the North, which countries influenced both the prices and the quantities that were admissible into their markets with little or no incentives for African states to add value to their goods.

Moreover, African countries usually specialised in the production of single minerals or crops with the result that in times of poor harvests or falling prices (as was usually the case, particularly beginning in the late 1970s), these countries, had little room for manoeuvring. Their economies were usually most hard-hit by international commodity price fluctuations. Against this backdrop, the LPA called for a shift from the production of essentially cash crops and minerals to the production of intermediate, semi-finished and finished manufactures. It also envisaged a shift from

[328] Adebayo, "The LPA: Main features," pp. 4-5.

northbound export of cash crops to increased exchanges of manufactured goods and services between African states within the framework of regional economic communities and the ultimate continental common market.

The potential benefits of the shifts in the continent's output of goods and services included; a reduction in the dependence of African economies on those of the industrialised countries, and by the same token a reduction of their vulnerability to global market shocks like those occasioned by the OPEC induced energy crisis in the 1970s. Besides, diversification was to enable African economies to be able to adjust to different forms of economic shocks and changes globally and regionally.

However, despite the obvious economic benefits of the envisaged changes in the nature of Africa's output, they were equally going to delay in coming. Moreover, these shifts portended serious conflict between African governments and their traditional Northern economic partners. For example, the LPA's injunction for African ownership and control of natural resources was an appeal to curtail the grip of Northern dominated multinational companies in the continent. Though potentially profitable, the challenge to the existing international economic order could not be executed by African governments that had grown increasingly dependent on the financial goodwill of the North.

Aside from changes in the nature and direction of Africa's output, the LPA's economic restructuring and diversification was also to involve alterations in the sources and the nature of inputs for the production process. This was premised on the fact that import substitution industrialisation policies adopted by a majority of African states in the 1960s and early 1970s to jump-start development in individual national economies were dependent on the importation of technology, spare-parts and the technical expertise from the North. Not only was this imported technology very

costly, it was also most of the time difficult to maintain and ill-adapted to African realities. Moreover, the lack of qualified African manpower to manage this Western imported technology, informed the hiring of expatriates at exorbitant rates. These factors conspired to bring about the failure of national import substitution industrialisation in the post independent Africa.

In light of this failure and in order to build strong and viable African economies, the LPA undertook to promote autonomous industrialisation within the regional economic communities (RECs) through the development of large intermediate and capital goods industries, promotion of the multinational enterprises, and especially the development of the region's strategic natural resources, with the view to establishing an industrial base to support the development of agriculture and other key sectors. The integration of industry and the other sectors was meant to help trigger a process of autonomous and self-sustained economic development and internal accumulation and put African economies in a better position to counter international competition.[329]

The development of autonomous industrialisation was also to be beneficial to the continent in terms of savings for importation of technology and manpower. Moreover, the desire to develop autonomous industries, implied that Africa needed to train its own manpower, to develop and staff the industrial plants that were envisaged in the LPA. Therefore, the change of the nature and sources of inputs was to help ignite a process of manpower development, which was lacking in the continent in the 1960s and 1970s.

However, like other aspects of the LPA's restructuring strategy, regional import substitution industrialisation was long-term in nature and required huge financial resources. Even the training of the required manpower was to take time and money.

[329] Asante, *Regionalism and Africa,* p. 45.

African governments faced with domestic political and economic difficulties were not willing to accommodate such time horizons.

Another aspect of the restructuring envisaged in the LPA, consisted of changes in the ownership of factors and institutions of production and distribution. The African continent is endowed with enormous natural resources. However, Africa's political independence that in principle conferred sovereign authority to African governments did not grant them real control over these resources. They remained in the hands of Northern based and controlled multinational corporations. The architects of the LPA concluded that these natural resources were not been exploited to the benefits of the continent. They emphasised the need for a change in the control and ownership of these resources and the institutions charged with their exploitation.

Concretely, the LPA called for the replacement of developed countries' multinational corporations with African owned and controlled multinational corporations. The hope was that if Africans exploited their natural resources themselves or if they had control over the institutions that exploited them, proceeds from such exploitation could be used in developing the host countries, rather than have them used for the exclusive development of the North. However, the issue of control over the continent's natural resources was a "political land mine" in that it could provoke some real confrontation with Western powers. In light of the political insecurity of many African governments and conscious of the capability of the West to unseat them from power, none of them was willing to genuinely commit to such a confrontational regional policy.

Overall, the diversification and restructuring of African economies envisaged in the LPA was to have considerable long-term benefits for individual African states and the African region as a whole. It was capable of facilitating the socio-economic

transformation of the African economies, which was itself going to result in the alleviation of poverty through sustained recovery and growth.[330] However, the perception by African governments that such benefits were unsure and that they would only be reaped after a long time, together with the highly controversial political implications of some aspects of economic restructuring and diversification, discouraged African governments' commitments to the initiative.

Aside from problems of long-time horizons for the envisaged economic restructuring and diversification to start yielding fruits, African governments faced an additional problem of the distribution of the real or perceived benefits of the various regional economic arrangements.

4.2.3 THE LPA'S COLLECTIVE SELF-RELIANCE MODEL: INTER-STATE DISTRIBUTIONAL PROBLEMS

The case for a country's participation in any integration or cooperation scheme rests on the benefits the country in question will obtain from the scheme. "The case for supporting integration arrangements is not a case for helping others; rather, it is a case for helping oneself."[331] Understandably, there is consensus that "economic integration and cooperation cannot be viable unless member states perceive themselves to be net beneficiaries."[332] Yet, it must be appreciated that cooperation will not benefit one country, or not for long, unless it also benefits the others. Therefore, inasmuch as the desire for cooperation arises essentially from self-interest, the pursuit of self-interest requires the interest of others to be simultaneously served.

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[330] Ibid. p. 46.

[331] Arthur Hazelwood, "Economic integration: Lessons for African recovery and development," in O. Tariba and P. Bugembe (eds.), *The challenge of African economic recovery and development* (London: Frank Cass, 1990): 601.

[332] H. M. A. Onitiri, "Changing political and economic conditions for regional integration in SSA," in Oyejide et al., *Regional integration, frameworks*, p. 422.

As a matter of fact, "either the benefits of integration/cooperation are for everyone, or they are for no one."[333]

The key to the sustainability and viability of cooperation schemes in Africa has been the capacity to balance the benefits of cooperation in a manner acceptable to their members. This balance has been difficult to achieve because of the asymmetry in size, economic endowments and levels of development of the participating countries, which has had as ultimate outcome, polarised development. Little wonder Fouratan contends that "the economic differences among Sub-Saharan African countries have constituted the major obstacle to the realisation of trade and factor market integration."[334] This has made the distribution of the costs and benefits of integration the focal point of the integration exercise, with implications for Africa's regional cooperation agenda.[335]

This section of the thesis highlights three dimensions of the problem of the distribution of the costs and benefits of the LPA inspired regional initiatives: (1) the concern by the less viable members that the gains of regional cooperation initiatives accrue disproportionately to the more viable members of the unions; (2) the concern of the 'supposedly' more viable members over the burden of having to prop up less viable partners; and (3) the shortcomings of the measures aimed at bringing about some level of equitable distribution of the gains from regional integration schemes.

A common concern amongst the economically weaker or less viable members in Africa's regional economic initiatives has been that the benefits of integration will gravitate towards the relatively more viable regional members (particularly, those

[333] Hazelwood, "Economic integration, lessons," p. 601.

[334] Fouratan, "Regional integration in SSA."

[335] Asante, *Regionalism and Africa*, p. 71.

countries whose manufacturing sectors are relatively more developed).[336] The perception that more viable member states stand to gain or have effectively gained a disproportionate share of the proceeds of integration have usually led to moves that have constricted the very scope of regional cooperation.[337] For example, the fear of uneven distribution of the gains of integration has been an alibi for selective and limited liberalisation schemes whose sole design has been to protect less advanced regional members from domination by more developed ones. The result has been that the movement towards free trade in Africa's RECs has mainly focused on unprocessed products.[338] Tariff reductions in manufactured and semi-manufactured products have been lagging behind. The effect has been to reduce the potential for economic integration. "And in light of the considerable homogeneity in primary products in the regional groups – free trade limited to these products has not been able to produce significant intra-regional trade."[339]

Moreover, although the less viable members of Africa's regional schemes could still expect to benefit in the long-term from cooperation within the regional schemes, none of their governments was sure to last long enough to reap the long-term benefits of their cooperative behaviour.[340] They tended to emphasise national policy planning, with short-term solutions to immediate national problems.

Despite the 'founded' perception by less viable members that the more viable members or "regional economic hegemons" are the principal beneficiaries of the

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[336] Mshomba, *Africa,* p. 198.

[337] Asante, *Regionalism and Africa,* p. 70; Ravenhill, *African crisis, p.* 97.

[338] UNCTAD, *Handbook of economic integration and cooperation groupings of developing countries, Vol. 1: Regional and sub-regional economic integration groupings* (New York: United Nations, 1996): 42.

[339] Msomba, *Africa,* p. 200.

[340] Ravenhill, *African crisis* p. 97.

various regional initiatives in the continent, the so called "regional hegemons" were themselves unwilling and unable to make the initial, necessary sacrifices, for example, propping up their weaker partners by footing the bills of compensation for the loss of tariff revenues due to regional trade liberalisation. Worse still, even the regional hegemons were not in a position to sustain the cost of the long-term horizon for the benefits of regional integration to start accruing. Like the less viable states, the supposedly more viable African states equally faced very volatile political domestic environments that disposed them to short-term, rather than long-term solutions offered by the various regional initiatives. And as S.K.B Asante puts it:

> Unless governments can be convinced that economic cooperation and eventually integration will strengthen their capacity to cope with urgent domestic problems better than they could on their own, they will continue to be preoccupied with managing policy issues with a national orientation and lose sight of the significant benefits that regional cooperation can bring.[341]

Overall, concerns with uneven distribution of the costs and benefits of regional integration, together with the inability of politically insecure African governments to sustain the long time horizons defined in the LPA led African governments to renege on commitments to the LPA prescriptions**.**

To mediate imbalances resulting from the uneven distribution of the costs and benefits of regional cooperation, two alternative solutions have been attempted. The first has been to evolve compensatory schemes to provide some form of monetary compensation to less favoured countries in regional economic schemes. Such compensation classically has been calculated with reference to estimated customs revenues forgone.[342] In the case of ECOWAS, for example, "member countries will be compensated for their loss of import duties resulting from the reduction of tariffs

[341] Asante, *Regionalism and Africa*, p. 70.

[342] Ravenhill, *Africa, crisis*, p. 98.

on processed and industrial products."[343] Although such compensatory schemes may seem altruistic, they have hardly worked, except to the extent that they have hindered integration. They have been plagued by numerous implementation problems. For example, agreeing on the effective formula for contributions into and allocation of the compensation fund has been a complicated task. Moreover, focus on the loss of import revenues has tended to neglect the positive impact of reduced tariffs to consumers and the efficient allocation of resources.[344]

Besides, since few regional organisations in Africa (including the LPA's RECs), have independent sources of revenue, compensation has been dependent on direct contributions from the relatively more viable governments in the regional groupings.[345] Such compensation payments have constituted a cost to these so called "privileged states." They have, therefore, not only been politically unpopular, but, given the near perennial situation of scarcity, exacerbated by the crisis of the 1980s and beyond, also posed economic difficulties for the governments concerned. Frequently, these governments have fallen behind in payments. Even if the mechanism worked smoothly, the provision of monetary compensation is seldom regarded as adequate by recipient countries, since they claim to have "lost" not only customs revenue, but also the various learning and multiplier effects associated with the establishment of their own industries.[346]

Overall, the experience of the LPA induced regional economic initiatives has been that while the purportedly more viable members have been reluctant to bear the

[343] ECOWAS Secretariat, *Revised Treaty of the Economic Community of West African States* (1993): Articles 36 & 48.

[344] Mshomba, *Africa,* p. 199.

[345] Ibid.

[346] Ravenhill, *African crisis,* p. 98

burden of floating the various tariff compensatory mechanisms, less viable members have always considered the compensation payments inadequate and incommensurate to their revenue losses. From either perspective, there has been a lack of incentive to be supportive of Africa's regional economic communities, building blocks of the LPA strategy.

The LPA's self-reliance and self-sustenance development model was anchored on a strategy of regional import-substitution industrialisation. The basic idea behind import-substitution industrialisation is to create an economy sufficiently flexible, diversified and responsive, that it can weather shocks, can respond to and indeed create opportunities for growth, and can on its own continually generate increasing welfare for its people.[347] For less developed countries to make up their economies in the manner defined above, they need protection for a while at least, from industrialised countries of the North. Because of the smallness and fragmented nature of the individual African countries, and in light of the failure of national import-substitution industrialisation strategies adopted shortly after independence, African states resolved in the LPA, to shift from national to collective (or regional) import substitution industrialisation.

While regional import-substitution industrialisation aimed to shield the generality of weaker African regional economies from competition from the more advanced economies of the North, it failed to protect weaker African economies from their stronger and more advanced peers within the regional settings. Regional import substitution industrialisation tended to accentuate the problem of uneven distribution of gains of cooperation, as industries gravitated essentially to the territories of the

[347] Henry Bruton, "Import substitution," in H. Chenery and T. N. Srinivasan, *Handbook of development economics*, Vol. II (B.B: Elsevier Publishers, 1989): 1602.

more viable member states of regional economic communities, which offered investors the best opportunities to maximise profits.

One strategy that could resolve the problem of the uneven distribution of the benefits of regional import-substitution industrialisation has been the attempt to move beyond "negative integration," consisting essentially of removing tariff barriers, to the construction of regional schemes that include provisions for industrial location planning. The assumption here is that, the benefits of production for larger regional markets can be maintained while ensuring that all participating countries share in the import-substituting industry that is been created.[348] Planning in these lines requires a coordinated approach to foreign investors, with the potential of achieving the counter-dependency objectives of improving bargaining positions with external economic actors – a cardinal goal of the LPA strategy. For most observers and commentators, regional industrial planning has been seen as the only viable option if larger markets are to be constructed and maintained.[349]

This option too has been problematic in the African regional cooperation process. While economic integration could be seen as an incentive to both domestic and foreign capital to invest in a given region, however, to which countries investors commit resources, has always been contingent on a number of factors such as; the state of infrastructure, available human resources, domestic policies, and political conditions. Ideally, market forces should dictate the location of industries. Therefore, the direct interference implied in the regional industrial planning approach is itself counter-productive as it tampers with the very benefits expected from economic

[348] Ravenhill, *African crisis*, p. 98.

[349] Ibid.

integration in the form of increased competition and efficiency.[350] Fine and Yeo have argued that "regional import substitution industrialisation politicised the location of industries and made regional integration politically unattractive."[351]

For example, the more developed member states' acceptance of industrial planning has depended on the perception that gains from free access to regional markets outweigh the potential costs imposed by industrial location planning – not only in terms of the loss of industries, but also in constraints on economic policies, that would probably inhibit their pursuit of an outward oriented strategy.[352] Meanwhile, governments of less developed member countries have always been adamant on having industries located in their territories even in situations where, "locational" conditions are glaringly unfavourable.

Moreover, regional industrial planning requires harmonisation of industrial incentives, so that countries that had previously offered generous treatment to foreign investment in the hope of serving as export platforms for trans-national corporations ran the risk of losing these privileges and were, therefore, most reluctant embracing a regional industrial planning strategy. For example, "the gains derived by the Ivory Coast, from and expanded CEAO market hardly outweighed those that accrued to the country, serving as a strategic base for exportation to the EEC."[353]

In the final analysis, although the LPA had been wildly over-optimistic regarding the prospects of economic growth based on a strategy of regional import substitution and collective self-reliance, the polarisation effects of this strategy and

[350] Mshomba, *Africa, p.* 199.

[351] Fine and Yeo, "Regional integration in SSA," pp. 466-7.

[352] Ravenhill, *African crisis*, p. 98.

[353] Ibid.

the subsequent remedial measures, turned out to be unbearable costs to both the more viable and less viable members of the LPA's sub-regional components. The strategy of import-substitution industrialisation and its accompanying industrial location planning remedy, served more as disincentives than as incentives for the implementation of Africa's regional agenda defined in the LPA. The 1980s proclaimed as Africa's "industrial development decade" in fact saw a negative trend towards de-industrialisation.[354]

Aside from the interstate distributional problems, the advent of the economic crisis in the 1980s and the introduction of structural adjustment programmes (SAPs) in a majority of African countries, created a political dilemma for African governments regarding the continuous adherence to LPA prescriptions.

4.2.4 THE ECONOMIC CRISIS OF THE 1980, SAPs, AND THE FATE OF THE LPA

Africa's persistent economic failures gave rise to two alternative sets of arguments: The one peddled by African governments argued that most of the continent's economic problems arose from the structures and management of the international economy; the other advanced by managers of the global economy, and their "sponsors" in industrial countries argued that most of the problem was with the structure and management of African states.[355] In the early 1980s, these two arguments became concretely encased in two policy frameworks: the LPA (defending the management of African states) and the World Bank's Accelerated Development in Sub Saharan Africa (AD) popularly known as the Berg Report, after its American

[354] Ibid. p. 19.

[355] Clapham, *Africa and the international system, p.*169.

author, Elliot Berg (defending the international economic system). It was on the basis of the diagnosis of the Berge Report that the World Bank conceived and introduced Structural Adjustment Programmes (SAPs) in the continent, to correct identified macro-economic dysfunctions in African economies.

Given their divergent diagnosis of the causes of the continent's economic problems, the prescriptions of these two policy frameworks (SAPs and LPA) were understandably incompatible. While SAPs measures consistently pushed for liberal and market-oreinted approaches to economic management across all societies, irrespective of their levels of development, the LPA emphasised rather, the imperative of a distinctive development model to suit the specific African realities.[356] While the LPA argued that partial disengagement from the global economy was a prerequisite for the continent's development,[357] the SAPs "conditionalities" rather aimed to establish and transmit international policy norms that tended to increase the integration of African economies into the World economy.[358]

The Bank and the Fund generally lacked interest in regionalism, which, unfortunately was the centrepiece of the LPA design. They believed that the fundamental requirement as far as a country's external economic relations was concerned was to undertake "unilateral trade reforms" that would "open up" the domestic economy and integrate it more closely with the world economy at large. Moreover, "while the Bank and the Fund were concerned with individual African states in the world system, and with exchange rather than production, the LPA set out

[356] Ibid. p. 169.

[357] Timothy Shaw, *Towards an international political economy for the 1980s: from dependence to (inter) dependence* (Halifax: Centre for Foreign Policy Studies, 1980); Shaw, "The African crisis, debates," p. 117.

[358] Stephen Haggard, *Developing nations and the politics of global integration* (Washington: Brookings Institute, 1995): chapters 1&2.

to deal with the collectivity of African states and with production, not just trade."[359] From the perspective of the Bretton Woods institutions, regionalism, and inward-looking regionalism for that matter, "was at best, an irrelevance and, at worst, a diversion from the fundamental goal of lowering tariffs towards the world at large."[360]

This was consistent with the then popular neo-liberal thesis that "countries with "open" trade regimes consistently out performed those with "closed" regimes, both in times of international economic stability and in times of international shocks." Africa, therefore, came to be seen in the SAPs dispensation as the prime example of a region where efforts to promote import substitution industrialisation led to adverse economic outcomes.[361]

Moreover, the World Bank preferred the privatisation of economic relations (disengagement of the African states from economic management) whereas the OAU-ECA inspired LPA strategy was compatible with state control over the means of production and distribution – it was indeed a state-led project.[362] The twin conditionalities of SAPs – an across the board liberalisation of trade and privatisation of investment and production were aimed at facilitating imports and expanding exports against the central dictates of the LPA regionally based protectionism.[363] Little wonder, OAU, ECA, and ADB technocrats were of the opinion that SAPs

[359] Shaw, "The African crisis, debates," p.117; Asante, *Regionalism and Africa*, p. 131.

[360] Robert Davies, "Approaches to regional integration in the Southern African context," *Africa Insight*, Vol. 24, no. 1 (1994): 13.

[361] David F. Gordon, "Debt, conditionality and reform: the international relations of economic restructuring in Sub-Saharan Africa," in Thomas Callaghy and John Ravenhill (eds.), *Hemmed in: responses to Africa's economic decline* (New York: Columbia University, 1993): 109.

[362] Shaw, "The African crisis, debates," p. 117.

[363] Jean-Claude Boidin, "Regional cooperation in the face of structural adjustment," *The Courier*, no. 112 (November – December 1988): 67.

amounted to the externalisation of the economic management of African economies and that overall:

> The goals, objectives and characteristics of the strategy contained in the [Berg] Report are in many ways inconsistent with those of the LPA… The implication of the recommended approach is to make Africa more dependent on external markets for its agricultural and mineral products and for its essential factor inputs. This is contrary to the principles of self-reliant and self-sustaining development of the LPA.[364]

If SAPs were incompatible with the objective of promoting collective self-reliance through regionalism, then African states could only uphold the collective self-reliance prescriptions of the LPA if they refused adopting SAPs. However, beginning with Kenya, Malawi, Mauritius and Senegal in 1980/81, structural adjustment programmes, spread over much of the continent like a "plague," such that "by 1993, virtually all Sub-Saharan Africa and its adjacent islands had been obliged to implement adjustment programmes of one sort or another, with the sole significant exception of Angola and the states of the Southern African Customs Union."[365]

African scholars' analyses of the impact of SAPs on the LPA have focused largely on explaining away the failure of the LPA on the "imposition" of SAPs on African countries. While accepting that the adoption of SAPs by African countries in the 1980s and beyond eclipsed the enthusiasm towards the LPA and therefore, served as an incentive for African states to overlook its prescriptions, the focus here is on examining the domestic political and economic factors that favoured the adoption of SAPs over the sustained pursuit of collective self-reliance.

Although a majority of African governments were probably more sympathetic of the LPA's economic model of collective self-reliance, their financial circumstances in the 1980s made the immediate resources provided by the Bretton Woods Institutions

[364] OAU, ECA and ADB Secretariats, Annex 1, p. 44-5 cited in Ravenhill, *African crisis.*

[365] Clapham, *Africa and the international system,* p. 171.

more attractive than the long-term and conceivably uncertain benefits of the LPA. Therefore, in interpreting the adoption of structural adjustment programmes in Africa in the 1980s and beyond, the question of which of the alternative diagnosis of the African crisis (that of the LPA or that of the World Bank/IMF) was broadly right, or more plausible, the share of the responsibility for the economic plight of the continent, which should be apportioned to each of them, scarcely however, mattered. What tended to matter most was that one side (or in other words, those who had the money – the World Bank) was in a position to enforce its explanation for the problem, and the policy measures which followed from it (i.e., Structural Adjustment Programmes – SAPs). The other side (or in other words, those who desperately needed the money – African states) was not[366] and therefore, had to renege on the fundamentals of its policy preferences (i.e., the self-reliant and self-sustaining regionalism).

SAPs, constituted exchanges, in which on the one hand, international financial institutions and other donors provided loans to desperate African governments, and on the other hand, the governments agreed to pursue the economic policies stipulated by those institutions as a condition for receiving the loans.[367] And since the preferences of the LPA were in the most part at variance with those of the World Bank, a precondition for securing the much-needed IMF-World Bank-SAPs loans invariably consisted of de-emphasising the LPA option. The existence of this "trade off" is valid despite claims by both the World Bank and the IMF to the effect that SAPs were compatible with successful regional integration.[368]

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[366] Ibid.

[367] Ibid. p. 168.

[368] Edward, V. K. Jaycox, "Economic recovery of Sub-Saharan Africa: Assessing the joint effort," Keynote address to the inter-Agency Task Force on the UN-Programme of Action for African

The role of economic stagnation and decay in leading to dependence on the uncertain and conditional charity of donor states and international institutions has been underscored in the literature.[369] By the early 1980s, Africa's already established economic vulnerability became compounded by the onset of a debt crisis, resulting from the global economic shocks of the 1970s and inappropriate domestic policies. Africa had indeed become more entangled to the outside world than she was in the 1950s and 1960s. Although the rhetoric of self-reliance became the centrepiece of intra-African diplomacy, African states and governments were in desperate need of financial assistance from the international community - the World Bank and other multilateral and bilateral donor agencies - for their economic and even political survival. Therefore, from the 1980s onwards, "Africa's complex of problems became most clearly reflected in the economic needs of African states, and their subjection to the conditions imposed by external donors as the price for meeting those needs, which in turn became the overriding preoccupation of Africa's external relations."[370]

The choice between the LPA and the SAPs for African states was therefore, contingent on the continent's needs, the means to meet those needs and the time horizon within which these needs could be met. African states were in dire need of finances for the repayment of debts and swelling interests on debts contracted in the 1970s, and also desperately needed more loans for the execution of development projects and the daily functioning of their respective national governments. The resources to meet these needs could not be immediately provided by the LPA self-reliant regionalism, because the fruits of regional cooperation are generally not only

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Economic Recovery and Development (Washington DC: UN, February 1988); also see Carol Lancaster, "Fostering regional integration in West Africa: The Economic Community of West African States," A discussion paper (October 1989).

[369] See for example, Clapham, *Africa and the international system,* p.163.

[370] Ibid.

slow to come by, but they are also not very evident both in the eyes of African governments and the masses. Conversely, the World Bank - SAPs provided immediate financial resources for the execution of tangible national projects that were to have a direct and visible impact on the African societies.

Although such loans were contracted at very high "costs" in terms of satisfying the conditionalities set by the IFIs and other creditors, the penetration of domestic policy making by external actors and possible political alienation and related destabilisation due to the hardships brought about by SAPs, they were still preferred by governments over the not too obvious benefits of the LPA self-reliance regionalism. For deeply impoverished states with often-desperate problems in raising domestic revenue, SAPs loans and aid provided the essential means for the functions of government to be carried out. For most African states, it furnished a high proportion of the disposable resources, which could be used to maintain political support. "Development projects of one sort or another provided the currency in which the demands of political constituencies were commonly expressed, and through which they could be gratified."[371] These projects could only be financed with funding from SAPs loans, given the liquidity crisis that faced the African states. Considering the discomfiture of individual African states with subjecting their national development plans to regional scrutiny, the SAPs emphasis on financing national rather than regional projects, served as a good alibi to overlook regional commitments.

Moreover, the time horizon for the dividends of the LPA self-reliant regionalism to start accruing to African states was too long and the dividends not too evident for politically insecure African governments. In the final analysis, the adoption of SAPs by a majority of African states implicitly marked the political triumph of the World

[371] Ibid. p. 183.

Bank's SAPs over the regional self-reliant model of the LPA. Hence, underscoring the acknowledged low level of implementation of Africa's much publicised self-reliant, self-sustaining development option.

The long time horizons defined by the LPA were thus not compatible with the urgent domestic political and economic difficulties that African governments faced. These difficulties called for immediate and short-term solutions, especially as they threatened the very survival of African governments. This made African governments particularly vulnerable to temptations to ignore or renege on long-term regional commitments. Under these circumstances, credible regional institutions to "lock in" African governments their commitments in the LPA might have made a huge difference. However, the LPA design did not provide for such mechanisms, and even when they were created, they turned out to be inadequate. This constitutes the focus of the next section.

4.3 INSTITUTIONAL INADEQUACIES AND THE FATE OF COLLECTIVE SELF-RELIANCE

Institutions are sets of formal and informal rules, regulations, and compliance procedures designed to constrain and shape human interaction and structure the incentives of actors involved in exchange relations in order to maximise the wealth or utility of these actors.[372] Against the background of domestic political and economic vulnerabilities that created strong incentives for African governments to renege on regional cooperation commitments, institutional mechanisms to "lock-in' their commitments to regional arrangements were imperative if the LPA was to make any inroads.

[372] Beth Yarbrough and Robert Yarbrough, *Cooperation and governance in international trade: Strategic organisational approach* (Princeton: Princeton University Press, 1992): 11; Douglass North, *Structure and change in economic history* (New York: Norton, 1981): 201

However, within the logic of assumptions of political "voluntarism" that underpinned the LPA design, the authors of the initiative did not pay adequate attention to endowing the regional institutions they envisaged or effectively established with such 'restraining' capabilities. Rather, the LPA inspired regional arrangements constituted forms of compromise institutions that tried as much as possible to avoid meddling with the discretionary authority of African governments – assigning them an essentially apolitical role of providing technical support and coordination - with no prerogative to monitor or enforce compliance.

The failure to endow the LPA inspired regional initiatives with adequate restraining mechanisms gave African governments the latitude to free riding and reneging on regional commitments. Since the entire LPA framework was premised on collective action, every other African government pinned their actions on the actions of others. The failure to sanction non-compliance served to discourage even the most ardent proponents of collective self-reliance - explaining therefore, the perceived gap between the strong rhetoric of regional self-reliance and the weak record of implementation. However, by the late 1980s, it was realised that the lack of enforcement mechanisms was a major handicap to Africa's regionalism. Therefore, in the Abuja Treaty of 1991, an attempt was made to endow regional economic cooperation institutions with supra-national authority to sanction non-compliance with regional engagements.

The section that follows, seeks to explain how inadequate enforcement mechanisms compounded collective action problems and how this contributed to the low level of implementation of the LPA. It concludes with a brief overview of the institutional changes introduced by the Abuja Treaty and their potential to resolve enforcement problems.

While many cooperation arrangements in Africa were ostensibly modelled after the European Union, most of them lacked the necessary mechanisms to enforce their treaty and other related obligations. In Africa unlike in Europe and North America, the documents establishing the various sub-regional economic groupings were summaries of "loosely-formulated" general proposals without quantitative projections or accurately detailed legal and institutional frameworks.[373] And until the advent of the Abuja Treaty of 1991, most of the treaties and decisions of Africa's regional Economic Communities (RECs), building blocs of the LPA, had no binding force on the member states. Thus, not only was their effective impact on member countries difficult to assess, but more importantly, it was difficult to compel member states to observe fundamental commitments made in treaties and conventions.[374] The outcome was remarkable inconsistency between national legislations and integration commitments, helping account for the poor record of the entire LPA regional cooperation agenda.

By order of priority and responsibility, the African states come first as far as the implementation of the treaties establishing the various economic communities are concerned. This was underlined in the LPA, which emphasised the responsibility of African states to take "measures to effect the establishment of an African common market that would lead to the attainment of the aims and objectives of the African Economic Community."[375] However, although integration organisations have been duly established in all the sub-regions, as envisaged in the FAL, cooperation agreements have not been internalised in national administrations and development

[373] Andras Inotia, *Regional integration among developing countries revisited* (Washington DC: The World Bank, Country Economics Department, April 1991): 9.

[374] Asante, *Regionalism and Africa*, pp. 57-58 & 96.

[375] OAU, *LPA 1980*, p. 128.

plans. There has been not only a lack of political commitments to decisions taken at the regional level, but also a failure to develop the domestic institutional measures which are required to follow up and manage these regional decisions.[376]

As a result, member states have continued to independently develop their own strategies, plans and priorities, with regional cooperation hardly reflected in them. Although African countries have continued to speak of collective action for regional cooperation, no single state has as yet designed its national plans to be consistent with the promotion of effective integration. More disappointingly, most African countries involved in RECs have hardly even developed a national apparatus for monitoring and coordinating their involvement in the different intergovernmental organisations.[377] The lack of commitment to regional commitments has also been reflected in the delays in the payment of budgetary contributions and the low level of participation in community meetings, as well as in delays or even outright refusal to ratify and implement protocols, acts and decisions of the various regional groupings.

For example, at the end of March 1992, the total arrears owed to the Executive Secretariat of ECOWAS alone was over US$ 30million.[378] The attitude of member states towards regional groupings has been encouraged by the lack of punitive sanctions. As a matter of fact, the lack of sanctions for disrespect of regional treaties and conventions has reduced membership in regional organisations to a "costless" exercise. African states have developed a culture of agreeing to treaties, with no real intentions to ever make good their commitments. This has not augured well for the

[376] Asante, *Regionalism and Africa,* pp. 74-5.

[377] S.K. B. Asante, "Regional economic cooperation and integration: The experience of ECOWAS," in Peter Anyang' Nyong'o (ed.*), Regional integration in Africa: Unfinished agenda* (Nairobi: Academy of Science Publishers, 1990).

[378] See ECOWAS, "Final Report of the Committee of Eminent Persons for the review of the ECOWAS Treaty," *ECW/CEP/TREV/VI/2* (Lagos, June 1992).

entire integration process in the continent and more especially, the regional self-reliant strategy of the LPA.

While elsewhere governments are held accountable externally by the institutions that administer agreements (like the case of the WTO and the EU) in Africa, regional blocs have been painstakingly cautious not to offend any country; so punitive measures for those who fail to honour or who renege on treaty commitments are minor and even uncommon. African regional blocs have been more interested in "swelling" their membership than on the commitment of members,[379] perhaps due to the multiplicity of regional arrangements in the continent, that place regional groupings in the awkward position of competing over members. It seems as though those regional groupings with the least stringent conditionalities are more likely to attract greater membership.

The lack of power of enforcement of the LPA inspired regional economic communities has been reflected in the treaties establishing the RECs. For example, in the ECOWAS treaty of 1975 and even the PTA treaty of 1981, there was the glaring absence of any provisions to grant these organisations any power to bind their member states. With the exception of the decisions of the Court of Justice (Article 56), and the provision of Article 54(3) on sanctions for non-payment of budgetary contributions, not even the decisions of the highest organ of ECOWAS – the Authority of Heads of State and Government – were binding on member states. Such decisions and directives are only binding on the "institutions of the community" (Article 5[3]).[380]

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[379] Mshomba, *Africa*, p. 195.

[380] See J. B. Wilmot, "Supranationality and the decision-making process in ECOWAS," in Jeggan Senghor (ed.), *ECOWAS: Perspectives on Treaty Revision and Reform*, IDEP Working Paper no. 3 (Dakar: IDEP, November 1993): 26.

The institutions of RECs thus lacked the fundamental quality of supra-nationality, which is very essential for facilitating the enforcement of treaty provisions, protocols and other related instruments.[381] Whereas the AEC and EU treaties envisaged the establishment of supra-national institutions to oversee and enforce integration processes, the LPA and its RECs – beginning with the ECOWAS treaty did not contemplate any such institutions, inadvertently creating room for free riding by member states. However, following on the example of the Abuja treaty, Africa's regional communities began endowing their institutions with supra-national authority.[382]

Enforcement mechanisms in the form of dissuasive or punitive sanctions are capable of playing the vital role of discouraging free riding and also helping align actors' incentives with long-term regional cooperation objectives. Sanctions are a necessary condition for the effectiveness of law in that law stipulates rules of conduct deviations from which should involve certain legal consequences.[383] If it is the case that one (in this case states) can act in contravention of stipulated norms, without attracting any consequences, then the rule of law has no binding value. To the extent that it has no binding value, it would hardly serve as an instrument for attaining stipulated goals and objectives. This was the plight of the treaties, conventions, and protocols that sanctioned the LPA inspired sub-regional economic groupings. Arguably, the loose and unbinding character of most of these agreements gave member governments little incentive to cooperate.

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[381] Supra-nationality refers to a situation where an international institution is endowed with powers to take decisions that are binding on sovereign states, either generally or in specific areas of state activity. See for example Ibid. p. 26.

[382] This has been reflected in the revised treaty of ECOWAS (1993), chapter XVI, (Article 77); the SADC treaty (1992) Article 19(8); and the COMESA Treaty (1994) Article 8(3)**.** See for example**,** Asante, *Regionalism and Africa*, p. 96-97.

[383] See for example Michael Akehurst, *A modern introduction to international law* (London: George Allen and Unwin, 1997).

The LPA inspired regional schemes have generally been very unsuccessful – with little or no impact on the economic growth of participating countries.[384] Overall, even as the political rhetoric persisted within the ECOWAS, ECCAS, PTA/COMESA, and AMU that their primary goal was the eventual establishment of an African economic community, the reality however, was that "these schemes did not show any immediate (or short-term) demonstrable benefits to their participants, nor any good reason in terms of viable cooperative action to believe that such goals could be realised."[385]

For example, although almost all the LPA inspired RECs adopted the market integration approach, progress towards trade liberalisation that was the preliminary objective of these schemes remained painfully low. This has been evident in the poor intra-trade performance of groupings, especially when viewed in terms of the percentage accounted for intra-group trade in the group's total exports (see table 5 below).

[384] See A. Mansoor and A. Inotia, "Integration efforts in Sub-Saharan Africa: Failures, results and prospects – a suggested strategy for achieving efficient integration," in Chibber and S. Fischer (eds.), *Economic reform in Sub-Saharan Africa* (Washington DC: World Bank, 1991): chapter 21; R. Langhammer, "The developing countries and regionalism," *Journal of Common Market Studies* 30 (1992): 211-31; Fouratan, "Regional integration in SSA;" Asante, *Regionalism and Africa*, p. 46.

[385] Ravenhill, *Africa in crisis*, p. 24.

Figure 5: Intra-regional Trade as a Percentage of Total Exports of Regional Group

	1970	1980	1985	1990	1992
AMU	1.4	0.3	1.0	2.3	3.0
UDEAC	4.9	1.8	1.9	2.4	2.1
ECCAS	2.4	1.6	2.1	2.3	2.1
ECOWAS	2.9	10.1	5.2	8.3	7.8
CEAO	6.6	9.8	8.3	9.9	10.5
Mano River Union	0.2	0.8	0.4	0.3	0.0
Economic Community Of the Great Lakes	0.4	0.2	0.8	0.3	0.4
PTA	9.6	12.1	5.6	6.6	6.7
SADC	5.2	5.1	4.8	5.2	4.4

Source: UNCTAD, Handbook of International Trade and Development Statistics (Geneva: 1993).

Despite the flurry of regional integration treaties and trade liberalisation agreements, the percentage of intra-sub-regional trade has remained very low, averaging below 5 percent. Africa's trade has remained predominantly oriented towards the North, perpetuating the dependence of the continent on exports, against the dictates of the LPA inward-looking self-reliant options.[386] The gap between stated goals and effective achievements reflected in the area of market integration mirrored the situation in other areas of cooperation such as infrastructure development and monetary and financial integration.

Little wonder, John Ravenhill has concluded that: "Lagos whose initial target dates for trade liberalisation have already passed provides little beyond a statement of faith to convince observers that it can and will be realised."[387] Paradoxically, in 1991,

[386] Asante, *Regionalism and Africa*, pp. 46-7.

[387] Ravenhill, *Africa in crisis*, p. 24.

African leaders claimed, "efforts already made in the sub-regional and regional sectoral economic cooperation are encouraging and justify a larger and fuller economic integration."[388] This informed the decision to sign the Abuja treaty establishing an African economic community (AEC).

4.3.1 THE ABUJA TREATY: AN IMPROVEMENT ON RESTRAINT MECHANISMS

The ultimate objective of the LPA was to establish a continent-wide economic community.[389] This, however, was to be contingent on the level of progress of integration at the sub-regional and regional levels. In light of the poor performance of the LPA inspired RECs, the signing of the Abuja Treaty establishing the AEC has been controversial. Fine and Yeo have summarised this perception in the following words:

> The fact that African leaders, first in the Lagos Plan of Action (LPA) of 1980 and then in the Abuja Treaty of 1991, have elected to pursue the quixotic goal of an African Common Market – in spite of their continual failure to begin removing even the modest impediments to the flow of goods and services within the region – would suggest that their agenda is driven by political rather than economic considerations and by domestic rather than regional pressures.[390]

However, proponents of the Abuja Treaty have hailed it as providing a continental framework, with the potential of rationalising the continent's integration institutions and organs.[391] It has been described as a giant step towards Africa's long-cherished goal of unifying the fragmented and vulnerable national economies into a single,

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[388] Ibid. p. 91; OAU, *Treaty establishing the African Economic Community – AEC* (Abuja, Nigeria, June 1991): Preamble.

[389] See ECA, "ECA and Africa's development 1983 – 2008" (Addis Ababa: ECA, 1983): 39; also cited in Ravenhill, *Africa in crisis*, p. 94.

[390] Fine and Yeo, "Regional integration in SSA," p. 429.

[391] See OAU, *AEC*, Article IV (1b); Onitiri, "Changing conditions," p. 417

more powerful economic bloc with a view to translating into reality the dream of pan-Africanism and continental integration.[392]

Although the Abuja Treaty has been showcased as the culmination of a long process of efforts at continental consolidation, beginning with the OAU charter in 1963, through various OAU summits to the LPA however, concerns about the risks of the further weakening and marginalisation of Africa in the global economy against the background of the resurgence of regionalism in the 1990s, constituted the most immediate impulse for the signing of the Treaty.[393]

The Abuja Treaty marked the beginning of a shift in the orientation of and approach to Africa's regional integration and cooperation.[394] This was reflected in the character of post-Abuja regional initiatives, which were based on the precepts of economic openness and market efficiency. These initiatives embraced different principles "for achieving progressive economic cohesion than their fait-driven predecessors which were based on protectionist, closed economy policies of the kind which typically pervaded development thinking in Africa, for more than three decades."[395]

In this regard, the signing of the Abuja Treaty, rather than being the culmination of the LPA inward-looking regionalism, could be seen as marking the beginning of the capitulation of African governments to the ethos of the liberal paradigm. Not only did the Abuja-inspired regional groupings reflect respect for and observance of

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[392] S. K. B. Asante, "Kwame Nkrumah and Pan Africanism: The early years," Vol. 3 no. 1 (October, 1973).

[393] Asante, *Regionalism and Africa*, pp. 87 & 91.

[394] See for example, S.K. B. Asante, "Comparative analysis of the Treaties of the African Economic Community and the Economic Community of West African States," in Jeggan C. Senghor (ed.), *ECOWAS: Perspectives*, pp. 15-22.

[395] Asante, *Regionalism and Africa*, p. 89.

certain fundamental principles and basic undertakings, they equally shifted the exclusive focus on government, to involving the people, non-governmental organisations (NGOs), the civil society and the private sector.[396]

This shift from states to markets, influenced by externally imposed structural adjustment programmes (SAPS), has aimed at revamping the African development model since 1985. This shift has resulted in what Percy Mistry has seen as "second generation" integration attempts, gathering steam since 1992, certainly under the behest of the Abuja Treaty. In principle, this new approach abandoned the "ossified, static, protected-fortress approach" to integration among closed, state-run economies. It has been seen as "a means of consolidating national economic policy shifts towards greater liberalisation, market orientation, competitiveness and efficiency."[397]

Nevertheless, like the LPA, post Abuja regional integration initiatives have had to rely on achieving these ambitious objectives at the sub-regional and regional levels, before attempting to achieve them at the global level, in a world where Africa has yet to overcome a large number of disadvantages in order to compete.[398] Therefore, like the LPA, regional economic communities are central building blocks of the Abuja Treaty's objective of establishing a pan-African community.[399]

And although the Abuja treaty was signed in disregard of the failure of Africa's sub-regional communities to achieve their stated objectives, it is seen to have inspired the reform and transformation of the continent's regional economic groupings, supposedly making them more likely to attain stated goals. For example, it led to the

[396] Ibid.

[397] Mistry "Africa's record," pp. 559-60.

[398] Ibid. p. 560; OAU, *Abuja Treaty*, chapter XIX (Article 88).

[399] Asante, *Regionalism and Africa*, p. 90.

transformation of the PTA into the Common Market for Eastern and Southern Africa (COMESA) in 1994; it also saw the transformation of the Southern African Development and consultative Council (SADCC) into the Southern African Development Community (SADC) in 1992; the re-lunching of the activities of the Economic Community of Central African States (ECCAS) in 1998; the revival of the defunct East African Community (EAC) in 1999; and more importantly, it brought about the review of the ECOWAS Treaty in 1993.

The AEC inspired (revised treaties) of the various regional communities are said to be more elaborate, containing measures that could help overcome the obstacles that bedevilled the implementation of the earlier initiatives and specific arrangements to enforce treaty agreements. Of particular importance are measures to harmonise national strategies and policies with those of the region and to refrain from any unilateral action that could hinder the attainment of the regional objectives. For example, member states have pledged, in accordance with their respective constitutional procedures, "to take all necessary measures to ensure the enactment and dissemination of such legislation as may be necessary for the implementation of the provisions of the Abuja Treaty."[400] This has been in light of the fact that dissimilarities and divergences in national laws and policies of member states regulating key areas of cooperation have been a major legal impediment to economic cooperation.[401]

In the area of community institutions, the AEC treaty and the reviewed treaties of RECs seem to have endowed them with greater powers of supranationality than had been allowed under the LPA dispensation. For example, the Abuja Treaty establishes

[400] OAU, *Abuja Treaty*, Article V.

[401] Asante, *Regionalism and Africa*, p. 93.

a transparent organic link between the supreme institution of the Community and the member states. In this regard, Article 8(3) of the treaty confers on the Assembly of Heads of State and Government, the supreme organ of the Community, power to 'give directives, coordinate and harmonise the economic, scientific, technical, cultural and social policies of member states'. More importantly, the Abuja Treaty has made the decisions of the Community binding on member states. For example, the decisions of the Assembly of Heads of State, and the resolutions of the Council of Ministers are binding on member states as well as the subordinate institutions (Article 10(1) and Article 13(2)). The revised treaties of Africa's major RECs have all adopted this binding character of community decisions on states from the AEC.[402]

Besides, unlike the LPA and the earlier regional communities, ECOWAS, PTA and ECCAS, which have focused attention essentially on market integration, Abuja primarily adopts a production focused approach or, specifically, collaboration for expansion and diversification of material production. This approach emphasises broadening the regional production base and agricultural production in the framework of a variety of cooperative schemes and arrangements. It is based on the premise that expansion of mutual trade can take place only if the African countries are able to produce the desired merchandise in sufficient quantities to meet each other's demand. Therefore, gradual harmonisation of industrial and agricultural policies and joint industrial and agricultural planning and production are complementary to integration.[403]

However, Abuja like the LPA and the earlier regional economic integration schemes has adopted the traditional linear pattern of integration, with the aim of

[402] See Ibid. p. 96; ECOWAS Treaty (1992) Article 19(8); COMESA Treaty (1994) Article 8(3); and the SADC Treaty (1992) Article 19(8).

[403] Asante, *Regionalism and Africa*, p. 98.

moving the continent within the space of twenty five years into a customs union, a common market and finally the African Economic Community.[404] Embracing all aspects of African economic and social life, the Abuja Treaty is said to provide a framework for the re-examination of the roles of the myriad of African organisations and institutions, streamlining their activities and mobilising them purposefully to address the pressing problems of African economic and social development. Given its all embracing character and mandate, Abuja even more than the LPA has faced the great challenge of having to move from talk and prescriptions to action and to change the assumption that once goals for regional cooperation have been set, implementation will automatically follow. [405]

Although it may sound harsh to qualify the Abuja treaty as a failure, however, its fate has not been too different from that of the LPA. Despite its innovativeness, both in terms of goals, methods and orientation, the Abuja Treaty like the LPA has thus far remained only a declaration of intent, with minimal concrete achievements. Signed in 1991, the AEC only became operational in 1994, because of the reluctance of member states to ratify the treaty. The rationalisation of Africa's multiple regional organisations, a central element in the Abuja Treaty is yet to bear fruits, ten years after the signing of the treaty. Moreover, the decision to merge the Secretariats of the AEC and the OAU seemed to have submerged the community and rendered it ineffective. And in 2001, with the emergence of a new African economic initiative (NEPAD), and the transformation of the OAU into the African Union, the role and place of the AEC in Africa's regional economic development agenda has become even more obscure.

[404] OAU, *Abuja Treaty*, Article 6.

[405] Asante, *Regionalism and Africa*, p. 104.

CONCLUSION

This chapter has examined the political economy of Africa's strategy of collective self-reliance defined by the LPA and restated by the Abuja Treaty. It has analysed the reasons why despite the potential socio-economic benefits of collective self-reliance, African governments were unable to uphold its prescriptions. The chapter has examined the problems of the low level of implementation of the LPA from two broad perspectives: First, from the perspective of the interplay between potential long-term benefits and the perceived short-term costs involved in the implementation of the LPA; and second, from the perspective of the inadequacy of regional institutional mechanisms to actualise the collective self-reliance agenda.

I have argued that the assumptions that underpinned the LPA design namely that "because the LPA portended substantial socio-economic benefits for African states, African governments were to faithfully implement it," were faulty. African governments were faced with pressing domestic political and economic difficulties that created time horizons that were not compatible with the long-term perspectives of the LPA. Rather than view the LPA's envisaged market expansion and liberalisation; economic restructuring and diversification; and the building of less dependent African economies exclusively in terms of their potential economic benefits, African governments viewed them rather in light of their accompanying political and economic costs and also in terms of the delays and uncertainties of their envisaged benefits.

Seen from the perspective of the liberalisation effects of trade creation and trade diversion, distributional problems arising from collective action, polarisation effects of a regional import substitution industrialisation and even the choice between the LPA and the SAPs, the balance of forces from the standpoint of the politically

insecure African governments appeared to be in favour of greater sacrifices – over long term and unsure benefits. Therefore, the losses involved in trade diversion, the exigencies of engagement in SAPs and the tariff losses involved in the import-substitution industrialisation strategy, conspired to serve as incentives for African governments to renege on their commitments to the LPA.

I have argued that, under the circumstances of domestic political and economic insecurities that created incentives for African governments to renege on regional commitments, credible regional institutions to align African governments' incentives to the long-term goals of regional economic cooperation would have made the difference in the LPA. However, still influenced by assumptions of "political voluntarism" of African governments, the authors of the LPA did not endow the envisaged regional institutions with mechanisms to monitor and enforce compliance with regional agreements.

Despite the establishment of a plethora of regional institutions at the behest of the LPA, these institutions were assigned essentially apolitical roles of providing technical support and coordination of the actions of member governments, with no mandate to sanction non-compliance with regional engagements. The absence or inadequacy of enforcement mechanisms rendered membership in the various regional economic groupings, a costless exercise as states signed treaties and conventions without any real intentions to abide by them. Moreover, the failure to sanction non-compliance created a situation wherein even states that could be very faithful to the LPA became reluctant to commit their efforts and resources to the initiative, since in the final analysis its success depended on the actions of other states.

The Abuja Treaty was intended as a corrective to the institutional inadequacies of the LPA. However, although the Abuja Treaty appeared to have strengthened

Africa's regional communities, by endowing them with supranational institutions, the impact of these transformations has been minimal. Contrary to expectations, the endowment of regional institutions with supranational authority seemed to have increased the lethargy of African governments to engage in regional arrangements. African governments appeared to have developed the perception that the Abuja treaty imposed maximum constraints on their discretionary decision-making powers with minimal prospects for the realisation of immediate benefits.

In the final analysis, despite the surviving rhetoric of commitment of African states to the goals of the Abuja Treaty, they have remained as unwilling as ever to make the necessary sacrifices for its implementation. Abuja, like Lagos and most of the related regional economic communities, has remained a paper organisation "whose elaborate treaties have become nothing more than memorials to faulty development strategies."[406] Cooperation and integration have not advanced in the continent and Africa's development predicaments that informed the formulation of the LPA and then the Abuja treaty, have persisted or even worsened, calling therefore, for new approaches. A recent reaction is the emergence of Africa's new regional economic initiative – the NEPAD. This transition from Africa's traditional inward-looking orientation to cooperation epitomised by the LPA to the new extra-regional partnership evolved by the NEPAD is the object of the next chapter.

[406] Ravenhill, *African crisis*, p. 101.

PART TWO

THE NEW PARTNERSHIP FOR AFRICA'S DEVELOPMENT: THE MARKET DRIVEN EXTRA-REGIONAL PARTNERSHIP MODEL

CHAPTER FIVE

THE NEW PARTNERSHIP FOR AFRICA'S DEVELOPMENT (NEPAD): THE INTERNATIONAL RELATIONS OF A PARADIGM SHIFT

5.1 INTRODUCTION

African countries have had a long history of resistance against greater engagement with the global economy. However, the continent's suspicion of the global economy reached a turning point in the early 1980s with the adoption of the LPA, which advocated "partial disengagement" from the "supposedly exploitative international economic system." Although the LPA was overshadowed by the institution of Structural Adjustment Programmes (SAPs) in almost all African countries from the early 1980's onward, and notwithstanding liberalists' perception in the 1990s that the "Washington Consensus" had attained universal validity, the African attitude towards the global economy remained ambivalent.[407]

Mass protests across the continent against the liberal prescriptions of SAPs and the disappointing outcomes of the programmes have been vindicated as proof of the lack of a constituency for the liberal paradigm in the continent.[408] African technocrats and politicians' perception survived over the years that Africa has been victim of a grossly unjust liberal global economic system, justifying the continued emphasis on state-led, inward-looking orientations in Africa's regional economic cooperation agenda.[409] Although the Abuja Treaty of 1991 heralded what some have

[407] Jeffrey Herbst, "Africa and the international economy," p. 63.

[408] See variously, Ibid. p. 65; Mengisteab, *Globalisation and autocentricity*; Civil Society-Indaba, "Resolution on NEPAD," (South Africa: Johannesburg, May 4 2002).

[409] The role of the state was for example emphasised in the OAU's, *African Charter for Popular Participation in Development* (Arusha, February 1990); UNECA's, *Africa's Alternative Framework to Structural Adjustment Programmes* (AAF-SAPs) (UNECA, 1989); the AU's, *Council for Security, stability, Development and Cooperation* (CSSDCA); UNECA's Proposal for a mechanism on the challenge of globalisation and information age for Africa; and by Albert Trevoedjre, in "Vaincre

described as a new generation of African regional economic initiatives, supposedly more tolerant of liberal ethos[410] the continent's fear and suspicion of the global economy has persisted.

Despite Africa's deep-rooted distrust of the global economy, however, the continent has been unable to shield itself from the effects of an increasingly interdependent global system. Accordingly, at the dawn of the twenty first century, African leaders felt obliged to evolve a new continental economic blueprint – the New Partnership for Africa's Development (NEPAD) to meet the exigencies of the new phase of globalisation. This new initiative departs from traditional thinking and practice about African development in at least two ways: first, in terms of economic principles; and second, in terms of the importance accorded domestic governance in the development prospects of the continent.

On economic principles, not only does the initiative accommodate the liberal principles of the international economic order that have been energetically resisted by earlier African initiatives, it equally and more importantly prescribes greater engagement with the global economy. On governance, the NEPAD in its diagnoses of the continent's development crisis strongly suggests much of Africa's economic failures are attributable to domestic factors – particularly poor governance. It therefore sees domestic governance reforms as a precondition for the development of the continent. These shifts have evoked a mixture of enthusiasm and scepticism, making the initiative the focus of academic and policy discourse. The question arises however, as to what has informed this change.

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l'humiliation: Rapport de la commission sur l'Afrique et les enjeux du 3eme millinnaire" (PNUD, {n.d.}).

[410] Mistry, "Africa's record."

This chapter examines the international politics of the shifts in approach to African development: from the traditional state-led, inward-looking development paradigm (LPA), to a market driven and outward-looking paradigm (NEPAD); and from the peripheral role of governance in the development prospects of the continent under the LPA, to the pride of place of governance under the NEPAD dispensation. The chapter is two-pronged: First, it analyses the extent to which the NEPAD represents a shift in orientation in Africa's regional economic cooperation endeavours; second, proceeding from the premise that NEPAD constitutes a shift in orientation, the chapter then examines the realities and circumstances that have informed this shift.

5.2 NEPAD: A SHIFT IN AFRICA'S REGIONAL APPROACH TO DEVELOPMENT CHALLENGES?

The NEPAD has been understood and interpreted differently by different categories of people. More importantly, there seems to be disagreement over the actual orientations of the initiative. While its critics see it as essentially outward oriented,[411] some of its proponents contend that the initiative, like its predecessor initiatives such as the LPA, is internally oriented.[412]

[411] See variously, Adedeji Adebayo, "NEPAD: A view from the African trenches," Key note Address in Doreena Bikoe and Chris Landsberg (compilers.), "NEPAD: African initiative, new partnership?" Draft Report of the Policy Forum on the New Partnership for Africa's Development, International Peace Academy in cooperation with the Permanent Missions of Algeria, Egypt, the Netherlands, Nigeria, Senegal, and South Africa to the United Nations (New York: UN, July 2002): 38-43; Patrick Bond (ed.), "The New Partnership for Africa's Development: An annotated critique" (South Africa: Alternative Information and Development Centre (AIDC), 2002); BOND, "Africa and the G8: Whose development? What partnership?" in http://aidc.org.uk/networker/june02/g8.htm; Leon Pretorius and Saliem Patel, "The New Partnership for Africa's Development (NEPAD): A critical review," Policy Review, Labour Research Service Report (LRS) (South Africa: Woodstock, 2002) in http://aidc.org.za/NEPAD/LRS.html; Dot Keet, "The New partnership for Africa's Development (NEPAD) and the African Union: Unity and integration within Africa? Or integration of Africa into the global economy? (Alternative information and Development Centre (AIDC), October 2002); "NEPAD regional or Global integration of Africa," *African Agenda*, Vol. 5, no. 2&3 (2002); Jimi, Adesina, "NEPAD and the challenge of Africa's development: Towards the political economy of a discourse," in Southern African Regional Poverty Network (SARPN) – Human Science Research Council (HSRC), "African Commentaries on NEPAD" (South Africa: March 2000a)

Moderates have however, argued that the initiative combines both elements of inward orientation and outward orientation.[413] They have described the NEPAD as the offshoot of an eclectic combination of ideas deriving from different paradigms and constituencies. It has been seen as a politically pragmatic attempt to accommodate a variety of interests and approaches, from within and outside of Africa. "It tries simultaneously to address itself to a variety of international agencies or potential "partners" or realities; to the full panoply of African leaders and technocrats; and even to the people of Africa."[414] The framers of the initiative were interested, given Africa's experience in the areas of integration and development, in identifying what could possibly work for the continent. They therefore, "borrowed" from various and different earlier initiatives and models – regardless of their orientations. In the end, "they came up with a pragmatic and non-ideological document,"[415] the NEPAD that appears to combine all these perspectives.

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http://www.sarpn.org.za/documents/d0000326/index.php; Jimi Adesina, "NEPAD, the Post Washington consensus," *African Agenda*, Vol. 5 no. 2&3 (2002b): 16-17; Adebayo Alukoshi, "Africa, from Lagos Plan of Action to NEPAD," *African Agenda* Vol. 5, no. 2&3 (2002): 8-9; Yao Graham, "From liberation into NEPAD," *African Agenda* Vol. 5, no. 2&3 (2002): 4-5; Ian Taylor, "Towards the African century or another false start?" *African Agenda*, Vol. 5, no. 2&3 (2002): 10-12; Kwasi Anyemedu, "From the Lagos Plan of Action to NEPAD," *African Agenda* Vol. 5, no 2&3 (2002): 8-9.

[412] This was the view expressed during interviews this researcher had with Mr Smunda Mokeona, Deputy Director General, NEPAD Secretariat and member of the NEPAD Steering Committee (Midrand, South Africa, May 9 2003); Mr. Dave Malcomson, head international liaison and coordination, NEPAD Secretariat (Midrand, South Africa, May 26 2003); Professor Okey Onyejekwe, Development policy management Division (DPMD), UNECA (Addis Ababa, June 2003).

[413] This was the position advanced during the interviews this researcher had with Dr. Jinmi Adisa, Head Council for Security Stability development and cooperation (CSSDCA), African Union Secretariat (Addis Ababa, June 26 2003); His Excellency J.K. Shinkaiye, Ambassador of the Federal Republic of Nigeria to the Federal Republic of Ethiopia and to the African Union (Addis Ababa, June 23 2003); Mr. Sunday T. Dongonyaro, principal programme coordinator, NEPAD Secretariat (Midrand, South Africa, May 22 2003); Professor Stephen Gelb, Director Edge Institute (Johannesburg: Braamfontein Centre, April 11 2003). Professor Gelb was research coordinator for the South African Government's MAP team, until July 2001. He also served as consultant to the NEPAD Secretariat between January and June 2002; Abdul K. Mohammed, UNECEF Special Representative to the African Union and to the ECA (Addis Ababa, June 2003).

[414] Keet, "The NEPAD and the African Union," pp. 22-23.

[415] Abdul Mohammed, interview 2003.

It is difficult to disagree with the moderates' contention that the NEPAD derives from diverse paradigms and initiatives and combines elements of outward and inward orientation. However, on the balance, the initiative is more outward oriented than it is inward oriented. Overall, it leans more towards the liberal paradigm than to the protectionist and state interventionist paradigm. More precisely, it constitutes a shift in Africa's regional cooperation thinking and practice in pushing for greater engagement with the processes of globalisation despite Africa's traditional suspicions of the global economy reflected in the prescriptions of earlier African led initiatives. Although the NEPAD restates some of the prescriptions of the LPA and its associated initiatives, it departs from them over key issues, such as the respective roles of the state and the market in the development process and also in its diagnoses of the causes of the continent's economic crisis and the solutions to it.

A critical examination of NEPAD's primary objectives, its underlying principles and the strategies for its implementation seem to give credence to the foregoing arguments. This section of the thesis explores these three dimensions, aiming to highlight the external orientations and the paradigm shift of the NEPAD. However, a detailed discussion of the contents of the NEPAD is not intended here for this is readily available in various NEPAD documents and other related literature.

5.2.1 NEPAD: PRIMARY OBJECTIVES AND GOALS

The NEPAD is a vision and strategic framework for Africa's renewal, designed to address current challenges facing the continent. Its primary objectives are to eradicate poverty in the continent and to bring about sustainable growth and development. Specifically, NEPAD aims to achieve and sustain an annual growth rate in Africa's GDP of 7 percent for the next fifteen years; to attract US $64 billion a year in foreign

direct investment (FDI) to continent; to increase investment in human resource development; to promote the role of women in the development process; and to reduce Africa's poverty rate by half by 2015 in line with the UN Millennium Development Goals (MDGs).[416] Linked to this is the desire to reduce the gap between the industrialised countries of the North and Africa.[417] Thirdly, the NEPAD aims to ensure that the Africa participates meaningfully in the global economy and body politic, given the realities of the unfolding processes of globalisation. And in the words of its authors:

> The New Partnership for Africa's Development is a pledge by African leaders, based on a common vision and a firm and shared conviction, that they have a pressing duty to eradicate poverty and to place their countries, both individually and collectively, on a path of sustainable growth and development, and at the same time to participate actively in the world economy and body politic. The programme is anchored in the determination of Africans to extricate themselves and the continent from the malaise of underdevelopment and exclusion in a globalising world. The poverty and backwardness of Africa stands in stark contrast to the prosperity of the developed world….[418]

Thus, the NEPAD is an attempt to establish a new way of doing business in Africa – and for the leadership of the continent to strive to operate in different ways, for business, civil society and women to be assigned different roles. More importantly, NEPAD aims at positioning the African continent within a transformed global environment and to ensure that Africa, "rather than simply only suffering from the "negatives" of globalisation must also strive to start reaping some of its

[416] See AU, "NEPAD 2001," paragraphs 67-70; Policy Forum on NEPAD, "Draft Report" (2002): 2; Ernest Harsch, "Africa, preparing its own recovery plans: Leaders aim for new drive to combat continent's poverty, global marginalisation," *Africa Recovery*, Vol. 15, no. 1&2 (June 2001): 3.

[417] See AU, "NEPAD 2001," introduction, paragraph 2.

[418] Ibid. paragraphs 1 & 2.

"positives." It is also an agenda for the reorganisation of the entire international system, to make it more equitable and more responsive to Africa's needs."[419]

What emerges is that the NEPAD unlike the LPA and its associated initiatives, does not see Africa's economic problems as emanating from its engagement with the global economy per se. Rather, the initiative suggests that the continent's problems derive from domestic and international difficulties of becoming well integrated into the system and its exclusion from global economic processes. Therefore, the NEPAD embodies a resolve to integrate Africa more effectively into the global economy, as opposed to the LPA that strove to partially disengage from the system, at least in the short run. And as Ian Taylor puts it, "…the trajectory chosen amounts at best to attempting to join the system, to play by its rules and having discovered that the game is set unfairly, to adjust these rules somewhat in the Third World's [Africa's] favour."[420] The NEPAD is designed "to assist the African continent to take its rightful place in the world by building strong, competitive economies as the world moves towards greater liberalisation and competition."[421]

For the authors of the NEPAD, building strong and competitive economies within the context of globalisation requires greater liberalisation and openness of African economies to global markets. However, African markets are underdeveloped and have been unable to deliver on the continent's development needs and to withstand international competition. The emphasis under SAPs wherein markets were seen as providing the exclusive solution to economic development have been moderated in the NEPAD by the contention that "markets can only function if there is

[419] Malcomson, interview.

[420] Taylor, "Towards the African century," pp. 61-84.

[421] AU, *NEPAD October 2002*, chapter IV paragraph 50.

a conducive environment for them to develop, which conducive environment can only be provided by a capable state."[422] The other key objective of the NEPAD is that of putting into place the (state) institutional framework for a more market-friendly investment environment.[423]

Although NEPAD's architects have attempted to invoke the initiative's goal of building a capable state as a point of convergence with earlier self-reliance African regional initiatives that assigned a central role to the African state in the development process, the much vaunted objective of creating a capable state in the NEPAD is ultimately aimed at facilitated the effectiveness of the market. This fits with the World Bank's latter accommodative attitude towards the state in economic management, in which the state is vital for putting in place the appropriate institutional foundation for markets. In the language of the 'evolved' World Bank position:

> Development – economic, social, and sustainable – without an effective state is impossible. It is increasingly recognised that an effective state – not a minimal one – is central to economic and social development, but more as partner and facilitator than as director. States should work to complement markets not to replace them.[424]

This contrasts with the earlier approaches that placed the state at the centre of the development process, with public and para public agencies, acting as initiators and planners, and as the investing, implementing and monitoring agents of the state. The role of the private sector was located within the multilaterally agreed regional and national frameworks, and with economic "market forces" been guided and regulated

[422] Abdul Mohammed, interview.

[423] Adesina, "NEPAD, Post Washington consensus," p. 17.

[424] World Bank, *Development Report –WDR* 1997: *The state in a changing world* (Oxford: Oxford University Press, 1997): 18; Leon Pretorius and Saliem Patel, "Policy Review," p. 13.

by publicly defined concerns and considerations.[425] The NEPAD constitutes a shift in orientation in Africa's regional cooperation endeavours to the extent to which it removes the locus of the impulse for Africa's development from the state, as was the case under the LPA, to private capital.

More importantly, the aims of regional cooperation and integration within the NEPAD depart from those of the LPA, although the rationale for cooperation is rhetorically the same – the need for collective action by weak African states to address development on the continent.[426] While appearing to favour internal economic linkages within and between African states, "the ultimate goal of the NEPAD regional cooperation agenda appears to be the provision of important frameworks and inducements with which to attract foreign direct investment and offer larger markets to international capital."[427] NEPAD for example aims at building cross-border and trans-African transport and communication infrastructure, and to consolidate joint energy, water and other systems to allow for the benefits of economies of scale.[428] It acknowledges that creating such "essential public goods" and inter-linkages is vital to "enhance regional cooperation and trade" and crucial to integrated African development. The NEPAD aims at addressing these projects on a planned regional basis without which the renewal process of the continent will not take off.[429]

While the structural linkages that were sought under the LPA self-reliant and self-sustaining strategy were aimed at increasing the volume of transactions within and

[425] Keet, "The NEPAD and the AU," p. 8.

[426] AU, "NEPAD 2001", paragraphs 90-91.

[427] Keet, "NEPAD, Regional or global," p. 26.

[428] AU, "NEPAD 2001", paragraph 90.

[429] Ibid. paragraphs 92, 105, 109 & 197.

between African economies and by so doing to curtail their excessive dependence on external economies, "it seems that the infrastructure linkages sought within the NEPAD are intended to serve as attractions for foreign investment into Africa."[430] The major aim as highlighted in the NEPAD document is "to bridge the existing gaps between Africa and the developed countries so as to improve the continent's international competitiveness and to enable it participate in the globalisation process."[431] NEPAD, for example, offers its huge infrastructure projects as "great opportunities for investment"[432] together with the guarantee of governmental supports, particularly through "public-private partnership" (PPPs) and with promises of 'lowering the risk facing private investors."[433]

The aims of the NEPAD regional cooperation agenda veers more towards serving private capital and facilitating greater integration into global markets than towards curtailing external ties of dependence through greater inter and intra-African exchanges. In this regard, it could be said to constitute a shift in orientation towards the embrace of greater liberalism both within and outside the continent.

5.2.2 NEPAD: UNDERLYING PRINCIPLES

The NEPAD is underpinned by the principles of African ownership, African leadership and African management. Linked to this is the claim that the initiative is based on African resources and on the resourcefulness of African peoples. The second underlying principle is that the initiative is based on new partnerships –

[430] Keet, "The NEPAD and the AU," p. 24.

[431] Ibid. paragraphs 95 and 98.

[432] This was the central premise of the infrastructure-focused Omega Plan that was eventually merged with the MAP to produce the New African Initiative (NAI), later named NEPAD. See for example, AU, "NEPAD 2001", paragraph 100.

[433] Ibid. paragraphs 105-6 & 178.

"between African governments and their peoples, and between African states and the developed countries of the North – including multilateral institutions of trade and finance."[434]

In the former regard, NEPAD is seemingly in consonance with Africa's traditional faith in inward-looking self-reliant and self-sustaining development. This is supported by its insistence that the resources for the initiative should be mobilised as much as possible by African countries, with less reliance on traditional external sources such as aid and loans. Its authors have declared: "We must and can move away from measures that further entrench the dependence of Africa on aid."[435] They have further emphasised: "It is necessary that the peoples of Africa gain the conviction that they are not, and must not be wards of benevolent guardians, but instruments of their own sustained upliftment,"[436] and that the scheme is based on the agenda set by African peoples through their own initiatives and of their own volition to shape their own destiny.[437] Wiseman Nkuhlu has added that the NEPAD represents the first time that African leaders are taking responsibility for having themselves transformed, coming forward and saying that "we accept that as African leaders we have not been accountable to the African people over the years and that we also share responsibility for the wars in the continent, for the poverty over the years, but that the time has come for things to change."[438]

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[434] Mokeona, interview.

[435] Thabo Mbeki, cited in Harsch, "Africa's recovery plans," p. 4.

[436] Ibid.

[437] AU, "NEPAD 2001", paragraph 48.

[438] Wiseman Nkuhlu, "Keynote Lecture," in Southern African Regional Poverty Network (SARPN) and Human Science Research Council, "Can Africa halve its poverty by 2015? The challenge to the NEPAD" (Pretoria, April 4 2002): 6-7.

The claim of African ownership and leadership has been "publicised" as a key distinguishing feature of the NEPAD, setting it apart from previous plans and initiatives in support of Africa's renewal. The centrality of African ownership in the NEPAD is premised on the realisation that "ownership of policy reforms matters because it directly affects programme acceptance and implementation."[439] Although there is consensus even amongst the authors of the NEPAD that the most effective policies and programmes are those based on domestic processes of consultation and decision-making because they tend to generate political support and buy-ins by stakeholders, the NEPAD has been flawed by the lack of consultation with internal stakeholders.[440] Indeed, the diplomacy behind the NEPAD reflects greater concern with "winning" the support of external stakeholders than involving internal stakeholders, weakening the claims of African ownership and strengthening the perception that the initiative has been externally inspired. Little wonder Jinmi Adisa has concluded that "the theory of the NEPAD appears to be completely divorced from the practice, in that while the theory emphasises African ownership and leadership, the practice clearly reflects external dependence and orientation."[441]

The outward orientations of the NEPAD are most manifest in the initiative's principle of partnerships. The partnership principle emerged from contemporary consensus on African development cooperation thinking that "development partnerships work best where the aid regime devolves delivery systems, empowers local communities, and puts Africans in charge of their development efforts, with the development partners recognising and supporting Africa's leadership and

[439] Ronald Kempe Hope, "From crisis to renewal: Towards a successful implementation of the New partnership for Africa's Development," *African Affairs*, 101 (2002): 396.

[440] Civil Society Indaba, "Resolution."

[441] Adisa, interview.

responsibility."[442] Although African leaders claim ownership and responsibility for the initiative, in an effort to secure the recognition and support of the continent's development partners they had to incorporate and address a wide range of issues and requirements set out by these external actors.

NEPAD's partnership framework seeks to address present day realities such as globalisation, the neo-liberal paradigm of international relations, and it also pays attention to the political and economic "conditionalities" usually demanded by the Western powers for granting aid to developing countries.[443] These conditionalities converge with the neo-liberal prescriptions of the "Washington Consensus," which include: steps towards establishing market-oriented economies based on open trade and investment policies; the protection of property rights; supportive tax and expenditure policies; appropriate monetary, financial and exchange-rate policies; the control of corruption; and the explicit promotion of private sector activity, including the privatisation of state-owned enterprises.[444] In the face of these considerations, whose ultimate effect would be the reduction of the role of the state in economic management and accelerating the continent's integration into the global economy, the rhetoric of inward-looking self-reliance gives way to practical outward orientations. Also, the internal dimensions of NEPAD's partnership seeking to redefine state-society relations (through political and corporate governance), while responding to the aspirations of African masses for greater participation in state affairs and for

[442] World Bank, cited in Hope, ""From crisis to renewal," p. 395.

[443] Pierre du Toit Botha, "The New Partnership for Africa's Development (NEPAD): Is there an enabling international environment for regional integration?" In African Institute of South Africa, "Regional integration in Africa at the beginning of the twenty first century" (Workshop – Research Unit: Major Foreign Powers and SSA, June 2002): 23.

[444] Sachs Jeffrey, "A new partnership for growth in Africa," in Peter H. Koehn and Olatunde J. B. Ojo (eds.), *Making aid work: Innovative approaches for Africa at the turn of the century* (Lanham, MD: University Press of America, 1999): 396.

enabling environments for self-fulfilment, are also indirectly (and ultimately) aimed at altering the negative perceptions held about Africa as a high risk region for foreign capital as demonstrated below.

5.2.3 NEPAD: STRATEGIES FOR SUSTAINABLE DEVELOPMENT

The NEPAD is a three-pronged strategy: creating preconditions for development; addressing priority issues; and mobilising resources.[445] Its strategy for promoting sustainable development in the continent is hinged on six priority issues: First, to bridge the infrastructure gap between Africa and the rest of the world by closing the digital divide and by investing in information and communications technologies, energy, transport, water and sanitation. Second, to enhance the continent's human resource development capacity, with the aim of reversing Africa's "brain-drain," reducing poverty, bridging the education gap, and channelling investments to health and other social sectors. Third, to increase and diversify agricultural production by removing structural and institutional impediments to private investment. Another important priority area of the NEPAD is that of development in science and technology aimed at developing state-of-the-art information and expertise to achieve growth in manufacturing and industrial sectors.[446]

Although NEPAD's priorities sectors are vital for the overall development and economic viability of African countries, however, to address them there is need for huge and sustained resource mobilisation. These resources will be mobilised

[445] AU, "NEPAD 2001", p. 48; Rok Ajulu, "The New Partnership for Africa's Development: Why NEPAD must succeed," *monograph* (Accra: FOSDA, 2002): 18.

[446] See AU, "NEPAD 2001", Section B, "sectoral priorities; also see Policy Forum on NEPAD, "Draft Report," pp. 14-16

under the NEPAD capital flows and market access initiative. NEPAD's capital flows initiative seeks to encourage domestic resource mobilisation, debt relief, the reform and increase of ODA, private capital flows and FDI. Meanwhile, NEPAD's market access initiative seeks to encourage the diversification of Africa's production while securing greater access to markets of the countries of the industrialised North in agriculture, mining, manufacturing, tourism, and services.[447]

The outlay of the NEPAD resource mobilisation strategy suggests that the bulk of the resources required to address priority projects are to come from external sources through debt relief, increased ODA, FDI and greater access of African products to markets of the North.[448] Although the NEPAD identifies increases in domestic savings, as well as improvements in public revenue collection systems as strategies to fill the annual resource gap of 12 percent of its GDP (US $64 billion) it nevertheless, leans on the goodwill of its extra-regional partners to provide the bulk of the needed resources. The NEPAD focuses on debt reduction and overseas development assistance (ODA) as complementary external resources required in the short to medium term. Meanwhile, private capital flows are addressed as a longer-term concern, with effective increases on capital flows being contingent on improved economic and political governance performance.[449]

NEPAD's emphasis on securing more aid (including debt cancellation) and increased FDI is premised on the fact that the continent is not an attractive destination for private capital, and that current income levels are too low to permit any significant increases in domestic savings. However, efforts to secure external resources and to

[447] Ibid. p. 15; also see OAU, NEPAD Section C, "Mobilising resources."

[448] See Ajulu, "Why NEPAD," p. 26.

[449] AU, "NEPAD 2001", paragraph 144.

make the continent an attractive destination for FDI have overshadowed efforts to boost domestic savings, giving credence to the perception that in the final analysis, the NEPAD's call for Africans to take control of their own destinies is mere rhetoric.[450] This perception is further strengthened by the attitude of the leaders of the NEPAD who have made the attendance of G8 Summits and other related western forums, the most important item in the NEPAD resource mobilisation agenda – converting the initiative into a kind of "begging bowl."

Finally, the NEPAD is based on the assumption that to be able to wrest resources from external partners to address the continent's development priorities, the continent will have to address fundamental internal governance issues to the satisfaction of these external actors - in what has been popularised in the NEPAD as preconditions for Africa's development. These preconditions are: (1) peace, security, democracy and political governance, (2) economic and corporate governance, with a focus on public finance and management and (3) regional cooperation and integration.[451]

Governance improvement is at the heart of Africa's development agenda, constituting the centrepiece of the NEPAD initiative. This is based on the reasoning that "improved economic governance in an individual country is capable of providing substantial direct economic benefits in terms of more effective delivery of public goods and services, both to the poor, and to firms."[452] It is also based on the expectation that good political governance and democracy would spare Africa some of its conflicts and bring about national and regional peace and stability, which are

[450] Kwasi Anyemedu, "Can NEPAD end Africa's aid dependence?" *African Agenda* (2002): 1.

[451] AU, "NEPAD 2001", 16-21**;** also see Handley and Mills, *From isolation to integration.*

[452] Gelb, "South Africa's role and importance."

essential for development. From this perspective, the NEPAD's strategy of creating preconditions for development, through pledges to institutionalise good economic and corporate governance in the continent, is aimed at serving vital internal interests and could be said to be inward-looking.

Yet, the NEPAD's governance improvement agenda is vital to secure greater resource flows from the industrialised world.[453] From this perspective, NEPAD's African Peer Review Mechanism (APRM) though publicised as an African self-monitoring mechanism, is an externally directed strategy, aimed ultimately at trying to change perceptions about the continent and to assure private capital of the protection of their long-term interests and by so doing, to increase, foreign direct investment into the continent. In a nutshell, the NEPAD rests on the idea of a trade-off: "In exchange for Africa's governing elites holding each other politically and economically accountable for responsible governance, the industrialised powers are asked to make commitments on greater ODA flows, FDIs, market access for African goods, and debt relief and cancellation."[454]

Although the NEPAD is a derivative of both inward and outward orientations, and although it attempts to assign the African state a role in the development process, on the balance, the initiative is substantially more outward-oriented than previous African initiatives. Moreover, NEPAD's emphasis on creating capable states is ultimately aimed at facilitating the operations of the market. Therefore, although moderates have argued that it is an eclectic initiative that combines both liberal and intervention paradigms, overall, it leans more towards

[453] Stephen Gelb, "South Africa, Africa and the New Partnership for Africa's Development," (Braamfontein: Edge Institute, 2002). This paper is a slightly revised version of the one the same author did for the UK Department of International Development, South Africa office in October 2001 which has been cited severally already in this thesis.

[454] Policy Forum on NEPAD, "Draft Report," p. 15.

market liberalism than towards state involvement. The NEPAD arguably constitutes a shift in orientation in Africa's traditional thinking and practice in its development cooperation efforts. The question that arises is, what explains this shift?

5.3 NEPAD: UNDERSTANDING THE CONTEXT OF A PARADIGM SHIFT

Africa's earlier regional initiatives, including the LPA and AAPSAP, were designed to tackle the extreme extroversion of African economies – by restructuring and reorienting economic interactions within and between African states, while creating economies that were both more internally and regionally integrated. The further overt aim was to regain greater self-reliance in order to minimise Africa's exposure to external shocks from international economic processes over which it had little control, and to reduce Africa's extreme dependence within the international economy.[455] Meanwhile, the NEPAD, while fully conscious of the constraints that the global economy places on the continent's development prospects, strongly believes that engagement with the system is the only realistic way out - explaining the initiative's resolve to reverse the continent's exclusion from global economic processes.[456]

To explain this shift in orientation, it is important to recognise that the global economic and political environment into which the NEPAD has been born is fundamentally different from the one to which the LPA and its related initiatives were born. I argue that the shifts in orientation contained in the NEPAD have been informed by changes in international realities and circumstances. I examine these changed circumstances and how they conspired to inform the new orientations in the NEPAD. This is done within the ambit of my analytical framework, which identifies

[455] Keet, "NEPAD regional or global," p. 26.

[456] AU, "NEPAD 2001", paragraph 1; also see Anyang' Nyong'o "From the LPA to NEPAD," p. 4.

changes in three independent variables as possible explanations to the shifts contained in the NEPAD. They are: (1) the changed realities and context of the international political economy; (2) shifts in the prevalent economic and development ideas; and (3) the altered nature of North-South power relations. These external dynamics coincided with a transformed domestic (African) political environment to produce the momentum for the NEPAD.

5.3.1 NEPAD: A RESONSE TO A TRANSFORMED INTERNATIONAL POLITICAL ECONOMY.

However African countries perceive the global political economy, developments in the system have always had important implications for the viability of the African sub-system and have prompted rethinking of the development options of the continent. Beginning in the mid-1980s, the global political economy witnessed groundbreaking transformations marked by: a more “ruthless phase” of globalisation that placed the market over and above the state; dramatic transformations in the operational principles of multilateral trade and monetary institutions - particularly the shift from the GATT to the WTO trade regimes with a reduction in trade concessions and privileges to developing countries; plus the increasingly intrusive conditionalities of the Bretton Woods Institutions on hitherto exclusively sovereign prerogatives. These, together with dramatic changes in international financial markets (particularly in the nature of foreign direct investment (FDI)), have been part of the impetus for African leaders to rethink their development options.

5.3.1a A NEW WAVE OF GLOBALISATION: THE TRIUMPH OF THE MARKET OVER THE STATE

Globalisation is an age-old phenomenon, dating back to at least the seventeenth century.[457] However, the current phase of globalisation that began around the 1980s has been more complex. Rapid advances in information and communication technology spur it and it is characterised by unprecedented flows of goods, capital and people across the globe.[458] It is driven by uncontrollable and unparalleled international financial market forces and dominated by large trans-national companies that source, invest, produce and market wherever their economic advantage dictates.[459] These new global market forces are beyond governance by states, suggesting that states have little choice, than adjust to the dictates of world markets.[460]

This phase of globalisation directly constrains the social policies of states, ushering a kind of conventional wisdom namely that: "states' policies that deviate from the minimum standards acceptable to international finance capital will render the society in question uncompetitive and lead to capital flight." Thus, public policy in any state or region should follow the needs of international capital rather than try to

[457] See World Bank, "overview," in *Globalisation, growth, and poverty: building an inclusive world economy* (New York: Oxford University Press for the World Bank, 2002): 1-22; Cherif Salif Sy, "Le nouveau partenariat pour le developpement de l'Afrique: un reponse Africaine a la mondialisation de l'economie," in Hakim Ben Hammouda and Moustapher Kasse (directeurs)**,** *Le NEPAD et les enjeux du development en Afrique* (Paris: Maissononeuve et Larose, 2003): 188-191.

[458] Omar Kabaj, *The challenges of African development* (Oxford: Oxford University Press, 2003): 111.

[459] Mentan, "Globalisation,"p. 165.

[460] Some scholars have argued however, that globalisations' constraints on policy choices by national governments are weaker than much contemporary rhetoric suggests. They contend that there are numerous instances in which the various facets of globalisation have been associated with both more interventionist government policies and greater divergence in national trajectories. This suggests that globalisation has the potential of strengthening the political incentive of governments to intervene in markets to mitigate the effects of market forces. See for example, Geoffrey Garrett, "Global markets and national politics: Collision course or virtuous circle," *International Organisation* 52, 4, autumn 1998, pp. 787-824.

alter the behaviour of global economic actors.[461] In other words, if you cannot challenge globalisation, then join it. Being part of the globalisation process, would provide an opportunity for the continent to influence it. To borrow from Hamdock, "the present global environment clearly leaves the continent with no option than to be part of it, unless the continent wants to lean on some wishful thinking that it could chart an independent course, in isolation from the rest of the world - which option is simply not available at the present moment."[462]

Some have interpreted this as meaning the triumph of the market over the state and that the roles remaining to states, are to promote competitiveness of national and regional economies and to make them as attractive as possible to inward investment by internationally mobile capital.[463] In this new dispensation, the state has emerged as facilitator of globalisation, acting as an agent in the process.[464] This contrasts with the divergent views about the state in the 1980s by the Bretton Woods institutions and proponents of the LPA respectively, as an obstacle to global liberalism that therefore, needed to be dispensed with at all cost; and as the principal economic manager that had to define and direct the economic agenda for the continent.

The concern with international competitiveness has emerged as the prime companion of globalisation. The choice of some developing countries to improve their investment climates and to open up to foreign trade and investment has been

[461] Mentan, "Globalisation," p. 165.

[462] Hamdock, Interview.

[463] See Mentan, "Globalisation," p. 166; Rok Ajulu, "Thabo Mbeki's African Renaissance in a globalising world economy: The struggle for the soul of the continent," *Review of African Political Economy*, 87 (2001b): 29.

[464] Fantu Cheru, *African Renaissance: Roadmaps to the challenge of globalisation* (London, New York and Cape Town: Zed Books and David Philip, 2002): 1

seen as one of the distinguishing features of this new wave of globalisation.[465] At the down of the twenty first century, it had become evident that Africa unlike the other regions of the developing world had not made the necessary adjustments to benefit from globalisation – this, despite two decades of SAPs. Conceivably, the continent more than any other region, faced a real danger of further marginalisation.

A review of the volume of Africa's recent economic transactions with the rest of the world bears out the dangers of further marginalisation that the continent faces. Africa's relative share in global output and trade declined sharply from 3.5 percent in the early 1980s to 1.8 percent in the late 1990s. Overall, the growth of African economies in the 1990s in comparison with other developing regions and the world at large was very sluggish. While African countries registered an average growth rate of 2.5 percent during the 1990s, Asian economies grew by 7.4 percent and those of Latin America and the Caribbean by 3.0 percent. Within the same period, Africa's share of global trade declined from 5 percent to a meagre 2 percent. Moreover, many of Africa's exports remained concentrated in primary commodities, with limited gains made in diversification and the export of manufactures.[466]

Even more disturbing was that the continent's ability to attract vital private capital flows remained very constricted. For example, despite the seventeen-fold increase in international capital flows in the last decade, flows to Africa increased merely twofold and remained concentrated in a few resource-rich sectors and countries.[467] Notwithstanding the liberalisation efforts embarked upon by many African countries under SAPs and despite the numerous laws enacted to attract

[465] World Bank, "Overview," "Globalisation," pp. 4-5.

[466] See Kabbaj, "Le NEPAD et les enjeux," p. 114.

[467] Ibid.

foreign private capital, the continent is yet to become a popular destination for FDI. Although FDI flows to the continent rose from $ 8billion in 1998 to $10 in 1999, Africa's share of global FDI flows has remained a staggering 1.2 percent and barely 5 percent of total FDI into all developing countries.[468] A majority of African countries are still not trusted as a destination for FDI because of the stigma of political instability, corruption and the lack of transparent legal systems. In fact, returns on investment in the continent dropped from 30.7 percent to a mere 2.5 percent in the 1980s.[469] The dysfunctional transport and telecommunications infrastructure, underdeveloped monetary and banking systems, and the inadequacy of human capital have added to the perceptions of the high risk of doing business in Africa.[470]

Yet, one of the key elements of the new world economy is the volume of foreign direct investment (FDI), which has now replaced exports as the fastest economic growth component and also overtaken official development assistance (ODA) transfers as a channel for development resources. FDI emerged in the 1990s as the largest source of external financing for many developing countries that have found it more stable, particularly during financial crises. Attracting significant flows of FDI and stimulating domestic private investment are of crucial importance to sustained recovery and growth in Africa.[471]

However, as demonstrated earlier, the African region has not been a popular destination for FDI, which has been directed largely to the European Union countries, the United States and Japan, and to a lesser extent to the newly industrialised countries. This solidification of investment patterns that exclude African countries

[468] Cheru, *African rennaissance, roadmaps,* p.16.

[469] See Clapham, *Africa and the international system,* p. 164.

[470] Cheru, *African renaissance, roadmaps,* p.16.

[471] Ibid. p. 15.

has meant that the continent has been left out of the principal channel of development resource flow. The NEPAD emerged within the context of Africa's exclusion from the principal channel of development resource flow and it is intent on creating the appropriate domestic environment to reverse the trend.

Related to the emergence of the market as the principal organising force in the new global economy is that the current globalising world is rapidly moving towards knowledge-based economic structures and information societies that comprise networks of individuals, firms, and countries linked electronically in interdependent and interactive relationships. Consequently, there is a diminution in the role of the traditional sources of comparative advantage, such as large labour forces and abundant natural resources, as determinants of international competitiveness. The comparative advantage gaining ascendancy now is man-made, based on knowledge, and the application of information technology (IT). As a result, information technology will increasingly determine the pace of economic growth and the level of human welfare.[472] Even in this domain, Africa lags behind.

These global transformations offer considerable opportunities to accelerate economic progress through out the world. At the same time, experience suggests that countries that fail to adjust enough to integrate themselves into the mainstream of the global economy risk marginalisation. The present phase of globalisation, as reflected in the preceding analysis, much like that of the nineteenth century, portends leaving Africa permanently marginalized unless African governments redirect their efforts to manage it successfully to their own advantage.[473] To borrow from Weiss, "although globalisation renders the nation-state powerless, governments can and should seek to

[472] Kabbaj, *Le NEPAD et les enjeux*, p. 122.

[473] Cheru, *African renaissance, roadmaps*, p. 2.

influence the sequencing, speed and scope of engagement of their economies, and collectively seek to shape the nature of globalisation as an ongoing historical process" – that is "managed openness."[474]

African leaders faced with the harsh realities of the new forces of economic globalisation, particularly the threats of further marginalisation, resolved to craft a collective initiative that would enable the continent to reap the benefits of the process while at the same time reducing its negative impact. Evidence of the NEPAD being informed by the realities of globalisation is aptly summarised in the following excerpt:

> The world has entered the new millennium in the midst of an economic revolution. This revolution could provide both the context and the means for Africa's rejuvenation. While globalisation has increased the cost of Africa's ability to compete, we hold that the advantages of an effectively managed integration present the best prospects for future economic prosperity and poverty reduction.[475]

The NEPAD is the African region's reaction, response, adaptation and adjustment to the processes and exigencies of globalisation. This African response was made even more expedient by the significant changes that occurred in the architecture and operational principles of global multilateral institutions of trade and finance.

5.3.1b THE EVOLUTION IN THE WORKINGS OF MULTILATERAL INSTITUTIONS OF TRADE AND FINANCE

Issues of trade and finance have been at the centre of Africa's relation with the global economy. Understandably, changes in the nature and workings of global institutions of trade and finance are bound to have far-reaching implications on the continent's development options. The global transformations that began in the 1980s

[474] Weiss cited in Gelb, "South Africa's role," p. 201

[475] AU, "NEPAD 2001", paragraph 28.

altered the workings of global institutions of trade and finance placing new constraints on African governments. This section examines how these new constraints contributed in bringing about the policy shifts contained in the NEPAD. The focus is two-dimensional. First, in the area of finance the thrust is on the evolution of the IMF/WB conditionalities, with a particular focus on the institutions' emphasis on questions of governance and how this informed the NEPAD good governance agenda. Second, in the area of trade, the focus is on the shift from the GATT to the WTO and how it has affected Africa's relations with the North within the framework of preferential trade arrangements such as the European Union-African, Caribbean, and Pacific countries (EU-ACP) agreements and other emergent bilateral trade arrangements such as African Growth and Opportunity Act (AGOA) and Tokyo International Conference on African Development (TICAD).

(i) *The evolution of donors' conditionalities and the NEPAD governance agenda*

The lending policies of multilateral and bilateral institutions have imposed an external constraint on the governments of developing countries, particularly as such lending has been conditional on the pursuit of policy reforms. However, this conditionality widened dramatically in the 1980s, as bilateral assistance from the advanced industrial states became increasingly anchored on new concerns with domestic policy reforms, including political governance.

The idea of good governance was introduced into African development discourse by the World Bank in its 1989 study of Africa's "long-term perspective." It suggested that "underlying the litany of Africa's development problems, there was a crisis of governance."[476] This marked the beginning of a shift in the World Bank's research and policy actions away from purely economic factors, especially the narrow

[476] World Bank, *Sub Saharan Africa: From crisis to sustainable growth* (Washington DC: World Bank, 1989): 60.

emphasis on "getting prices right" of the early 1980s, towards an acknowledgement of the role of political and institutional variables in the process of development in Africa and elsewhere.[477] At the same time, the Bank and the Fund came to recognise the importance of the state in African economic management and to treat it as a partner to be bargained with rather than an obstruction which had to be removed as far as possible from the economic realm. Although this new approach appeared to have embraced some of the structural inadequacies of SAPs that African critics of the programmes (particularly the ECA technocrats) had been highlighting in the early 1980s, however, this changed appreciation also carried with it assumptions about the desirable character of the state itself which were markedly at variance with important features of most African states as they existed. In Clapham's words, "the Bretton Woods Institutions' discovery of a relationship between "governance" and development carried with it the danger of still more threatening conditionalities relating to the structure of domestic government itself."[478]

The World Bank's forays into the business of governance – and by extension, the political economy of development was later adopted by bilateral and other multilateral donors who have over the years stressed its democratic version and used it to impose political conditionality on development lending.[479] Since the late 1980s, therefore, "policy norms embodied in conditional lending emerged as a reference for reform efforts in developing countries."[480]

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[477] Pierre Englebert, *State legitimacy and development in Africa* (Boulder Colorado: Lynne Rienner, 2002): 23.

[478] Clapham, *Africa and the international system*, p. 181.

[479] Ibid. p. 23.

[480] Stephen Haggard, *Developing nations and the politics of global integration* (Washington: Brookings Institute, 1995): 7

With both commercial lending and foreign direct investment in the retreat, the relative importance of the international financial institutions (IFIs) and bilateral donors increased. Moreover, the conditionalities imposed by the World Bank and the IMF and the widespread domestic dissatisfaction with previous sets of import substitution industrialisation policies led to an outward orientation becoming the norm rather than the exception among developing countries.[481] Hamdock has contended that, "structural Adjustment Programmes had actually rendered individual African economies out-ward oriented and what the NEPAD initiative actually did was to take cognisance of this reality and to formalise it at the continental level."[482] The prominence of the good governance agenda in the NEPAD is partly aimed at satisfying a minimum of these conditionalities so as to be able to wrest higher ODA, FDI and debt cancellation. This does not, however, suggest that good governance is not ordinarily good for the African countries. Indeed, it is an indispensable condition for sustainable development in the continent.

(ii) *The evolution of the international trade regimes: from GATT to WTO*

Changes in international regimes governing world trade and investment have been yet another source of pressure on developing countries' governments to review their options in dealing with the global economy and could be seen as part of the changed global context for the NEPAD's formulation. The changes in the global trade regime are embodied in the WTO that replaced the GATT on January 1, 1995.

The emergence of the WTO regime has created new and greater challenges for the African economies. Apart from seeking to remove trade concessions previously

[481] Dani Rodrik cited in Claudia Mutscher, "Comparative international experience: Latin America," in Christopher Clapham et al., *Regional integration in Southern Africa: Comparative international perspective* (South Africa: SAIIA, 2001): 140.

[482] Hamdock, interview.

granted to the less developed countries, the Uruguay Round brought trade in agriculture and textiles within WTO rules and disciplines. Moreover, the agreement embraced a wide range of new issues: service, trade-related investment measures (TRIMs), and trade-related aspects of intellectual property (TRIPs), which had not been covered in previous GATT rounds.[483] Besides, the coincidence of the emergence of WTO rules with the new wave of regionalism in the 1980s has meant that the new regionalism has had to be 'open' (outward-looking) in conformity with WTO rules, as opposed to the closed (inward-looking) regionalism of the 1970s and early 1980s. This has compelled African states to formulate outward-looking rather than an inward-looking regional cooperation frameworks.

While the new trade regime has significantly reduced the costs of goods and services through out the world, however, the benefits have not accrued equally to all countries. The least developed countries, particularly those in Africa have been ill equipped to make meaningful gains from the WTO multilateral framework, partly because of inadequate productive and entrepreneurial skills base, inadequate science and technology infrastructure, and weak government institutions.[484] The NEPAD's emphasis on developing the appropriate infrastructure, building the necessary human capacities and strengthening Africa's weak institutions of governance is to enhance African countries' ability to benefit from the WTO multilateral framework.

The WTO regime while upholding concessions relating to preferential and differential treatment of less developed countries provided for in earlier GATT negotiated agreements (such as the MFN principle) on grounds of the awareness of the comparative weaknesses of these countries however, emphasises the eventual

[483] Cheru, *African renaissance, roadmaps,* pp. 25-26.

[484] Ibid. pp. 25-26.

'phasing out' of such concessions. The new strategy of 'phasing out' concessions to LDCs equally impinges on preferential trading arrangements reached between individual and groups of developed countries with less developed regions, such as the EU-ACP agreements. The WTO has provided a timeframe during which such preferential trading arrangements must be brought in line with rules of equal treatment, irrespective of the disparities in levels of development between countries and regions. Furthermore, WTO rules require that regional economic groupings conform to the principle of non-discrimination against third parties. The main operational principle of the new global trade regime embodied by the WTO appears to be the 'homogenisation' of the rules governing global economic relations and development cooperation in particular.[485]

In line with the dictates of the WTO regime, the EU-ACP countries concluded a new twenty-year Partnership Agreement that replaced the Lome Convention in February 2000. Although the Cotounou Agreement still allows non-reciprocal preferences to LDCs, it structured to progressively scrap major concessions that were granted under the Lome Convention, in favour of liberal principles of open markets and global competitiveness. The EU has shifted its focus from aid to trade as the main instrument of cooperation. This effectively constitutes a reconstruction of Europe's relations with the South to reflect the dominant neo-liberal multilateral norms of international trade defined in the WTO. The key elements of this agreement are:

- Rolling over the non-reciprocal Lome trade preferences for eight years to 31 December 2007 under a waiver from the WTO;
- No improvement in market access for the ACP into the European Union market during the transitional period;
- No firm commitment on maintenance during the transitional period of any protocol product, except sugar, which has a life of its own;

[485] Ibid. p. 30.

- Introduce reciprocity from 2008 in the form of free trade areas between EU and ACP regions
- Start negotiations about these free trade areas in September 2002 and finish in 2007.
- Cooperate in multilateral trade.
- Produce trade agreements that are WTO – compatible.

What the new EU-ACP agreement represents is, fundamentally, an end to non-reciprocal treatment – a "rebalancing or evening up" of obligations and benefits and a subordination of Lome and all African regional trade and integration arrangements to the WTO.[486] It is a partnership that aims, eventually, at fully integrating the ACP countries into the world economy.

In the spirit of the new global trend towards 'equalising' obligations and benefits in trade relations in the global economy, the United States Congress adopted the African Economic Growth and Opportunity Act (AGOA).[487] AGOA is a free-trade arrangement in which SSA countries will be able to export raw materials and light manufactures into the United States market almost duty free. In return, African countries are expected to privatise industry, cut corporate taxes, open their economies to foreign goods and to pursue economic reforms, including strict budgetary and tax controls to protect private property, reduce state participation in the economy, support the growth of private sectors, and remove restrictions on foreign investment. The AGOA agreement also requires beneficiaries to guarantee intellectual property rights, protect foreign investment, and adhere to good democratic governance.[488] Like the Cotonou agreement, the AGOA, also pushes for a greater integration of African

[486] For greater details on trends towards "equalising" obligations and benefits in trade relations between EU-ACP countries in conformity with WTO rules, see Ibid. p. 29.

[487] See United States Congress, *The AGOA*, no. S.1387 (Washington D.C, 2000)

[488] Cheru, *African renaissance, roadmaps*, p. 28; Botha, "The NEPAD," pp. 12-13.

economies into the global economy, through free trade agreements with greater reciprocity.

Another important bilateral arrangement that had an influence on the formulation of the NEPAD was the Tokyo Conference on African Development (TICAD I and II) held in October 1993 and October 1998 respectively. Organised by the government of Japan in collaboration with the United Nations and the Global Coalition for Africa (GCA), the TICAD formulated the concepts of "ownership" and "partnership" as guiding principles of Africa's economic relationship with the developed world. These two concepts were later adopted by the DAC of the OECD and by the G7/ G8 countries at their annual Summits in 1996, 1997 and 1998.[489] Ownership and leadership emerged as a central element in Africa's relationship with the industrialised countries and therefore informed the NEPAD underlying principle of African ownership, leadership and resourcefulness.

Notwithstanding the introduction of the notions of ownership and leadership in Africa's economic relations with the North, the overall inclination of the new global trade environment has been to emphasis equal treatment and reciprocity in trade relations, despite the persistent asymmetries between partners. This has posed greater difficulties for African economies whose structural and institutional weaknesses have made it difficult for them to mitigate the negative effects of these global trade transformations. These structural weaknesses have also prevented the region from taking advantage of opportunities offered by these new multilateral and bilateral arrangements. It is within this context that African leaders crafted the NEPAD, which aims at helping African countries to collectively take advantage of the opportunities

[489] Ibid. p. 15.

of global transformations in trade rules while at the same time, reducing their negative effects.

5.3.2 NEPAD: THE OUTCOME OF THE CHANGED NATURE OF NORTH-SOUTH RELATIONS

Although Africa has since independence been the weaker "partner" in North-South relations, the global transformations of the late 1980s and 1990s worsened the continent's position. The debt crisis and the changed institutional focus – from the dominance of "one-man-one vote" multilateralism within the UN-General Assembly and UNCTAD, to "quota-based" voting in international financial institutions (IFIs); the demise of the Cold War, and the weakening of Southern solidarities due to the widening developmental disparities between states of the South, all conspired to further weaken Africa's standing in North-South relations. This greatly constricted the continent's ability to advance and uphold a strategy that challenges the neo-liberal ethos of the Northern dominated global economic order. This section of the thesis, examines how Africa's high debt burden, the shift from multilateralism to bilateralism, the end of the Cold War, and the weakened South-South solidarity placed Africa in a weaker position in the global economy - pushing for the continent's embrace of the liberal global economy as contained in the prescriptions of the NEPAD.

5.3.2a *THE DEBT CRISIS, THE PROMINENCE OF IFIs AND NEPAD'S DESIGN*

By 1990, Africa's foreign debt had swollen to $ 272 billion almost double the level in 1980. This was equivalent to over 90 percent of the region's annual production and represented about 112 percent of its GDP, higher than any other region of the world. To service this debt, African countries needed to pay well over

$20 billion per year in interest - nearly 30 percent of all of Africa's export earnings.[490] In many African countries, this figure was even higher. For example, Uganda's debt servicing in 1989 was about 81 percent of its export earnings and for Algeria, Ghana, and Madagascar, the ratio was 50 percent.[491] African countries have been unable to service these debts, creating a complex web of defaulting, increased arrears on interest and a swell in the overall debt. At a time when Africa's growth prospects had been severely constrained by its limited import capacity and an overall decline in ODA, the debt burden emerged as the primary obstacle to Africa's development prospects in the 1990s and beyond. This rendered African states particularly vulnerable and dependent on the goodwill of the donor countries and IFIs in terms of their willingness to reschedule or forgive the continent's debts.

With the emergence of issues of debt as the most prominent item in North-South relations, the institutional focus of North-South diplomacy shifted from multilateral forums such as the UN-General Assembly and the UNCTAD where all states had equal voting power to international financial institutions (IMF and WB) characterised by quota-based voting that favours North countries that make the highest financial contributions to these institutions. While the equal voting system of the multilateral forums had given the Third World the latitude to advance its specific interests and to challenge issues that threatened their survival, the workings of the IFIs do not give them much voice. They are at the receiving end of whatever policies the industrialised states insist on having on the WB and IMF agenda.

Africa, unlike most other developing regions, owes most of its debts (60%) to official creditors – international financial institutions (IFIs) and governments. And with the advent of Structural Adjustment Programmes in the 1980s, the share of debts

[490] See *African Recovery* Vol. 5, no. 2-3 (September 1991).

[491] Chazan et al., "Africa and the World," p. 310.

owed the IFIs by SSA rose to 25 percent by the end of the decade. Meanwhile, their share in debt servicing was much higher at 40 percent, partly because of the very short-term nature of some IMF lending and also because of the market rate of interest that it charged on most of its loans in the first half of the 1980s. In the particular case of SSA, the IFIs to whom the continent owes most of its debts have traditionally been opposed to rescheduling these debts. Despite initiatives taken to lessen the continent's debt burden and despite an 'acclaimed' increased commitment of the IMF to the continent, Africa paid back to the IMF more than it gained in new resources in all but one year in the period 1986-1990. Net repayments totalled $ 3 billion, of which $ 1.8 billion came from SSA. And in 1990, roughly half of all African countries were, on balance, net exporters of financial resources to the IMF.[492]

On their part, other official creditors (developed countries of the North) undertook a number of initiatives to reduce Africa's debt burden – ranging from rescheduling, through easier repayment terms, to partial write-offs. In 1988 for example, the Group of Seven (G7) offered partial write-offs and easier repayment terms for some non-concessional credits. However, in 1989, savings from these measures amounted to only $100 million compared to the $10 billion of total debt repayments by SSA.[493] It is noteworthy that since the onset of the debt crisis, a number of international initiatives and mechanisms aimed at assisting indebted countries cope with their external financial obligations have been implemented.[494] Not only have these initiatives failed to alleviate the continent's debt burden, but they have also carried

[492] Ibid.

[493] Ibid. pp. 310-311.

[494] These have included actions undertaken under: the Baker Plan (1985), the Toronto Terms (October 1988), the Brandy Plan (1989), the London Terms (December 1991), the Naples Terms (1996), and the HIPC initiative (September 1996). For greater insights on some of these debt relief initiatives, see generally, Gordon, "Dept, conditionality;" also see IMF, "The logic of debt relief for the poorest countries," Issue brief by IMF staff (IMF, September 2000).

with them conditionalities that have enhanced the influence of international financial institutions and creditor countries of the North.[495]

With very few exceptions, the rescheduling of commercial and public debts has been contingent on the negotiation of high-conditionality, 'upper-tranche' programmes with the IMF, usually supported by the World Bank and regional development banks. The debt crisis also led to substantive changes in the 'conditionality norm': the presumption that multilateral and bilateral financial assistance is granted contingent on policy adjustment by the recipients. In other words, to secure more loans or have existing loans rescheduled, the recipient countries were expected to adopt measures to open up their economies to the global economy and at the same time abide by international trading and investment norms.[496]

Against the background of Africa's weakened position as a near "insolvent debtor" and the North's enhanced position as an apparently uncompromising creditor, bent on posing increasingly more stringent conditions for loan repayments, African leaders, meeting in Sirte, Libya mandated presidents Boutaflika and Mbeki to intercede on their behalf with the industrialised North to lessen their debt burden. It was this mandate to negotiate the continent's debt that eventually evolved into a comprehensive economic recovery blueprint for the continent – the NEPAD.

Because the impulse for the initiative came from the debt overhang, NEPAD's initiators had to incorporate a minimum of the preconditions set by these actors to be able to wrest some concession from them. Therefore, unlike the LPA that "clashed" with the World Bank's Berg Report, the NEPAD conforms with and endorses

[495] Kahler cited in Haggard**,** *Developing nations***,** p. 20.

[496] See Ibid. chapter 2, pp. 20-21.

programmes put forward by various developed countries and multilateral institutions.[497] The objective of endorsing these programmes according to the NEPAD "will be to rationalise these partnerships and to ensure that real benefits flow from them."[498] However, the real explanation to this attitude is that, conscious of their weakened position in global politico-economic power relations African states opted for the pragmatic strategy of adjusting to the prescriptions of their Northern partners, rather than trying to challenge them.

5.3.2b THE WEAKENING OF SOUTH-SOTUH SOLIDARITIES AND NEPAD'S ENGAGEMENT OPTION

A unique feature of the current phase of globalisation has been the success of some countries of the South to harness the potential of their abundant labour to break into the global markets for manufacture and services – even superseding developed countries' growth rates.[499] To the extent that this development has been good for the well being of the global economy, it has had the unfortunate effect of weakening the solidarity amongst countries and regions of the South, which enabled them to formulate the formidable challenge against the Northern dominated Post-WW II global economic order in the NIEO campaigns of the 1970s. It is noteworthy, that Africa's courage to evolve the bold inward-looking policies contained in the LPA partly came from the strong bonds of solidarity that prevailed between countries of the South in the 1970s.

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[497] These include the United Nations New Agenda for the Development of Africa in the 1990s; the Africa-Europe Summit's Cairo Plan of Action; the World Bank-led Strategic Partnership with Africa; The international Monetary Fund-led Poverty Reduction Strategy Papers; the Japan-led Tokyo Agenda for Action; the Africa Growth and Opportunity Act of the United States; and the Economic Commission for Africa-led Global Compact with Africa

[498] AU, "NEPAD 2001", point 68; also see Pretorius and Patel, "The NEPAD, critical review," p. 9.

[499] World Bank, "Overview," *Globalisation*, pp. 4-5.

The emergence of some countries of the South as 'success cases' through greater integration with the global economy has brought about divergence in the interests of countries of the South, and by implication, the splintering of the Southern bloc in North-South politics. While the more industrialised and export oriented states of the South have developed strong constituencies that are supportive of global economic liberalism because of the calculated interests involved, particularly through multilateral forums like the GATT/WTO, the less developed countries of the South, including the vast majority of African economies have persisted in their perception of the global economy as being largely exploitative.

Moreover, the differential levels of development of countries of the South have given the North a justification to begin to push for discrimination in the application of concessions to economies of the South under bilateral and multilateral trade and investment arrangements. A good example of this new attitude is the North's emphasis on "conditional most favoured nation principle" that consists of slowly phasing out the more developed countries of the South from preferential treatments particularly under the WTO regime, bringing them in line with the principle of equal "opportunities and obligations" in global trade and investment.

Politically, the demise of the Cold War equally weakened the bonds that existed between countries of the South within the framework of the Non-Aligned-Movement (NAM) that were a source of strength to the African region during the 1970s. And although the NAM continues to exist in name, its role has diminished with the disappearance of the Cold War environment that informed its creation. Moreover, splits in the Arab world and the discovery of alternative sources of energy have conspired to weaken the solidarities within the OPEC cartel, whose actions in the 1970s served as a demonstration of the potentials of South-South collective action in

North South relations and emboldened African states to adopt the inward-looking collective self-reliance stance contained in the LPA.

All the forces and factors that made the South a "near homogenous" entity in the 1970s, and that was their source of strength, disappeared by the turn of the century. Africa emerged as the most vulnerable region with the disappearance of these bonds of unity. It had to look for strength from within, informing therefore, the designing of the NEPAD, which is a collective effort by the continent to reposition itself within the context of a globalising world, where the South has become even more weakened and vulnerable than ever before.

5.3.2c THE END OF THE COLD WAR, AFRICA's WEAKENED POSITION AND NEPAD'S DESIGN

The end of the Cold War in 1989 and the demise of the Soviet Union removed the global conditions that had shielded African governments from external political interference in domestic economic management. It also curtailed African governments' leverage to wrest substantial resources and far-reaching concessions almost unconditionally from both sides of the Cold War divide. More importantly, it triggered a marked shift in the dynamics of international politics with the geo-military factor ceding prominence to strategies for meeting the challenges of economic internationalisation.[500] The removal of these bargaining levers placed African states in a weaker position in North-South relations, leaving them with little option but to adopt policies that would incorporate elements of Western conditionalities.

Although African states' domestic economic policy making was heavily penetrated by external forces (particularly under SAPs) that constrained the power of

[500] Mentan, "Globalisation," p. 162.

the state, they had a free hand over the management of their domestic politics during the Cold War. However, "the end of bipolarity abruptly removed the protection that it afforded African governments and rather exposed them to the monopoly diplomacy of a triumphant Western alliance reinforcing the external economic constraints that had been in place since the early 1980s."[501] The demise of the Soviet Union weakened the "clientelist" alliances between African governments and the West and opened the way for the imposition of political conditionalities that mirrored the economic conditionalities imposed under SAPs:

> They were in principle the programme of an alliance, comprising international financial institutions, seeking to bring about the capitalist transformation of African economies; the Western governments, flexing their diplomatic muscles in the aftermath of the Cold War; Western public opinion, outraged at the brutality and corruption of African regimes; and finally, the African publics who vociferously demonstrated their own discontent with the prevailing order, and on whose behalf the Western aid donors could claim (wrongly or rightly) to speak.[502]

These conditionalities emphasised three principal elements: concern for human rights, concern for democracy, and concern for governance more broadly. First, the concern for human rights – encompassing freedom from politically motivated killings and torture, imprisonment without trial and the other related abuses with which African regimes had been associated.

Second, the concern for democracy, characteristically conceived in Western liberal terms and notably including the institutionalisation of freely chosen governments. In principle, this embraced the promulgation of constitutions guaranteeing certain rights and procedures, laws liberalising the political space in terms of the flourishing of political parties, freedom of the press and the holding of

[501] Clapham, *Africa and the international system*, pp. 187-9.

[502] Ibid. p. 195

periodic and transparent elections to be monitored by international agencies and the continued observance of democratic procedure by regimes that were so elected. Additionally, North recognised that democracies to be sustained required a range of supportive conditions, which could to some extent be encouraged with external aid. Much of this aid was directed to civil society organisations that were out of the realm of state apparatuses and that were indeed to serve as a check to the excesses of the African state.[503]

Thirdly, the Post-Cold War conditionalities involved a more general concern for what has come to be seen broadly as 'governance' – regarded technically as encompassing a set of procedures for ensuring that the business of government was carried out as honestly and as efficiently as possible, together with training measures to create a body of civil servants capable of understanding and implementing these procedures. At its broadest, it could be extended to include measures that were intended or expected to produce better governments, including issues of democracy and human rights.[504]

Taken together, the post-Cold War political conditionalities were an ambitious project for reforming and reordering African states, in accordance with external models and subject to external controls. In the Post-Cold War environment where the attitudes and interests of the major Western states broadly coincided, they increasingly acted as a consortium seeking to exercise tutelary guidance over a weakened and "choiceless" African continent.[505] In this regard, the language of

[503] Ibid. p. 197.

[504] Ibid.

[505] My notion of a choiceless African continent derives from Thandika Mkandiwire's, "Crisis management in the making of 'choiceless democracies' in Africa," in Richard Josephs (ed.), *State, conflict, and democracy in Africa* (Boulder, Colorado: Lynne Rienner, 1999).

human rights, democracy and governance provided the West with a discourse through which they could use their enhanced bargaining power against the weakened African states. "It provided them the latitude to either intervene in hitherto exclusively domestic politics or alternatively withdraw from previous obligations without fear of creating a vacuum that could be filled by the then rival communist alternative."[506]

French president François Mitterrand set the tone for the likely Western response to non-compliance with political reform by threatening, "those African governments which sought to defy the demands for popular political participation arising through out the continent could not expect to receive French support."[507] That this came from France, with its record of supporting some of Africa's regimes with the poorest record of governance during the heydays of the Cold War showed how much the West's position had become enhanced in the post-Cold War era. The same could be said of the USA, whose defence of the "free world against international Communism" had previously cornered her into otherwise "unholy alliances" with states which could not by any plausible criterion be described as free. The removal of the communist threat, emboldened the USA not only to revive its ideals of democratic governance on a global scale – but, more importantly, to link it up to the spread of Western capitalism. As a result, America's aid programmes became increasingly geared towards sustaining the basis for democracy, particularly by supporting African civil society organisations.[508] The British position was even more threatening when they declared that "governments which persist with repressive policies, with corrupt management, and with wasteful and discredited economic systems should not expect us to support

[506] Clapham, *Africa and the international system*, p. 198.

[507] Ibid. p. 194.

[508] Ibid. p. 195.

their folly with scarce resources."[509] Even the European Union moved away from its traditional indifference to link its aid to the respect for human rights, democratisation, a free press and honest government in a resolution adopted in 1991.[510]

What emerges is that the demise of the Cold War liberated the industrialised states from geo-strategic and ideological considerations that had hitherto compelled them to acquiescing African governments' deviations from preferred Western institutional norms. African governments finding themselves in a weaker bargaining position as a result of the disappearance of the communist alternative had no choice, but to capitulate to the dictates of Western conditionalities. It is within this context that the NEPAD emerged – an initiative that seeks to respond and adjust to the realities of a post-Cold War era, which is indisputably commanded by an alliance of triumphant Western liberalism.

5.3.3 NEPAD: AN ALIGMENT TO TRIUMPHANT LIBERAL ECONOMIC AND DEVELOPMENT IDEAS OF THE 1980 AND BEYOND

Africa's development choices, beginning with the immediate post independence socialist planned economic orientations and the export promotion strategies, through the inward self-reliant prescriptions of the LPA, to the infamous World Bank inspired SAPs, have been products of "borrowed thinking."[511] Despite claims that the NEPAD constitutes a "historic break" with Africa's tradition of imitating and copying economic development ideas coming from outside,[512] I argue that the initiative is

[509] Ibid.

[510] Ibid.

[511] Hamdock, interview.

[512] See for example, Bruno Bekolo-Abe, "Le NEPAD et la reflexion sur le development," in Hakim, and Kasse, *Le NEPAD et les enjeux* p. 142.

indeed a product of and an alignment to the triumphant western liberal economic and development thoughts of the 1980s and beyond.

The demise of the Cold War did not only herald global convergence on Western political model of democratic pluralism, but equally engendered consensus on Western-styled economic organisation and thought, relegating alternative models to the background. This was particularly so because the rapid growth of some Asian economies, through greater liberalisation and engagement with the global economy, "destroyed any plausible basis for those 'dependency' theories which had argued that the economic development of the Third World was rendered impossible by the domination of the global economy by the already industrialised capitalist powers."[513]

This gave an enormous boost both to the power and the self-confidence of the Western capitalist states. By discrediting the ideologies of single-party statehood and "statist" economic management which had served to uphold African as well as communist regimes, "it left Western liberal capitalism in sole control of the global economic terrain, and provided a precise political equivalent to the "monoeconomics" (the belief that the same economic principles applied equally to developing as well as industrial economies) which had sustained SAPs."[514] After the Cold War, the application of Western liberal models to Africa and to other regions of the globe, could no longer be regarded as an imposition of values derived from one culture or stage of development on other cultures or developmental trajectories to which they were fundamentally unsuited as variants of dependency thesis had sought to

[513] Clapham, *Africa and the international system*, p. 167.

[514] Ibid.

demonstrate in earlier decades. “Rather, it became increasingly perceived as the simple transfer of political technologies of universal validity.”[515]

In Africa, this was facilitated by the triumph of Structural Adjustment Programmes (SAPs) that put on hold, all prospective thinking about alternative development options in the continent (this, despite the adoption of the AAPSAP). With the advent of the debt crisis in the 1980s, African countries resigned themselves to evolving policies that could facilitate their securing desperately needed SAPs resources. While in the earlier decade of the 1970s African states were concerned about establishing the internal bases for economic development, during the era of SAPs the region embarked on fundamental policy reorientations with the focus being its incorporation into the global economy under the dictates of the Bretton Woods Institutions.

The resultant liberalisation perspective emphasized privatisation and the dismantling of public sector enterprises, the overall reduction of the role of the state, liberalisation of price mechanisms and a host of other measures directed at accelerating the opening up of the economies to both internal and external competition.[516] By the time of the demise of the Soviet model in the late 1980s, individual African economies had already adopted liberal and outward-looking economic policies. Although resistance persisted against the liberal prescriptions of the SAPs, it succeeded in forcing some far-reaching transformations on African economies. Arguably, NEPAD constitutes “a pragmatic formalisation of the already

[515] Ibid. p. 193.

[516] Bekolo-Abe, “Le NEPAD et la reflexion,” pp. 140-1.

prevailing liberal and outward orientation of individual African countries at the continental level."[517]

Neo-liberalism emerged as an overwhelmingly dominant model for economic organisation. The central element in the development of economic liberalism has been the belief in the moral necessity of market forces in the economy and entrepreneurs as a good and necessary social group. Economic liberalism revolves around these two fundamentals and the propagation of the culture, norms and social framework of power and relations that sustain both ideas. In this regard, "market forces are not only morally necessary but also, inherently good and are the most appropriate ways to allocate resources and create incentives in society."[518] Ethiopian Prime Minister, Meles Zenawi, a supporter of the NEPAD concedes that the initiative emerged under the dictates of the triumphant neo-liberal thought when he argues that:

> It is true that the NEPAD strategies are based on promoting macro-economic stability. It is also true that NEPAD envisages Africa's development within the context of a globalised and free market economy. These are concepts that are also central to the neo-liberal paradigm of the Washington consensus. But in my view, these concepts are the rational kernels of the paradigm. Any development strategy that is not based on these fundamentals is totally unrealistic and cannot succeed. [519]

5.4 THE TRANSFORMED AFRICAN DOMESTIC ENVIRONMENT: A REINFORCEMENT OF GLOBAL DYNAMICS

The transformed international context coincided with important changes in Africa's domestic environment to provide the impulse for the NEPAD process. These internal factors included; the democratisation of African countries' polity, which

[517] Hamdock, interview.

[518] Adesina, "NEPAD, the political economy of a discourse."

[519] Zinawi Meles, "Towards realising the objectives of NEPAD," Speech delivered by H.E. Prime Minister of the Federal Democratic Republic of Ethiopia, at a Symposium organised by the ADB on NEPAD (Addis Ababa, May 27, 2002): 3

itself gave rise to a vibrant civil society and a new breed of African leadership, the emergence of a non-racial South Africa and the end of military rule in Nigeria, the transition from the OAU to the AU, and to some extent, changes at the helm of the UNECA.

Samuel P.Huntington averred rather pessimistically in the 1980s that "most African countries are by reason of their poverty or the violence of their politics, unlikely to move in a democratic direction."[520] A few years later however, his judgement was invalidated by the embrace of democratic systems by a greater majority of African states. Although this wave of democratisation was in many cases only forced on African leaders by unrelenting civil societies and international pressures, its momentum was so powerful that many have come to see the 1990s as Africa's second independence.

This wave of democratisation did not only result in the emergence of more open and competitive political regimes,[521] but more importantly, "it reinforced broader approaches to governance – moving from a narrow focus on public-service reform to include the more ambitious goals of fostering political responsiveness and accountability."[522] This conception has continued to exert a profound influence on Africa's regional development agenda and conceivably, partly informed the

[520] Samuel P. Huntington, "Will more countries become democratic?" *Political Science Quarterly*, 99 (Summer 1984): 217.

[521] Alence, "Political institutions;" John W. Harbeson, "Externally assisted democratisation:Theoritical isssues and African realities," in John W. Harbeson and Donald Rothchild (eds.), *Africa in world politics: The African state system in flux third edition* (Boulder: Lynne Rienner, 1994).

[522] Alence, "Political institutions," p. 163; also see Goran Hyden, "Governance and the study of politics," in Goran Hyden and Micheal Bratton (eds.), *Governance and politics in Africa* (Boulder: Lynne Rienner, 1992); John Healey and Mark Robinson, *Democracy, governance and economic policy: Sub-Saharan Africa in comparative perspective* (London: Overseas Development Institute, 1992).

endorsement of democracy and good governance as preconditions for sustainable development in the NEPAD dispensation.[523]

Moreover, the political liberalisation of the 1990s facilitated the emergence of a "new breed" of leadership in the continent. This new leadership appears more committed to building a strong and enduring culture of democracy, respect for human rights and accountability in their countries.[524] Part of the impulse for the emergence of the NEPAD came from this new generation of African leadership.[525] The lead role played by presidents Thabo Mbeki of South Africa, Abdoulaye Wade of Senegal, Abdel Aziz Boutaflika of Algeria and Obasanjo of Nigeria, bears out the catalytic role of the emergent new leadership in formulating the NEPAD. The emergence of these leaders was facilitated by the end of apartheid in South Africa and also the end of military dictatorship in Nigeria.[526]

The end of apartheid brought the African National Congress (ANC) to power in South Africa. Because of the history of the liberation struggle, the ANC attaches a lot of importance to the upliftment of the African peoples, not just in South Africa, but also in the continent at large. In 1993, just before the ANC took power, it declared that one of the "new South Africa's foreign policy objectives should embody a belief that the country's policy should reflect the interest of the continent of Africa."[527]

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[523] Alence "Political institutions;" Hope, "From crisis to renewal."

[524] Hope, "From crisis," pp. 401-2.

[525] See NEPAD, *Initial Action Plan* (July 2002): paragraph 5. Sceptics however, question the notion of a new breed of African leaders, arguing that people like Obasanjo, Mubarak, and Boutaflika are not different from the old guard of African despots and can not therefore be ostensibly seen as human rights crusaders in any sense of the word.

[526] Enoki Yakusuni (H.E.), "NEPAD, views by a G8 member," Speech presented at the African Institute of South Africa by the Ambassador of Japan to the Republic of South Africa (Pretoria, April 16 2002): 5

[527] ANC, "Foreign policy in a new democratic South Africa," (Department of International Affairs of the ANC October 1993); Botha, "The NEPAD," p. 3; also see Denis Venter, "South African foreign

Africa emerged as a high priority in the "new non-racial South Africa." And according to an ANC foreign policy document entitled "Developing a Strategic Perspective on South African Foreign Policy," this priority is informed by the following considerations:

- South Africa is part of the African continent, and its economic development is linked to what happens on the continent as a whole;
- South Africa has an important role to play in the economic and political revival of the continent;
- The economic development of the African continent as a whole will be a significant step in overcoming the North-South divide.[528]

The most immediate implication of these ANC foreign policy considerations was a strong concern with the "renewal" of the continent. For the ANC, the concept of an African renaissance came to be seen as the main pillar of South Africa's international relations. In this and many other ANC documents, the African Renaissance was raised to, or equated with, South Africa's national interest.[529] Between May 1996 and 2000, Mbeki and the ANC popularised the concept of an African 'renewal' within and outside the continent.[530] The emergence of a non-racial South Africa, under the leadership of the ANC with its Africa focused foreign policy, was one of the transformations in the continent that provided the germ for the emergence of an African renaissance philosophy that provided a context for the formulation of the MAP and later the NEPAD.

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policy decision-making in the African context," in Gilbert M. Khadiagala and Terrence Lyons (eds.), African foreign policy (Lynne Rienner Publishers, 2001).

[528] This was reflected in the tone of the ANC's "Developing a strategic perspective on South African Foreign Policy" (1997): 6.

[529] Ibid.

[530] See for example, *Thabo Mbeki, Africa: The time has come,* Selected speeches (Houghton and Cape Town: Tafelberg and MafubePublishers, 1998).

Meanwhile, Nigeria had been the major actor behind earlier African regional initiatives (ECOWAS, LPA, the Abuja Treaty, and the CSSDCA). However, years of military rule, robbed the country and its leadership the moral credentials and material capabilities to continue to play this leadership role. The end of military dictatorship in 1999 created the political space for Nigeria to resume her continental leadership role. The election of Olusegun Obasanjo as Nigeria's first civilian leader after more than a decade of military rule came at the most opportune moment for the pursuit of a continental agenda. To borrow from Francis Kornegay: "with Obasanjo's re-entry into the political scene against the backdrop of a new inter-African environment, influenced by a post-apartheid South African campaign for an African Renaissance under Mbeki, a happy convergence of South African and Nigerian agenda began unfolding."[531] The MAP and eventually, the NEPAD emerged within the context of this newborn Nigeria-South African entente and continental leadership.[532]

Closely related to the democratisation process in the continent was the emergence of a divergence between African states and the societies that constituted them. At independence, African leaders were for the most part leaders of national movements, with a majority of the masses united in the struggle against the colonialists. Civil society during this time, and during the early years after independence, did not exist as a separate entity, rather it was part of the nationalist movements that constituted the independence governments in African states. However, shortly after independence, the continent was gripped by a spate of military coups d'etats, the disbanding of plural democratic systems and the institutionalisation

[531] Francis Kornegay, "Beyond the OAU: African Union or Afro-Jamahiriya?" *IGD Foreign Policy Paper* (Johannesburg, Braamfontein: IGD, 2000): 2. Accessible online at http://www.igd.org.za/publications/global_dialogue/special_feature/beyond.html

[532] See chapter 6 of this thesis on the diplomacy of the NEPAD.

of various forms of despotic and autocratic governments, betraying the trust of the African masses on their leaders. The outcome was a divorce between the African state and its constituent societies. As a result of this divergence, "civil society emerged as a separate entity in Africa's political space, mobilising broad masses against state despotism and other forms of state oppression."[533]

However, because of the ruthlessness of African despots, the emergent civil society could not be very vocal until the 1990s, with the demise of the Cold War that removed the protective external shield offered the African leaders against external pressures. In the post-Cold War environment, African civil societies gained unprecedented prominence, partly because of the willingness of Western state and non-state actors to treat with them directly to the detriment of official state apparatuses.[534] This further exposed African leaders' economic and political mismanagement and informed even greater conditionalities from the North – insisting on the restructuring of state-society relations in Africa. It was equally within the context of new pressures of transformed state-civil society relations in the continent that the NEPAD processes emerged. The internal dimensions of NEPAD's partnership, which seek to redefine the relationship between African states and their peoples shows the extent to which a vibrant African civil society was a factor in NEPAD processes, even though there was very little prior consultation with civil society in the formulation of the NEPAD.

Yet another change in the domestic environment for the formulation of the NEPAD was the transformation of the OAU to the AU. At the close of the twentieth Century, a consensus emerged amongst African leaders and OAU staff that the

[533] Adisa, interview.

[534] See Clapham, *Africa and the international system*, chapters 7 & 8.

continental organisation had served its time, as an instrument of decolonisation. African leaders equally recognised that the OAU had grown inefficient and therefore, there was need for a transformation of the character of the organisation to respond to the challenges of the period – globalisation.[535] The OAU was largely a politically focused organisation - with emphasis on removing the last vestiges of colonialism and conflict management. With Namibia's independence in 1990 and with the end of apartheid in South Africa, African leaders felt the OAU had accomplished its primary political mission of effacing colonialism from the continent.

Moreover, at its inception in the 1960s, the OAU was guided by the philosophy that "seek ye first the political kingdom and all other things shall be added unto it. Yet Africa got political freedom and for over three decades nothing was added, development remained an illusion."[536] Understandably, in the post-Cold War environment, development concerns became paramount in the minds of African leaders. The challenge of finding a socio-economic strategy, to facilitate the refocusing of the continental organisation's thrusts took centre stage within OAU circles. It was within the context of the desire and need to transform and refocus the OAU - to blend its largely political thrusts with a viable economic orientation, relevant to Post-Cold War realities and to a globalising world that the NEPAD process emerged. The adoption of the NEPAD as the transformed continental organisation's (AU's) socio-economic programme bears this out, not withstanding the controversies surrounding the relationship between the two.[537]

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[535] Adisa, Interview.

[536] Ibid.

[537] See Francis N. Ikome, "The African Union and the New partnership for Africa's Development (NEPAD): The complex interface," Centre for Africa's International Relations (CAIR) update (Johannesburg: University of the Witwatersrand, July 2003).

Another transformation favouring the emergence of the NEPAD was the change at the helm of the UNECA. The UNECA like other UN economic commissions was designed to serve as the main continental policy formulation institution for the economic development of the continent. True to this mandate, it has been the brain behind the formulation of almost all the important economic development policy frameworks for the continent – beginning with the LPA through the AAPSAPs to the ECA Compact.

While Professor Adebayo Adedeji headed the institution, most of its formulations were greatly informed by the inward-looking self-reliant paradigm of the dependency genre. Conversely, the new Executive Secretary, Dr. K. Y. Amoako, has been seen as belonging to the progressive neo-liberal school, more supportive of liberal market principles and greater engagement with the global economy.[538] Abdala Hamdock sums up the transformations at the ECA in the following words: "The thinking even at the ECA has changed considerably with the emergence of a new executive secretary. Which is to say the inward-looking emphasis of the ECA that characterised the leadership of its former Executive Secretary under whom the LPA and its related initiatives were conceived have lost their verve."[539] Although the ECA's role in the NEPAD processes has been greatly downplayed, the institution's outward-looking neo-liberal orientations defined in its global compact were influential in the formulations contained in the NEPAD.

[538] During an interview with Dr. Patrick Asea, Director, Economic and Social Policy Division (ESPD) of the UNECA (in July 2003 at the ECA head quarters in Addis Ababa) he declared: "there was no reason to be apologetic about the ECA's sympathies with liberal economic principles and that it was rather a mark of the new impetus brought to the ECA by its progressive Executive Secretary and his young and dynamic team." On his part, Dr. Naing apparently of the old guard was pointedly critical of the 'excessive inclinations' of the new Executive Secretary to liberal economic principles of the genre of the Washington consensus (Interview, ECA Head Quarters, Addis Ababa, June 2003).

[539] Hamdock, interview.

CONCLUSION

This chapter has demonstrated that although the NEPAD combines both elements of inward self-reliance and outward orientation, on the balance the initiative is more outward oriented than it is inward oriented. The chapter has argued that although the initiative contains some prescriptions of the LPA and related earlier African initiatives, overall, it constitutes a shift in the traditional thinking and practice of African regional cooperation. The chapter has also argued that this shift in orientation has been informed by changes in the realities and circumstances of the international political economy. It has also demonstrated that these changing international realities coincided with changes in Africa's domestic political landscape to provide the momentum for the NEPAD initiative. The weight of my analysis has been that the NEPAD consist a shift in orientation from Africa's traditional inward-looking self-reliant regional cooperation agenda, to a focus on extra-regional partnership. The question that arises from this is: how was this shift negotiated? This is the object of the next chapter, the diplomacy behind the NEPAD.

CHAPTER SIX

NEPAD: THE UNDERLYING DIPLOMATIC PROCESSES

6.1 INTRODUCTION

Against the backdrop of Africa's worsening economic situation and conscious of ongoing global transformations, African leaders devised new strategies to address the continent's economic woes. The outcomes were a number of parallel initiatives, designed to bring about the economic turnaround of the continent. Although accounts of the processes leading up to the establishment of the NEPAD lack consensus, there is tacit agreement that the NEPAD originates from two main conceptual documents: the Millennium African Development Plan (MAP), championed by three African leaders – Thabo Mbeki of South Africa, Olusegun Obasanjo of Nigeria and Abdelaziz Bouteflika of Algeria; and the Omega Plan, conceived by Senegalese president Abdoulaye Wade. These two initiatives benefited from technical and analytical inputs from the "Global Compact for Africa's Development," conceived by Africa's traditional development policy think tank – the United Nations Economic Commission for Africa (UNECA).[540]

Contrary to anxiety over possible rivalry between the authors of these diverse initiatives, African leaders successfully combined them into a common and unified framework.[541] Moreover, unlike in the early 1980s, when the continent's historic recovery plan, the LPA, was quickly countered and 'subverted' by an externally inspired 'rival' policy framework, the Word Bank sponsored Berg Report and its accompanying SAPs, African leaders have succeeded in mobilising the support of bilateral and multilateral institutions and processes, and individual governments of

[540] See *African Recovery*, Volume 15, no. 1&2 (June 2001): 3.

[541] *Jeune Afrique Economique (JAE),* no. 341 (du 18 juine au 08 juillet 2002): 56-57

the industrialised world behind the new initiative. The merging of these initiatives and the pledges of support from the continent's external partners, have emerged as unprecedented feats in Africa's regional economic cooperation history.

However, these otherwise positive developments raise a number of pertinent questions: What, for example, was the origin of the precursor initiatives to the NEPAD, and what were their principal thrusts? How closely related or divergent were the ideas and preferences that the authors of these initiatives set to promote, and how were these finally knitted together to produce the unified NEPAD framework? Finally, how and to what extent did the involvement of external actors in the NEPAD processes influence its contents and orientations? To answers these questions, this chapter focuses on two dimensions of the NEPAD process. First, it attempts to reconstruct the inter-African diplomacy behind the NEPAD – retracing the emergence of the MAP and the Omega Plan, and establishing the role of African institutions (the OAU and ECA) in their establishment and eventual merger. Second, the chapter examines the consultations that the African leaders of the NEPAD process had with extra-regional actors, with the objective of establishing how such consultations might have influenced the content and orientations of the initiative.

I argue that the precursor initiatives to the NEPAD began as independent parallel processes, which however, later received approval from the OAU, formally making them continental policy blueprints. Originating from a common concern about the continent's ever-growing poverty and underdevelopment, these initiatives had a lot in common, facilitating their eventual merger. More importantly, because the NEPAD processes emerged against the backdrop of Africa's increased vulnerability in the global economy due especially to its unsustainable debt burden, the NEPAD diplomacy was characterised by extensive consultations with extra-regional actors,

which apparently took precedence over internal consultations. The prominence of external actors in the NEPAD diplomacy facilitated the injection of their policy preferences for the continent into the final NEPAD framework. This contributed to the perceptions that the initiative's prescriptions (particularly its emphasis on political and economic liberalism) have been externally inspired.

The rest of the chapter is organised as follows: first, I reconstruct the diplomacy behind the establishment of the MAP, highlighting both the centrality of the debt crisis in the birth of the initiative and the prominence of external consultations; next, I examine the emergence of the Omega Plan and the merger process, followed by an analysis of the transition from the NAI to the NEPAD; and the politics of the AU-NEPAD interface. The chapter closes with an appraisal of the controversies surrounding the role of the ECA in the process.

6.2 MAP: FROM A DEBT CANCELLATION MANDATE TO A CONTINENT RENEWAL BLUEPRINT

The roots of the Millennium African Plan (MAP) can be traced back to separate but related mandates given three African leaders to intercede for Africa in particular and the "South" in general in their economic relationship with the North. More precisely, during the Extraordinary Summit of the OAU in Sirtre, Libya, in September 1999, African leaders mandated two of their peers - Presidents Boutaflika of Algeria and Mbeki of South Africa, in consultation with the "OAU Contact Group on Africa's External Debt" - to engage Africa's creditors on the total cancellation of the continent's external debt.[542] About seven months later, the South Summit of the

[542] OAU, Fourth Extra-Ordinary Session of the Assembly of Heads of State and Government, *Sirte Declaration*, EAHG/Draft/Declaration (IV) Rev.1 (Libya, 1999); also see South African Department of Foreign Affairs (DFA) (1), "NEPAD Background 2: A historical overview," (February 28 2002) in www.dfa.org.za/docs/nepad2.htm; Nazeem Mahatey, "Presidential address to the G8 Summit and its

Non-Aligned Movement (NAM) and the Group of 77 (G77), sitting in Havana, Cuba in April 2000, mandated presidents Mbeki and Obasanjo, chairman of the NAM and the G77 respectively, to convey the concerns of the South to the G8 and the Bretton Woods Institutions.[543]

There is consensus that separate mandates were given to three African leaders, revolving around the economic predicaments of the continent and the South, but it is not clear how these mandates eventually coalesced to the detailed blueprint contained in the MAP – that is, how a mandate to negotiate the continent's debts "metamorphosed" into a plan of action as broad and as embracing as the MAP.

Nigeria's ambassador to Ethiopia and to the African Union, J. K. Shinkiaya has argued that: "the idea of putting together a broader economic plan for the continent that transcended the 'debt mandate' emerged in course of the "working together" of these three leaders within the framework of these mandates."[544] Stephen Gelb corroborates this by contending that "it was during the process of shaping the discussion of the debt question, and when it became evident that Africa was dominating the representation of the countries of the South to the Okinawa Summit in 2000 that the discussion got transformed from a mere discussion of debt relief, to talking about development generally, and about African development in

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implications for the South" (IGD, 2000). Accessible online at http://www.igd.org.za/publications/global_dialogue/official_view/presidential.html

[543] The Havana mandate to Obasanjo and Mbeki was confirmed in separate interviews this researcher had with Ambassador Shinkiaya (June 2003); Mokoena (May, 2002); Malcomson (May, 2003) and Dongoyanro (May 2003); It has also been reported in DFA (1), "NEPAD, Background 2;" Dani W. Nabudere, "NEPAD: Historical background and its prospects," Paper presented at the African Forum for envisioning Africa (Nairobi, Kenya, 26-29 April, 2002a); "Africa in the twenty first century: The African Union and the New partnership for Africa's Development," Paper presented at the OSREA – CASAS Symposium on Africa in the twenty first century: Problems and prospects (Johannesburg: Sunnyside Park Hotel, 15 – 16 November 2002): 15.

[544] Shinkaiya, interview.

particular."[545] It appears that during these discussions, the G8 asked the African leaders to craft a plan of action for the continent, stating clearly what Africa's expectations from the North were.[546] The G8's request thus actually kick-started the processes that culminated in the MAP, and later the NAI and NEPAD.[547] For this reason, the perception emerged amongst the NEPAD's critics that the impulse for the process came from outside the confines of the OAU and the continent and therefore that it is an externally inspired initiative.

The NEPAD Initial Action Plan document of July 2002 acknowledges that the MAP had its roots from the Okinawa Summit when it posits: "The origin of NEPAD goes back to the participation of Presidents Obasanjo, Bouteflika and Mbeki at the G8 Summit in Okinawa in 2000, which gave birth to the Millennium Partnership for Africa's Recovery programme (MAP) document."[548] However, NEPAD authorities have sought to demonstrate that the 'impulse' for the initiative came from within the continent by arguing that: "it was rather the African leaders themselves who gave notice to the G8 of their intention to prepare a detailed programme."[549] According to the South African Department of Foreign Affairs:

> Faced with the challenge of addressing poverty and underdevelopment, both in their respective countries and on the continent, and with demands to address world forums on African issues, the presidents resolved to request the OAU to mandate them to prepare a comprehensive development programme that could serve as a foundation for the regeneration of the continent and the forging of a new partnership with the rest of the world, more specifically the industrialised countries and multilateral organisations.[550]

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[545] Stephen Gelb, Interview with author (Johannesburg, May 2003).

[546] Adesina, "NEPAD and the challenge," p. 2.

[547] Ibid; Gelb, interview.

[548] NEPAD, *Initial Action Plan* July 2002, p. 4.

[549] Mokoena, interview.

[550] NEPAD, "Background document 2001," p. 2

In this account, at the OAU Summit in Lome, Togo during July 10-12 2000, Mbeki presented the Assembly of Heads of State and Government with a proposal to engage the developed North with a view to developing a constructive partnership for the regeneration of the continent.[551] The OAU Summit approved the proposal and mandated the three leaders - Bouteflika, Mbeki and Obasanjo - to work on this programme.[552] The foundation for engagement with the world's industrialised countries over the issue of the development of the continent was thus laid. On this foundation, the three presidents raised the issue of a partnership with the leaders of the G8 at their (Okinawa) Summit in Japan, during July 21-23, 2000. The work on developing the MAP then began in earnest and the process of engagement on bilateral and multi-lateral levels was set in motion, beginning with a presentation on MAP to the World Economic Forum in Davos, Switzerland in January 2001.[553]

However, the Lome Declaration of the OAU 36th Ordinary Session and Fourth Ordinary Session of the AEC of July 2000 does not indicate that any mandate to develop a new development framework for the continent was given to some African leaders.[554] I contend that there was no second mandate from the OAU after the debt cancellation mandate granted Mbeki and Bouteflika at the extra-ordinary Session of

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[551] See DFA (1), "NEPAD, Background 2;" also see John Kuhn, "A brief history of the most recent attempts at Africa intra-continental cooperation: From the African Renaissance to NEPAD," Research paper presented at postgraduate seminar on African economic cooperation (Department of International Relations, Wits University, June 2002): 13.

[552] Ibid. pp. 13-14; Thabo Mbeki (1), "Letter from the president," *ANC Today*, Volume 1 no. 26 (20-26 July 2001) in http://www.anc.org.za

[553] DFA, "NEPAD Background 3: International engagements with the NEPAD process," (March 11 2002); Nabudere, "NEPAD, historical background," p. 15.

[554] See OAU, "Declarations and statements adopted by the Thirty-Sixth Session of the Assembly of Heads of State and Government, and the Fourth Ordinary Session of the African Economic Community (AEC)," *AHG/Decl. 1 –6* (Lome Togo, 12 July 2000); Adesina, "NEPAD and the challenge."

the OAU in Sirte Libya in September 1999. Moreover, the claim that the troika notified the G8 of their intention to prepare a detailed plan of Action for Africa is also not backed by any tangible evidence.

The request for a detailed plan of action for the continent came from the G8, in response to the pleas of the three African leaders at the G8 Okinawa Summit. It seems, however, that because of the emphasis on African ownership and leadership of the initiative, and in a bid to rebut charges that the initiative had been externally inspired, the promoters of the NEPAD have found it politically apposite to down play the G8 request. In fact, after receiving the Sirte and Havana mandates, it appears that the troika "took matters into their hands" and acted more or less independently of their peers and the organisations that had mandated them in the first place. This is reflected in the fact that "shortly after the Okinawa meeting, the troika gave president Mbeki the responsibility to start developing the "workable plan" requested by the G8, without first consulting with their peers of the OAU nor with the OAU Contact Group on Africa's External Debt as the Sirte mandate had intimated."[555]

The first concept paper for engagement with the developed North with the view of developing a constructive partnership for the regeneration of the continent was prepared by Mbeki and was only later approved by Boutaflika and Obasanjo in September 2000.[556] This was followed in October by the setting up of a Steering Committee to which each of the three heads of state appointed two officials with the mandate of developing a more detailed proposal. In February 2001, after a number of consultation meetings with the three heads of state aimed at evaluating past and current development agendas for the continent, the Steering Committee produced a

[555] Ibid. p. 2.

[556] Kuhn, "Brief history;" Nabudere, "Africa in the twenty first century," p.16; DFA (1), NEPAD, Background 2.

policy framework document titled Draft 3 (a).[557] This draft document was intended both as a vision statement and as an outline of a programme of action for the political, social and economic recovery of the continent. It argued the case for the initiative, its timing and its strategic focus, as well as outlining actions, duties and responsibilities for African leaders and for the industrialised countries. The following four months were dedicated to the formulation of a more detailed programme of action.[558]

South Africa and specifically Mbeki, was the "prime mover" of the MAP project. The task of developing the first draft of the "workable plan" for the continent was entrusted to a small team working within the South African presidency in Pretoria, "explaining, the dominantly South African reading of the development challenges facing the continent and the prognoses for Africa "extricating itself" out of its development quagmire."[559] Although South Africa in championing the MAP project, tried to give it a Pan-African outlook, the country's liberal trade-focused interests remained the primary consideration. Ranieri Sabatucci has argued: "It was only in the later stages of the development of the MAP that aspects of other African countries' prime interest – such as development related concerns and debt reduction, found their way into the framework, refining and broadening the initiative as it moved from MAP to NEPAD."[560]

South Africa and Mbeki's "African Renaissance" ideas constituted the philosophical foundations behind the MAP diplomacy.[561] The internal dynamics of a

[557] Ibid; Taylor, "Towards the African century," p. 11; Kuhn, "Brief history," p. 14; Nabudere, "Africa in the twenty first century," p. 16.

[558] Ibid. p. 16; DFA (1), Background 2, p. 3; Kuhn, "Brief history," p. 14.

[559] See Adesina, "NEPAD and the challenge," chapter 3.

[560] Ranieri Sabatucci, interview with author (Pretoria, June 2003).

[561] Botha, "The NEPAD," pp. 2-6.

new South Africa concerned about redressing the country's racial past provided a framework for the emergence of a "black renaissance" within South Africa. However, this black renaissance project was later explored, especially under Mbeki's presidency to reconnect a liberated South Africa to the rest of the continent. Hence the emergence of the notion of the South African championed African renaissance that effectively set in motion the processes that eventually culminated in the MAP.

But according to Stephen Gelb, who worked on the MAP out of Mbeki's office, "while it may be true that the South African leader played a more active role in the processes preceding the MAP, it would be unfair to reduce the initiative to a purely South African brainchild."[562] Mbeki's dedication to the processes of MAP, NAI and eventually NEPAD is doubtless a product of his philosophical interest in the notion of an African Renaissance. However, at the time the diplomatic processes leading up to MAP gathered momentum, Mbeki's renaissance philosophy had not had any resonance beyond the confines of South Africa.[563]

Although there was no explicit link between the African renaissance discourse and the processes preceding the MAP/NAI/NEPAD, it must be conceded that Mbeki definitely had a commitment to this philosophy and this defined his interaction with the other two leaders – Boutaflika and Obasanjo. More importantly, the African renewal strategy that emerged out of the interaction of these three leaders was facilitated by the existing close bilateral interactions between Nigeria and South Africa and more especially between Mbeki and Obasanjo. The two countries, by virtue of their economic, demographic and military standings, perceive themselves as the 'pre-ordained' leaders of the continent. And the emergence of Mbeki and

[562] Gelb, interview.

[563] Kuhn, "Short history," p. 12.

Obasanjo in the political landscape of the continent in the late 1990s was more than timely.[564]

The two leaders were conscious of their countries' roles in the continent, as reflected in the declarations of some of their principal collaborators. Speaking at the first meeting of the Nigeria-South Africa Bi-national Commission, Nigerian vice president Atiku Abubakar said that "South Africa and Nigeria had a unique responsibility in assisting the rest of the African continent at the dawn of the new millennium."[565] In his response, the South African deputy president Jacob Zuma gave the South Africa – Nigeria bilateral interchange an African renaissance flavour when he declared: "By virtue of their relative strengths, our two countries have the ability – acting in concert with sister countries – to lead the continent into the mainstream of global socio-economic development within the broad objectives of an African renaissance."[566] Nigeria and South Africa's recognition of their mandate to lead the continent served as an essential pillar supporting a "mandate to renegotiate the continent's debts," into a broader and more embracing economic recovery plan for the continent. Obasanjo's personal experience with poor leadership in his country, which earned him years of incarceration and his desire to reverse Nigeria's continuing economic downslide, gave him an additional reason to support a continental agenda that emphasised governance reforms.

The continental vision instilled by Mbeki's renaissance philosophy, along with the notion of an ordained continental leadership role for Nigeria and South Africa, facilitated the realisation that there was a correlation between the two mandates and

[564] Mbeki and Obasanjo became heads of state of Nigeria and South Africa, within two weeks of each other – Obasanjo was sworn in on May 29 1999 and Mbeki was inaugurated on the June 16 of the same year.

[565] *Independent Online*, October 4 1999 in http://www.iol.co.za

[566] Ibid.

the fact that debt relief formed but one critical aspect of the overall development agenda for Africa. Against this background, the call by the G8 for a "workable plan" for the continent came as a timely catalyst to the emergence of a consensus amongst the three leaders that there was need to evolve a broader and more comprehensive blueprint for the renewal of the continent.

At about the same time the idea of developing a detailed programme of action for the continent beyond a debt mandate was taking shape, the three African leaders had many international exchanges, particularly with countries and groupings of the industrialised North. This had implications for what was to become the MAP. In May 2000, Mbeki met with British Premier Tony Blair and American President Bill Clinton. In June, Mbeki took part in a Conference on Progressive Governance that held in Berlin, Germany, also attended by the leaders of the USA, Brazil, Chile, Argentina, Germany, France, Portugal, Canada, Italy, Greece, New Zealand, Netherlands and Sweden. Still in June 2000, Mbeki addressed a meeting of leaders of the Nordic states.

Mbeki addressed the leaders of the European Union again at a meeting of the European Council that held in Portugal in June 2000. In July 2000, Mbeki, Boutaflika and Obasanjo held discussions with Japanese Prime Minister Yoshiro Mori. While in Tokyo, Mbeki met with James Wolfensohn, president of the World Bank. Upon his return to Pretoria the same month, he held discussions with the managing director of the International Monetary Fund (IMF), Horst Kohler. Prior to this, the three leaders had met with the United Nations Secretary General Koffi Annan. Finally, in

September 2000, Mbeki addressed the United Nations Millennium Summit in New York.[567]

Although these international interactions were relevant to the development of the MAP and in rallying support and the commitment of the North around the idea of a new and concerted effort to address, among others, the challenge of African poverty and underdevelopment,[568] they later cast doubts on African leaders' claims that the processes leading to the establishment of the initiative were genuinely internally driven. These high-level consultations with the North, coming at the early gestation period of the initiative, created the impression that the authors of the initiative went out sourcing for ideas and suggestions on exactly what kind of initiative the North would be willing to support. Given the convergence of the prescriptions of the MAP with the kinds of liberal political and economic ideas that have been peddled over the years by these external actors, it is conceivable that in the final analysis, external actors had influenced the contents and orientations of the MAP project. This has turned out to be one of the most controversial issues of the entire NEPAD process

It seems that these external consultations took precedence over internal inter-African diplomacy. This is borne out by the fact that the MAP was first presented outside of the continent, at the World Economic Forum in Davos, Switzerland on 28 January 2001. As John Stremlau puts it: "Whereas all previous Pan-African initiatives were launched in Africa and exclusively for Africans, Mbeki choose first to showcase

[567] The convergence of the NEPAD Poverty Reduction Strategy Papers (PRSPs) with the UN Millennium Goals is a reflection of the influence of the UN Millennium Summit on the contents of the NEPAD. See for example Kuhn, "Short history," p. 14.

[568] See Thabo Mbeki, *ANC Today*, Vol. 1 no.47 (14 December 2001 – 3 January 2002).

his Millennium African Recovery Programme (MAP), the little changed precursor of NEPAD, at the 2001 World Economic Forum in Davos, Switzerland."[569]

The choice of the World Economic Forum (WEF) as the arena for presenting MAP and the desire to secure the support of external actors for the initiative are well captured in Mbeki's declaration: "It is significant that in a sense the first formal briefing on the progress in developing this programme is taking place at the World Economic Forum meeting. The success of its implementation would require the buy-in from members of this exciting and vibrant forum."[570] The low level of internal consultation even with other African leaders is evidenced in Mbeki's report to the *ANC Today* shortly after his briefing in Davos:

> We intend to brief African Heads of State over the next few months. Our aim is to be as inclusive as possible. Thereafter, substantive consultations with the leaders of the developed countries and multilateral institutions would take place…. The implementation of the plan will commence as soon as briefings have been completed and commitments made by a critical number of African countries…. Countries that are not ready will be welcome to join later. [571]

Mbeki's briefing, at Davos, clearly demonstrate that very few African heads of state knew about the details of the new continental blueprint and that even if they had mandated the three leaders to draft the detailed programme as the South African Department of Foreign Affairs holds, they were yet to be served the final outcome of this mandate.[572]

Moreover, the selective character of the MAP summed up in Mbeki's declaration was alien to and at variance with the "all-inclusive" operational principles of the

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[569] Stremlau, "NEPAD, governance initiative," p. 1

[570] Cited in Adesina, "NEPAD and the challenge," chapter 3; also see Mbeki, *ANC Today*, Vol. 1 no. 47, p.1

[571] Ibid; also see Nabudere, "Africa in the twenty first century," p. 16.

[572] Ibid.

OAU. The initiative could not be said to have emerged from an expressed OAU mandate nor could it be said to be an OAU initiative at this stage. And as Nabudere sees it, "this was essentially a personal initiative, without and before coming to any agreement with other African leaders and African civil society."[573] The *Zimbabwean Independent Newspaper* makes the same point about the entire NEPAD process in the following words: "After the leading African heads of government [those from South Africa, Nigeria, Senegal and Algeria] had discussed NEPAD among themselves, they appear to have gone first to the Western capitals and the representatives of international private capital before consulting with their own people."[574]

The decision of the three African leaders to work out the details of the MAP outside the OAU was informed by the desire to circumvent the complicated "politicking" characteristic of OAU/AU processes that "robbed earlier African initiatives the requisite seriousness of purpose."[575] In this regard, the common denominator in OAU/AU diplomacy has been the element of consensus in decision-making. The need to work out the details of the MAP outside the OAU was made even more expedient by the Libyan leader's agenda for an accelerated political and economic unification of the continent. At the time of the MAP process, Qadafi through financial and military largesse towards less viable African states, succeeded in winning their sympathy. In light of the numerical strength of poorer states at the OAU, it was feared the MAP agenda risked been greatly distorted or even derailed if it were subjected to the broader OAU consensus formula at this early stage.

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[573] Dani Nabudere**,** cited in Adesina, "NEPAD and the challenge," chapter 3, p. 3 of 4.

[574] See for example, Yaspal Tandon in *The Zimbabwe Independent*, April 2002; and *The Seatini Bulletin*, February, 2002.

[575] Abdul Mohammed, interview.

Moreover, the Libyan leader's attempt to champion continental processes was perceived as an affront to Nigeria's and South Africa's claim to continental leadership.[576] Perhaps the "Qadaffi phobia," further enhanced the level of collaboration between the troika, particularly Nigeria and South Africa to craft a counter initiative to the Libyan continental union agenda outside the consensus-based OAU. It is also conceivable that the fear of the Libyan leader's radicalism partly explains the early (even if only rhetorical) support the NEPAD received from the North over and above even the parent African Union.

It was only after ascertaining that the essentials of the framework document aimed at guiding the programme of action of MAP had been worked out that the troika decided to brief their peers on the progress in executing their "mandate:" A debt cancellation mandate had become a continent renewal blueprint. This briefing was at the fifth Extraordinary Summit of the OAU in Sirte, Libya, in March 2001. The Summit unanimously endorsed the framework document and mandated the three leaders to continue work on MAP.[577] This was understood by these leaders as a mandate to further engage with the international community. Accordingly, Obasanjo presented a keynote lecture on "MAP" at the "Africa Day symposium" held at the United Nations University in Tokyo in May 2001. Meanwhile, Mbeki during a state visit to the United Kingdom solicited and received support for MAP.[578]

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[576] On Qaddafi's aspirations to champion continental processes, see generally, Francis Kornegay, "Beyond the OAU." The influence of the Qadaffi phobia in strengthening cooperation between other African leaders, especially between Mbeki and Obasanjo was strongly echoed by Churchill Ewumbua-Monono, interview with the author (Addis Ababa, July 2003). Mr. Ewumbua-Monono is Minister Plenipotentiary and Second Councellor at the Embassy of the Republic of Cameroon in Addis Ababa, Ethiopia. He has also served as consultant with the OAU/AU on a number of occasions.

[577] Mbeki (1), "Letter from the President;" Kuhn, "Short history," p.15.

[578] Ibid; also see W. Dhlamini, "Africa's economic recovery plan yet to win financial backing," (June 19 2002).

6.3 THE OMEGA PLAN AND THE IMPERATIVE OF A MERGER:

At about the same time that the troika was working out the details of the MAP, the Senegalese president, Abdoulaye Wade engaged in crafting a parallel initiative – the Omega Plan. The emergence of the Omega Plan has been seen as falling within the logic of the traditional Francophone-Anglophone conflict of interest that has characterised the politics of African regional cooperation.[579] However, Senegalese diplomats have argued "the Omega Plan was an original and independent initiative informed by Wade's long-standing vision for the development of the continent that preceded his election as Senegal's head of state."[580]

The Omega Plan has been presented by Senegalese diplomats as the product of the work of a select group of high profile experts, mostly economists, commissioned by Wade to reflect on the continent's worsening economic situation. These experts, working in commissions overseen by President Wade, focused on five priority areas – infrastructure; new technologies of information and telecommunication (ICT); education and human resource development; health; and agriculture – to develop what became known as the Omega Plan. This document was presented for public scrutiny in an international seminar held in Dakar Senegal from 11-13 June 2001 to discuss its "coherence, logic and feasibility."[581]

What remains opaque, however, is the timing of the initiative to coincide with the MAP, particularly in light of the claim that the MAP emerged from an OAU

[579] See for example, Pretorius and Patel, "The NEPAD, a review;" Adesina, "NEPAD and the challenge," chapter 4. Mr. Dongonyaro also stressed the notion of a Francophone-Anglophone bifurcation in an interview with this author in June 2003 at the NEPAD Secretariat.

[580] There was agreement on this point by various Sengalese diplomats in separate interviews with this author (H.E. Balla Sy June 2003; Consul Bassirou Sene June 2003; H.E. Samba Buri Mboup May 2003).

[581] Dr.Salif S. Sall, personal interview with author, Addis Ababa, June 2003. Dr. Sall is an economist with the Policy Analysis Support Unit (PASU), of the African Union. He served as a member of the Commission created by President Wade that drafted what became the Omega Plan.

mandate to Mbeki, Obasanjo and Boutaflika in Lome Togo, in 2000. If a mandate was given by the OAU to these three leaders to develop a continental blueprint, then it is likely that Senegal was part of the OAU assembly that granted this mandate. Therefore, Wade's decision to craft a parallel initiative is controversial and lends to two interpretations. The first possible interpretation is that no mandate was given these leaders to craft a development framework for the continent, in which case, Wade could not be seen as attempting to counter his peers knowingly. The second interpretation is that a mandate was effectively given, but that Wade still decided to craft a parallel initiative, in which case the thesis of the 'unseen hand' of the Francophone-Anglophone rift been behind the Omega Plan would be tenable.

Beyond the controversies surrounding the emergence of the Omega Plan is the fact that, like the MAP, it was informed by the obstacles posed to Africa's development by the debt overhang. It therefore, converged on a number of issues with the MAP. For example, both initiatives recognised the need for Africa to keep pace with the new phase of globalisation and to reduce the development gap between Africa and the industrialised world. They equally converged on the importance of regional economic cooperation for the development of the continent. Both initiatives were also concerned about restructuring the economic relations between Africa and the industrialised world, particularly in relation to ODA, FDI and market access. Overall, the initiatives had as ultimate goals laying a durable foundation for the economic renewal of the continent and the reduction of poverty. This convergence of goals created complementarities between the two initiatives, which facilitated their eventual merger into a unified framework.

However, the merger did not happen as smoothly as many commentators suggest. The explanation could be found in the fact that the initiatives diverged on the

prioritisation of issues and the strategies to achieve common goals. For example, the MAP emphasised the entrenchment of democracy, human rights and good political and economic governance as the most urgent priority, being a precondition for achieving other development goals for the continent. This was premised on the judgement that with the establishment of good governance, resources (domestic and external) currently dedicated to the resolution of conflicts – resulting largely from poor governance – could be freed for more rewarding development endeavours. The MAP, therefore, prioritised peace, security, democracy and good political and economic governance – including deepening regional cooperation and integration – as preconditions for African development.[582]

The Omega Plan meanwhile contended that the bulk of Africa's financial resources (domestic and external) were dedicated to the financing of basic infrastructure and developing human resources (educational and health facilities). Therefore, if Africa could develop its basic infrastructure to the same level with developed countries, it could allocate resources to production and improving productivity to the point of withstanding international competition. It therefore identified the development of infrastructure, the development of human resources and investments in agriculture as the primary concerns for any renewal plan for the continent.[583] The Omega Plan asserted that only after the African states have freed themselves from the burden of investment in infrastructure and human resource development would they have the required budgetary resources for:

[582] See generally, *The Millennium Partnership for the African Recovery programme (MAP)*, Draft 3a (February 2001): paragraphs 56-64.

[583] See generally Abdoulaye Wade, *Omega Plan for Africa: An African strategy for globalisation* (Republic of Senegal, June 2001): Paragraphs 24-84.

- Creating an enabling macro-economic and institutional environment for private investment;
- Formulating a more production friendly fiscal policy;
- Managing monetary policy and exchange risk;
- Instituting amortization funds and recurrent expenditure management;
- Reforming trade policies;
- Managing social protection and social security funds.[584]

With these divergences in the prioritisation of issues, pulling together the MAP and the Omega Plans, involved serious negotiations and compromises. The difficulties involved in the negotiations were reflected in the gaps found in the final NAI and later NEPAD documents, which have been rightly described as products of a "cut and paste" process. Ambassador Shinkiaya sums up the context of the merger negotiations in the following words:

> A close reading of the 'yellow document' produced in October 2001 reveals lots of gaps, especially as various actors at the time were still trying to protect their respective interests and perspectives. However, after the merger, particularly after a considerable period of working together within the framework of the heads of state and government implementation committee, greater mutual trust has developed and African leaders of the NEPAD have become more willing to make concessions to move the initiative forward – rendering the thinking behind the initiative radically different from what it was at the conception of the precursor initiatives.[585]

The merger process can be traced back to the World Economic Forum, in Davos on January 30 2001 during which both the MAP and Omega Plan were first presented to the international public. They were later presented to the OAU Extra-Ordinary Summit in Sirte Libya in March 2001. And it was upon the separate presentations of the MAP and Omega Plan by presidents Obasanjo and Wade respectively at the fifth

[584] Ibid.

[585] Shinkiaya, interview.

century Extraordinary Summit in Sirte, Libya, that the decision for a merger was arrived at.

The Summit endorsed the work that was been done by the four presidents – Mbeki, Obasanjo, Bouteflika and Wade, and decided that "every effort should be made to integrate [all] the initiatives being pursued for the recovery and development of the continent."[586] In reaching this decision, the Summit recognised the synergy and complementarities between these initiatives. At this stage, it dawned on African leaders that the continent had to present a single, coordinated initiative to its international cooperation partners, if it was to be taken seriously. "And that to have more than one initiative will be confusing to Africa's partners, will undermine credibility and will lead to splitting of scarce resources, focus and capacity."[587] The main motive for appealing for a merger of the two initiatives was thus to meet the requirements of Africa's dealings with its external partners, strengthening therefore, the perception of the external inspirations of the initiative.

The merger process began in May 2001, at a Conference of African Ministers of Finance in Algiers. During this meeting, the ministers urged the experts behind the two initiatives to work together to achieve a merger.[588] On the heels of this recommendation, a meeting of experts from nine African countries – Algeria, Egypt, Gabon, Mali, Nigeria, South Africa, Senegal, Tanzania and Mozambique**,** including the MAP Steering Committee – was held in Abuja, Nigeria from 2-4 June 2001. By this time, according to the South African Department of Foreign Affairs, Senegal and

[586] NEPAD, "Background document November 2001," p. 1; DFA (1), "NEPAD Background 2."

[587] Ibid; Nabudere, "Africa in the twenty first century," p. 17;" This logic was corroborated in various interviews conducted by this author, for example H.E Balla Sy June 2003; Consul Bassirou Sene June 2003, H.E Samba Mboup May 2003.

[588] DFA (1), "NEPAD Background 2," p. 3.

Egypt had been included in the Steering Committee of MAP.[589] The Abuja meeting discussed the issue of the merger generally. However, much of the meeting was dedicated to further develop the MAP programme of action. Input papers were presented by a number of states under eight themes that were then extensively reviewed to arrive at a consolidated background paper per theme. The meeting also decided on the constitution of an "integration team" that was to assemble at the Development Bank of Southern Africa (DBSA) with a mandate to 'fine-tune' the Abuja document into a comprehensive and coherent plan. This task was accomplished.[590]

The accounts of some Senegalese diplomats differ slightly from that of the South African Department of Foreign Affairs. The Senegalese hold that an invitation was extended to Senegal to attend the MAP meeting that was held in Abuja from the 2-3 June 2001. During this meeting, there were suggestions for the merger of the two initiatives. Yet, Senegal could not consent to such a merger on the grounds that it had scheduled a crucial meeting in Dakar in a fortnight to work out the final details of the Omega Plan. This meeting eventually held from the 11-13 June 2001 with delegations from some MAP initiating states, including South Africa and Algeria. According to this account, it was after the Abuja and Dakar meetings that it was realised that the two initiatives were "feasible," but that it was imperative for the continent to avoid dispersing its energies by maintaining two different plans with basically the same objectives – the socio-economic development of the continent. "It was within this

[589] Ibid; Nabudere**, "**Africa in the twenty first century**;"** Kuhn, "Short history," p. 16.

[590] DFA (1), "NEPAD Background 2," pp. 3-4.

framework that the OAU at the time was brought in to coordinate and give a sense of direction to the two emergent initiatives."[591]

After the Dakar meeting, the MAP Steering Committee held a meeting in Cairo, Egypt from 18-21 June 2001. The five lead Steering Committee States, plus Ghana, Kenya, Mozambique, Tanzania, Uganda and Libya attended the meeting. It aimed to finalise the MAP Programme of Action document. However, a discussion of the merger of the MAP and Omega Plan was also in the agenda, and Senegal at this stage is said to have committed itself to the merger. "In light of this commitment, a framework and procedure to guide the integration process was subsequently agreed upon."[592]

The integration process continued after the Cairo meeting and culminated in the production of the MAP Final Draft 3 (b) on 29 June 2001. A few days after, a meeting of the five lead MAP Steering Committee Countries was summoned in Pretoria, to which the OAU and the ECA were also invited. During this meeting, the experts presented MAP Final Draft 3, which was then vigorously debated. The outcome was a final, common and consolidated document for presentation at the OAU Summit in Lusaka Zambia. The consolidated document was entitled: *A New African Initiative (NAI): Merger of the Millennium Partnership for the African Recovery Programme and the Omega Plan*, which was unanimously approved by members of the Steering Committee.

Presidents Mbeki and Wade held an important consultation meeting in Pretoria on 7 July 2001 before departing for Lusaka where the consolidated NAI was to be presented to the other lead states. According to Ambassador Balla Sy, "the two

[591] Sall, interview.

[592] DFA (1), "NEPAD Background 2," p. 4.

leaders approved of it, and together, they left Pretoria for Lusaka – to demonstrate that they were agreed on the final document."[593] In Lusaka, Zambia, a meeting of the foreign Ministers of the five Steering Committee States was held on 8 July 2001 to discuss the finalised common initiative and the procedure and modalities for introducing the document to the Summit. On 9 July, the Steering Committee formally presented the consolidated initiative to the five initiating presidents and their representatives in Lusaka.

On 11 July 2001, the NAI was officially presented to the Thirty Seventh Summit of Heads of State and Government of the OAU in Lusaka, where it was unanimously adopted as a Declaration of the Summit.[594] Under this declaration, a fifteen-member Heads of State and Government Implementation Committee (HSGIC) was appointed to follow up the implementation of the programme. It was to be chaired by Obasanjo, assisted by Wade and Boutaflika, with Mbeki to serve as Secretary. The HSGIC was scheduled to meet thrice a year and to facilitate their task they decided on the establishment of a Steering Committee and a Secretariat that was to be temporarily located in South Africa. The Steering Committee, which was composed of two representatives from each of the lead states of the initiative, was actually intended to service the HSGIC.

Much of what goes for "a merger of the MAP and the Omega Plans" was thus in some sense a cooptation of the Omega Plan by the MAP. The authors of the MAP probably because of their numerical strength and their geo-strategic standing in the continent had an edge in the negotiations over the sole author of the Omega Plan – Wade. Most of the "merger meetings" were primarily summoned to work out the

[593] H.E. Balla Sy, interview.

[594] OAU, HSG/Declaration 1 (XXXVII) of July 2001; Also see variously Mbeki *ANC Today*, Vol. 1 no. 47; Nabudere, "Africa in the twenty first century," p. 18**;** Kuhn, "Short history," p. 16.

details of the MAP initiative, and discussions of a merger of the initiatives were almost always peripheral.

More importantly, the leaders of the MAP succeeded in aligning the priorities of the final NEPAD framework to the original preferences of the MAP. For example, the overall structure of the NEPAD identifies three groups of issues, with important inter-linkages and relationships. However, governance issues are given top billing as preconditions for development, together with regional cooperation and integration – as opposed to infrastructure and human resource development as prioritised in the Omega Plan. Stephen Gelb relating his personal experience observed: "South Africa insisted on governance issues remaining as the primary focus, resisting substantial pressure to demote them down the list from some of the African partners in sponsoring the initiative."[595] He goes further to explain that within the section on priority sectors, "a number of compromises had to be made in identifying and ordering issues, as a trade-off for retaining the focus on the issues of governance."[596]

6.4 THE POST LUSAKA DIPLOMACY: FROM NAI TO NEPAD

After the Lusaka Summit, African leaders shifted their focus to lobbying support for the emergent initiative, particularly from the continent's external partners. On the 20 July 2001, a group of African leaders attended and presented Africa's latest renewal plan to the G8 Summit in Genoa, Italy. The initiative was welcomed by the leaders of the G8 and endorsed as "the Genoa Plan for Africa." The G8 committed itself to forging a new partnership with Africa to address the continent's

[595] Gelb, "South Africa's role," p. 24.

[596] See summarised structure of the NEPAD in Ibid.

developmental issues. They also made a commitment to help promote the initiative in multilateral forum.

The Summit then appointed a Committee of Personal Representatives to work with the African leaders to develop a plan of action for adoption by the G8 Summit that was to be held in June 2002 in Canada. Prior to this, the leaders of the three lead states – Mbeki, Obasanjo and Boutaflika – had presented the initiative at the UN-ECOSOC Ministerial meeting in Geneva, Switzerland, on 16 July 2001. The presentation of the initiative to the UN was aimed to take advantage of the friendly environment offered the continent by the United Nations as reflected in the Millennium Declaration adopted by the United Nations Millennium Summit held earlier in September 2000.[597]

A further meeting was held between the G8 and a select group of African leaders in Chequers, United Kingdom, in September 2001. A few weeks later, on 10 October 2001, an African delegation comprising the chairman of the OAU, the heads of state of South Africa, Nigeria, Senegal and Algeria, including a personal representative of the Egyptian leader met in Brussels with a European Union delegation to discuss the New African Initiative (NAI). Both sides indicated their resolve to develop a regular dialogue on the subject.[598]

[597] The Declaration devoted a section to meeting the special needs. of Africa – with particular emphasis on supporting Africa in the areas of consolidation of democracy; encouraging and sustaining regional and sub-regional integration and sub-regional mechanisms for preventing conflict and promoting political stability; addressing the challenges of poverty eradication and sustainable development in Africa, including debt cancellation, improved market access, enhanced ODA; and helping Africa build up its capacity to tackle the spread of HIV/AIDS pandemic and other infectious diseases. For further details, see ECA, "Global Compact for African Recovery" (2001): paragraph 2. Accessible on:
http://www.uneca.org/eca_resources/Major_ECA_Websites/conference_of_ministers/25/compact_fo

[598] DFA, "NEPAD Background 3;" also see Kuhn, "Short history," p. 18.

Finally, on 18 October 2001 the first meeting of the personal representatives' committee of the G8 and the Steering Committee of the NAI within the framework of forging a new partnership between Africa and the G8 was held in London. Shortly after this meeting, members of the NAI Steering Committee travelled to Abuja, Nigeria to prepare for the first meeting of the Heads of State and Government Implementation Committee and to finalise various documents that were to be presented to the heads of state for endorsement.[599] It was during this first HSGIC meeting that held in Abuja on 23 October 2001, that a decision was arrived at to change the name of Africa's new Economic renewal blueprint, from the "New African Initiative" (NAI) to the "New Partnership for Africa's Development" (NEPAD).[600]

Although this change of name has been seen as been logical in light of the fact that the NAI was merely intended as a "working title for the purposes of the OAU Summit,"[601] it seems that it had to do with the commitment of the G8 during the July 2001 and subsequent meetings to "forge new partnerships with Africa" and also, "the pledge of continued dialogue with the European Union" during the October 2001 meeting between the NAI leaders and the EU. Moreover, the fact that the change of name came only a few days after the first meeting between the G8 Personal Representative Committee and the NAI Steering Committee on the 18 October 2001 was probably not a simple accident.

Put simply, the renaming of the initiative as the New Partnership for Africa's Development was tailored to "factor in" the requirements of Africa's engagements

[599] DFA, "Notes on the Third Meeting of the New Initiative Steering Committee in Abuja, Nigeria on October 22 2001" (South Africa, February 2002).

[600] Nabudere, "Africa in the twenty first Century," p. 18.

[601] Ibid.

with the industrialised countries of the North.[602] This, together with the flurry of consultations with the industrialised North, which characterised the diplomatic processes leading up to the establishment of the initiative, is evidence of its external inspirations. This is despite claims by proponents of the NEPAD that "the notion of partnership has both internal and external dimensions – first, a partnership between African governments and their peoples and, second, a partnership between Africa and the rest of the world, particularly the developed world."[603]

It was equally during the Abuja meeting that a definitive text (the Yellow Book) defining the management structure, priority areas, the mandates and the relationship between NEPAD and other African processes was produced. The management structure defined by the Abuja HSGIC consisted of the Implementation Committee, which was scheduled to meet thrice a year, and that was to report annually to the AU Heads of State Summit; a Steering Committee, comprising personal representatives of the five initiating presidents and a Secretariat, to be based in South Africa at the Development Bank of Southern Africa (DBSA). The Abuja HSGIC meeting also identified a list of five priorities that were to be pursued in the short term. According to Nabudere, this meeting actually marked the beginning of the critical implementation phase of the initiative.[604]

[602] Numerous questions have been raised about the change of name from NAI to NEPAD. See for example, Yashpal Tandon, "NEPAD and FDIs : Symmetries and contradictions," Paper presented at the African Scholars' Forum on the NEPAD (Nairobi, 26 April 2002): 2.

[603] This was emphasised in interviews this author had with Mokoena 2003, Abdul Mohammed 2003, Dongoyanro 2003.

[604] Nabudere, "Africa in the twenty first century," p.19.

6.5 THE NEPAD: FROM ABUJA TO DURBAN

After the Abuja meeting, the diplomacy of the NEPAD continued both within and outside the continent. Highlights of the post-Abuja diplomacy have included president Mbeki's visit to China in December 2001, during which he secured China's commitment to the NEPAD;[605] a second meeting of the G8 personal representatives with the NEPAD Steering Committee in Addis Ababa on 7 December, 2001; a Strategic Partnership Meeting with the World Bank in Paris, France in January, 2002; followed closely by the participation of a group of African leaders at the World Economic Forum (WEF) in New York in February 2002 during which the African leaders engaged the North on the NEPAD process. Then the NEPAD Steering Committee met once more with the G8 Personal Representatives Committee, in Cape Town on 14 February 2002. This was followed shortly by a meeting of NEPAD heads of state and the French President, Jacques Chirac, in Paris during February of 2002.[606]

Still in February 2002, the British Prime Minister, Tony Blair, one of the strongest Northern supporters of the NEPAD, undertook a tour of West Africa that took him to Ghana, Senegal and Nigeria, with the NEPAD featuring prominently in his agenda. In March 2002, the NEPAD was presented at the "Financing for Development Conference" that held in Monterrey, Mexico. This international crusade was interspersed with a NEPAD Steering Committee Meeting (12-15 March), followed by the second HSGIC meeting in Abuja, Nigeria, on 26 March 2002 during which far-reaching decisions were arrived at.[607]

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[605] Thabo Mbeki**,** *ANC Today***,** Vol. 1 no. 47.

[606] Julio Goday, "Franco-African Summit Relaunches NEPAD," IPS (February 2002) in http://www.ips-cic-kommunikationsprojekt.net

[607] For details see NEPAD, "Heads of state and government implementation Committee meeting, Communiqué" (Abuja March 2002); also see Kuhn, "Short history," p. 20.

There was also an important conference in Dakar, Senegal in April 2002 on financing NEPAD. This was shortly followed by a tour of some African states by Canadian prime minister, chair of the G8, later in April same year. In June 2002, the World Economic Forum hosted an African Economic Summit on NEPAD in Durban, South Africa. Later in June 2002, the NEPAD leaders reopened their international crusade on NEPAD by attending the G8 Summit at Kananaskis, where once more the NEPAD featured prominently.[608] Meanwhile, earlier in May 2002, the NEPAD Steering Committee had met in Paris with representatives of the Organisation for Economic Cooperation and Development (OECD), during which meeting the OECD made a commitment to intensify its support for NEPAD.[609]

In July 2002, during the first Ordinary Session of the Assembly of the emergent African Union in Durban, South Africa, the chairperson of the NEPAD HSGIC president Obasanjo presented a Progress Report and Initial Action Plan towards the Implementation of the NEPAD.[610] Obasanjo also presented a "Declaration on Democracy, Political, Economic and Corporate Governance," including a document on the development of an African Peer Review Mechanism (APRM).[611] The AU endorsed the Progress Report and the Initial Action Plan of the NEPAD and urged that the programmes in each priority area be urgently implemented. The AU also called on each member state to provide assistance in the further development and implementation of these programmes and in the continued popularisation of the NEPAD amongst all sectors of the African society.

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[608] For a chronology of NEPAD events see, Taylor, "Towards the African agenda," p. 10.

[609] Kuhn, "Short history;" also see http//:www.panapress.com

[610] AU Assembly, "Declaration" (ASS/AU/Decl.1 (I) of July 8 2002): paragraphs 3 and 4

[611] Ibid. paragraphs. pp. 5 & 6.

The African leaders also reaffirmed their commitment to the principles and core values contained in the Declaration on Democracy, Political, Economic and Corporate Governance. More importantly, they mandated the NEPAD's HSGIC and its Steering Committee to continue to elaborate the NEPAD framework and ensure the implementation of NEPAD's Initial Action Plan until reviewed at the Assembly of Heads of State and government of the AU in Maputo, Mozambique, in 2003.[612] To reflect the geopolitical composition of the continent, the Assembly also decided to increase the number of the members of the Implementation Committee by one per region of the African Union, bringing the total number of members of the Committee to twenty.[613]

6.6 FROM DURBAN TO MAPUTO: NEGOTIATING THE AU-NEPAD INTERFACE

Although I have sought to demonstrate that the processes that eventually culminated in the NEPAD largely evolved outside the purview of the OAU, from the moment these supposedly parallel initiatives (MAP and Omega Plan) were presented to the OAU Summit in Sirte, Libya, they presumably wore the garb of continental policy frameworks. More importantly, the OAU advised on the need for a merger explaining therefore, the presentation and endorsement of the NAI at the OAU Lusaka Summit. This officially made the emergent initiative an OAU programme and process. During the transformation of the OAU to the AU in Durban in July 2002, the NEPAD was officially adopted as the emergent union's socio-economic programme.[614]

[612] Ibid. paragraphs 8-13.

[613] Ibid. paragraph 15**.**

[614] Keet, "The NEPAD and the AU," p. 1.

Yet, the incorporation of NEPAD ideas and policies into mainstream AU processes soon proved to be problematic. Serious tensions arose between the parent AU and its offspring, the NEPAD, even before the Durban Summit and deepened thereafter. Negotiating the interface between the AU and the NEPAD emerged as the centrepiece of inter-African diplomacy.

To begin with, the official explanation for the decision to establish a separate secretariat for the NEPAD away from the AU headquarters has been that the AU was still in transition and could not harbour the NEPAD processes, particularly as some of them needed to be fast-tracked and therefore, could not wait until the institutions of the AU became operational. However, it would seem the real reason for this decision was that of "shielding the NEPAD from the stigma of inefficiency that the emergent African Union had inherited from the OAU."[615] This interpretation is particularly borne out by the attitude of Africa's external partners[616] and even African leaders themselves who seemed very disposed to give the NEPAD greater prominence than they did to the AU. The perception therefore developed within AU circles that "there was a deliberate attempt to marginalize the AU – not only in the NEPAD processes, but also more broadly in the continent's overall intercourse with the international system."[617]

More specifically, suspicion developed that "the small, mainly South African staff at the NEPAD Secretariat was trying to entrench themselves as a permanent

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[615] Anonymous, interview by author.

[616] The misunderstanding between, the Canadian Prime Minister and President Mbeki of South Africa over role of the APRM in May/June 2003 was a classic manifestation of this divergence; it is also well documented in Papaconstantinos, "Explaining the logic behind donor behaviour."

[617] Anonymous. Interview by author

bureaucracy."[618] The following excerpts from a Report by an AU staff on the Conference of African Ministers of Finance, Planning, and Economic Development that was held in Johannesburg from 16-21 October 2002 are very revealing:

> The international and African opinion is becoming more and more focused on NEPAD, rather than on the African Union. In fact, the deliberations in Johannesburg reflected more a concern for closer cooperation between the ECA and the NEPAD, but no mention of the AU…. With only a skeleton Secretariat of what seems to be a few part-time staff, NEPAD has turned completely to the ECA for more than technical support. The danger here is that with no intermediary between the NEPAD Steering Committee (which is not steering and cannot steer anything) and the HSGIC, ECA ideas will be transmitted right through to the AU Summit, via the HSGIC…
>
> The draft ministerial statement prepared by the ECA Secretariat reveals a lot, regarding the attitude towards NEPAD and the AU. In a document of 25 paragraphs, NEPAD appears 13 times, but there is no single mention of the AU. The attempt of the AU participants to introduce a balance in the text was refused by the chairperson of the meeting, on grounds that the AU was an observer in a meeting of African Ministers convened to discuss a programme of the AU… There is need to raise this matter at an appropriate level. It was only with the assistance of the Rwandan ambassador and Minister that paragraph 3 of the statement was amended to link the NEPAD to the AU as its (AU) programme.[619]

This perception of marginalisation of the AU in the NEPAD processes created discontent within the AU and other African diplomatic cycles that engendered the resolve to contain the NEPAD secretariat staff to prevent the AU from been reduced into an irrelevance. The disgruntled AU Secretariat leadership and other African diplomats apparently succeeded in convincing the NEPAD leadership and the broader AU ministers and heads of state on the need to curtail what they perceived as the counterproductive ambitions of the NEPAD Secretariat staff.[620] This was reflected in the communiqués adopted by the HSGIC in March 2002 and November 2002 that

[618] Ibid.

[619] AU, "Report on the Conference of African Ministers of Finance, Planning, and Economic Development," Internal Memo (Johannesburg, 16-21 October 2002): 10-11.

[620] Anonymous interview by author.

made it a point of duty to clarify the status of the NEPAD and its Secretariat in South Africa. In March 2002, the HSGIC affirmed that the NEPAD is a programme of the African Union. In November 2002, the leaders also asserted that the NEPAD Secretariat is "an interim arrangement especially to service the HSGIC, pending the completion of the transition process of the African Union." The November 2002 communiqué emphasised "the eventual take over of the NEPAD by the African Union" and that "at the appropriate time in future, NEPAD should be fully integrated into AU structures and processes." The HSGIC has also implied and stated that this would take place after the AU's capacity has been strengthened or enhanced.

On the eve of the all-important Maputo AU Summit, it would seem that the authorities at the AU secretariat were contemplating three options for the integration of the NEPAD into the AU:

- First option was allowing the NEPAD maximum autonomy or independence. This was perceived as a "worst case scenario" for the African Union and those African states that have not been at the forefront of the NEPAD processes. However, it would have been the preferred option for the NEPAD Secretariat staff and those who share in the thesis of the stigma of AU ineffectiveness;

- The second option was that of integration, but not necessarily assimilation or absorption. This could consist of upgrading the NEPAD secretariat into an AU regional office, but with the obligation to report to or be answerable to the AU, at least to its Chair and not exclusively and directly to the HSGIC as was defined by the Lusaka Declaration. This was perceived as a win-win scenario, whose feasibility however, was to be contingent on restructuring the NEPAD Secretariat and defining the place and role of both the HSGIC and the Steering Committee. It would have also required restructuring of the staffing composition of the regional office to align it to the AU principle of representativeness characteristic of all AU processes. This would have required that remuneration of the current NEPAD staff be reviewed, in a bid to harmonize the salaries of the staff of the hypothetical regional AU office with the salaries at the AU headquarters;[621]

- The third option was a wholesale integration or assimilation or absorption of the NEPAD into the AU institutions and processes. This was seen as the best-case scenario for the AU staff and all those who were critical of the apparent

[621] At the moment, the NEPAD is staffed largely by appointees from the South African Presidency and the Department of foreign Affairs, a majority of whom are on fixed short-term contracts.

prominence of the NEPAD at the expense of the AU, and particularly those states and interests that felt marginalized in the NEPAD processes. Proponents of this option felt that full integration of the NEPAD into the AU would give all states equal say in its affairs, and would strengthen the highly cherished principle of sovereign equality in the management and running of the NEPAD affairs. However, proponents of keeping the NEPAD separate from the AU reasoned that this option would impact negatively on the NEPAD's original idea of been essentially a "club of the willing." They perceived this option as an attempt to "drag" the NEPAD into the OAU/AU philosophy of "all inclusiveness" that has been seen as a major source of weakness of OAU/AU institutions and processes. This was a worst-case scenario for those who held the perception that the NEPAD could be bogged by the excessive ambitions of the AU and even more by the stigma of ineffectiveness inherited from the defunct OAU.[622]

Realising the dangers of blindly adopting any of the options enumerated above – and to check against the NEPAD suffering the same fate as the now obscure and moribund African Economic Community (AEC) – the African Commission and the NEPAD Secretariat agreed on the following terms of reference for the study of the integration of the NEPAD into the structures and processes of the African Union:

- Review the structures of the NEPAD (Secretariat, Steering Committee and HSGIC) in terms of the effectiveness, representativeness of the wider interests of the continent, and capacity to provide information on NEPAD activities to all 53 member states;

- Examine the processes and procedures of NEPAD and the extent to which they reflect the wider concerns and interests of the continent consisting of 53 Member States, and taking into account the corresponding structures and procedures of the AU;

- Analyse the impact of the integration of the NEPAD as a programme of the AU on its programme areas (in terms of selectivity and reprioritising) vis-à-vis those of the Commission and Directorates of the AU recognizing the enhanced socio-economic mandate of the AU;

- Take into account the directives of the Abuja Communiqué of November 2002 on the requirements for legal incorporation of the NEPAD within AU framework and subsequent processes;

- Examine the commonality of interest between the MOU of the CSSDCA and the APRM of the NEPAD, and the issue of complementarities;

[622] These scenarios were painted in separate interviews granted this researcher by two anonymous senior staff of the AU Secretariat at the AU Commission in June 2003.

- Develop a conceptual approach to the issues of "Integration of NEPAD into the AU structures and Processes" and "take over of NEPAD by the AU" and propose modalities and options to this end.[623]

The accent in the terms of reference was however, on the eventual full integration of the NEPAD into the parent AU processes with little consideration towards the option of having the NEPAD continue to evolve as a separate process. These proposals were apparently intended to bring the NEPAD in line with the overall logic of "all-inclusiveness" and "representativeness" that have been the defining characteristic OAU/AU processes. More importantly, the much-awaited Maputo Summit seemed to have resolved the contentious issue of the marginalisation of the AU in NEPAD processes in favour of the AU – by granting it a greater say and implicit oversight authority in the NEPAD processes.

Specifically, the Maputo Summit mandated the Chairperson of the Commission of the African Union, in consultation with the Chairperson of the HSGIC; to operationalise the following processes with the flexibilities as may be required:

- Establish appropriate linkages between the NEPAD Steering Committee with the relevant organs of the African Union including the permanent Representatives Committee and the Executive Council in order to ensure integrated inputs into the work of the HSGIC;

- Enter into temporary host agreement with the Government of the Republic of South Africa with a view to providing the NEPAD Secretariat with a legal status of an AU office operating outside the African Union Headquarters for a transitional period of three (3) years as from July 2003, or until such a time that the relevant structures of the African Union are fully operational, whichever comes first;

- Formalise the working relations between the AU Commission and the NEPAD Secretariat, especially for programme co-ordination and harmonisation;

[623] This details were extracted from an AU inter-office memorandum from Mr. E. B. Akpan, Economic Advisor Bureau of the Interim chairperson (BIC) to the Interim Chairperson, on the conclusions of the meeting between the AU Commission and NEPAD officials that held on May 16 2003

- Align and harmonise the conditions of service, rules of recruitment and accountability with those of the AU Commission; and develop a sustainable funding mechanism for NEPAD after its complete integration into the AU structures and processes.[624] Meanwhile, paragraph (10) of the Maputo Declaration mandated the Chairperson of the AU Commission in consultation with the Chairperson of the HSGIC, to appoint the Executive Head of the NEPAD Secretariat during the transitional period.

The mandate given the AU Chairperson by the Maputo Summit reflected the fact that the diplomacy of the AU-NEPAD integration seemed to have worked in favour of the AU. The AU achieved its desired goal of taking control of its socio-economic programme. The Maputo Summit not only granted powers of oversight to the AU Chairman over the staff of the NEPAD Secretariat, but actually removed ambiguity in the NEPAD-AU relationship by providing a legal framework formally linking the two processes. Although it remains to be seen how much this AU control of the NEPAD processes will enhance or derail the prospects of its implementation, by strengthening the hands of the AU over the NEPAD, the Maputo Summit has shifted the focus of the initiative to building consensus and securing the "buy in" of the various interests of African states. This, according to ECA's Abdalla Hamdock, "has considerably altered or even distorted the original thrusts and designs of the initiative."[625]

6.7 THE ECA COMPACT: MORE THAN JUST TECHNICAL AND ANALYTICAL SUPPORT

Established in 1958, the Economic Commission for Africa (UNECA) has served as the principal think tank in formulating the continent's economic development frameworks. Most of the continent's major development initiatives – such as the Lagos Plan of Action (LPA) and Africa's Alternative Framework to Structural

[624] AU, "Assembly of the African Union, Second Ordinary Session," (Maputo, Mozambique 10-12 July 2003) Assembly/Au/Decl. 8 (II) page 3, paragraph 8 (i–v).

[625] Hamdock, interview.

Adjustment (AAPSAP) – were conceived and developed by the ECA, with African leaders and the OAU giving political approval. This does not seem to be the case with the development of the NEPAD, particularly as accounts of the diplomacy of the NEPAD do not seem to accord the ECA any major role. Some insiders of the ECA however suggest that the ECA, through its "New Global Compact for Africa's Recovery," played a greater role in the development of the NEPAD than official accounts acknowledge.

The ECA's role in the NEPAD process has been downplayed for political and strategic reasons. African leaders seem to want to appear to have broken with past practices in which the formulation of regional economic initiatives was entrusted to African technocrats (mostly of the ECA) with African leaders providing only political approval. Moreover, claims of African ownership and leadership of the initiative have meant that African leaders needed to detach the origins of the initiative as much as possible from any processes and institutions that appeared to have very close ties with extra-continental actors. The ECA, though designed to direct African development, has very strong links with the UN system. More importantly, the institution has in recent times been seen to have very strong sympathies for the kinds of liberal economic policies propagated over the years by global financial institutions – the IMF and the World Bank.

The Compact represented the ECA's response to the implementation of the United Nations Millennium Declaration. The idea of developing the compact emanated from a speech made by the executive secretary of the ECA, Mr. K.Y. Amoako, to the eighth Session of the ECA Conference of African Ministers of Finance held in Addis Ababa in November 2000. In his speech, Amoako called for a Compact with Africa in which the developed countries would invest the necessary

resources through aid, debt relief and market access to give African economies the jump-start they needed. In turn, Africa would put in place the necessary political reforms to ensure that their economies take off.[626] Endorsing his proposal, the Conference adopted a resolution requesting the ECA to develop the details of the Compact for consideration by the Joint ECA Conference of Ministers of Finance and Ministers of Economic Development and Planning in Algiers in May 2001. The resolution also suggested that the executive secretary consult with individuals and institutions, including the United Nations and Africa's development partners, who had the potential to best assure the Compact moved to implementation.[627]

In course of the ECA executive secretary's execution of this mandate, the ECA became aware of and involved in the MAP process. The introductory background to the ECA Compact specifically states:

> As the process of articulating the Compact and the related consultations evolved it emerged that presidents Mbeki of South Africa, Obasanjo of Nigeria and Boutaflika of Algeria were developing an initiative known as the Millennium Partnership for the African Recovery Programme (MAP)… The MAP recognises that a new and effective partnership with the international community is essential to its success, even as it stresses that African governments and people have the primary responsibility for its implementation. These are also the goals of the Compact, which is indeed conceived as a technical input to the elaboration and implementation of the MAP.[628]

The ECA's involvement in the NEPAD process could thus have began much earlier than the NEPAD architects admit. If the ECA's Compact was conceived as a technical input to the elaboration of the MAP as indicated above, then it might have had something to do with the shaping of the MAP contents, even before merger processes. If this was the case, the similarity in the contents and goals of the ECA

[626] ECA, *Compact*, paragraph 3

[627] Ibid. paragraph 4.

[628] Ibid. paragraphs 3-5.

compact and the MAP could not be simple coincidence. Rather, it could be explained by the role of the ECA in the crafting of the MAP.

However, a preponderance of opinion has it that the role of the ECA in the NEPAD process only began during the Algiers African Ministers of Finance meeting in May 2001, that is said to have initiated the merger process. During this meeting, the executive secretary of the ECA, K.Y Amoako presented the ECA's Compact alongside the presentation of the MAP and the Omega Plan by their respective authors. It seems that the African Ministers of Finance urged the experts of the three initiatives to work together to achieve the merger and consolidation of the initiatives; MAP, Omega Plan and the ECA Compact.[629]

Given of the ECA's financial, human and logistical resources capabilities, the task of facilitating the merger was actually entrusted to the ECA. The ECA effectively played this role, as demonstrated by its active involvement in all the MAP processes and meetings, particularly after the Algiers Ministers of Finance meeting. However, conflicts of interest emerged between ECA experts and experts of the MAP Steering Committee that represented the lead heads of state of the initiative. In the words of Ambassador Balla Sy and Consul Bassirou Sene, "the ECA tried to do a little too much – in course of which it overstepped its mandate. The perception therefore developed that it was attempting to steal the show from the African leaders."[630]

Arguably, the ECA's sidelining in the official accounts of the processes leading to the establishment of the NEPAD may be explained by the desire of the African heads of state to retain ownership and leadership of the initiative. The notion of

[629] NEPAD, "Background document 2001," p. 3.

[630] H.E Balla Sy, interview; Consul Bassirou, interview

political ownership and leadership by heads of state distinguish the NEPAD from earlier initiatives. More importantly, it seems African heads of state feared close links of the NEPAD to the ECA because of the ECA's links with the United Nations, and the unpopular neo-liberal policies of the Bretton Woods Institutions. This was reflected in the attitude towards the ECA's governance project and the location of the APRM secretariat.

In fact, during the June 2002 heads of state and governments' implementation committee meeting, in Rome, it was agreed that, in light of the detailed nature of the ECA's governance project, it should be used as the basis for the entire NEPAD APRM process – a position put forward by South Africa.[631] Committee members equally recommended that the proposed secretariat of the APRM be located at the UNECA seat in Addis Ababa. In time, however, these recommendations became hostage to a number of other agendas.[632] During the HSGIC meeting in Abuja, the Nigerian leader, Obasanjo, specifically reversed the Rome decision on the location of the APRM, arguing, "the UNECA was a non-African institution and was therefore, inappropriate to host such a strategic African process, especially as it represented the interests of the Washington consensus."[633] He therefore, pushed for the APRM secretariat to be located at the AU headquarters.

Despite attempts to downplay the Compact document in the NEPAD processes, however, evidence suggest that the ECA has contributed more than just technical and analytical inputs into the NEPAD process. "Much of the content and ideas of the ECA Compact have found their way into the final NEPAD document, particularly in

[631] See *African Security Review*, Vol. 11 no. 4 (2002): 2.

[632] Ibid.

[633] Ibid.

the domains of the governance initiative and the whole notion of new partnerships with the industrialised countries of the North."[634] Moreover, the ECA is still the principal institution entrusted with crafting the details of the corporate governance initiative. This is despite claims that "the ECA Compact was never intended to be part of the Omega-MAP merger, and that it has survived this merger as an independent and parallel process."[635]

CONCLUSION

Overall, this chapter has argued that the precursor initiatives to the NEPAD began as independent parallel processes, later presented to the OAU to make them legitimate continental blueprints. Originating from a common concern about the continent's poverty and underdevelopment, the main precursor initiatives converged on many issues. However, they diverged on the prioritisation of issues and the strategies to be employed for the realisation of the common goal of economic renewal for the continent. This therefore, warranted intense negotiations and compromises between the leaders of the two main precursor initiatives to be able to come up with a common and unified framework.

Because the NEPAD processes emerged against the backdrop of Africa's increased vulnerability in the global economy, especially as a result of its unsustainable debt burden, the NEPAD diplomacy was dominated by the desire to satisfy a minimum of the requirements of external actors so as to earn their support. Despite attempts to assert the initiative's exclusively internal origins, evidence

[634] Hamdock, interview.

[635] According to Senegalese Consul Bassiruo (interview) evidence of this is found in the fact that in a meeting of African ministers of the Environment in Addis Ababa during May 2003, the ECA executive Secretary in continued to refer to the ECA Compact as a parallel programme for Africa.

suggest that the diplomatic processes behind the NEPAD were dominated by contacts between the leaders of the initiative and extra-regional actors – the G8, the European Union and other bilateral and multilateral partners. Consultations with African states, African processes, groups and institutions, including the OAU were secondary. I have argued that the prominence of external actors in the NEPAD diplomacy enabled them to glean their preferences into the final NEPAD document (particularly long-cherished principles of economic and political liberalism). This has created and enforced the perception that the initiative has been externally inspired.

Although the ECA's role has been deliberately downplayed in accounts of the NEPAD process, the prescriptions of its Compact have found their way into the NEPAD framework. To borrow from Nabudere, "the key role of the Compact came out more clearly in establishing the basis for developing the partnership with the donor community."[636]More importantly, the ECA's Compact "supplied" MAP and Omega Plan with the details of "good governance" that later formed the foundation on which "enhanced partnerships" with the donors was envisioned.[637]

[636] Nabudere, "NEPAD, historical background," p. 9.

[637] Ibid.

CHAPTER SEVEN

NEPAD, CHALLENGES AND PROSPECTS OF IMPLEMENTATION: A COMPARATIVE POLITICAL ECONOMY PERSPECTIVE

7.1 Introduction

At the beginning of the twenty first century, the NEPAD has emerged as the most important item about Africa in both continental and global development agendas – generating much hope and expectation.[638] The perception has persisted amongst sceptics however, that Africa's development cooperation initiatives have been very good at raising hopes and expectations, but have remained painfully short at delivery. The NEPAD document acknowledges "there have been attempts in the past to set out continent-wide development programmes. For a variety of reasons, both internal and external, including questionable leadership and ownership by Africans themselves, these have been less than successful."[639] Although it asserts "there is a new set of circumstances which lend themselves to integrated practical implementation,"[640] the legacy of poor performance of earlier initiatives and the link that the NEPAD establishes between otherwise sensitive sovereign issues of governance and the prospects of African countries' economic development have increased the challenges of its implementation.

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[638] See Alence, "Notes on the international relations of the New Partnership for Africa's Development (NEPAD)," Paper presented at the Africa Talks Seminar (Ghana, 2002): 1; Ajulu, "Why the NEPAD," p. 9; K. Morais and S. Naidu, "Libya's Africa policy: What does it mean for South Africa and NEPAD?" *South African Journal of International Affairs*, Vol. 9 no. 2 (Winter 2003); Hope, "From crisis to renewal," p. 397; Richard Cornwell, "The New Partnership for Africa's Development: Last chance for Africa? *Africanus: Journal of Development Studies*, Vol. 32 no. 43-55 (2002); Ravi Kanbur, "The New Partnership for Africa's Development (NEPAD): An initial commentary," Draft Paper (Cornell University, 2001); Martin Okouda, "Le NEPAD, un nouvel espoir," p. 30**;** Policy Forum, "Security and NEPAD" (GCA/PF/No.02/01/2003) (Accra Ghana, January 22-23 2003).

[639] AU, "NEPAD 2001", p. 9.

[640] Ibid. p. 9

Earlier African initiatives, particularly the LPA, assumed that if policies promised economic rewards, African governments could be relied upon to implement them faithfully. The likely impact of African countries' domestic political environments on their governments' willingness and ability to uphold commitments to long-term development goals defined in regional agreements was overlooked. Moreover, in an effort not to hurt each other's interests, African leaders designed regional initiatives in a manner that placed little emphasis on establishing and sustaining credible regional restraint mechanisms that could elicit the desired behaviour from governments.

The NEPAD breaks with earlier assumptions about African states by emphasising the importance of reforming domestic institutions and processes of governance. It assumes African governments' perceptions of internal political and economic insecurity that have prevented them from committing to long-term development have stemmed from poor economic and political governance. Africa's weak institutions and hostile political environment have encouraged neopatrimonial practices, centralisation of power and its arbitrary exercise.[641]

NEPAD's designers have recognised the need to strengthen the African state by identifying a set of political, economic and corporate governance values, codes and standards as preconditions for development.[642] They have also established a regional self-restraint and self-monitoring mechanism – the African Peer Review Mechanism (APRM) to ensure that these norms and standards are upheld. The NEPAD's governance reform agenda and the APRM set it apart from all earlier African regional

[641] Alence, "Political institutions," p. 7; Callaghy, "The state, leviathan;" Zolberg, "The structure of conflict."

[642] See AU-NEPAD, "Declaration on democracy, political, economic and corporate governance," (AHG/235(XXXVIII) Annex 1 (2002): 8-17.

economic cooperation initiatives. Whether the NEPAD succeeds or fails depends largely on what becomes of its governance agenda. Accordingly, this chapter focuses on the challenges and prospects of implementing the NEPAD's good governance prescriptions.

The chapter seeks to answer two main questions. First, how would NEPAD's envisaged governance reforms enhance prospects of achieving African countries' long-term development goals? Second, how likely is the APRM to align the behaviour of African governments to regionally agreed norms and standards of governance?

I argue that the implementation of Africa's regional economic cooperation initiatives is structured by expectations of potential benefits, the cost of compliance to states and the existence of institutions to monitor and enforce compliance.[643] Although governance reforms potentially could resolve problems of political insecurity and economic vulnerability that have prevented African governments from committing to long-term economic development strategies, the institutionalisation of good governance also carries political costs for African governments – to whom entrenching good governance could mean committing "political suicide."[644] Despite perceptions that the APRM is potentially the most important component in ensuring the successful implementation of the NEPAD,[645] its potential to serve as a credible

[643] See causal diagram to research question II in chapter II of this thesis.

[644] For example, good governance would involve organising transparent and truly competitive elections, which would definitely see unpopular incumbents voted out of office. In the present dispensation, electoral rules in a majority of African states are 'twisted' to favour incumbents, ensuring their victory in the facades that go for plural political contests.

[645] Bikoe and Landsberg,, "NEPAD, African initiative," p. 36; Jakkie Cilliers, "NEPAD's Peer Review Mechanism," ISS Paper 64 (November 2002b); "Peace and security through good governance: A guide to the NEPAD African Peer Review Mechanism," ISS Paper 70 (April 2003); Group of Eight (G8), "G8 Africa Action Plan (Canada: Kananaski Summit, 2002) on website http://www.g8.gc.ca/kan_docs/afraction-e.asp

restraint mechanism is contingent on the viability of its incentive structure – that is, membership criteria, nature of review process and the credibility of the reward-sanction incentive.

NEPAD asserts a strong causal link between improved governance institutions and long-term development prospects of states. Dysfunctional or inadequate governance institutions breed political insecurity that encourage governments to behave in ways that are potentially harmful to long-term development prospects, including potential gains from regional economic cooperation. This is consistent with the position of rational choice institutionalism that although individuals or groups involved in cooperation may expect gains from their cooperative behaviour, however, they usually face various types of incentives problems that make them vulnerable to short-term temptations to defect from cooperation.[646] Although NEPAD's governance reform could lead to long-term benefits, the temptation to renege is still rife amongst the still largely unaccountable and politically insecure African governments. Issues of compliance are therefore paramount in the NEPAD. The question arises as to how politically and economically unresponsive African governments could be made to comply with governance reform prescriptions. Put simply, how can politically insecure African governments police governance reforms? The NEPAD's answer to this question lies in the establishment of the APRM.

However, some literature highlights the limits of internal institutions of restraint in Africa and emphasizes that external restraint mechanisms could be more effective in aligning African governments' behaviour to governance standards.[647] This

[646] Weingast, "Rational choice," p. 23; also see North and Weingast, "Constitutions and commitment," p. 806; Williamson, *Economic institutions*, pp. 48-9.

[647] Collier, "Africa's external relations" pp. 339-356; Collier and Gunning, "Restraint, cooperation and conditionality;" Diamond, "Promoting real reform," pp. 278-285.

literature suggests that the NEPAD's peer review processes be anchored on prospects of greater external resources flows – in the form of market access, debt relief, ODA flows and greater FDI. Even with prospects of anchoring the APRM on external restraints, the question persists as to how its overall design is suited to the requirements of a regional restraint mechanism capable of 'locking in' African governments commitments to good governance.

The rest of the chapter is organised as follows: first, I examine evidence of the causal link between governance quality and economic development, focusing on the potential internal benefits of compliance with good governance. This is followed by a discussion of the costs and challenges of compliance with good governance for African governments. I then proceed to examine African countries' expectations from external partners. This is followed by an assessment of the uncertainties associated with expectations of external support. I then proceed to assess the APRM as a credible restraint mechanism, focusing on its incentive structure – membership criteria, nature of review process, and the presence of an externally anchored reward-sanction incentive.

7.2 NEPAD GOVERNANCE AGENDA: BENEFITS AND COSTS OF COMPLIANCE

To correct Africa's multiple internal political, economic and structural inadequacies and its skewed relationship with the external environment, the NEPAD is structured into two compacts: "an internal compact, which defines the envisaged relationship between African governments and their peoples; and an external compact, which defines the new relationship between Africa and the international

community."[648] The potential socio-economic benefits of the NEPAD are examined here from two perspectives – benefits that could accrue to African countries individually and collectively from internal governance reforms (intrinsic benefits); and benefits that could result from changes in the nature of Africa's relationship with external partners (extrinsic benefits). While African governments' compliance with governance reforms involves political costs, their expectations of external support are surrounded by uncertainties

7.2.1 NEPAD'S INTERNAL COMPACT

The NEPAD identifies creating an enabling domestic environment as the foundation to the socio-economic transformation of the continent. The central elements of this foundation are peace, security, good governance and regional cooperation. Upon this foundation priority development projects in the areas of infrastructure, human resources development and technology innovation are put forward.[649] I focus here on the potential long-term development benefits of the institutionalisation of peace, security, democracy, and good governance because they are the preconditions for development.

Scholars and policy analysts are agreed on the need for good economic governance and basic political stability for meaningful development.[650] The absence of peace and security, the shallowness of democracy, and the prevalence of poor economic and political governance in a majority of African countries have combined

[648] Abdul Mohammed personal interview, Addis Ababa, June 2003.

[649] OAU, *NEPAD October 2001*, chapter 5.

[650] In the case of Africa, this consensus has been most remarkable in the convergence of the positions of the ECA and the World Bank on the imperative of good governance for Africa's development. See for example, UNECA, *Perspectives on Africa's development: Selected speeches by K. Y. Amoako, Executive Secretary, Economic commission for Africa* (New York: UN, 2000): 135-155; World Bank, *Can Africa claim the twenty first century* (Washington DC: WB, 2000).

to deepen poverty and underdevelopment. This is particularly so as peace, security and good governance intertwine on several levels in Africa.[651] Conflicts are, for example, more likely to occur in countries with dysfunctional governments, characterised by weak, undemocratic economic and political institutions. Conversely, the more democratic a society, the higher its capability to provide outlets for grievances and room for compromises - reducing the risk of conflict.[652] This is despite the argument that democracy intensifies internal divisions (religious, ethnic and cultural) and promotes conflict by encouraging factional competition for power and economic resources.[653]

Although scholars of both the left and right challenge claims that democratic societies are necessarily more stable than undemocratic ones, many of Africa's numerous civil wars have occurred in the face of highly authoritarian and abusive governments.[654] The World Bank for example argues that "about one African in five lives in a country formally at war or severely disrupted by conflict that on average lowers economic growth by at least two percentage points every year it persists."[655]

Moreover, substantial amounts of Africa's scarce resources are devoted to building strong armies, procuring arms and executing destructive inter and intra-state

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[651] Ibid; Policy Forum, "Security and NEPAD."

[652] K. Y. Amoako, "The economic causes and consequences of civil wars," Address at the Seventh Ordinary Session of the Council of Ministers of the OAU, Algeria (July 8 1999) in UNECA, *Perspectives on Africa's development*, pp. 45-53.

[653] See for example, J.R. Scarritt, S.M. Macmillan and S. Mozaffar, "The interaction between democracy and ethnopolitical protest and rebellion in Africa," *Comparative Political Studies* 34, 7 (2001): 800-827; Z. K. Smith, "The impact of political liberalisation and democratisation on ethnic conflict in Africa: An empirical test of common assumptions," *Journal of Modern African studies* 38, 1 (2000): 21-39; Sandbrook, R., *Closing the circle: Democratisation and development in Africa* (London: Zedbooks,, 2000).

[654] Stephen Stedman and Terrence Lyons cited in Diamond, "Promoting Real reforms," p. 271.

[655] World Bank, *Can Africa*, pp. 39-40

wars. Following armed conflicts, huge resources are devoted to efforts at reconciliation, reconstruction and resettlement – which resources would otherwise be directed to gainful economic activity if the African states were well governed as to avert these conflicts in the first place. And as K. Y Amoako puts it, "in the trade-off between 'guns and butter' African leaders have too often chosen to use available resources to produce [procure] guns for civil and international conflicts over 'butter'."[656]

Yet African regional initiatives formulated in the 1970s and early 80s blamed most of the continent's economic failures on external factors – unfavourable commodity prices and the skewed global economic order. Beginning in the late 1980s "consensus emerged that dysfunctional political and economic governance institutions bear much of the blame for the region's disappointing economic performance."[657]Arguably, this consensus has informed the NEPAD's assumptions that; improved governance (political, economic and corporate) will reduce Africa's conflicts, curtail corruption and mismanagement and generally create the incentives for African governments to adopt policies and commit resources to profitable long-term socio-economic development.

Generally, the African state has been a very weak state – state power here meaning "the density and quality of institutional networks linking state and society."[658] The typical African state is characterised by "dysfunctional, shallow, brittle, highly personalised set of structures and institutions, captured by a narrow elite for their own ends, and lacking a larger sense of autonomous purpose and

[656] Amoako, "Economic causes and sources of war," p. 48.

[657] Alence, "Political institutions," p. 163; Also see Diamond, "Promoting real reforms," p. 271; African Development Bank (ADB), *African Development Report 2003*, p. 38.

[658] See Gelb, "South Africa's role," p. 4.

mission."[659] Most African states have been unable to institutionalise restraints on state power, resulting in the entrenchment of the abusive use of discretionary state authority.[660] Moreover, although African states inherited bureaucratic and civil service structures at independence, these too have remained unprofessional, lacking the neutrality and probity characteristic of public services elsewhere.[661] Meanwhile, banking and monetary systems are underdeveloped in a majority of African countries, acting as a real obstacle to economic activities. Overall, weak state institutions have encouraged unaccountability and lack of transparency in both political and economic activities, conspiring to hold back development in the continent.[662]

In the political realm, the political space remained constricted several years after independence. Despite the political liberalisation of the 1990s onwards, the democratic process remains shallow and has even shown signs of regression in some countries. Human rights violations are still rife, civil society organisations are still not very strong, press freedom is still a pipe- dream in many African countries, and more importantly, opposition parties are yet to make an impact in many polities, particularly as electoral rules are usually manipulated to favour incumbents.[663] This has left the democratic process in the continent very volatile.

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[659] Diamond, "Promoting real reforms," p. 270.

[660] See for example, Robert H. Jackson, *Personal rule in black Africa: Prince, autocrat, prophet, tyrant* (Berkeley, CA: University of California Press, 1982); Patrick Chabal (ed.), *Political domination in Africa: Reflections on the limits of power* (Cambridge: Cambridge University Press, 1986).

[661] Thomas M. Callaghy, "The state as lame leviathan: The patrimonial administrative state in Africa."

[662] Nicholas Van de Walle, *African economies and the politics of permanent crisis, 1979-1999* (Cambridge: Cambridge University Press, 2001);

[663] For insights on democratisation in Africa, see Issa G. Shivji (ed.), *Fight my beloved continent: An African debate on democracy* (Harare: SAPES Trust, 1992); M. Chege, A.K. Gitonga, E.S.A Odhiambo, W.O. Oyugi (eds.), *Democratic theory and practice in Africa* (Nairobi, Kenya: Heinemann, 1988); Peter Anyang' Nyongo,(ed.), *Popular struggles for democracy in Africa* (London: Zedbooks, 1987); B. Caron, Alex Gbeyega, and E. Osaghea (eds.), *Democratic transition in Africa*, Proceedings of the Sympossium on Democratic transition in Africa (Ibadan: CREDU, June 16-19, 1992); Michael

Yet, growing comparative evidence suggests that good political governance impacts positively on development. For example, the promotion of democratic processes of political representation, such as well functioning electoral institutions, or the enabling of effective "voice" in the policy formulation process for social groups, including the poor, produces economic policy outcomes which are more "elastic," capable of absorbing external shocks more effectively, and hence contribute to sustainable growth.[664] Institutional and bureaucratic quality in general favour economic growth by securing property rights, checking on corruption, promoting and protecting individual and group rights and freedoms; and generally restraining abusive government discretionary power.[665] Conversely, the absence of transparent and predictable institutional frameworks allows the use of discretionary interpretation that could give rise to rent-seeking and corrupt practices. These diminish public confidence, distort the operation of economic activity, weaken political stability and thereby hamper economic growth and development.[666]

In the area of economic and corporate governance, weak African states' institutions have encouraged corruption, poor service delivery, the lack of integrity of monetary and financial systems and poor regulatory frameworks – including

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Bratton and Nicholas Van de Walle, *Democratic experiments in Africa* (New York: Cambridge University Press, 1997).

[664] See variously B. Ndulu and S.A. O'Connell, "Governance and growth in Sub-Saharan Africa," *Journal of economic Perspectives* 13, 3 (1999): 41-66; Dani Rodrik, "Making openness work: The new global economy and developing countries" (Overseas Development Council, 1999).

[665] Phillip Keefer and Stephen Knack, "Institutions and economic performance: Cross-country tests using alternative institutional measures," *Economics and Politics 7, 3* (1995): 207-227; Johannes Fedderke and Robert Klitgaard, "Economic growth and social indicators: An exploratory analysis," *Economic development and cultural change 46, 3* (1998): 455-489**;** Pierre Engelbert**,** *State legitimacy and development* **(**Boulder and London: Lynne Rienner Publishers, 2000); Richard Roll and John Talbott, "Why many developing countries just aren't" (November 13 2001) in http://www.cipe.org/pdf/whatsnew/events/talbot.pdf

[666] Omar Kabaj, *The challenge of African development* (Oxford: Oxford University Press, 2003): 55.

ineffective accounting and auditing systems. Corruption is one of the greatest obstacles to development in Africa. A priority concern of the NEPAD economic governance initiative is the fight against corruption. As the UNECA puts it, "more effective government and greater benefits from markets require tougher action by African countries to deal with the cancer of corruption."[667] Corruption often flourishes where institutions are weak, where the rule of law and formal rules are not rigorously observed, where political patronage is rife, where the independence and professionalism of the public sector have been eroded, and where civil society lacks the means to generate public pressure.

Once entrenched, corruption hinders economic performance, increases the cost of public investment, lowers the quality of public infrastructure, decreases government revenue and makes it burdensome and costly for citizens – particularly the poor – to access public services. Corruption also undermines the legitimacy of governments and erodes the fabric of society.[668] Moreover, the prevalence of corruption reduces the level of investments a government can attract.[669] Overall, corruption undermines growth and development, which in turn, has enormous effect on poverty.[670] The NEPAD's prioritisation of the fight against corruption is potentially capable of altering the perception about the African environment to both domestic and external investors.

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[667] UNECA, "Guidelines for enhancing good economic and corporate governance in Africa," Final draft (May 2002): 55 paragraph 186.

[668] World Bank, *Can Africa*, p.87.

[669] Paolo Mauro, "Corruption and growth," *Quarterly Journal of Economics* 110, 3 (1995): 681-712.

[670] Kabaj, *The challenge*, pp. 56-58; UNECA, "Guidelines for enhancing governance," paragraph 186, p. 55.

According to UNECA economic and corporate governance reforms envisioned in the NEPAD matter to Africa because, among other things, they potentially contribute to macroeconomic stability, enhance governments' ability to implement development and poverty reduction policies, enable public management functions to be executed accountably and contribute in creating credible policy environments in which domestic and international investors can have confidence and where trade can be advanced.[671] They also strengthen states' absorptive capacity to attract and mobilise development assistance flows, enable the demonstration of transparent and participatory economic policy-making and execution as well as an open flow of information available to all stakeholders. Economic and corporate governance reforms also serve as signals to governments' adherence to standards of institutional functioning, free of corruption or other such rent-seeking behaviour. They represent a source of comparative advantage, attract private domestic and foreign investment and broaden and deepen local capital markets.[672] Overall, guaranteeing the rule of law and the enforceability of contracts, establishing efficient institutions, bureaucracies, and judicial systems, avoiding corruption and being otherwise accountable and responsible to their citizens constitute a set of government actions having substantial development benefits.[673] And as Rehman Sobhan opines, "improved economic governance in an individual country provides substantial direct economic benefits in

[671] UNECA, *Guidelines for enhancing governance* p. V

[672] Ibid.

[673] Deborah Brautigam, "Governance and economy: A review," Working paper WPS 815 (Washington D.C: World Bank Policy Review Department, December 1991); Goran Hyden and Micheal Bratton (eds.), *Governance and politics in Africa* (Boulder, Colorado: Lynne Riener, 1992).

terms of more effective delivery of public goods and services, both to the poor and to firms."[674]

The nature and quality of governance institutions, and the types of policies that governments choose, have a huge impact in shaping how economies perform, and whether and how rapidly people will escape from mass poverty.[675] NEPAD's governance reform aims to promote policies and practices that could be welfare enhancing. However, like most policy prescriptions, there are costs and challenges associated with implementation as shall be seen in the section that follows.

7.2.2 COMPLYING WITH NEPAD's GOVERNANCE AGENDA: COSTS AND CHALLENGES FOR AFRICAN GOVERNMENTS

In the NEPAD strategy, realising the potential benefits of both the internal and the external compacts of the NEPAD hinges on the establishment of structures and processes of good governance. However, issues of governance have traditionally been very sensitive and highly guarded domains in Africa's international relations. Therefore, despite the valuable potential benefits of governance reforms, African governments and other stakeholders face daunting challenges implementing them. Richard Cornwell had this in mind when he quipped "to succeed, even moderately, NEPAD is going to demand the commitment of political leaders here and elsewhere to policies [and governance practices] that may cause them considerable discomfort in the short to medium term."[676]

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[674] Rehman Sobhan, "How bad governance impedes poverty alleviation in Bangladesh," *OECD Development Centre, Technical Paper no. 143* (November 1998).

[675] Diamond, "Promoting real reform," p. 268.

[676] Cornwell, "The NEPAD, last chance."

Good governance, like other policy choices, implies trade-offs with far-reaching political implications. Linking the benefits of the NEPAD to subjecting the management of individual African states to intrusive peer review processes is indeed a "self-denying ordinance."[677] I examine here, the political costs and challenges of NEPAD's good governance prescriptions for individual African states and how this could influence their attitude towards the initiative.

Perhaps the greatest sacrifice expected of African leaders for the successful implementation of the NEPAD is in the area of sovereignty. The NEPAD, particularly its peer review process, would involve substantial intrusions into the domestic policy making processes of African states – by their own peers and indirectly by extra-regional actors. Yet African governments have historically been unwilling to compromise sovereign authority for the common good of the continent. The enormity of the problem of sovereignty therefore, becomes obvious in the NEPAD process.[678]

NEPAD's proponents claim there is sufficient political will amongst African leaders to offset the sensitivities related to sovereignty. However, there is little from the experience of the past decades to suggest that current African leaders would be willing to commit to the objectives of this revolutionary project. Although the emergence of a new breed of leadership in the continent gives some reason for optimism, however, this group still constitutes the minority. Many current African leaders are of the despotic, largely unresponsive old guard, whose distinctive hallmark has been the systematic deployment of the state for predatory activities. The restraint on African governments' discretionary policy making authority, including the broadening of Africa's political space called for in the NEPAD will amount to

[677] Ibid.

[678] Rok Ajulu, "The African Union: The challenges of implementation," *IGD Global Insights: A focus on current issues,* Issue no. 17 (Johannesburg: IGD, May 2002a): 3.

committing political suicide for a greater majority of African regimes. Indeed, "the main [problem] facing NEPAD comes from leaders who see it as the first real threat to their domestic power."[679]

Strengthening civil society, respecting human rights, promoting press freedoms and generally empowering the "voiceless" as envisioned in the NEPAD tantamount to placing formidable internal restraints on the actions of Africa's ruling elites. Equally, establishing of functional and credible institutions of governance would greatly constrict the ability of politically insecure African governments deploying state power and resources to placate specific groups and interests for their short-term political survival.[680] Promoting good economic and corporate governance potentially threatens African countries' deeply rooted neo-patrimonial and corrupt networks. For example**,** "circumventing the rule of law, gives governing elites opportunities to adapt policies to the political exigencies of the moment. Meanwhile, corruption allows patronage bureaucracies for nepotism."[681] Groups that have benefited from this order of things will have an incentive to derail the NEPAD process.

Even wars have become profitable politico-economic ventures in the continent, that give their authors control over strategic resources (gold, diamond petroleum, wood) which they would not be able to control under the kinds of stable political environments envisioned in the NEPAD.[682] The prevalence of conflicts and the continuous control of these resources are vital for the continued political relevance of these groups' elites. A successful implementation of NEPAD's good governance

[679] *Business Report*, "Given a chance, NEPAD will take root and grow Africa's young union" (Pretoria, July 13 2003).

[680] Alence, "Political institutions," p. 5; also see B. Ames, *Political survival.*

[681] Englebert, *State legitimacy*, p. 25.

[682] See for example, Chabal and Daloz, *Africa works.*

agenda that would bring about peace and security in the continent would deprive such groups of this seemingly strategic source of economic and political power. Conceivably, as far as their interests and future go, it might be more likely they could throw obstacles to its implementation.

Meanwhile, the NEPAD seeks to promote the proper functioning of the market, through greater openness to the global economy. While this offers African economies the opportunity to share in the benefits of globalisation, it nevertheless risks exposing African countries' admittedly less competitive firms to the more competitive and better-organised ones of the North and elsewhere.[683] Unlike the LPA's closed regionalism that sought to shield African firms and industries from 'unfair competition,' the NEPAD's open regionalism would require that African businesses compete on equal terms in the global market. Although this has the potential of eventually making them more competitive, in the short run it could actually lead to the demise of the very weak ones with attendant political implications.[684] The leaders of the NEPAD therefore, face the challenge of managing the liberalisation implied in the NEPAD in such a way as to mitigate the unhealthy socio-economic costs involved.

Aside from the foregoing obvious costs, successful implementation of the NEPAD is also contingent on overcoming sensitive relational and organisational challenges. First, too many African initiatives in the past have failed as a result of bureaucratic subterfuge and the unchecked egos of political leaders. African leaders have in the past avoided engaging in activities that could diminish their real or

[683] On the political dangers of economic liberalisation in Africa see for example, Jeffrey Herbst, "The structural adjustment of politics in Africa," *World Development* 18, 7 (1990): 949-58.

[684] See generally Bienen and Herbst, "The relationship between political and economic reform," pp. 23-42.

perceived regional or international standing to the benefit of other states. Although the NEPAD outlines a concrete organisational structure to facilitate implementation, for it to make meaningful inroads into the rather volatile inter-African diplomatic landscape, it would need to be vigilant to monitor and expose actions and behaviours that signal bureaucratic or political infighting.[685] The tension the prevailed between the African union bureaucrats and the staff of the NEPAD secretariat until the Maputo AU Summit of 2004 was a manifestation of such infighting. The implementation of the NEPAD therefore, depends on putting the politics between the initiative and related African institutions and processes with which it shares the mandate of developing the continent on the right pedestal.

More importantly, in the past, African leaders have professed a desire and commitment to the ownership of their development programmes, while their actions and hopes have been that external support will be most crucial for their implementation. The NEPAD appears to lean on this logic more than any earlier African initiative. Therefore, another challenge that needs to be overcome for the sustained implementation of the NEPAD is that of reversing this tendency. The notion of African ownership and leadership should not be a mere rhetoric, it has to be translated and reflected in the behaviour of African leaders in the way they steer the NEPAD process.

Related to the challenge of effectively taking ownership of the NEPAD, is the challenge of involving all stakeholders at the level of implementation. “Although the NEPAD emerged as an “elite driven” programme, for it to succeed, civil society, the private sector and various other continental and external public constituencies have to

[685] Hope, “From crisis to renewal,” p. 398.

be mobilised."[686] Although proponents of the NEPAD argue engagement is ongoing with these stakeholders, the initiative is still little known to the larger African publics, who are supposedly the owners of the initiative. Moreover, it does not suffice to engage the various African stakeholders. What is even more urgent is the dire need to overcome the challenge of building the requisite capacity to drive and sustain the benefits of the NEPAD.[687]

Finally, for the NEPAD to be successfully implemented, it would have to address the issue of generating too much expectation. The way the initiative has been marketed thus far renders it too ambitious and seemingly unrealistic. It seems to embrace virtually every aspect of Africa's social, economic and political development, resulting in overlaps and frictions with existing African processes and institutions.[688] And as CSSDCA's head, Jinmi Adisa sees it: "there is need for the NEPAD to simmer down on the rhetoric of expectations and to watch out against the risk of becoming over-rated as this will have very serious implications on its delivery."[689] More importantly, the NEPAD would have to be cautious about expecting too much from external partners although their support for the initiative is crucial for its success. In the sections that follow, we analyse first, the potential benefits of NEPAD's external compact and second, we appraise the uncertainties associated with the expectations of external support.

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[686] Bikoe and Landsberg, "NEPAD, new initiative," p. 44.

[687] Hope, "From crisis to renewal," p. 399.

[688] On this point, there has been a strong feeling that the NEPAD need to focus on its areas of "comparative" advantage. See for example, Kanbur, "NEPAD, initial commentary;" "The economics of international aid" (Cornell University, November 2003).

[689] Adisa, interview.

7.2.3 NEPAD'S EXTERNAL COMPACT: EXPECTATIONS AND UNCERTAINTIES

7.2.3a EXPECTATIONS FROM EXTERNAL PARTNERS

Although most of the criticisms against the NEPAD centre on the relationship it seeks to establish with extra-regional actors and processes, the envisaged new partnerships portend substantial economic benefits for African countries. These new partnerships centre around four major issues – official development assistance (ODA), foreign direct investment, debt and market access.[690] The benefits expected from NEPAD's external compact can be appraised from these four issue areas.

First, the architects of the NEPAD expect improvements in the quality, quantity and predictability of development assistance (ODA) to the continent. They have argued that not only has the volume of ODA sharply declined over the years, but also that it has been very fragmented, unpredictable and costly to have any positive impact on African countries' development prospects.[691] As G. K. Helleiner puts it, "aid relationship as presently practiced, is a wholly unsatisfactory basis for linking Africa with the world…it comes in forms and in terms that undermine, rather than support, long-term African development."[692] To borrow from UNICEF's Abdul Mohammed, "African countries have had to spend much time trying to negotiate with and account to multiple donors, that usually have numerous and at times conflicting conditionalities and requirements."[693]

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[690] Abdul Mohammed evoked the notion of these four expectations during a personal interview with this researcher in Addis Ababa, in June 2003.

[691] AU, "NEPAD 2001," paragraph 2.

[692] G.K. Helleiner, "Linking Africa with the world: A survey of options," in Ademola Oyejide, Benno Ndulu, and David Greenaway (eds.), *Regional integration and trade liberalisation* in SSA, Vol. 4 (london: Macmillan, 1999): 127.

[693] Abdul Mohammed, interview.

Moreover, aid donors and international financial institutions (IFIs) have been perceived as driving far too much of Africa's policy change, with the inevitable result that there is insufficient indigenous "ownership" of public programmes.[694] For this reason, the NEPAD envisages the establishment of a forum of African countries to develop a common African position on ODA reforms, and engagement with donor countries to develop a charter underpinning the development partnership. This charter identifies the economic governance initiative as a prerequisite for enhancing the capacity of African countries to utilise increased ODA flows. It also proposes a complementary, independent assessment mechanism for monitoring donor performance.[695]

The NEPAD's desire to reform ODA is an attempt to "internalise" the conditionalities that have for the past decades accompanied development assistance. African governments' pledges to establish and institutionalise good political and economic governance is hinged on the expectation that the donor community would reward those African countries that have good governance structures and processes in place – those that manifest a genuine will and strive to establish them – with higher volumes, better quality and more predictable resource flows. This reading of the NEPAD process informed Canada's Robert Fowler's contention that "NEPAD offers a different kind of paradigm. It offers the prospect of concentrating engagement on those countries that are prepared to take political and economic decisions necessary to make this new plan work."[696]

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[694] Collier, "Africa's external relations."

[695] AU, "NEPAD 2001", paragraph 148.

[696] Robert R. Fowler, Personal representative of the Canadian P.M for the G8 African plan, Speech delivered to the Canadian Institute for International Affairs (November 15, 2001).

Overall, improvement in the volume, quality and management of ODA is expected to increase the prospects of achieving the ultimate goals of development assistance – better economic performance, economic growth and poverty reduction. Moreover, because of the centrality of aid to African countries' economic survival, expectations of higher aid flows could help align African governments' behaviour to the NEPAD's governance standards.

The second expectation of NEPAD's external compact, closely linked to the first, is to attract higher volumes of foreign direct investment (FDI) or private sector investment into the continent. As demonstrated elsewhere, FDI flows emerged in the 1990s and beyond as the most important channel for development resources. Yet, Africa has not been a popular destination for FDI due to Africa's unfriendly domestic political and economic environments – in terms of political instability; corruption; lack of transparent legal systems; inadequate physical, human and institutional infrastructure.[697]

The thinking behind the NEPAD is that improvements in African countries' governance, together with the development of appropriate physical and human infrastructure, would alter perceptions about the continent as a high-risk investment destination. This, it is imagined, would increase the volume of foreign direct investment to the continent that would in turn create more jobs, reduce poverty and engender sustained economic recovery and growth.[698] These are strong economic incentives to encourage African governments to align their behaviour to the prescriptions of NEPAD.

[697] Fantu Cheru, *African Renaissance: Roadmaps*.

[698] Ibid. p. 15; Botha, "The NEPAD," p. 21.

The third expectation of NEPAD's external compact is that developed countries and other international actors will facilitate Africa's engagement with globalisation, primarily by allowing greater access to African products (particularly agricultural products) into their markets. Unlike the LPA model, that was suspicious of the global economy, and that was intent on minimising engagement with it as much as possible, the NEPAD seeks to be fully engaged with the system. It however, insists on the rules of the game to be made more clearly defined and respected.

Countries of the North would have to reduce subsidies to their farmers and also remove various disguised tariff and non-tariff barriers on African products entering their markets. Such measures would make African products more competitive in international markets and potentially narrow down Africa's marginalisation in the global economy. This in turn, would result in higher foreign exchange earnings for African economies, going a long way to address their nearly permanent balance of payment deficits. This is expected to bring about economic growth and enhance the development prospects of the continent generally.

The fourth and probably the most immediate expectation is that of reducing Africa's debt burden, which is perhaps the continent's greatest development obstacle. It is worth recalling that Africa's unsustainable debt burden was the most immediate impulse for the formulation of the NEPAD. In the 1990s Africa's debt was seen as been equivalent to over 90 percent of African countries' annual production and represented about 112 percent of the regions' GDP. Moreover, Africa was expected to pay over US $20 billion per year in interest on loans alone. This is to say about 30 percent of Africa's earnings were been used to service its external debts,[699] making the continent a net exporter of financial resources.[700]

[699] *African Recovery* 5, no. 2 &3 (September 1991); Chazan et al., *Politics and Society*, p. 310.

The effects of heavy indebtedness are numerous. For example, debt service requirements burden the budgets of government, divert investment resources away from key social and economic sectors, erode the confidence of the private sector, and weaken the prospects for sustainable growth and for reducing poverty.[701] This has been the plight of most African countries. Arguably, the NEPAD debt relief strategy has the potential of releasing and redirecting resources from debt servicing to meeting Africa's more urgent and long-term socio-economic development needs.

According to the NEPAD document, "Africa, needs to fill an annual resource gap of 12 percent of its GDP, or US $64 billion, to be able to meet the estimated 7 percent annual growth rate needed to meet the international development goals (IDGs) – particularly, the goal of reducing by half the proportion of Africans living in poverty by the year 2015."[702] Although the NEPAD debt relief initiative is contingent on African countries' participation in the economic and political governance initiative, it is imagined that the economic benefits associated with debt relief in terms of releasing desperately needed resources for poverty alleviation and economic growth would serve as an incentive for African governments to behave in ways that would be supportive of the initiative.

Overall, issues of debt relief, increased volumes and better quality of ODA, higher inflows of FDIs and greater market access for African products, have potential socio-economic benefits for African states both individually and collectively that could serve as inducement for them to support the NEPAD. However, the potential

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[700] G. K. Helleiner, "External resource flows to SSA in the 1990s," Appendix A-1 to North-South Roundtable, Society for international Development, The challenge of Africa in the 1990s (Ottawa, June 1991).

[701] Kabbaj, *The challenge of Africa*, pp. 97-8.

[702] The long-term objective of the NEPAD is to link debt relief with costed poverty reduction outcomes. For greater insights on this, see AU, "NEPAD 2001", p. 37 paragraph 144-6.

benefits of the NEPAD's external compact are surrounded by uncertainties relating especially to prospects of non-delivery by external partners. In the section that follows, I examine the uncertainties associated with expectations of external support.

7.2.3b UNCERTAINTIES ASSOCIATED WITH EXPECTATIONS OF EXTERNAL SUPPORT

Although the North has welcomed the emergence of the NEPAD, and even as it has pledged to support its implementation, however, this is not the first time the North has pledged to assist the continent overcome its perennial problems of underdevelopment. Unfortunately, the North does not seem to have an enviable record of fulfilling such promises. Understandably, many have received the external pledges of support for the initiative sceptically. This mode of scepticism is well captured by the Ethiopian Prime Minister, Meles Zenawi, a major actor in the NEPAD process:

> That African countries and governments have a direct stake and interest in the development of Africa goes without saying. The primary actors and beneficiaries of Africa's development can only be Africans themselves. What might not be so clear is what the interests of the rest of the world and most particularly, those of the developed world are in Africa's development.[703]

The leaders of the NEPAD have reasoned that Africa's development should be the concern of the North because, while the continent would benefit from increased investment and economic growth, the Northern would benefit from having an investment destination and consumer markets for its goods.[704] More importantly, African leaders seem to justify their expectations from the North on moral and

[703] Meles Zenawi, "Towards realising the objectives of NEPAD," Speech delivered by H.E. the Prime Minister of the Federal Democratic Republic of Ethiopia at a symposium organised by the ADB on NEPAD (Addis Ababa, May 27 2002).

[704] *Sunday Time*s (Johannesburg, 30 June 2002): 16

historical grounds: compensation for Africa's contribution to global ecological stability; the North's indebtedness to Africa for its role in the slave trade and colonisation; the indispensability of Africa's natural resources to the viability of the North; and probably more importantly the global interdependence reinforced particularly by the 11 September 2001 terrorist assault on the hub of the capitalist system - America. The popular argument is that poverty and underdevelopment anywhere in the global village is not just a threat to the poor, but also a great menace to the security and stability of the rich. Therefore, rescuing Africa from the scourge of poverty and underdevelopment would be a cheaper way of fighting global insecurity.[705]

However, the architects of the NEPAD in formulating their expectations from the North ignore the fact that questions of increased ODA, FDI, debt cancellation and market access are political issues and that the leaders of the North and the multilateral institutions that have pledged to support the NEPAD operate within political environments that impose constraints on their ability to deliver on pledges. The NEPAD assumes that once African countries commit to norms of good governance, industrialised countries and multilateral institutions will systematically deliver on their own part of the deal in terms of increased ODA, FDI, debt cancellation and market access.

It is however, "doubtful the North would open a "new chapter" with Africa just because African leaders have made declarations on a new beginning."[706] I argue that the prospects of industrialised countries' governments and multilateral institutions keeping their commitments to the NEPAD will not necessarily depend on African

[705] See generally, OAU, *NEPAD October 2001*, section II.

[706] Ajulu, "The African Union," p. 3.

governments' commitments to good governance, but also and probably even more so, on the dynamics of Northern countries' interests and related operational constraints that underpin the workings of multilateral institutions.

Talking about interests for example, it is noteworthy that other poor countries, including Russia and its former satellite states compete for ODA and FDI with Africa. These countries are of greater economic and strategic importance to the North than Africa. Former communist states of Eastern Europe for example, are prospective members of the expanding European Union and it makes more political and economic sense to dedicate more resources to facilitate their eventual integration into a united Europe than to probe up Africa. And as far as Russia is concerned, the North has a particular strategic interest to assist its economically so as to check against a misuse of its huge nuclear arsenal. This explains why "while the African continent was promised a paltry $6 billion by 2006 for poverty reduction, the G8 handed out $20 billion to Russia, to help decommission its nuclear weaponry safely."[707] Even if Africa successfully transformed its political and economic environment through good governance, there is no guarantee they would suddenly become a popular destination for resources from the industrialised North.

Moreover, the emergence of more urgent priorities and presumably more important demands on the North, such as the war against terrorism further threaten to render NEPAD's plea for more resources less likely to be heeded. For example, African leaders became increasingly concerned, and justifiably so, that the war in Iraq and the resource requirements for post war reconstruction could detract attention from Africa. Despite assurances that Africa would remain a priority in the North's development assistance agenda, a comparison of the resources eventually allocated

[707] See Nhamo Samasuwo, "G8: A critique," *IGD, Global Insights: A focus on current issues*, no. 34 (July 2004): 3.

for the reconstruction of Iraq, with what was pledged in support of the NEPAD within the framework of the G8 – Africa Plan of Action, demonstrated clearly that in terms of strategic importance, Africa still mattered less to the North. Describing Africa's disappointment with the resource flows outcome of the G8 Kananaski Summit, *The Sunday Times* reported that: "At what was meant to be an Africa oriented Summit, the G8 leaders diverted their attention to other issues – and then unveiled an African Action Plan which restated all their old pledges to the continent. Little in the way of new money and nil [nothing] in the way of opening markets was forthcoming."[708]

More importantly, although there is growing consensus that official development assistance should only flow to countries that are likely to use it well, as judged by their governance records, "however, available evidence does not reflect any link between a country's reform efforts and the disbursement rate of aid funds."[709] Part of the explanation to this paradox has been that the steady flow of aid is a source of income to many interest groups in the donor communities. Therefore, their dominant concern has been their income and not necessarily the well being of the aid recipient.[710] Another explanation relates to the incentives of bureaucrats in aid agencies. In this particular respect, Gus Edgen has posited:

> Both donors and recipients have incentive systems which reward reaching a high volume of resource transfer, measured in relation to a predefined ceiling…. In many administrations, both bilateral and multilateral, the emphasis is on disbursements and the country allocations. Non-disbursed amounts will be noted by executive boards or parliamentary committees and may result in reduced allocations for the next fiscal year…results are

[708] *Sunday Times* (Johannesburg, 2002): 16.

[709] J. Svensson, "Why conditionality aid does not work and what can be done about it," Processed IIES (Stockholm, 2002); World Bank, "World Bank Structural and Sectoral Adjustment Operations: The Second OECD Review operations evaluation Department Report 10870" (Washington D.C., World Bank, 1992).

[710] Kanbur, "The economics," p. 13; Espen Villanger, "Company influence on foreign aid disbursement: Is conditionality credible when donors are selfish?" Processed Paper (Department of Economics, Norwegian School of Economics and Business Administration, 2002).

measured against volume figures, with no regards for the quality…[711]

Even the selfless bureaucrats whose main interest is in genuinely helping the recipient faces the dilemma of choosing between enforcing governance conditionality that will hurt the very people the aid is meant to help, and overlooking the violation of conditionality. The tendency as empirical evidence shows has been to succumb to the temptation of overlooking the violations of conditionality.[712]

Given the manner in which aid disbursement has operated in the past, the NEPAD's assumption that the donor community would direct more resources to African countries that demonstrate commitment to good governance while withholding it from those that have not may be illusory. Aid disbursement would only become selective and more efficiently managed if the donor community is willing and able to alter the incentive systems that underpin the aid regime. There are prospects for these incentives to be changed under the edges of the mutual accountability pact and charter between African countries and the donor community envisaged by the NEPAD.[713] However, it is doubtful, that the donor community would be willing, seriously to oblige to such a pact.

Like with ODA flows, there is as yet no evidence that African countries that have thus far demonstrated considerable gains in governance have become popular destinations for FDI.[714] The observable trend is that foreign investors in the continent have continued to concentrate on huge and quick rent-yielding sectors – like petroleum and related minerals, irrespective of whether such resources are located in

[711] Edgen Gus, cited in Kunbur, "The economics," p. 13.

[712] See Stephen Coate and Stephen Morris, "Altruism, the Samaritan's dilemma, and government transfer policy," *American Economic review*, Vol. 85, no. 1 (March 1995): 46-47.

[713] AU, "NEPAD 2001", paragraph 148.

[714] World Bank, *Assessing Aid: What works, what doesn't, and why* (New York: Oxford University Press, 1998).

well-governed or poorly governed countries. It is unlikely that improvements in the investment environment envisaged in the NEPAD through good governance will alter this trend. This is explained by the fact that foreign investors simply do not yet have any compelling reasons to invest more in economic sectors in the continent where short term and immediate profitability is not guaranteed, but which could lay the foundation for the long term socio-economic transformation of the continent. [715]

The narrowness of African markets, the shallowness of individual purchasing power and the weak level of human capital have remained serious constraints to attracting long-term foreign investments into the continent. The NEPAD programme has adopted strategies to address these handicaps – through its human resource development and regional integration programmes. However, these are long-term strategies and, until they take root, foreign investors will continue to concentrate on their traditional investment sectors and patterns in the continent.

If industrialised countries' pledges to the NEPAD for higher FDI flows are anything to go by, Western entrepreneurs must transcend concerns with narrow immediate economic gains and become involved in long-term development oriented investments in the continent. However, this is not a government prerogative. Rather, it is a question of returns to capital and profit. Therefore, although the APRM has been vaunted as a signalling mechanism for higher FDI, it may not be the principal determinant of the investment decisions, which may continue to be premised on objective profitability assessments than on subjective political judgements that may result from the peer reviews.

[715] Sandrine Mesple-Somps, "Quelques reflexions sur la situation economique et sociale Africaine et les politiques economiques preconisees par le NEPAD," Document du travial (DAIL, Unite de Recherche CIPPRE , Juine 2002): 7-8.

On the sensitive issue of market access, the authors of the NEPAD are justified in accusing the North of hypocrisy in terms of preaching global economic liberalism, while practicing protectionism. It is however noteworthy that while the liberal framework has provided evidence of the rather high costs of protectionist trade policies, politicians the world over, have been inclined to providing protectionist legislation.[716] Public choice literature argues that the desire to influence trade policy arises from the fact that 'trade policy changes' benefit some groups, while harming others. Consumers are harmed by protectionist legislation; however, ignorance, small individual costs and the high costs of organising consumers prevent them from being an effective force. Conversely, workers and other resource owners in an individual industry are more likely to be effective politically because of their relative ease of organisation and their individual large and easy-to-identify losses. Therefore, politicians interested in their political future and that of their political parties are more likely to respond to the demands for protectionist legislation of such interest groups than to remain sensitive to the wisdom of the overall economic benefits of liberalisation.[717] This logic does not elude leaders of the industrialised world.

G8 leaders, fearful of hurting the interests of domestic farmers and possibly alienating them, spurned a bid by African countries during the 2002 G8 Summit in Kananaski for a rethinking on subsidies, which are seen as harming Africa's global competitiveness.[718] The lessons from the G8 Summit at Kananaski are that the NEPAD's assumption that leaders of the North would be willing to make the "playing

[716] Cletus C. Coughlin, Alec K. Chrystal and Godffrey E. Wood, "Protectionist trade policies: A survey of theory, evidence, and rationale," in Jeffrey Frieden and David Lake (eds.) second edition, *International Political economy: Perspectives on Global power and wealth* (New York: St. Martins Press, 1991): 18-33.

[717] Ibid. p. 28.

[718] *Business Day* (June 28 2002); also see Oxfam, International Press release (June 27 2002).

ground level" by suppressing subsidies to their farmers and by uplifting various forms of protective measures shielding their producers from unfavourable competition in the global economy is simply myopic. The political costs (in terms of alienating formidable capitalist and labour interests) for the leadership of the industrialised world are too high to be borne, particularly on some narrowly moral grounds of wanting to assist apparently distant African countries to catch up with the rest of the world. And as Jinmi Adisa puts it: "The assumption of charity from the North that is expected to give up the present global asymmetrical pattern of exchange that favours them, in order to help Africa is faulty and utopian."[719]

Finally, as far as the issue of debt is concerned, although Africa's debt burden has been greater than that of Latin America, the overall volume of African debt pales in comparison to that of Latin America. The modesty of the volume of Africa's debt and the continent's insignificance to the overall international economic system has limited the impetus for more concerted debt relief for the continent, even as the debt overhang has been threatening the viability of economic growth in the continent.[720] Moreover, the prospects of negotiating more radical reductions of Africa's debts has been complicated over the years by the divergent interests and perspectives of the three main categories of creditors to the continent, particularly over questions of sharing the burden of forgiving Africa's debts, this, in spite of the rhetoric of greater debt relief.

Africa's debts can be broken down as follows: bilateral debts account for 39 percent; commercial debts about 35 percent; and multilateral debts about 26

[719] Adisa, interview.

[720] Gordon, "Debt conditionality," p. 98-99.

percent.[721] The largest component of Africa's debt is bilateral, which incidentally is amenable to debt reduction explaining therefore, the substantial bilateral debt reduction programmes that gained momentum beginning in 1990. However, "while bilateral debt relief made the important conceptual breakthrough of legitimising the principle of debt reduction, it has not had a large cash-flow impact, since it focuses on that portion of African debt, which already had the lowest ratio of repayment."[722]

With the rapid increase in the volume of Africa's multilateral debts from the 1990s onwards, it became evident that Africa's debt crisis, though apparently of little consequence to the overall welfare of the international financial system, required a more radical approach, particularly from multilateral institutions. Hence, the formulation of the famous HIPC initiative that has been accepted by the NEPAD, with calls however, for it to be broadened to benefit more African countries.[723]

However, available literature on debt relief demonstrates that debt relief initiatives (with the exception of the HIPC initiative) have not necessarily resulted in higher resource flows to African countries. More importantly, they have not been selective enough as to reflect the implied trade-off between improved governance and better institutions on the one hand, and debt relief on the other. Rather, "the mounting debt stock and the resulting debt crisis locked donors in some form of defensive lending to high-debt countries, depriving them of selective and sufficient leverage with respect to recipient country policy."[724] Creditors and donors have been anxious

[721] For further insights on Africa's debt, see generally Percy Mistry, *African debt: The case for relief for Sub-Saharan Africa* (Oxford: Oxford International Associates, 1988).

[722] Gordon, "Debt conditionality," p, 100.

[723] AU, "NEPAD 2001", paragraph 146.

[724] Nancy Birdsall, Stijn Claessens and Isaac Diwan, "Will HIPC matter? The debt game and donor behaviour in Africa," Economic Reform Project Paper 3 (Washington: Carnegie Endowment for International Peace, 2001): 6&7.

to help countries avoid arrears, particularly to multilateral institutions because of their preferred creditor status. Rather than withhold debt relief on grounds of inappropriate governance institutions, donor behaviour has been tailored to granting new transfers to finance debt service, avoid embarrassing arrears, and starve off growing risks of documented development failures. There has also been a concern with the reasonableness of supporting official colleagues in each country who were struggling to institute change and build institutions while managing increasing debt service falling due.[725]

For debt relief to deliver on the expectations of the NEPAD, donors and creditors must overcome their reluctance to share the burden of forgiving Africa's debts. They would also have to face up to the need to change their behaviour and to tailor their decisions to effectively meet the requirements of selectivity – in terms of granting greater debt relief to countries that have established or are striving to establish good governance institutions and processes. Finally, to bring about the net increases in resource flows envisaged in the NEPAD, Africa's creditors would have to be willing to bear the financial cost of combining debt relief with increased ODA and to avoid the practice of trading off debt relief for ODA flows.[726]

The foregoing analysis suggests industrialised countries' attitude towards Africa would be determined more by considerations of their economic and strategic interests, than by improvements in governance under the NEPAD framework. However, whatever the potential internal and external benefits of the NEPAD's governance reform agenda, for the self-interested African governments to be made to comply with its prescriptions, there is need for credible regional restraint mechanisms.

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[725] Ibid. p. 21.

[726] See for example, NEPAD's notion of concessional resources as spelt out in the AU, "NEPAD 2001", paragraph 146.

7.3 THE APRM: A CREDIBLE RESTRAINT MECHANISM?

The inadequacy of restraint mechanisms has been a key explanation to the lack of compliance with past African regional economic cooperation initiatives. The authors of the NEPAD have responded to this by established a self-selective "lock-in" instrument – the African Peer Review Mechanism (APRM). The APRM is perhaps the most innovative element of the NEPAD, upon which its implementation hinges.[727] Three key elements distinguish the APRM from earlier African regional enforcement mechanisms.

First, unlike existing African regional cooperation instruments that have based membership on the location of states on the African soil, membership in the APRM is contingent on commitment to a set of agreed governance norms and standards.[728] Only African countries that are willing to commit to these agreed norms and standards are admitted to the APRM process – hence, the notion of NEPAD being a "club of the willing" with a "voluntary and self-selective" character.

Second, the APRM, like most inter-state peer review systems is "non-adversarial and non-sanctioning" in character. That is, the outcomes of the peer review processes will not lead to any form of legally binding decisions.

Thirdly and most distinctively, the APRM, unlike existing peer review experiments, is based on an implicit "penalty-reward" assumption between African states and their extra-regional partners. African leaders have agreed to hold each other accountable in their commitment to institutionalise norms of democracy, political and

[727] For insights on the perception that the APRM is the most innovative element of the NEPAD, see UNECA, "The African Peer Review Mechanism: Process and procedures," *African Security Review*, Vol. 11, no. 4 (2002): 7; G8, "G8 Africa Action Plan," paragraph 7**;"** Grant Edward Thomas Masterson, "Governance quality and government commitment to the NEPAD African Peer Review Mechanism," EISA Research Report no. 5 (Johannesburg: Auckland Park, 2004): 8.

[728]See AU/NEPAD, "Declaration on democracy, political, economic and corporate governance" (AHG/235(XXXVIII) Annex 1 (June 18 2002): 8-17.

economic governance in their respective states, in exchange for which external partners have pledged to grant them higher resource flows in the form of ODA, FDI, debt relief and greater market access.[729]

The APRM does not impose an overarching central authority. Rather, it is founded on a plausible model of self-restraint by still perceivably unresponsive, unaccountable and politically insecure African governments. While proponents of the APRM are optimistic about the model, they have failed to address problems of incentive incompatibility. Conversely, pessimists have been quick at dismissing the instrument as yet another misguided effort that cannot work. Against this background, understanding the incentive structure of the APRM must be central to any assessment of the NEPAD's prospects.

In this section, I analyse the challenges of institutionalising compliance with potentially gainful, but politically costly regional initiatives in the absence of an overarching central authority. I focus particularly on the potentials of the APRM's, self-restraint model to police African governments' compliance with NEPAD's governance norms and standards. I argue that, the viability of the APRM model is contingent on a complex pattern of interactions between member governments, regional institutions and external partners. This is within the ambit of the APRM's underlying incentive structure defined in terms of membership criteria (voluntarism and selectivity), the character of the review process (non-adversarial and non-sanctioning), and the credibility of the reward-sanction incentive (role of external resource based anchor).[730] I specifically attempt to answer three questions: First, to

[729] See for example Samasuwo, "G8," p. 1

[730] My conceptualisation of the APRM's incentive structure draws heavily on Fabricio Pagani's piece, "Peer review as a tool for cooperation and change: An analysis of an OECD working methods," *African Security Review*, Vol. 11, no.4 (2002): 7-13; and also UNECA's feature, "The African peer review mechanism: process and procedures," in Ibid. p.13.

what extent would the NEPAD voluntary/discriminatory accession principle enhance the prospects of African states adherence to the NEPAD prescriptions? Second, can the APRM genuinely serve as an effective restraint mechanism given the "non-adversarial and non-sanctioning" character of its review processes? Third, what difference could the implied externally anchored "penalty-reward" incentive of the APRM make in its effectiveness to ensure compliance with agreed norms and standards of governance?

7.3.1 MEMBERSHIP CRITERIA: VOLUNTARISM AND SELECTIVITY

The APRM is a mutually agreed instrument voluntarily acceded to by some member states of the African Union as an African self-monitoring mechanism.[731] Although it is open to all member states of the African Union, membership is contingent on individual African countries signing up to the NEPAD Declaration on Democracy, Political, economic and Corporate Governance and undertaking to submit to and facilitating periodic peer reviews.[732]

Subscribing states must also agree to be guided by agreed parameters of good political and economic governance**.**[733] The mechanism avails African governments the opportunity to assess the costs and benefits of membership prior to deciding

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[731] OAU/NEPAD, "Outline of the Memorandum of Understanding (MOU) on technical assessments and country review visits" *NEPAD/HSEGIC/03-2003/APRM/Guideline/outline* (2003): paragraph 7; also see, NEPAD - Heads of state and government implementation committee, "African Peer Review Mechanism Base Document" – *NEPAD/HSGIC/03-2003/APRM/MOU/Annex II* (2003): paragraph 1.

[732] See AHG/235(XXXVIII) Annex 1 (2002): 8-17.

[733] Jakkie Cilliers, "NEPAD's Peer Review Mechanism," p. 3; Ravi Kanbur, "The African Peer Review Mechanism (APRM): An assessment of concept and design" (Cornell University, January 2004); also see NEPAD, APRM Base Document (2003), paragraph 5.

whether or not to sign on as participants.[734] It also makes a distinction between countries that are adhering to democracy and good governance standards, and therefore qualify for "enhanced partnership status," those that lack the capacity to meet those standards but are trying to do so and therefore merit assistance as "aspiring partners," and those that are derelict and should be denied NEPAD benefits.[735]

Overall, participation in the APRM is selective and discriminatory as opposed to membership in earlier African cooperation initiatives that have traditionally been all-inclusive. The "conditionality" involved in acceding to the APRM is an unprecedented attempt to draw a line between African states that are allowed into a supposedly all-African regional initiative – the NEPAD "club" – and those that are excluded from it. This has emerged as "the trickiest diplomatic and political challenge to the promoters and supporters of the NEPAD initiative."[736] Yet "voluntarism" and "selectivity" are important operational principles that influence the viability of the APRM as a restraint mechanism.

The APRM's voluntary accession principle means that only states that subscribe to the peer review processes and that commit to be guided by the agreed parameters of good governance will be subject to its rulings.[737] Conversely, African states that chose not to subscribe cannot ostensibly be judged under the provisions of the framework.

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[734] Masterson, "Governance quality," p.2.

[735] Stremlau, "The NEPAD," p. 7.

[736] Ibid. p. 10.

[737] See NEPAD, APRM Base document, paragraph.5; also see Bikoe and Landsberg, "NEPAD, African initiative," p. 6.

The underlying assumption of the APRM voluntary accession principle is that although non-subscribing poor performers may not be accountable to the APRM, their decision not to join, will serve as a negative signal, discouraging national and international resource and investment flows. Conversely, those states that sign up to the peer review process signal their resolve to eradicate the instability and uncertainty characteristic of African states and would be more likely to attract greater investment resources. Therefore, although non-subscribing states may not be directly subject to peer pressure within the APRM framework, their being sidelined in sharing in the dividends of membership, would presumably serve as a positive incentive that could eventually induce them to sign up for the APRM.

The potential of exclusion from sharing in the dividends of membership to serve as a positive incentive for states to join and abide by the APRM is very constricted. For example, most development projects identified in the NEPAD are of a regional character. It would be difficult to prevent non-conforming states from sharing in the positive spillovers of regional projects. How, for example, would a poorly governed state be sidelined in a regional railway project or a common water resource project or a trans-African road or rail network? In other words, no matter how selective membership of the APRM is, it cannot rule out free riding. Knowing that there is such latitude to benefit from the NEPAD without necessarily committing to its prescriptions, some African states may not be in any real hurry to abide by its norms. Moreover, states that are willing to sign up to the prescriptions of the APRM may indeed be discouraged by the knowledge that their peers may not do same, yet share in the dividends of the initiative.

Another assumption that underpins the principle of voluntary accession to the APRM is that African states that effectively sign-up are genuinely committed to the

initiative. The reasoning is that by allowing African states the choice not to join the initiative if they do not buy into its prescriptions, those states that will effectively join the process will be genuine in their actions and commitments. This contrasts with earlier all-inclusive regional initiatives, which were joined by most African states out of the fear of being perceived as obstructing processes to which a majority of their peers had agreed. Political commitment is thus seen as the catalyst that would make the APRM a viable restraint mechanism, which will facilitate the implementation of the NEPAD.

However, the poor governance record of many African states that have signed up to the APRM process raises questions about the real motives of membership. Some states seem to have joined the initiative (or that may eventually join) may be doing so not out of commitment to good governance, but out of the perception that the initiative is a "clearing house" for increased resource flows. Seen from this perspective, it would be difficult to imagine the APRM serving as a credible restraint mechanism.

More importantly, otherwise relatively well-governed states have either been cynical about the initiative, or simply characterised it as an irrelevance. In April 2003, for example, the Namibian Prime Minister, one of the rare African states highly rated on political and economic governance, but that has refused to join the APRM characterised the APRM as a digression that needed to be ignored when he declared:

> Let me now take up the much talked about, but manifestly deceptive issue of the NEPAD so called Peer Review Mechanism (PRM). Firstly, I shall, with due respect, consign it to the dustbin of history as a sham. Secondly, PRM is an unworkable notion. I see it as a misleading, new name for the old, discredited structural adjustment fiasco, under which African leaders have been clustered between good guys and bad guys. …Neo-colonialism, which is what the PRM is – [is] a killer disease; we must run away from it. NEPAD should confine itself to issues of economic growth, investment,

> employment… NEPAD has no business dealing with political, security and conflict resolution issues.[738]

This underscores the fragile nature of the political will that is assumed to underpin the APRM process. The voluntary accession principle may thus only serve to dissemble rather than build consensus around the process.

Worse still, voluntarism is not limited to accession to the APRM, but extends to the attitude towards the outcome of the review process – particularly as pertains to the right of states to opt out of the process when and if they choose. The case for withdrawal from the APRM is made in the following words:

> A participating state may terminate its participation in the African Peer Review Mechanism by giving written notice to this effect to the NEPAD Secretariat, which in turn will inform the participating states in writing. The effective date of termination will be six months after the receipt of the termination notice.[739]

Although this voluntary exit channel from the APRM may be intended to remove the impression that commitment to the APRM is irrevocable, in which case many African states would be reluctant to subscribe, it creates a window for African states that eventually find the review process too intrusive or that find the peer review reports too critical to simply opt out of the process midstream or after getting the benefits.

However, opting out of the peer review process midstream can be expected to be politically costly, sending clear signals to both national and international public opinion that the government in question is not committed to genuine political and economic change. The fear of critical public opinion potentially can restrain states from revoking their membership once they sign up to the APRM. In which case, the APRM would be a viable "lock-in" mechanism.

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[738] See Theo-Ben Guirirab, Prime Minister of the Republic of Namibia, Speech at the Dinner of the Chamber of Mines of Namibia (Windhoek, 4 April 2003).

[739] OAU/NEPAD, *Memorandum of understanding* (2003), paragraph 32.

7.3.2 CHARACTER OF REVIEW PROCESS: NON-ADVERSARIAL AND NON-SANCTIONING

Peer review refers to the systematic examination and assessment of the performance of a state by other states (peers), by designated institutions, or by a combination of states and designated institutions. The ultimate goal is to help the reviewed state improve its policy making, adopt best practices of governance, and comply with established standards, principles, codes and other agreed commitments. Peer review examinations and assessments are conducted in a non-adversarial manner, relying heavily on mutual trust and understanding between the states being reviewed and the reviewers, and on their shared confidence in the process.[740]

Peer reviews can be conducted based on subject areas or themes. However, whether based on subject areas or on themes, individual country peer reviews are typically undertaken on a regular basis with review exercises resulting in a report that assesses accomplishments, indicates shortcomings, and makes recommendations.[741] More importantly, peer reviews never imply a punitive decision, sanctions, or any form of legally binding acts or enforcement mechanisms. Nevertheless, peer reviews seek to create, through reciprocal evaluation processes, a system of mutual accountability.[742]

Associated to the concept of peer review is the concept of peer pressure (persuasion) upon which the effectiveness of peer review relies. The peer review process can give rise to peer pressure through, for example: a mix of formal recommendations and informal dialogue by peers; public scrutiny, comparisons and

[740] UNECA, "APRM, process and procedure," p. 7; Fabricio Pagani, "Peer Review," pp. 15-16.

[741] Ibid. pp. 8-16; UNECA, "APRM, process and procedure," pp. 7-8.

[742] Ibid.

ranking among countries; and the impact of these on domestic public opinion, policy makers, and other stakeholders.[743]

While peer review as a working method has been employed by several inter-governmental organisations and international programmes, the OECD has had the most extensive development of the peer review practice.[744] Peer review has been a core element in the working methods of the OECD since its creation. True to the conventional logic of peer review practices, the OECD peer review process has been non-adversarial and collegial, relying on mutual trust and understanding between countries.[745] The APRM has been inspired by the experience of the OECD peer review processes. It has therefore adopted the principles of "non-adversarialism" that relies on "peer pressure and dialogue," transparency and public scrutiny, and capacity building.

Specifically, the mandate of the APRM is to encourage participating states in ensuring that their policies and practices conform to political, economic and corporate governance values, codes and standards, and also to achieve mutually agreed objectives in socio-economic development contained in the Declaration on Democracy, Political, Economic and Corporate Governance.[746]

The primary purpose of the APRM is to foster the adoption of policies, standards and practices that lead to political stability, high economic growth, sustainable development and accelerated sub-regional and continental economic integration through sharing of experiences and reinforcement of successful and best practice,

[743] Ibid. p. 16. UNECA, "APRM, process and procedure," p. 8.

[744] Ibid. Pagani, "Peer Review," p. 17.

[745] Cilliers, "NEPAD's Peer Review," p. 1.

[746] See NEPAD/HSGIC/03-2003/APRM/MOU 09 March 2003, paragraph 6; also see NEPAD, *APRM Base Document* AHG/235 (XXXVIII) Annex 1 paragraph 2.

including identifying deficiencies and assessing the needs for capacity building.[747] No sanctioning or binding legal regime is intended or implied in the NEPAD peer review process, even though it stipulates that at some point in the review process, "if dialogue proves unavailing, the participating heads of state and government may wish to put the government on notice of their collective intention to proceed with appropriate measures."[748]

Lacking sanctioning powers, the question arises as to how the APRM would restrain subscribing African governments from reneging on commitments to norms of good governance. Put differently, would the APRM's strategy of 'soft enforcement' through peer pressure and dialogue, transparency and public scrutiny, and capacity building secure African governments' compliance with NEPAD's governance standards?

Fabricio Pagani argues that while an important function of peer review is to monitor and enhance compliance by countries with internationally agreed policies, standards and principles, however, unlike traditional legal enforcement mechanisms, peer review works as a sort of "soft enforcement and soft law" system resulting in non-coercive final reports and recommendations rather than binding coercive acts, such as sanctions. [749]

At face value, the soft law nature of peer reviews, such as the APRM, potentially makes the instrument undependable, with wide latitude for free riding by participating African states. At the extreme, soft enforcement portends reducing membership of the APRM to a costless exercise for African governments to which as usual, they will

[747] NEPAD, *APRM base Document*, paragraph 3.

[748] Ibid. p. 24.

[749] Pangani derives his notion of soft law from Salmon J. (ed), Dictionnaire de droit internationale publique (Bruxelles, 2001).

attach no seriousness of purpose. If this is the case, the potential of the APRM as a restraint mechanism would be very constricted and the prospects for sustained implementation of the NEPAD via its instrumentality would be very shallow.

However, Pangani contends that the soft law nature of peer reviews can prove better suited to encouraging and enhancing compliance than traditional enforcement mechanisms. For example, unlike a legal enforcement body, peer reviewers have the flexibility to take into account a country's policy objectives, and to look at its performance in a historical and political context.[750] The APRM addresses the need for flexibility by providing that:

> Bearing in mind that African countries are at different levels of development, on joining the mechanism, a country will be assessed (the base review) and a timetable (Programme of Action) for effecting progress towards achieving the agreed standards and goals must be drawn up by the state in question, taking into account the particular circumstances of that state.[751]

Peer review can in this way assess and encourage trends toward compliance, even amongst relatively poorly performing countries, while noting negative trends in countries that may presently have a higher performance record. Peer review can also enhance compliance by helping clarify differences in policy positions among countries, thereby leading to resolution of differences.[752] The non-adversarial character of the APRM could thus serve as an incentive for states at even the lowest levels of governance ratings to sign up to the initiative with a determination to strive to copy best practices from those with more positive records, while at the same time ensuring that states whose policies are already aligned to good practices do not relapse to lower performance levels. Here, the APRM would be a viable mechanism

[750] Pagani, "Peer Review," p. 22.

[751] NEPAD, *APRM Base Document*, paragraph 17.

[752] Pagani, "Peer Review," p. 22

capable of bringing about the changes defined in the NEPAD, even while lacking coercive enforcement powers.

However, the effectiveness of "soft enforcement" to align African governments' behaviour to agreed norms of good governance would largely depend on the consistency of policy dialogue and peer pressure, the level of transparency involved in the review processes, the level of public scrutiny that it would be able to generate, and finally on the capacity building capability of the process.

For African leaders, the APRM is designed to encourage each other to implement decisions and promote policies that will facilitate upholding agreed norms and standards of governance. It is intended to "use the good example of those that are faithfully upholding and promoting these norms as a means of putting pressure on others or encouraging them to copy these examples of good practice."[753] Conventionally, during the peer review process, countries systematically exchange information, attitudes and views on policy decisions and their application.[754]

Moreover, the reviewed country is given the chance during a peer review to present and clarify national rules, practices and procedures and to explain their rationale. For example, the review involves a study of the political, economic and corporate governance and development environment of the country to be reviewed. The review team's report is first discussed with the government concerned, with the intention of ascertaining the accuracy of the information gathered and also to provide governments the opportunity both to react to the team's findings and to put forward its own views on how the identified shortcomings may be addressed.

[753] Shinkiaya, interview.

[754] Pagani, "Peer Review," p. 21.

The team's report is expected to be clear on whether or not there is a will on the part of the reviewed government to take the necessary measures to address the identified lapses. It is also required to specify the resources available and necessary to take these corrective measures. According to the APRM document, "If the government under review shows demonstrable will to rectify the identified shortcomings, then it will be incumbent upon participating governments to provide assistance and to urge the donor community to support the efforts of the country reviewed."[755] This is despite African governments' reputation of expressing political will, without any real intention of complying.

However, even when the necessary political will is not forthcoming from the government, "the participating states are expected to do everything possible to engage in constructive dialogue and only when dialogue proves unavailing could participating states serve notice of their collective intention to proceed with appropriate measures."[756] The "appropriate actions" (sanctions) alluded to here, are not intended to be executed by the APRM-NEPAD. Rather, they will be a prerogative of the relevant African Union institutions – such as the African Commission on Human and Peoples' Rights, the envisaged African Security Council, the African parliament, and the African Court of Justice.[757]

The periodic reviews envisaged in the APRM aim at constantly engaging African states to ascertain that they progressively adopt policies and practices to achieve mutually agreed goals and standards outlined in the Declaration on Democracy,

[755] See generally, APRM, *Organisation and processes*, paragraphs 7.1-7.19.

[756] NEPAD, *APRM Base Document*, paragraph 18-25.

[757] See generally, AU-NEPAD, *African Peer Review Mechanism* (March 2003).

Political, Economic and Corporate Governance.[758] From this perspective, "policy dialogue (peer pressure) could potentially be a basis for further cooperation, through for example, the adoption of new policy guidelines, recommendations or even the negotiation of legal undertaking."[759] The peer review dialogue is expected to spur countries to consider seriously, the impact of domestic policies, not only on internal political stability and economic growth, but also on neighbouring countries.

Broadly, the APRM is capable of and intended to promote mutual accountability, as well as compliance with best practices in four main areas: democracy and political governance; economic management; corporate governance; and socio-economic development.[760] However, observers of Africa's regional cooperation landscape have pessimistically contended, for example that:

> There is little in the recent or distant past to suggest that African leaders – most of whom themselves are drenched in the very problems of corrupt, neopatrimonial, patronage politics that NEPAD is supposed to combat – are prepared to allow blunt and probing evaluations of their own and their fellow governments' performance.[761]

The APRM's peer pressure incentive is likely to be vulnerable to yet another form of free riding – bearing on the obligation of member states to condemn deviations from NEPAD governance norms. For example, although every subscribing state to the APRM process would like to see governance standards enforced, none of them would relish the political controversy associated with condemnation and punishment of peers. Situations are likely where member states may be aware that the performance

[758] NEPAD, *APRM Base Document*, paragraph 15.

[759] Pagani, "Peer Review," p. 22.

[760] See Ross Herbert, "Peer Review: who owns the process?" *E-Africa: The Electronic Journal of Governance and Innovation* (South African Institute of International Affairs (SAIIA), October 2003): 6; NEPAD, *APRM Base Document*, paragraph 16.

[761] Diamond, "Real Reforms," pp. 276-277; also see Patrick Chabal, "The quest for good governance: Is NEPAD the answer?" *International Organisation* 78, 3 (2002): 447-62.

of one of their peers has fallen short of the NEPAD standards, yet none would want to appear to take the lead in publicly condemning the peer in question.

The response to the post-election political crisis in Zimbabwe by African governments approximates this scenario. At the time of the crisis Zimbabwe had not signed up for the APRM, so it could not be bound by its prescriptions. Sceptics who however, were willing to give the APRM the benefit of the doubt hoped that at least the lead states of the NEPAD process could publicly condemn the situation in Zimbabwe to signal commitment to the democratic values embodied in the NEPAD. However, not even South Africa was willing to publicly criticise the undemocratic developments in Zimbabwe, even though this silence threatened NEPAD's credibility.[762] The Zimbabwean experience mirrors the possible collective action problems that may plague the envisaged peer pressure incentive of the APRM. Given this reality of African politics, peer pressure may be insufficient to align the behaviour of African states to agreed governance standards. Nevertheless, the transparency of review processes and the level of public scrutiny they might generate are possible remedies.

A unique feature of peer review processes is that they are usually very transparent. The APRM, unlike all African enforcement instruments envisages a high level of transparency and public involvement at all the stages of the review process. For example, the priority order of business of the review team during its visit to a country under review is "to carry out the widest possible range of consultations with the government, officials, political parties, parliamentarians and representatives of

[762] See for example, Herbert, "Peer review," p. 8.

civil society organisations (including the media, academia, trade unions, business, and professional bodies)."[763]

Documentation and evidence so gathered is put at the disposal of member countries and also the national and international publics. By involving opposition parties, the media and various segments of the civil society in the review process, the APRM could sensitise them to certain ills of their governments about which they could otherwise be ignorant or simply complacent. Moreover, the availability of the peer review data to the various publics encourages public scrutiny. Analysts of peer review processes contend that such public scrutiny has the most effect in the peer review process in terms of its potential to coerce change and corrective action.[764] Therefore, even without the force of legal sanction, public scrutiny is perceived as a viable channel to force African governments to implement the changes envisaged in the NEPAD.

Peer review is a mutual learning process in which best practices can be exchanged. The process can therefore, serve as an important capacity-building instrument – not only for the country under review, but also for countries participating as examiners, or simply as members of the responsible collective body. Moreover, involving civil society groups and other interests out of government in the review process and by availing them with information gathered during the peer review process, the APRM process might help empower these groups. Better informed about the situations in their countries and the realities in other countries, such groups will be better placed to pressure their governments for changes in line with the good governance prescriptions of the NEPAD.

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[763] NEPAD, *APRM Base Document*, paragraph 19.

[764] UNECA, "The APRM," p. 8; Pagani, "Peer review," p. 16.

7.3.3 THE APRM: THE CASE FOR EXTERNAL ANCHOR

Despite being the most innovative element of the NEPAD, the APRM is the most politically controversial component of the entire process. This derives particularly from the fact that the bulk of international attention that has been accorded the NEPAD has centred on expectations about the APRM process.[765] To borrow from Robert Rotberg of Harvard's School of Government, "There is nothing in NEPAD without peer review. There is nothing coming out of Africa to make the US or Europe say that it has got its act together. African leaders have to act. They have to be tough-minded about peer review or no one will pay attention to it."[766] Peer review has been perceived as "providing public, private and multilateral donors a framework on considering how to condition levels and priorities of their assistance in accordance with NEPAD standards."[767] Although Africa's international partners have been reminded that the APRM has been inspired by the OECD peer review experience and therefore that it is essentially non-adversarial, they have continued to perceive and interpret it as constituting a sort of sanctioning mechanism. From this perspective, the NEPAD is about a "quid pro quo" between developed countries and Africa, with the APRM serving as a sort of clearinghouse. If developed countries see improvements (through the APRM lens) in the political, economic and social circumstances of Africa, they will give, in return, greater concessions in trade and aid.[768]

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[765] This for example is the central thrust of the "G8 Africa Action Plan."

[766] Robert Rotberg, cited in Herbert, "Peer review," p. 6.

[767] See Stremlau, "The NEPAD," p. 6.

[768] Cilliers "NEPAD, Peer Review," p. 1.

The interpretation of the APRM as a "good governance-resource" based trade-off between African countries and the North has been described by African leaders of the NEPAD as a misreading of the entire process. According to Ambassador J. K. Shinkaiye:

> As far as African leaders could see, the G8 will want a mechanism that will enable them pursue more or less the similar role (conditionality) that the World Bank and the IMF imposed on the continent in the 1980s. Their perception of the APRM is therefore that of a regime of sanctions. However, this is not in line with the African leadership's conception of the APRM. Moreover, African leaders have agreed to democratic values, the rule of law and the respect for human rights, not because the G8 and other external actors desire it, but more because African leaders have realised that these values and practices are good and necessary for their peoples, their countries and their continent.[769]

This statement suggests that NEPAD's good governance agenda, to be overseen by the APRM is an exclusively African process that has nothing to do with the expectations of the continent's external partners. However, a closer reading of the original NEPAD document reveals that there is indeed an implied trade off in the new form of relationship that Africa intends to establish with the North. For example, under the capital flows initiative, it is stated that:

> However, the bulk of the needed resources will have to be obtained from outside the continent. The NEPAD focuses on debt reduction and overseas development assistance (ODA) as complementary external resources required in the short to medium term, and addresses private capital flows as a longer-term concern. 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 initiative is a prerequisite for participation in the capital flows initiative.[770]

It is further spelt out in the NEPAD document that to increase private capital flows into the continent, the first priority is to address investor's perception of Africa as a "high risk" continent, especially with regard to security of property rights, regulatory

[769] Shinkiaya, interview.

[770] See AU, "NEPAD 2001", Mobilising resources, paragraph 144.

frameworks and markets. The key elements identified in the NEPAD to reduce this investor perception conspicuously include good political and economic governance.[771]

The APRM, which constitutes the hub of the NEPAD good governance agenda, is a framework for implementing this implied "governance-resource flow" based trade-off. The idea of a trade-off has been upheld, at least by the North, as a constructive basis for the effectiveness of the APRM.[772] Going by the position of the former Canadian Prime Minister, Jean-Chretien, which seems to suggest that it is either African states deliver on good governance and human rights or the North would not keep its pledges to the NEPAD,[773] it is imperative to examine the implications of this implied trade-off for the implementation of the NEPAD.

The question that arises from this interpretation of the APRM is: would the effectiveness and credibility of the APRM be enhanced by having the North acting (either by default or by design) as an external anchor (restraint) via the instrumentalities of ODA, FDI, debt relief and market access? Would such a 'price tag' serve as an incentive for African states to sign up to and abide by the prescriptions of the NEPAD or would it simply serve as a facade to force African states to sign up to the APRM, get the required resources, and renege on commitments as it has been the case with earlier conditionality regimes?

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[771] Ibid. paragraphs 150-1

[772] See for example, Diamond, "Promoting real reforms," p. 277.

[773] See Canadian International Development Agency (CIDA), "Canada making a difference in the world: a policy statement on strengthening aid effectiveness" (Canada: CIDA, September 2002): 17 in http://www.acdi-cida.gc.ca/effectiveness; also see Helen Papaconstantinos, "Explaining the logic behind donor behaviour: Institutional placement and the role of perception in NEPAD/APRM decision-making," Honours research Report (Department of International Relations, Wits University 2004): 20-25.

While there is consensus among proponents and critics of the NEPAD that the APRM represents a long overdue agency of restraint on African governments' behaviour, with great potential for improving accountability and the continent's image, there is much disquiet amongst critics over attempts to link the mechanism to any form of conditionality posed by external actors. First, because of claims that the APRM-NEPAD are African owned and African led processes and, second, because of the legacy of the conditionality norms of structural adjustment programmes (SAP).

A key lesson from international efforts to stimulate governance reforms is that fundamental reforms are only sustainable when they are home grown.[774] Besides, if changes in policies and institutions are merely responses to international pressures, they will not be seriously and consistently implemented. According to Larry Diamond, "imported and imposed initiatives confront the perennial problem of needing to build commitment and ownership and there is always the question of whether, espousals of willingness to pursue reform are genuine or not."[775] Since many African governments are sufficiently uncomfortable with the perceived intrusiveness of the peer pressure envisioned in the NEPAD, an excessive emphasis on the APRM's "governance reform-resource flows" trade-off could serve more as a disincentive, than as an incentive. This is because, Northern conditionality is generally perceived by African leaders and masses as an intolerable intrusion into the sovereignty of African states.

From this perspective, the idea of a trade off between African states and the North as the basis for operationalising the APRM would be a faulty premise. At the very least, it could engender a replay of the sort of "cat-mouse" game that characterised

[774] Diamond, "Promoting real reforms," p. 279.

[775] Ibid. p. 23.

relations between African governments and donors during the era of structural adjustment programmes. African states perceiving engagement with the APRM as a means of securing greater resources might sign up for the APRM, get the resources and renege on commitments to good governance.

To prevent such a scenario some scholars like Larry Diamond have suggested that "rewards [increased resource flows] must be granted for demonstrated performance [what governments actually do and keep doing], not for promises that may be repeatedly made and broken."[776] Such an approach may not help enhance the role of the APRM, because in some circumstances, resources are actually needed to carry out governance reforms – for example where shortcomings are identified during the APRM review process and the government demonstrates a willingness to rectify them but lacks the resources to do so or in situations like those of African countries emerging from conflict and that need to be supported in reconciliation and reconstruction efforts.

From any perspective, linking the APRM to external conditionality is unattractive, both to African governments and to the masses, and it could be a disincentive to their support for the NEPAD. However, the record of internal (national and regional) mechanisms of restraint has been unenviable, as they have failed to induce African governments to respect the rule of law, human rights, democracy and good governance. It is doubtful peer pressure and persuasion alone as envisaged in the APRM will succeed in bringing real change in African governments' practices. Paul Collier and Willem Gunning have concluded that African governments are not in a position to create viable domestic agencies of restraint and that if African

[776] Ibid. p. 25.

governments are to benefit from agencies of restraint, these agencies can only be extra-regional.[777] Larry Diamond corroborates this by contending:

> The political will for fundamental governance reform is not going to come from 'peer' review among African governments because, the incentive to fudge and dissemble are simply too powerful. The political costs of ripping up entrenched clientelistic networks and closing off the channels and practices of corrupt patronage are just too great. The habit of covering for and excusing each other's failings is too ingrained.[778]

He makes the case for the North to serve as "external anchor" to the NEPAD peer review mechanism, arguing that African leaders will embrace fundamental reform only when they have no choice. "When the cost of bad governance become too great, because the international community denies bad rulers the external resources, with which to govern and the international social and financial access with which they enjoy the good life."[779]

Bikoe and Landsberg – while acknowledging that the viability, and the credibility, of the peer review mechanism is highly ambitious, challenging, and potentially difficult to implement – see the offer of increased aid, investment and debt relief as a positive incentive for African leaders to practice "good governance."[780] For them, the purpose of the peer review process is to create an external source of pressure on the weak African state, intended to enable these states address domestic governance inadequacies. These external restraints potentially could provide them with the power to impose a more appropriate orientation on those domestic groups, which have an interest in maintaining and reinforcing the poor governance status quo.[781]

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[777] Collier and Gunning, "Restraint, cooperation and conditionality," p. 74.

[778] Diamond, "Promoting real reforms," p. 278.

[779] Ibid. p. 21.

[780] Bikoe and Landsberg, "NEPAD, African initiative," p. 19.

[781] Gelb, "South Africa's role," p. 28.

While there is nothing intrinsically wrong in anchoring domestic or regional policies on external restraints as implied in the APRM's "penalty reward" framework, a peculiarity of Africa's external relations is that external agencies of restraint have always been very pervasive.[782] Accounts that condemn Africa's internal mechanisms of restraint ignore the fact that external agencies have also been greatly flawed. For example, to be effective, external agencies of restraint must uphold the credible penalties at their disposal. They must also possess and be willing to use a persuasive reward incentive. While the North (industrialised countries and multilateral institutions of trade and finance) seems to possess penalties that could be held against defaulting African states (in terms of ODA, FDI, debt relief and market access), it is not certain that they will be willing and able to use them objectively to enforce compliance with NEPAD's governance prescriptions.

Donor-recipient relations' discuss holds that for recipient governments to subject themselves to an external agency of restraint, they must be confident that the interests of the agency are congruent with theirs, so that the agency will not abuse its power to extract behaviour the governments did not choose.[783] Despite an apparent consensus between African governments and the international community on the desirability of democracy, human rights and good governance for Africa's development, suspicion persists that the North still has interests that do not converge with those of African countries.

Some African governments feel the North is not genuine in its commitment to a new partnership with Africa within the NEPAD framework and that it might therefore use the APRM "penalty-reward" framework to promote its own agenda. For example,

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[782] Collier, "Africa's external relations," p. 345.

[783] Collier and Gunning, "Restraint, cooperation and conditionality," p. 84.

while the G8 has emphasized the fulfilment of commitments made by African governments as a precondition for supporting the NEPAD – African leaders have been unable to extract commitments from non-complying G8 member states – casting doubts on the balance of the much vaunted new partnership between the North and Africa. African governments fear the G8 will apply subjective criteria to African states' compliance to the APRM prescriptions to achieve its own goals.[784]

Inasmuch as African owned and African managed restraint instruments have historically been ineffective and although peer pressure may appear inadequate to engender the kind of sea change envisaged in the NEPAD, projecting a framework where the North would serve as anchor to a supposedly African owned initiative would not augur well for African governments. If the NEPAD is a truly African conceived and African owned initiative, then its principal restraint mechanism (APRM) must be internalised. Writing off African governments as being incapable of mutually restraining their behaviour to standards and norms they have agreed upon is to suggest that the NEPAD's ideas and prescriptions – contrary to claims of African ownership – have been dictated from elsewhere. Moreover, an insistence on "penalty-reward" conditionality reminiscent of World Bank-IMF conditionalities suggests that the nature of the partnership between the North and Africa has not changed after all.

CONCLUSION

The NEPAD breaks with earlier African regional initiatives in its emphasis on the importance of governance reforms on the development prospects of the continent. I have showed that domestic governance reforms could potentially resolve the issues of political insecurity and economic vulnerability that have plagued African

[784] Bikoe and Landsberg, "NEPAD, African initiative," pp. 30-1.

governments over the years. This could then yield significant long-term benefits to African states both individually and collectively. However, the institutionalisation of good governance involves huge political costs for African governments, and issues of compliance therefore remain paramount.

The chapter has examined the potential capability of the APRM to bring about African governments' compliance with regionally agreed governance norms. I have contended that the APRM is not an overarching central authority; rather, it is founded on a plausible model of self-restraint. The viability of this model would depend on a complex pattern of interactions between member governments, regional institutions and processes, and extra-regional partners guided by the APRMs incentive structure defined in terms of voluntarism and selectivity, non-adversarialism, and the presence of an external anchor.

The voluntary and selective character of the APRM accounts for its uniqueness. Though it may leave room for free-riding by African states that may choose not to sign up for its prescriptions, those states that will effectively sign up to the initiative, will be motivated to do so by a genuine political commitment to abide by its stipulation.

On the non-sanctioning character of the APRM, I have demonstrated that while at face value, it would appear to make the entire peer review process a costless exercise for African states, a deeper look at the principle reveals that it is indeed capable of aligning African states' polices and practices to agreed governance norms. This could be facilitated by the exercise of regular peer pressure and dialogue, the transparency of the peer review processes and the public scrutiny they are expected to generate

Because of the established reputation of African leaders to "cover-up" for each other – and with increasing pessimism about whether they are willing and able to hold each other accountable as envisioned in the APRM framework – the chapter has also examined the option of tying the APRM to an external anchor, Africa's external partners. I have examined the implied "good governance-resource flow" based "reward-penalty assumption" that seems to underpin the implementation of NEPAD's external compact.

Although African leaders may not be depended upon to put pressure on each other to bring about the required changes in the management of their states, invoking the use of an external anchor carries the undesired effect of rendering the entire APRM process very unpopular. Not only might it amount to externalising a supposedly African-owned and African-led initiative, it could give credence to the perception that the principles underpinning the NEPAD process have been dictated from outside. In this case, it will only discourage African states and their peoples from rallying behind the NEPAD.

If the NEPAD is indeed an African-owned and African-led initiative, then the momentum for its implementation must come from within and not from external pressures. However, the "soft law" nature of the APRM, despite its identified merits, may not be adequate to bring about the radical changes in the behaviour of African states envisioned in the NEPAD. Therefore, the leaders may have to devise more internally rooted strategies, endowed with credible sanctioning powers to give added impetus to the NEPAD process.

CONCLUSION AND SUMMARY OF MAJOR FINDINGS

This study has examined the design and implementation of African regional economic cooperation initiatives, with the LPA and the NEPAD as comparative case studies. Regarding design, it has analysed the shift, from the traditional state-led, inward-looking, collective self-reliance prescriptions of the Lagos Plan of Action (LPA) to the outward-looking, market-orientated prescriptions of NEPAD. Regarding implementation, it has examined the challenges of institutionalising compliance with economically gainful, but politically costly regional initiatives in the absence of an overarching supranational authority. It focused on analysing the level of implementation of the self-reliance model of the LPA, and the prospects of and challenges to be overcome for the sustained implementation of the NEPAD.

The thesis has advanced two main sets of arguments relating to the design and implementation of African regional economic initiatives. First, it has argued that African states' common concerns about political and economic vulnerability in the global economy have inspired the design of several ambitious regional economic initiatives in the continent. Within this context, I have contended that the shift in orientation from state-led inward-looking collective self-reliance (LPA), to market-friendly extra-regional partnership (NEPAD) has been informed by changes in international realities and circumstances (specifically, the emergence and prevalence of liberal international "consensus," the ascendancy of asymmetry-based multilateral institutions in global economic policy making and the weakening bargaining position of Africa in North-South relations).

My argument about the design of African regional economic initiatives has thus been located in the field of international political economy. Precisely, the study employed neo-liberal and nationalist perspectives of international political economy

to explain how the economic opportunities offered to and constraints imposed on African states by the global economic system, including ongoing global transformations have dictated the continent's regional economic cooperation options over the years.

To capture differences in the contexts within which the LPA and the NEPAD were crafted and the resultant differences in their contents and orientations, I presented a causal model informed by a combination of a "historical explanation" and a "structured focused" comparison methodology. The combined logic of these two methods enabled me to select three clusters of independent variables (based on our research objectives) that were then causally related to dependent variables (the LPA and the NEPAD). Through structured focused comparison, the study gave two separate, but linked accounts of the processes producing the design of the two initiatives. In these two accounts, the study highlighted the observed changes in the values of the independent variables (realities and context of global political economy, dominant international economic and development ideas, and the nature of North-South relations) between the formulation of the LPA in the early 1980s and the crafting of the NEPAD at the turn of the century. The observed changes helped explain the shifts from the orientations of the LPA to those of the NEPAD.

Second, the thesis has argued that individual African government's concerns with political and economic vulnerability domestically have been responsible for the low levels of implementation of regional economic cooperation initiatives. I have contended that prospects for sustained implementation of regional cooperation initiatives are structured by expectations of aggregate socio- economic benefits, the cost of compliance to states and the regional institutions to enforce compliance.

My argument about the implementation of African regional economic initiatives has been anchored on the field of comparative political economy. Precisely, the study employed national perspectives of comparative political economy to explain the internal political and economic dynamics underlying the attitude of African governments towards long-term development goals, including goals defined in regional economic initiatives. It emphasized the interplay between socio-economic benefits of regional initiatives, and the domestic political costs for African governments. It borrowed from insights on new institutional economics to analyse the potential of responsive domestic institutions of governance to align otherwise insecure African governments' behaviour to long-term development goals and the role that a capable state can play in the development process in the continent. Finally, the thesis employed rational choice institutionalism to analyse the difficulties of institutionalising compliance with regional policy prescriptions in the absence of supranational authority.

Like with design, the study adopted a causal design informed by a combination of the structured focused comparison and historical explanation. A set of independent and intervening variables were identified, which were then causally linked to the dependent variable or final outcome – the observed level of implementation in the case of the LPA and the prospects for sustained implementation in the case of the NEPAD.

To place the shift from the LPA to the NEPAD in historical perspective, the thesis began with an account of efforts at region building prior to the Lagos Plan of Action (LPA), focusing on the overall rationale for regionalism in the continent. I have observed that regional cooperation emerged as a central element in Africa's international relations as early as the first years of independence. It was recognised as

a necessary condition for the transformation and long-term sustainable development. The strongest rationale for regionalism was that it had a great potential for assisting African countries overcome the economic constraints imposed on them by the smallness and fragmented nature of their markets. It was an alternative development strategy to nationally oriented strategies, which could assist African countries in expanding their domestic markets and resource bases, increasing industrial opportunities, diversifying agricultural production and expanding inter-African trade – particularly through improved infrastructure. It also had the potential of ultimately strengthening the continent's overall position in relation to the developed countries of the North, through greater independence and self-reliance.

The original Pan-African vision of economic regionalism involved establishing a continent-wide regional initiative that could ultimately lead to the economic unification of the continent. However, a combination of internal and external political forces conspired to frustrate this vision, preventing the establishment of sufficiently broad-based regional economic initiatives. The multiple, narrowly based regional economic initiatives that emerged in the immediate post independence years proved to be economically unviable and externally oriented, particularly towards former colonial metropolis.

Moreover, these early initiatives were plagued by problems of conflict of interests between concerns with national consolidation and regional exigencies, political and ideological differences between the newly independent African states, external interference, and disagreement over the relative shares of actual or potential gains of regional arrangements. These difficulties and the resultant poor performance of post independence regional economic arrangements formed the basis for efforts to

establish broader, more viable and more inward-looking regional initiatives from the 1970s onwards.

The thesis has shown that the defining characteristic of regional economic cooperation initiatives of the 1970s onwards – culminating in formulation of the LPA – is that they directly challenged Africa's external economic orientation inherited from colonialism. Therefore, apart from the orthodox benefits promised by regional economic groupings in terms of expanded trade and investment, economic cooperation and integration came to be vigorously advocated as a means of reducing external vulnerability.

The LPA constituted the high watermark of Africa's revulsion against the paradigm of economic extroversion that characterised the continent's immediate post independence development strategies. Its main thrust was to reverse the excessive dependence of African economies on the outside world – through partial disengagement from a supposedly unfavourable international political economy. The design of the LPA emphasised the need to break with the past and to create African economies that could become truly self-reliant and self-sustaining.

The centrepiece for the realisation of the LPA's twin objectives of self-reliance and self-sustainability was accelerated regional economic cooperation and integration. The LPA's continent-wide economic cooperation agenda, together with its prescription for partial disengagement from the global economy, set it apart from earlier regional economic initiatives. More importantly, the LPA's prescription for partial disengagement from the global economy – through the strategy of regional import substitution industrialisation – contrasts with the option for engagement chosen by the NEPAD.

To clarify the break of the LPA with the thrusts of earlier regional cooperation initiatives, the thesis investigated the internal and international contexts within which the LPA and its inward-looking self-reliant regional development strategy were formulated. It showed that the cumulative effects of the realities of the international political economy (particularly the unfavourable structures and principles of the international trade and monetary regimes – GATT/IMF - and the impact of their eventual decline); the unbalanced nature of North-South relations (as reflected by the devastating effects of the OPEC oil crises of the 1970s, the calls for a new international economic order (NIEO), and the execution of the Cold War); and the popularity of the dependency thesis as the leading development economic thought in the 1970s, converged to bring about the review of Africa's development options contained in the LPA.

The ability of African countries to formulate such a development framework, which attempted to challenge the existing global economic order, was facilitated by the demonstrative effects of the potential power of the Third World through concerted action as evinced by the impact of the actions of oil producing nations' cartel (OPEC) on global economic policy making. Furthermore, African states adopted a policy framework that was contrary to the preferences of the industrialised countries of the North because they had some leverage in their relations with the North as a result of the exigencies of the Cold War, combined with the strong bonds of solidarity amongst Third World countries within the Non-Aligned Movement (NAM).

Overall, African leaders and technocrats came to perceive the LPA and its collective self-reliance strategy as a viable framework for reversing the continent's dependence and underdevelopment. Beginning in the 1980s, self-reliance regionalism occupied centre-stage in Africa's development options, forming the hub of all African

development and cooperation initiatives. However, decades after the adoption of the LPA, the record of achievement of self-reliant regionalism remained disappionting. The study therefore analysed the weak record of implementation of the LPA as a prelude to comprehending the shifts in orientation in Africa's regional cooperation efforts embodied in the NEPAD.

Although the potential benefits of the LPA's prescriptions for expanded regional markets and for restructured, diversified and less dependent African economies were great, African states and their leaders were unable or unwilling to make the necessary political sacrifices for its sustained implementation. The thesis has attempted to explain this seeming paradoxical outcome of the LPA self-reliant model from two broad perspectives: First, from the perspective of the interplay between the long term potential economic benefits of the LPA and the short-term political costs of compliance to African governments; second, from the perspective of regional institutional mechanisms to monitor and enforce compliance.

My explanation of the disappointing performance of the LPA has been anchored in the contention that the LPA's assumptions about the behaviour of African governments were faulty. The technocrats who formulated the LPA appeared to be guided by assumptions of political voluntarism, then common among development economists – seeing African governments as benevolent maximisers of the social welfare of their populations. Their thinking was that if policies could be shown to be economically sound, African governments could be relied upon to implement them faithfully. Therefore, they overlooked the political environments within which African leaders were operating and the political realities they faced.

In fact, that the political reality for most African states at the time of the LPA was that of deep political insecurity. Concerns with immediate short-term national

difficulties, including issues of political survival, became paramount and were crucial in defining African governments' attitude towards the long-term visions of the LPA. Even the most ardent supporters of the LPA's economic rationale recognised that the major benefits of the initiative were going to take time to materialise and were subject to substantial uncertainty. These benefits could be delayed because they depended on fairly long-term processes of structural transformation. And they were uncertain because they depended on the ability and willingness of other governments to undertake sustained implementation. In the final analysis, in the trade-off between the long-term and unsure economic benefits of the LPA and the protection of short-term political interests, African governments emphasized the latter.

This was manifest in African governments' unwillingness and inability to respect the many commitments made in regional treaties and conventions for concerted regional self-reliant efforts. Despite the signing of a plethora of treaties establishing a myriad of regional and even continental institutions envisaged in the LPA, the institutions remained weak and generally failed to align the policies of African states to agreed regional programmes and policy strategies. I argued that the inability of the LPA's regional cooperation institutions to align the behaviour of African states to agreed policy prescriptions could be explained partly by the absence or inadequacy of institutions to monitor and enforce compliance.

Because of the political sensitivity of African governments to questions of sovereign interest and political survival, most of the mechanisms set up to facilitate self-reliant regional cooperation were limited to providing apolitical technical and coordination directives. This made membership in regional economic groupings a politically costless exercise – with states signing treaties and conventions without any real incentive to abide by them. The outcome was that self-reliant regionalism defined

by the LPA registered little success and the continent's economic development problems remained or even worsened

The fate of the LPA was also profoundly influenced by the multi-dimensional economic crisis in the continent in the 1980s. The intensity of the economic crisis made it difficult for African leaders to avoid adopting structural adjustment programmes (SAPs) prescribed by the Bretton Woods Institutions. Prescriptions of SAPs were at variance with the principal tenets of the LPA, posing a dilemma for African governments. They had to make a difficult choice between implementing SAPs and upholding the LPA. Given African countries desperate need of SAPs resources to ensure the continuous functioning of government services, to execute vital development projects, and to appease potentially challenging political constituencies, they were forced to choose the SAPs prescriptions over the LPA's goals.

In the end, the LPA strategy that emphasised a greater role for the state and for self-reliant development was overtaken by SAP's prescriptions for scaling back the state's economic role and pursuing a more outward-looking orientation. Although the rhetoric of self-reliance survived to the end of the century, available economic indicators – particularly the debt burden – showed that the continent had grown more dependent on the outside world than it was on the eve of the formulation of the LPA. It was therefore against the backdrop of poor performance and sidelining of the LPA strategy, and the worsening economic situation of the continent – particularly the unsustainable debt burden – that African leaders crafted the NEPAD.

The NEPAD emerged in 2001 and quickly became the most important item in Africa's economic cooperation agenda. However, it has been understood and interpreted differently by different observers resulting in some disagreement over its

actual economic orientations and paradigmatic underpinnings. Some of its proponents present it as an inward-looking and self-reliant initiative, with the ultimate goal of strengthening the African state to play a more meaningful role in economic development. Yet, many critics have seen the initiative as a market driven, outward-looking framework, directed at curtailing the role of the African state in economic management in line with the neo-liberal economic paradigm. Still others have seen the initiative as combining both elements of inward orientation and outward orientation, and as been informed by a combination of liberal and statist economic paradigms.

Given this controversy, this study placed the orientations and the paradigmatic underpinnings of the NEPAD into perspective, to allow for a better understanding of the initiative and the challenges it faces. While accepting that the NEPAD is derived from diverse paradigms and combines both elements of outward and inward orientation, I have argued that the initiative breaks in significant ways from earlier African regional economic cooperation efforts, including the LPA.

The thesis has detailed the nature and contents of this break, and it has also analysed the changed international and internal circumstances that brought about the policy shifts contained in the initiative. It has also attempted to reconstruct the diplomatic processes through which the details of the changes reflected in the initiative were worked out. Finally, it has examined the prospects of and the challenges to be overcome for the new orientations contained in the initiative to be implemented, focusing especially on its innovative implementation mechanism – the APRM.

The thesis has argued that the NEPAD represents a paradigm shift in at least two main ways: first, in terms of the programme's economic principles and contents, and

second, in terms of the relative importance of issues of domestic governance in the development prospects of the continent.

On economic content and principles, the NEPAD represents a shift from inward-looking, the state-led and self-reliant orientations of the LPA to an outward-looking, market-driven, and liberal economic orientations. The NEPAD's push for greater engagement with the processes of economic globalisation, despite the continent's established suspicion of the system as reflected in calls for partial disengagement by the LPA, is a remarkable shift in orientation in Africa's regional economic cooperation thinking and practice. Moreover, although the NEPAD seems to embrace diverse paradigms and combines both elements of outward and inward orientation, on the balance, it is more outward oriented than it is inward oriented. Overall, the initiative has been found to lean more towards the liberal economic paradigm than on the protectionist and state-interventionist paradigm that underpinned the LPA and related earlier African initiatives.

Regarding the importance of governance issues in the development prospects of the continent, the thesis has contended that NEPAD constitutes a real break with the LPA in two major ways. First, unlike the LPA that blamed the lack of development in the continent almost exclusively on external factors, the NEPAD emphasises that the inadequacy of domestic institutions and processes of governance has been a major obstacle to development, and that improvements in both economic and political governance are preconditions for the development. Second, the NEPAD unlike earlier African regional initiatives that stressed the need for African states to have unfettered sovereignty over domestic issues of governance, the NEPAD, by establishing an otherwise politically intrusive, though voluntary enforcement and monitoring mechanism – the APRM recognises the need to put some restrains on politically

unresponsive and unaccountable African governments. Although the good governance agenda had become relatively popular with African institutions like the OAU and the ECA and amongst many African states since the late 1980s, its strong endorsement in the NEPAD sets the initiative apart from all previous African initiatives.

Concerning the circumstances and context within which the shifts in orientation occurred, I have demonstrated that the global political and economic environment in which the NEPAD was crafted has been fundamentally different from those surrounding the formulation of the LPA and related earlier initiatives. The shifts in orientations contained in the NEPAD were informed by these global changes. The thesis has detailed the nature of these global changes and how they conspired to bring about the new orientations in the NEPAD. These global changes included; the changed realities and context of the international political economy, the changed nature of North-South relations, and shifts in prevailing economic and development ideas, including issues of governance. These external dynamics coincided with the transformed African domestic political environment, to produce the momentum for the innovations in the NEPAD.

Beginning in the mid 1980s, the global political economy witnessed great transformations which included: a new wave of globalisation that saw the market gaining greater prominence over the state in directing economic development; changes in the operational principles of multilateral institutions of trade and finance – particularly the shift from the GATT to the WTO, with an increasing diminution of concessions and privileges to developing countries and a growing tendency to gradually institute equality of treatment among economic actors in global trade, growing conditionality norms of Bretton Woods Institutions – that increasingly encroached on sovereign issues of economic and political governance, and dramatic

changes in international financial markets, particularly in the nature of foreign direct investment. These changes were the impetus for African leaders to rethink their development options as reflected in the NEPAD. The NEPAD has been crafted to try to maximise Africa's gains from these global economic transformations, while at the same time mitigating their negative effects on the continent.

The thesis has also argued that although conventional wisdom holds that Africa has since independence been the weaker "partner" in North-South relations, the continent found itself in an especially weak bargaining position with the North in the late 1980s and 1990s compared with its position in the late 1970s and early 1980s when the LPA was formulated. The advent of SAPs and the resultant deepening of Africa's debt crisis, the demise of the Soviet Union and the end of the Cold War, the weakening of "South-South" solidarities due to the emergence of disparities in the level of development between developing countries, all conspired to further weaken Africa's standing in her interaction with the rest of the world and greatly constricted her ability to advance and uphold a development strategy challenging the prevailing global economic order.

Regarding shifts in economic and development ideas, I have shown that unlike in the late 1970s and early 1980s, where the ideas that underpinned Africa's development cooperation options were at variance with those propagated by the global economic institutions (explaining the 'clash' between the LPA and SAPs), at the turn of the century, there emerged some degree of convergence between African states and African institutions and global multilateral institutions on liberal institutionalism. Within the same period, partial consensus equally developed over the role of the state in economic management. The sharp differences that pitched the LPA against SAPs in their interpretation of the continent's economic problems and the way

out of them had narrowed considerably by the late 1990s. Although structural adjustment programmes (SAPs) failed to achieve the envisaged recovery of African countries' economies, they succeeded in slowly aligning a majority of African countries' economic policies to liberal economic principles and practices.

I have argued that the alignment of African states' policies to liberal market economic principles was not a deliberate policy choice, but rather emerged out of the desperate need to secure the financial resources offered by the IMF and the World Bank. Western styled liberal economic organisation and thought gained even more strength with the demise of the Cold War, which relegated alternative economic models to the background. The astonishingly rapid growth of some of the Asian economies through greater liberalisation and engagement with the global economy, served partially to undermine dependency theories that argued that economic development in the Third World was held back by the domination of the global economy by the already industrialised capitalist economies.

In the aftermath of the Cold War, the application of Western liberal models to Africa could no longer be perceived as an imposition. Rather, it came to be perceived as the simple transfer of viable economic organisation models of universal validity. The NEPAD emerged under the dictates of the dominance of these liberal economic thoughts and more importantly, its outward orientations consist of a pragmatic alignment to the global trend towards greater economic liberalism.

The thesis has also shown that the transformed international environment coincided with important changes in Africa's political landscape, providing the impulse for the policy shifts defined in the NEPAD. These internal changes included, the rebirth of political pluralism in a majority of African states – which itself gave rise to a vibrant civil society and a new breed of African leadership – the emergence of a

non-racial South Africa and the end of military dictatorship in Nigeria. It also included the shift from the politically focused OAU to a more progressive continental organisation – the African Union, and also changes at the helm of Africa's economic think tank – the UNECA.

Democratisation not only resulted in the emergence of more open and competitive political regimes, but also reinforced broader approaches to governance – moving from a narrow focus on public service reforms to include broader goals of reforming politically unresponsive and unaccountable government institutions. This conception continued to exert a profound influence on Africa's regional development agenda and has been seen as partly informing the endorsement of democracy and good governance as preconditions for sustainable development in the NEPAD dispensation.

The political liberalisation of the 1990s onwards facilitated the emergence of a "new breed" of leadership in the continent, which has been seen as been more committed to democratic and related good governance values. Although this group of African leaders is still in the minority, their actions and visions constituted part of the immediate impulse for the NEPAD initiative.

The birth of a non-racial South Africa and the end of military dictatorship in Nigeria also converged to give the quest for continental renewal added impetus. The emergence of a non-racial South Africa, under the direction of the ANC with its African focused foreign policy, was a key development that became the gem for the "African Renaissance" philosophy that provided the context for the formulation of the MAP and eventually the NEPAD.

The thesis has shown that the emergence of civil society was part of the momentum that eventually gave rise to the new African initiative. Although available evidence indicate that civil society was not sufficiently consulted during the processes

leading up to the establishment of the NEPAD, the initiative emerged within the context of increased pressures for a transformation of the relationship between the African states and their societies. This is borne out by the internal dimensions of the NEPAD partnership framework that seek to establish a new way for African states to relate with its people and business.

Changes in the thinking within the main continental organisations – the OAU and the ECA – were equally instrumental in facilitating the shifts in the policy choices contained in the NEPAD. At the close of the twentieth century, a consensus developed that the OAU had grown inefficient and that there was a need to transform the character of the organisation to respond to the challenges of the moment, particularly post-Cold War development challenges. Finding a socio-economic strategy to facilitate the refocusing of the continental organisation's thrusts took centre stage within OAU circles. Out of the desire to blend the OAU's largely political thrusts with a viable socio-economic orientation relevant to a globalising world, the NEPAD emerged.

The change of leadership at the UNECA also contributed to the policy shifts contained in the NEPAD. During much of the time that the institution was headed by Nigerian born Adebayo Adedeji, most of its formulations were inspired by the inward-looking, self-reliant paradigm of the dependency genre. The current executive secretary, Ghanaian born K. Y. Amoako, has been seen to be more sympathetic of liberal economic ideas and has therefore, been more supportive of market principles and greater engagement with the global economy. This has been reflected in the ECA-inspired "Global Compact for Africa's Recovery," which defines new relationships between Africa and the industrialised world.

After showing that the NEPAD differs in significant ways from earlier continental economic initiatives, the thesis reconstructed the diplomatic processes through which this change occurred. The final NEPAD framework was preceded by a number of parallel initiatives all designed to bring about the economic turnabout of the continent. However, the NEPAD was the product of two main conceptual documents: the MAP and the Omega Plan, with technical inputs from the technical and analytical inputs from the "Global Compact for Africa's Recovery," developed by the ECA. The successful merger of these parallel initiatives into a single continental economic cooperation framework and the ability to secure pledges of support from Africa's external partners for the framework was an impressive feat in Africa's regional economic cooperation history.

The thesis has investigated how African leaders of the NEPAD precursor initiatives – the MAP and Omega – bargained and negotiated with each other, and with existing African institutions (the OUA, ECA and ADB) to craft the NEPAD. It has also examined the involvement of Africa's external partners – multilateral institutions and individual industrialised countries – to frame the external partnership defined by the NEPAD. The thesis sought to identify the interests and objectives of the principal actors involved in the diplomatic process and how these interests played out to produce the policy shifts contained in the NEPAD.

Since the most immediate impulse for the NEPAD came from the continent's debt crisis, the bulk of the diplomacy leading up to the initiative and directed at its promotion, has weighed in favour of satisfying a minimum of the Northern partners preferences and meeting their prescriptions on what has to be done to help Africa exit from its development crisis. The prominence of external partners in the NEPAD diplomatic process created the perception that the preferences and interests of the

North in terms of appropriate economic policies and political institutions and processes for the continent were impressed on the final NEPAD document. The emergence of a new African initiative that appears to lean towards the liberal economic ethos and governance standards favoured by Northern states and multilateral institutions has raised questions about the initiatives' claims to an African ownership and leadership.

However, the thesis also presented evidence that the preferences and interests of key African actors in the NEPAD process – particularly South Africa and the ECA – were to promote liberal economic principles in the continent. For South Africa, this interest derived from the nature of its national economy – with a relatively solid industrial base, a well-established private sector and the necessary infrastructure to compete economically both within the continent and globally. The ECA, although designed as an African economic policy institution, has remained a largely United Nations institution that is therefore, vulnerable to the dictates of major global economic players. With the leadership of the institution passing over to a supposedly more liberal executive director, the ECA's preferences during the NEPAD negotiations tilted in the direction of liberal economic principles.

The good governance agenda had been gaining some popularity within the circles of African institutions like the defunct OAU, the ECA and the ADB. It was also been entertained by several African states – including the lead states of the NEPAD process, South Africa and Senegal, (and to a lesser extent, Nigeria, Algeria and Egypt). Their interests during the NEPAD process were to promote the entrenchment of the good governance agenda across the continent, particularly as a strategy to curtail the negative spillovers of poor governance.

Therefore, it would be presumptuous to conclude that the market orientation and the good governance agenda contained in the NEPAD were imposed by external actors through the NEPAD diplomacy. Rather, it would be more appropriate seeing them as a product of the convergence of ideas and interests of both internal and external actors, though the North's involvement in the process probably gave them added impetus.

NEPAD is distinctive in African economic cooperation history in linking good governance to the development prospects of the continent. It is even more distinctive in its establishment of a collective self-monitoring mechanism – the APRM to oversee implementation. However, I have shown that for the NEPAD to be sustainably implemented, African states would be required to make deep political sacrifices. Although the potential economic gains to be derived from the NEPAD (particularly through its good governance agenda) are substantial, the nature of political sacrifices expected of African states raise questions about African states' willingness and ability to uphold its prescriptions.

Given the engagements that the NEPAD initiative seeks to establish with external actors, the implementation of the initiative is partly dependent on the behaviour of these actors. Although the North's support for the NEPAD is hinged on the ability of African states to demonstrate improvements in governance, the success of the initiative will also be contingent on changing the incentive structures that underpin aid and ODA delivery, foreign direct investment and debt relief policies.

The thesis has attempted to evaluate the potential capability of the APRM to align the behaviour of African states to agreed norms and standards of governance that are seen as a precondition for the success of the initiative. The APRM is intended

to be voluntary and self-selective in character – and also its processes are intended to be non-adversarial and non-sanctioning.

The voluntary and selective character of the APRM sets it apart from all earlier and existing African regional cooperation monitoring mechanisms. Although the principle creates room for free-riding by African states that choose not to sign up for the initiative, those states that do sign up, are more likely to be motivated by genuine political commitment and would, therefore, be more likely to uphold its prescriptions (unlike earlier initiatives where membership was mandatory on grounds of being an African state).

Regarding the non-adversarial and non-sanctioning principle of the APRM, it might appear to make the entire peer review process a costless ritual for African states. However, a more critical examination of the principle revealed that it could help align African states' policies and practices to the agreed governance norms and standards. This could be facilitated by the exercise of regular peer pressure and dialogue, by the transparency of the review processes, and more importantly, by the public scrutiny that peer review pressures are expected to generate.

With the reputation of African leaders to "cover up" for each other, and in the face of scepticism about the willingness to hold each other accountable, the thesis also examined the option of tying the workings of the APRM to an external restraint – that is, Africa's external partners. Within this context, the study examined the potentials of the implied "good governance-resource flows' based reward-penalty" assumption that seems to underpin the external partnership component of the NEPAD. However, anchoring the operations of the NEPAD's APRM on external resource flows may have the undesirable effect of rendering the initiative very unpopular – appearing to externalise a supposedly African owned and African led initiative and strengthening

perceptions that the ideas and principles behind the initiative have come from outside the continent.

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Gelb Stephen (Prof.), Director Edge Institute, Johannesburg. He was research coordinator for the South African Government's MAP team until July 2001, and also served as consultant to the NEPAD Secretariat between January and June 2002. Johannesburg, April 11 2003.

Hamdock Abdalla (Dr.), Senior Development Management Officer and Acting Director, Development Policy Management Division (DPMD), UNECA. Mr. Hamdock was a leading member of the Commission that drafted the ECA-Compact. He has also been instrumental in designing the NEPAD Corporate Governance Initiative that has been entrusted to the ECA. Addis Ababa, June 6 2003.

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Njeuma, Dorothy (Dr/Mrs), Former Vice Minister of National Education in Cameroon, and Vice Chancellor of the University of Buea, Cameroon. She is also serving as one of the eminent persons in the APRM's Panel of eminent persons. This author had an informal chart with her at the residence of the High Commissioner of the Republic of Cameroon in Pretoria in October of 2003.

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