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Africa's adjustment to transnational capital : the political economy of the African Union and the New Partnership for Africa's Development.

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Part I

Theoretical Approach and
Africa's Conjuncture of Macro-restructuring

Chapter 1

The Struggle over Africa's Adjustment to Transnational Capital

Introduction: The Political Economy of Africa's Crisis and Global Integration

Over the past five decades, Africa has attracted a great deal of attention. Initially, the decolonisation process and national liberation struggles captured international support and interest. However, this was subsequently eclipsed by the 'long economic crisis' of the 1980s and the wave of post-colonial democratisation. Many of the structural weaknesses of Africa's economies came to prominence due to the debt crisis of the 1980s. It became commonplace to refer to Africa's dismal growth (negative in the 1980s), increasing human and income poverty, food insecurity, ballooning debt burden, low savings and investment rates, balance of payment constraints, undiversified economies and low productivity. In the post-Cold War context, during the 1990s, Africa has been a site of flashpoints, wars and violent horrors. Alongside the attainment of formal democracy in South Africa, violent conflict manifested in Rwanda, Angola, Liberia, Sierra Leone, Burundi, Chad, Sudan, parts of Nigeria, and generally faltering transitions to democracy seem to have been defining of contemporary Africa. In general terms, these historical developments have been magnified to frame the picture of a continent in crisis in the 1980s and most of the1990s.[1]

From the standpoint of 'globalisation', Africa has been cast as the 'unknown', as a silence; most of the leading theoretical and analytical literature on globalisation strikingly omits any mention of Africa or according to some it is a 'black hole'. Moreover, when Africa is situated in a globalisation discourse it is situated outside globalisation processes.

[1] According to the *Economist (*13 May, 2000) magazine, a leading voice for global capitalism, Africa was declared 'The Hopeless Continent'.

Many mainstream and dominant versions of the marginalisation of Africa thesis frame Africa's challenges in this way (Wangwe, 1997). Hence the logic of these arguments and analyses suggest Africa has to bring in these phenomena or join this external process through integration; Africa has to ensure efficacious reforms to bring about economic and political liberalisation. In a word, Africa has to 'globalise' to have a future and, of course, solve all its problems.

Despite the failings of globalisation discourse to understand Africa and the social forces remaking it, this has not deterred an African response to the realities and structural shifts of global capitalism. At a continental or macro-regional level, over the past decade, concerted initiatives have been undertaken which are remaking the continental political economy of Africa. This is reflected in the restructuring of continental institutions, new multi-lateral approaches to security challenges, deepening democratisation and a common economic platform for engaging transnational capital. This study attempts to historicise the political economy of Africa as it relates to these globalising processes and regional responses, particularly the African Union and New Partnership for Africa's Development (AU-NEPAD) attempts to engage in continental restructuring to ensure adjustment to meet the requirements of transnational capital. It is about trying to understand what is new and different within the continental political economy as it relates to the conjuncture of neoliberal globalisation.

To this extent this study is not about flattening out the complexity and diversity on the African continent and neither is it about trying to understand Africa in its totality. The modest side of this study tries to focus solely on the AU-NEPAD as an attempt to engage transnational capital. More ambitiously, it tries to understand how globalising capitalism works at the intersection of transnational capital and the AU-NEPAD. Hence, unlike conventional International Relations and International Political Economy approaches this is not a study about an international organisation and neither is it narrowly about the role of African states within macro-restructuring. This is a study about how the institutions of the global power structure have engaged the AU-NEPAD to ensure Africa's adjustment

to the requirements of transnational capital; it is about an important transnational social relationship underpinning the AU-NEPAD.

The New Scramble for Africa: The AU-NEPAD and Transnational Hegemonic Ideology

The AU-NEPAD initiative coincides with an economic turnaround on the African continent. In the first few years of the 21st century, Africa has begun to experience an increase in economic growth rates. For the IFIs, particularly the World Bank, these figures affirm the correctness of its drive to structurally adjust Africa. This has been supported by academic opinion in some quarters. For Ndulu and O'Connell (2008:490) the growth spurt in Sub-Saharan Africa should be interpreted as a 'lagged response to the economic and political reforms of the late 1980s and early 1990s'. Their argument of a revival of growth serves as the basis to support the AU-NEPAD initiative to further deepen internal and external integration into global capitalism. The opportunities of the new global capitalism can be seized through the AU-NEPAD if Africa as a region can, '(1) achieve a critical mass of countries with a policy environment friendly to capital accumulation and private business; (2) improve cross-country infrastructure links; (3) moderate risks faced by domestic and foreign capital, and employ risk-mitigating instruments more effectively; and (4) strengthen as well as retain its pool of human skills' (Ndulu and O'Connell, 2008: 513). This approach and case for Africa's macro-restructuring, in many ways, converges with the rationale of the AU-NEPAD initiative although it fails to speak to the specific AU-NEPAD strategies.

Ndulu and O'Connell (2008) place the revival of Africa's growth in the mid-1990s. Since around 1994, however, a more consistent growth pattern emerged in the first few years of the 21st century. According to the data, sub-Saharan Africa began to show an initial growth surge in early 2001, up to 6.1% real GDP growth by 2005 from about 3% in 2000 (IMF, 2007). This trend has gained momentum with projections placing real GDP growth firmly on an upward trajectory. See Table 1.1.

Table 1.1: Sub-Saharan Africa (SSA) Real GDP Growth Rates

	2003	2004	2005	2006	Projections 2007	Projections 2008
Real GDP of SSA:	4.3	6.2	6.1	5.5	6.2	6.9
Oil exporters	7.4	8.4	7.7	5.7	7.6	10.6
Non-oil exporters	3.3	5.4	5.4	5.2	5.4	5.4
Developing Asia	8.3	8.8	9.2	9.8	9.8	8.8
Middle East	6.6	5.6	5.4	5.6	5.9	5.9

(Source: IMF, 2007:3)

While the growth figures point to an increase in economic activity and the importance of Sub-Saharan Africa's oil economies in driving growth, these averages do not tell the underlying story of the structure-agency dynamics shaping contemporary Africa. For various commentators and analysts these figures do not speak to the degree and extent of 'globalisation' of Africa's economies and the scramble that is taking place for Africa's natural resources - oil, gas, minerals, wood, fisheries, and bio-diversity (Ghazvinian, 2007). Beyond the media renditions of the scramble for Africa, the academic debate on the scramble for Africa's natural resources has polarised into various positions. What follows is an attempt to map some of these positions in an attempt to highlight how this study differs from these approaches to the question of the scramble for Africa.

Stephan et al (2006: 324) recognise the scramble for Africa's resources, including the rivalry between China and the West, but argue that this provides an opportunity for the powerful South African state to create conditions for investment in infrastructure (like energy and water) on the African continent. This process of investment in infrastructure, even through South African parastatals, in the context of hybridising sub-regional integration (open and developmental) and through NEPAD, would ultimately be beneficial for Africa. In other words, even if it means putting 'politics in command' of Africa's scramble, this has to be done to attract FDI and transnational capital. From a different perspective Lee (2006) suggests that the current scramble for Africa's resources is not new, but represents greater continuity with imperialist dynamics of the late 19th Century in the sense that 'inter-imperialist' rivalry and competition for resources has

continued to manifest on the African continent. In her view, while the players have changed in the contemporary sense of it being 'imperialist China' leading the economic incursions into Africa, the game is the same. Africa is being pillaged by an imperialist force and hence it is not a 'new scramble' but a '21st Century Scramble for Africa'.

Melber (2007), on the other hand, agrees with Lee but highlights certain discontinuities in terms of contemporary capitalism. He argues that while China's scramble on the African continent is primitive in its extraction this should not distract from recognising the historical role and present practice of Western exploitation of Africa. In other words, China is a new rival to the ongoing efforts of the dominant Western powers, the USA and Europe, to capture Africa's resources and markets. Put differently, Africa is no longer the exclusive preserve of dominant Western powers. Melber (2007) also recognises that China is not the sole competitor for resources on the African continent but will increasingly be joined by other emerging powers like Brazil, India and Russia. Melber's neo-realism also leads him to the conclusion that the multi-polar tendencies expressed in the scramble for Africa's resources by developing countries of the global South is likely to open up room for manoeuvre for most African countries and could be to the advantage of African states. In short, although Lee and Melber disagree about continuities and discontinuities, there is a shared consensus about a scramble taking place for Africa's resources. This scramble is explained as inter-state rivalry.

Southall's (2009:27-31) contribution to this debate recognises new actors and an economic partitioning as some of the new features of the scramble for Africa's resources and which distinguish it from the old. However, unlike most academic observers of the scramble for Africa's resources he explains it differently. Southall situates the new scramble for Africa beyond inter-state rivalry. His argument draws on Harvey's conception of a new imperialism and the search for an external 'spatial fix' or outlet for new sites of capital accumulation. He also recognises that this happens through a process of accumulation by dispossession. In short, Southall explains the dynamic and thrust for a new scramble for Africa as residing outside of Africa and within a process of global capitalist expansion.

This study is premised on an acceptance of the scramble for Africa's resources and markets. However, beyond this shared premise this study approaches the new scramble for Africa differently. First, in the context of a new imperialism or US supremacy this is a scramble to also tighten control of Africa's states; it is not just natural resources and markets. It is about a new geopolitical relationship, based on a new balance between consent and coercion at the level of the US-led historical bloc. Second, this study situates the new scramble for Africa within the conjuncture of neoliberal global capitalism. It brings into view the underlying historical structures and conditions that give rise to this scramble. In this sense it is about the emergence of transnational capital, transnational neoliberalism and a new US supremacy that creates the underlying conditions for capital expansion and the scramble for Africa's resources. Third, this study approaches the new scramble for Africa as more than a state centric affair. While states are important there are other important social actors that are also shaping Africa in and through states. Using AU-NEPAD macro-restructuring as an entry point, this study brings into view the role of African social agency, particularly a transnational class fraction of the African ruling class and how it has created the conditions for the scramble for Africa. This takes us beyond a South African centric perspective and explanation.

In short, in this study the scramble for Africa is situated in the context of the making of a neoliberalised global capitalism, organised around the interests and ideological perspectives of transnational capital. Thus, this study attempts to understand the new scramble for Africa in terms of Africa's adjustment to transnational capital. This means Africa's development choices are not being made based on people's needs and the sustainability of the ecological conditions on the continent. African countries, sub-regions and the continent are forced to skew their economies around the requirements and interests of transnational capital.[2] Moreover, unlike the 'imperialist' emphasis in some of the above frameworks, this study attempts to understand the role of hegemonic mechanisms of control, in particular transnational neoliberalism, in shaping accumulation

[2] Samir Amin has been the most consistent intellectual voice on the African continent arguing against Africa's adjustment to transnational capital (in Satgar and Zita, 2009: 261-265). Ould-Mey (1994) highlights how adjustment is a Western development strategy. Also see Mahjoub (1990).

dynamics and creating the conditions for 'global rivalry' and competition on the continent. This brings into view the role of class agency and transnational class formation amongst Africa's ruling classes and in particular the central facilitating function of the AU-NEPAD initiative.

The AU-NEPAD and Neoliberalisation

The AU-NEPAD initiative was not an inevitable restructuring option for Africa and neither was it the only option available for African integration into the global economy. Africa's post-colonial development history reveals numerous attempts to develop a common and indigenous African paradigm of development, grounded in the structural realities and needs facing Africa. Various forms of state-led postcolonial development models proliferated, both in intellectual discourses and in actual national experiences (including delinking, African socialism, scientific socialism models and even African capitalism). At a sub-regional level a more project-based developmental integration was attempted in parts of the continent and regionally a more inward oriented and 'self reliance' paradigm was posited as an alternative to structural adjustment in the 1980s (Onimode, 2004).

However, despite these attempts to find an African development path, by the 1990s, a new consensus began to emerge about the nature of continental restructuring and adjustment. This post-Cold War and post-apartheid consensus amongst Africa's ruling classes crystallised in the adoption of the AU Constitutive Act in 2000 and its economic policy compliment the New Partnership for Africa's Development in 2001. The political economy premise of both these instruments understands continental restructuring as directly related to integration into the global economy, that is, bringing capitalist globalisation in. Together these instruments also provide a complimentary framework for a new macro-restructuring inside Africa. On a close reading, the language of these regionalisation instruments suggest a shift in macro-restructuring in which there are continuities reflected in an adherence to the rhetoric of a post-colonial African paradigm of 'self reliance' but there are also fundamental substantive departures. The objectives

and principles of the AU Constitutive Act underlines the need to achieve an African Economic Community by invoking a renewed post-Cold War and post-apartheid Pan Africanism.[3] This is further reinforced by the ubiquitous language within the NEPAD about Africa's attempt to marshal its will for change to meet its own objectives. In its self-description the NEPAD document declares:

> The programme is a new framework of interaction with the rest of the world, including the industrialised countries and multilateral organisations. It is based on the agenda set by African peoples through their own initiatives and of their own volition, to shape their own destiny. (NEPAD, 2001: 473)

For advocates the AU-NEPAD represents a veritable 'Renaissance' confounding the prejudices of Afro-pessimism. It is an 'African solution' to confront the various conflicts and crises on the continent but it is also an African response to neoliberal globalisation. For critics it mainly represents a continuity of structural adjustment embraced by Africa's ruling classes in national spaces. In other words, this was a continental version of structural adjustment. The common sense understanding amongst Africa's ruling classes that the AU-NEPAD is an 'African solution' grounded in a resurgent 'African Renaissance' has become extremely pervasive. It implies a 'counter-hegemonic' politics in the era of globalising capitalism and the conjuncture of neoliberal restructuring.[4] It suggests an attempt to rival neoliberal transnational ideological hegemony and promises an engagement on the terms of Africa. This claim about the AU-NEPAD being a counter-hegemonic' African solution, led and owned from within Africa by Africans, is a key aspect but not the central problematic of this study. Put differently, this study interrogates the intersection of transnational neoliberalism and the AU-NEPAD. This is done in a manner that eschews a 'generic model' of neoliberalism that can be applied in national and regional spaces as suggested by many AU-NEPAD critics. Moreover, there

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[3] The *Constitutive Act of the African Union* (2000) has 14 objectives stated in Article 3 and 16 principles in Article 4. Read together these provide a framework for intra-African engagement and political restructuring. There is also a clear and purposive thrust to clarify relations between states and African peoples more broadly.

[4] In a Gramscian (2003:238) sense 'counter-hegemony' is analogous to the concept of 'war of position' used by Gramsci in his *Prison Notebooks*. It implies securing consent from within civil society for a project to define the direction of society. For Gramsci this would have meant building consent for a socialist project/alternative.

is a recognition that neoliberalisation is a process to achieve certain objectives and interests of transnational capital but that it is also open to mutations, shifts and changes in its ideological articulations.

Hence, the premise for this study recognises that almost three decades of transnational neoliberal hegemony in the global political economy has ruptured national paradigms of development including conceptions of national capitalism (Soederberg et al, 2005). Instead we are living through a period in which global, regional and national varieties of neoliberalism are being constituted. Flowing from this is an attempt in this study to look closely at how the structural crisis of international capitalism in the 1970s engendered a process of global neoliberal restructuring and how Africa has actually had to internalise this process to meet the global accumulation requirements of transnational capital. Instead of assuming or claiming the neoliberalisation of Africa, this study looks at its particularities and specific ideological articulations within the process of macro-restructuring. It attempts to understand the origins of neoliberalism in Africa, its actual construction, its disciplinary practices and its effects as it relates to continental restructuring and external adjustment to the interests of transnational capital. In short, this is a study of how neoliberalisation works on the African continent at a macro-regional level; it is about the political and ideological practices that have constituted a framework for an African version of neoliberal capitalism: Afro-neoliberalism.

The Concept of Regionalisation and Global Political Economy

There are various types or models of regional integration and degrees of regional integration. A useful typology is provided by El-Agraa (cited in Gilpin, 2001:343). Depending on the stage of integration these arrangements could be: (1) *A Free trade area:* the example pointed to is the NAFTA in which an internal market is created by members by eliminating all trade restrictions against each other's goods. (2) *Customs Union:* manages external trade relations and ensures mutual benefits. All participating countries adopt uniform tariffs and other trade restrictions with regards to countries outside the union. This is similar to a free trade area and the concrete example illustrating

this is the European Economic Community or Common Market created by the Rome Treaty. (3) *Common Markets:* builds on the customs union model and includes the free movement of the factors of production. (4) *Economic union*: encompasses all previous stages of integration but includes monetary and fiscal policy harmonisation. European economic integration is the only example we have. (5) *Political Union:* displaces national sovereignty and puts in place supranational decision-making. The European Union is moving in this direction.

Theoretical work and concepts of regionalisation only began taking root after World War II (Gilpin, 2001:345). In the 1950s and 1960s trade theory and notions of integration through developing markets largely informed regionalism. In the 1980s and 1990s there has been a renewal of regional integration processes, spurred on by the emergence of a more distinctive European Union model and the US-led NAFTA model. According to Gilpin (2001, 341-343) regional trade agreements propelled this process. Powerful states in different regions reacted to each other and this also helps to explain regionalisation. However, he does conclude that 'the relative importance of economic and political factors differs in each' (Gilpin, 2001:343) and this determines the strength of the bargaining positions between states in the global political economy.

A contrast to Gilpin's state centric approach to regionalisation, in the scholarly literature, stands a New Regionalism approach. According to Hettne (1999:7-8) the new regionalism approach has various defining features which provide for a wider approach to and explanation of regionalisation.[5] First, contextually there is a recognition that global structural change depends on the dialectical relationship between globalisation and regionalisation; the struggle between contending social forces within the institutions of these two processes will determine the outcome of the type of new world order and the form of regionalisation that would prevail. This balance could either engender autonomous/self reliant regional development or 'open integration' through liberalisation. This is a more nuanced approach from seeing regionalisation as merely 'reactive' moves by states or blocs of states or merely an extension of the national market. Second,

[5] As developed in UNU/WIDER research program, (1999).

regionalisation processes are not necessarily top-down processes in the new global context. Instead the new regionalism recognises initiatives from within regions and 'from below'. There is no dichotomy between the global and the regional in that the trend of the old cold war bi-polar structure is no longer being reproduced in regions. This is a departure point from Realist or neo-Realist understandings that view China as a counter-hegemon in a bi-polar structure. Third, there is greater emphasis on a multi-dimensional process rather than establishing single objective regional institutions that are either security focused or economic focused. Finally, there is a recognition of non-state actors and centres of authority, which can also shape and inform the dimensions of regionalisation. Unlike state centric approaches in IR and IPE, the structurally transformed state is one amongst many actors within the regional power structure.

This study is informed by the defining features of the new regionalism approach vis-à-vis AU-NEPAD. However in operationalising this approach there are two ways in which this study is different. First, while accepting that AU-NEPAD 'regionalisation' is a multi-dimensional process, this study approaches AU-NEPAD as being the expression of a class project; a multi-dimensional class project. This is the core problematic of this study. Put differently, how should the AU-NEPAD be explained as a multi-dimensional class project facilitating Africa's adjustment to transnational capital? In this study this question is not explained in the abstract. That is, the AU-NEPAD is the result of the expansionist logic of transnational capital. Instead this study attempts to explain AU-NEPAD as a multi-dimensional class project by firstly historicising its social underpinnings.

This study brings into view the disciplining of Africa over various conjunctures and the structural shifts that have engendered a new social agent: a transnational fraction of the African ruling classes. Moreover, this study brings into relief how a class consensus was developed in the 'conjuncture of macro-restructuring'. It shows how a class consensus around a common strategic project for Africa was articulated. The second leg of explanation relates to studying how AU-NEPAD engenders class practices and how it operates as an indigenised variant of transnational neoliberalism and ultimately as an

instrument of class rule/concept of control.[6] Finally, AU-NEPAD is explained as a multi-dimensional class project by studying how the interface between the US-led transnational historic bloc and AU-NEPAD redefines Africa. In short, these three arguments explain the central problematic of this study. This is aided by the use of Neo-Gramscian theory.

The second way in which this study differs from the New Regionalism approach is in its use of the concept of 'macro-restructuring' rather than regionalisation. The concept of regionalisation refers to a process in which national sovereignty is displaced by the emergence of supranational decision-making. One state form replaces another in the context of regionalisation. Given the state centric nature of this concept it does not bring into view other social relations. To this extent the concept of regionalisation is too narrow and does not authorise an understanding of other concentrations of power in a continental or macro-regional space. Such concentrations of power like 'historic blocs' of social forces - state and non state - are different from formal centres of institutional authority. Moreover, the concept of regionalisation is blind to the wider implications of remaking macro-regional spaces. It assumes capitalist social relations remain the same within regionalisation processes.[7] Thus, it fails to bring into view the changing nature of accumulation models, state forms, state-civil society relations and international relations. It does not provide for an understanding of a new continental order. Finally, the concept of regionalisation does not assist in understanding the material effects and role of transnational neoliberalism. It does not have the analytical precision to understand the differences in how neoliberalism works in national spaces through structural adjustment and how it would work in macro-regional spaces. Some scholars tend to collapse the 'open regionalism' of the World Bank with regionalisation and therefore national structural adjustment (Oden, 1999:158-162). On the other hand, other scholars have conflated national structural adjustment with AU-NEPAD, suggesting that these processes and the content are the same (Lesufi, 2006a and 2006b). In this study the term macro-restructuring is utilised to distinguish the form of adjustment to transnational capital on a macro-continental scale from national structural adjustment. While national

[6] This notion of transnatonal neoliberalism being an 'instrument of class rule/concept of control' is explained below when dealing with the theoretical concepts of this study.
[7] This is very much the case with neo-functionalist theory (Haas, 1968).

structural adjustment and continental macro-restructuring might have common objectives, however, macro-restructuring works differently to achieve this. This would be shown in this study.

The Limits of Current Regionalisation Approaches to the AU-NEPAD and Adjustment to Transnational Capital

In the African context regionalisation has had a long and chequered history. Following Ikome (2007:37) postcolonial regionalisation can be periodised into the following phases:

- The initial period (1957 – 1963) is characterised as 'supra-national Pan Africanism' which came into existence with Ghana's independence in 1957 until the formation of the OAU in 1963.
- A second phase (1963 – 70) related to efforts to reform colonially inherited or pre-independence cooperation and integration arrangements.
- The third phase (1970 -80) centred on developing larger subregional arrangements among independent states, maturing into concerted sub-regional cooperation in the 1970s and 1980s.
- A fourth phase (1980 -1991) begins with the adoption of the Lagos Plan of Action (LPA) in 1980, together with the Full Act of Lagos (FAL), and culminates with the signing of the Abuja Treaty which establishes the African Economic Community (AEC) in 1991.
- The fifth phase (1991 – until the present) builds on the Abuja Treaty through the Constitutive Act of the African Union in 2000 and the adoption of the NEPAD in 2001.

The literature on Africa's regionalisation has flourished with regard to sub-regional integration. Many scholars have used the sub-regional unit of analysis to explore different dimensions of sub-regional integration. This literature spans empirical analysis

of institutional forms, content issues, the roles of various actors and external relations.[8] Moreover, it works with diverse theories of sub-regionalisation. This study does not engage with this literature directly, but rather concentrates on the scholarship dealing with macro-restructuring that is grounded in the conceptual language of regionalisation. This scholarship is grounded in varied assumptions about how Africa's political economy works and is diverse conceptually and theoretically. These various types of 'regionalisation' scholarship either interprets and speaks directly to the AU-NEPAD initiative or engages indirectly through a sub-regional emphasis.

The first approach to regionalisation can be characterised as Realism. It is found in the work of Stephan et al (2006) and is a state centric approach. The argument in this approach suggests that successful macro-restructuring through the AU-NEPAD hinges on successful sub-regional integration amongst states. State-led sub-regional integration is understood as a response to 'globalisation', it is an 'independent variable'. The South African state in the Southern African context is seen as a crucial factor to lead the process of sub-regional integration through neoliberal external engagement and internal developmental integration. At the same time, the emergence of a bi-polar world order with the rise of China gives African states, South Africa and sub-regional arrangements room to manoeuvre. In short, changes in the sub-regional and macro-regional inter-state system explain change.

The second approach is Neo-Realism. Ikome's (2007) argument recognises the importance of the inter-state system and the necessity for weak states to survive within this; it is a rational choice for states to ensure self-preservation. This rationale, it is argued, has been the basis of post-colonial regionalisation on the African continent. Moreover, regionalisation is a response to various factors (in the international political economy, South-South relations and the rise of certain ideas) that impact on states. This approach shares with Realist thinking the idea that Africa's regionalisation is a response to 'globalisation'. Through a comparative historical framework the Neo-Realist approach

[8] See for example Amin et al (1987), Hansen (1987), Simon (1998), Lee (2003), Hentz (2005), Ajulu (2005), Yieke (2005), Fawole and Ukeje (2005)

explains the failures of regional integration as due to the introverted, self-reliance paradigm of the LPA, accompanied by state weaknesses and a failure to implement regionalisation because of national dynamics. In explaining the contextual determinants that gave rise to the extroverted, market based NEPAD this perspective agrees with the emphasis within the AU-NEPAD to 'fix the African state' as a pre-condition for successful integration.

A third approach can be characterised as constructivism, while not self-defined as such (Murithi, 2005). This approach emphasises the importance of the constitutive role of ideas, in particular, Pan-Africanism as serving as a basis for regional integration on the African continent. It is argued that the AU-NEPAD needs to be located within the intellectual itinerary of Pan-Africanism. In this regard the AU-NEPAD is considered to be a third and contemporary phase in the institutionalisation of Pan-Africanism. Part of explaining its rise relates to the lack of unity amongst African states and peoples. At the same time, the AU-NEPAD is understood also as a response to globalisation, particularly its economic dimensions, to reclaim the initiative for Africa (2005:60). This analysis proceeds to assess the efficacy of the institutional mechanisms of the AU-NEPAD from the standpoint of achieving a new Pan-Africanism. See Table 1.2.

Table 1.2: Regionalisation Approaches to the AU-NEPAD

Theoretical Approaches	Explaining Change - Main Thrusts
Realism	• State centric analysis • State-led sub-regional integration a response to 'globalisation' • Successful sub-regional integration pre-condition for success of AU-NEPAD • Powerful South African state determining factor in sub-regional integration and continental integration • Bi-polar word order, with the rise of China, gives Africa room to manoeuvre
Neo-realism	• State centric analysis within inter-state system • Rational choice for survival basis of African states involvements in regionalisation • LPA paradigm of regionalisation failed because of state weaknesses and failures to implement • AU-NEPAD regionalisation is a response to international factors • AU-NEPAD more likely to succeed because focus is on fixing the African state
Constructivism	• Constitutive role of ideas, material effects • A renewed Pan-Africanism is institutionalised in AU-NEPAD • AU-NEPAD a response to 'economic globalisation' to reclaim initiative for Africa • The efficacy of AU-NEPAD institutional mechanisms assessed in terms of achieving Pan-Africanism

There are three crucial shortcomings with the current scholarship dealing with regionalisation approaches to the AU-NEPAD. First, the state-centric approach shared by Realist, Neo-Realist and implicit in Constructivist scholarship reify the state as a fixed structural feature and determining factor of international relations (IR) and international political economy (IPE). Ironically, with deep structural changes taking place in the new global political economy the conditions for the existence of the state itself have changed.

Centres of authority and power are more diffused and various non-state actors have come to the fore (Strange, 1996). A second deficiency in the current scholarship relates to a failure to understand the constitutive and determining role of transnational neoliberalism. The Neo-Realist scholarship recognises the shift to neoliberalism within the AU-NEPAD framework - a more 'extroverted' and market-centered paradigm - similarly Realism recognises the presence of 'neoliberalism' as a 'second track' within sub-regionalism. Constructivism alludes to the 'greed of transnational corporations'. However all these approaches do not adequately deal with transnational neoliberalism. Like many of the critiques of the AU-NEPAD, neoliberalisation is accepted *a priori* as part of the new global political economy and hence part of Africa's political economy. There is a parsimonious treatment of transnational neoliberalism. This scholarship does not attempt to understand how transnational neoliberalism as an ideology of transnational capital originated, worked and affected Africa's macro-restructuring. In this study the articulations of transnational neoliberalism through various elements of an ideological concept of control, class fractions and intellectual strata are brought into view.

A third limit of the scholarship on regionalisation relates to how the 'global' and 'globalisation' is understood. There is a fundamental ontological limitation and a failure to systematically theorise the structural changes in the global political economy. Unlike the atomising of social reality through the empirical certainties of Realist, Neo-Realist and Constructivist scholarship, this study approaches the global as a social totality. This totality of 'global capitalism' is understood as made up of structural relations, as opposed to various atomised variables. These structures are historical and governed by different temporal dynamics and rhythms. Included in these structures is a human dimension of consciousness, which brings in a role for human agency. Ultimately, the 'global' and 'globalisation' in this study is understood as a changing 'world order' with its different structural components generating forces for change but within 'limits of the possible'. There is a dialectic of structure and agency at work, which explains social change in the 'world order'. This is different from the causal determinism afflicting the other approaches or economic reductionism. This point is further elaborated on below when the theoretical approach of this study is unpacked.

Transnational Historical Materialism

To explain Africa's adjustment to transnational capital this study works with a theoretical approach established within IPE and referred to as transnational historical materialism or Neo-Gramscian IPE (Gill and Law, 1988 and Overbeek, 2000).[9] This framework is not a closed 'school of thought' but is a self-reflexive body of ideas, alive to historical changes and the need to be critical of its own common sense or 'taken-for-granted' assumptions. For Morton (2001) such an approach to theoretical practice prevents exclusionary tendencies that marginalise other perspectives that attempt to deepen practice and understanding of IPE. At the same time, he argues that transnational historical materialism or Neo-Gramscian theoretical practice is about positing *perspectives* which reflect internal divergences and differences. More broadly the plural emphasis on advancing *perspectives* provides 'the chance to intersect with similar as well as diverse forms of thought and action across different disciplines, whilst engaging with concrete agents and sites of change' (Morton, 2001:27).

However, while there is an openness and critical self-awareness about transnational historical materialist theoretical practice, this does not take away from its distinctiveness. Essentially, transnational historical materialism is an attempt to develop a Gramscian approach to the global political economy. This has not been developed within the Marxist mainstream, which has been dominated by classical theories of imperialism and,

[9] The Marxist foundations of transnational historical materialism are to be found in the work of Antonio Gramsci (1891 -1937). It builds on his rather difficult and complex work, which lends itself to various approaches. The intellectual itinerary and practice of Antonio Gramsci begins with his early political journalism in the Italian Socialist Party, the two red years (Biennio Rosso of 1919 –1920), the years of founding and leading the Italian Communist Party and his *Prison Notebooks* written during his imprisonment in a fascist jail. Gramsci's theoretical writings evolve with a Marxist imprint and it confronts numerous problematics. These problematics reveal a Gramsci seized with the challenge of advancing an appropriate practice and searching for an appropriate Marxist understanding with regard to the crisis of political agency on the left, the rise of fascism and the defeat of working class forces, the nature of the Russian Revolution and its problems. At the same time, such an approach to Gramsci's ideas suggest there is no methodological break such that there is a teleological evolution of his thinking and his mature ideas contained in the *Prison Notebook*s have all the answers. In his *Prison Notebooks* many problematics emanating from his political practice are approached with a more sophisticated Marxist understanding, which is very evident in the text, but not all these questions are resolved (Sassoon, 1987).

over the past forty years, by the Neo-Marxist world systems theory and dependency theory approaches. However, with the pioneering work of Robert Cox and Kees van der Pijl, a Neo-Gramscian approach to global political economy has been developing through a transnational historical materialism research agenda.[10] This has found a place alongside established IR and IPE approaches, and has been willing to draw on and learn from elaborations of Gramscian theory in political science, sociology and other branches of the social science.[11]

A Neo-Gramscian approach differs from classical Marxist theories of imperialism and Neo-Marxist approaches in two other respects.[12] First, its approach to historical materialism is non-economistic and non-deterministic. It is devoid of positivist conceptions of 'cause and effect'. While there is common recognition of some of the tendencies or logics within capitalism, these are not treated as 'theological givens', as 'laws of motion', but instead are dealt with as hypotheses. It is a historical materialism that seeks explanation and which is self aware in terms of its willingness to evolve, develop and further elaborate itself in the face of new historical circumstances. It is not a finished historical materialism.

Second, its approach to the contemporary dynamics of global capitalism does not work with transhistorical categories. Hence, while social relations of production are a starting point to understand particular configurations of social forces, the historical structures that it engenders are not fixed. Actually, state forms and class structures, for instance, are capable of change whereas for other approaches certain core structures remain the same.

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[10] Overbeek (2000:171) suggests that it was the theoretical foregrounding of 'transnational relations' by Poulantzas and the publication of an English selection from Gramsci's *Prison Notebooks* in 1971 that gave impetus to the emergence of a Neo-Gramscian perspective in IR and IPE in the late 70s and early 80s.

[11] See Bieler and Morton (2006) in which the contributors open up a dialogue between political theory and international relations. Buttigieg (2007:ix) in the general editors introduction makes the point: ' In the 50 years since Gramsci first became an 'object' of study, his theories and concepts have left their mark on virtually every field in the humanities and the social sciences. His writings have been interpreted, appropriated, and even instrumentalised in many different and often conflicting ways. The amount of published material that now surrounds his work – John Cammett's updated *Bibliografia gramsciana* comprises over 10,000 items in 30 languages – threatens to overwhelm even the trained scholar and to paralyse and utterly confuse the uninitiated reader'.

[12] This comes through explicitly and, in some cases, implicitly from the Neo-Gramscian scholarship within which this study is moored.

In other words, social forms and effects do not change over time, despite the emergence of new conditions within capitalism which also transform its structures. Despite such differences transnational historical materialism has drawn on the insights and conceptual categories of other historical materialist approaches to elaborate its own perspectives.

Thinking about the AU-NEPAD in a Gramscian Way

In the African context a Gramscian approach has taken root mainly to understand national politics.[13] This study drawing on transnational historical materialism attempts to think about Africa's macro-restructuring and adjustment through the AU-NEPAD in a Gramscian way. The crucial issue though is how this should be done. How should this be done to explain social change in Africa's contemporary political economy? What are the aspects of such an approach to understand Africa's adjustment to transnational capital and the political economy of the AU-NEPAD?

Drawing on Gramsci's approach to historical materialism and concepts of socio-historical time, a Neo-Gramscian approach to social change attempts to understand changes in historical structures synchronically, in the historical juncture, and also diachronically in terms of structural changes. Drawing on the work of Karl Polanyi and Fernand Braudel further strengthens this.[14] According to Cox (1995:35), the historical dialectic exists within synchronic structures and is expressed through contradictions. The conflicts engendered by these contradictions are about contending projects articulated by social forces and which produce structural change. Gill (2003:17-20) elaborates this form of non-structuralist historicism with reference to three aspects that make up Gramsci's historicism: (a) transience, (b) historical necessity, and (c) a dialectical variant of (philosophical) realism. What follows is an attempt to specify these elements but also further elaborate on Neo-Gramscian innovation.

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[13] Saul and Gelb (1981), Bayart (1993) and Marais (2001).

[14] Polanyi's (2001 [1944]) critique of market society in the *Great Transformation* is harnessed to think about transnational neoliberalism and how it is shaping historical structures in the present. Moreover, Neo-Gramscian scholars have drawn on Polanyi's notion of the 'double movement' to understand the reaction of society to protect itself from the disciplining and destructive effects of market forces. In chapter 2 of this study there is an attempt to draw on Polanyi's insights about 'self regulated' market society.

The first element of transience refers to the 'historicity' of social phenomena such that these are not understood as natural or eternal. For example, state forms in pre-capitalist Africa have a specificity and are very different from state forms in the context of transnational capitalism. Neo-Gramscian thinking has taken this further to bring in the work of Fernand Braudel and his three levels of understanding socio-historical time: the *historical event, longue duree* and lying between these the historical *conjuncture* (Gill, 2003:41-60). While all these levels of socio-historical time work at different tempos with the *longue duree* congealing 'semi-permanent' historical structures over long ranges of time and the *conjuncture* refers to historical time in which firm configurations of certain social structures, institutions and ideas come together over a few generations. All these conceptions of 'movement' are subject to transience and change through collective agency. Locating Africa's macro-restructuring within this perspective of socio-historical time assists with understanding Africa's post-colonial 'organic crisis' and how this defined various conjunctures within the continental political economy and which gave rise to social forces that engaged with global conjunctural change emanating from the 70s accumulation crisis. In short, it assists with understanding what is new and different in the context of Africa's macro-restructuring. What is its historical specificity? Moreover, can the historical specificity in Africa's macro-restructuring only be explained as the continuity of continental Pan-Africanism or even national structural adjustment or shifts in the inter-state system on the continent? In the main a Neo-Gramscian perspective clarifies the conjuncture in which Africa's macro-restructuring emerges and will assist in specifying its dynamics of change.

The second element of historical necessity points to collective social agency as happening 'within the limits of the possible'. These limits (ideas, consciousness, institutions, power relations) are 'not fixed or immutable' but exist within social structures that are subject to the dialectic of historical change: contradiction. Ultimately while social action is shaped and conditioned by social structures, these structures are also transformed by such action. In the approach of Neo-Gramscians 'limits of the possible' refers to dialectical totality of structure and agency (Overbeek, 2000:169). This means the structural changes in the

global political economy engenders social forces, which impact on and shape the direction of social change. This is both a reciprocal interaction and an open historical process without an inevitable outcome. In this regard the formation and role of class and non-class social forces within transnational social relations is important. In the context of Africa, this means understanding how the integration of global accumulation processes, transnational class formation and macro-restructuring is being contested. In a heuristic sense it means understanding the struggle for Africa; it means bringing into view the class and social forces struggling to define the content of this process and to make contemporary Africa. Ultimately it means explaining Africa's adjustment to transnational capital as part of class and social struggle. In this regard it means understanding in a non-reductionist way how rival projects for macro-restructuring have been defeated and how an 'Afro-neoliberalism' has become the new concept of control shaping continental restructuring through the AU-NEPAD.

The third element of 'philosophical realism' in Gramsci's historicism refers to how ideas are implicated in and dialectically part of the historical process. This process of knowledge production is also open-ended and continuous. From a Neo-Gramscian perspective this aspect in Gramsci's approach to analysis of the world reflects a normative commitment. According to Cox (1995) Neo-Gramscian theory is critical theory, which attempts to understand the origins of historical structures and highlights the potential for structural change. It attempts to understand the inter-subjective meanings and institutions that have emerged from collective human experience as a response to particular realities. Hence, political economy in his view is a version of critical theory, which contrasts with problem solving theory, which focuses on 'order' and 'management' within existing structures. In short, Cox argues that theory is *for* someone and *for* some purpose. This prompts three levels of thinking about the AU-NEPAD.

First, for whom is the macro-regional project of the AU-NEPAD? Is a neoliberal approach to Africa's macro-restructuring a genuine expression of the collective will of Africa and its people? Or is it driven by particular class and social forces to advance particular interests? Second, what is its purpose as a macro-restructuring process? Is it

genuinely about achieving a self-reliant 'Pan African' continental order post the Cold war and post-apartheid? Is it about development on Africa's terms and does it represent an African alternative to neoliberal globalisation? Third, a critical theory approach challenges this study to be self aware regarding *for whom* it is being done. It prompts this study to recognise that it is part of the process of historical change and that as social explanation it is implicated in the current situation.

Key Concepts of a Neo-Gramscian Approach to the African Union – NEPAD

To utilise a transnational historical materialism approach to explain the macro-restructuring of the AU-NEPAD and how this relates to transnational capital means thinking about Africa in a Gramscian way utilising the method described above. It also means deploying this method of thinking with concepts developed by Gramsci in his *Prison Notebooks*. Cox explains the relevance of Gramsci's concepts as follows:

> A concept, in Gramsci's thought, is loose and elastic and attains precision only when brought into contact with a particular situation which it helps explain – a contact, which also develops the meaning of the concept. This is the strength of Gramsci's historicism and therein lies its explanatory power. (1994: 50)

There are three conceptual areas that frame the Neo-Gramscian approach of this study to the political economy of the AU-NEPAD and its adjustment to transnational capital. These conceptual areas and how they speak to Africa's realities are defined and explained below.

Hegemony and Transnational Neoliberalism

Within IR and IPE the concept of hegemony has been associated with hegemonic stability theory. This refers to the leading role of a state in the context of the inter-state system. Such a state is deemed to have the necessary capabilities to provide leadership. These capabilities in the main refer to 'power resources' like economic power related to control of a particular technology or economic sector, military power and even political

power. The realist view of hegemony claims that change in the inter-state system is due to 'rational calculations by states' in relation to the leading role of the hegemon or leading state. Such a state ensures dominance and 'active domination' provides a certain discipline to how other states react and behave. This ultimately explains change in the inter-state system.

The concept of hegemony utilised by a Neo-Gramscian perspective understands hegemony beyond state centric terms.[15] It attempts to identify forms of structural power as the basis for hegemony. In this sense hegemony refers to more than powerful states but includes a role for social forces including classes and class fractions. Hegemony provides for leadership based on ideological consent rather than coercion (Gramsci, 2003). Forms of structural power like ideas which frame ways of understanding the world, also determine practices and are taken seriously to explain change. In addition, underlying economic patterns also define structural power. For example, African primary commodity producers are locked into a global division of labour and are forced to sell their commodities on the market to generate foreign exchange for imports.

In this study the concept of hegemony is utilised to understand how Africa has been transformed in the context of a global shift from international capitalism to global capitalism over the past three decades, shaped by a common set of ideas and class interests. The diffusion and internalisation of this world view through privileging market-led development and a methodological individualism has come to be known as neoliberalism. Neoliberalism emerged as a concept of control in the context of the crisis of the 1970s.[16] It reflected an offensive response by capital and was comprehensive in its ambitions to restructure capital. More specifically, the restructuring of capital had to be accompanied by a new hegemonic project, made up of new elements. Neoliberalism had to locate itself as the 'national' or 'general' interest, while being the narrow fractional interest of transnational capital, particularly finance capital. This meant constructing a

[15] See Cox (1987), Gill (1990), Gill (1994 b) and Gill and Law (1994).

[16] Plehwe and Walpen (2006:27-50) provide a useful background to the origins of neoliberal ideology. They point to the role of Friedrich August von Hayek and the emergence of the Mont Pellerin Society after World War II as crucial protagonists of neoliberal ideology. Also see Harvey (2005).

new ideological discourse, forming a new 'historic bloc', restructuring the state and ultimately constructing the necessary coherence for a politics of mass consent and support on a global and regional scale.

For almost three decades the neoliberal global restructuring process has also disembedded the market from national economies, very similar to a Polanyian movement. However, the ideological hegemony of neoliberalism is too easily reduced to a policy agenda (privatisation or liberalisation) or misrecognised as a 'post' neoliberal departure in the context of the 9/11 war on terror and ballooning fiscal expenditures of the US state. Moreover, with the emergence of poverty reduction discourses many easily trumpet the emergence of a 'post-Washington consensus' and hence the emergence of a post-neoliberal period. Part of the reason for this misrecognition by analysts and commentators has to do with a failure to understand how global consensus is forged in a world order that does not have a global state. According to Robert Cox the practice of 'governance without government' entails a process of transnational consensus formation amongst the caretakers of the global economy (1994:49).

Cox argues that 'this process generates consensual guidelines, underpinned by an ideology of globalisation, that are transmitted into the policy-making channels of national governments and big corporations. Part of this consensus – formation process takes place through unofficial forums like the Tri-lateral Commission, the Bilderberg conferences, or the more esoteric Mont Pelerin Society. Part of it goes on through official bodies like the OECD, the Bank for International Settlements, the IMF and the G-7. These shape the discourse within which policies are defined, the terms and concepts that circumscribe what can be thought and done. They also tighten the transnational networks that link policy-making from country to country' (1994: 49).

The articulations of neoliberalism, from these elite institutions, come together in a US-led transnational hegemonic bloc, which has influenced all mainstream perspectives and models of development. Many development paradigms have adopted the imperative of ensuring the 'security of capital' over human security (Bakker and Gill, 2003). This

hegemonic ideology has shaped global processes of capitalist restructuring for the past three decades. According to Gill (1994b:170) this is a process shaped by a dialectic of disintegration/reintegration in what he describes as 'patterned disorder'. This means social, economic and political structures of the world order are being transformed or are breaking down but the new structures are only beginning to become identifiable. In this context, placing in perspective the rise of transnational neoliberalism is crucial to understand how transnational capital has been constituted, state forms remade and global processes of accumulation restructured. In the light of three decades of global neoliberal restructuring, neoliberalism has increasingly taken on transnational dimensions and hence it is more apt to refer to neoliberalism as transnational neoliberalism. This builds on the core tenets of a self-regulated market society and a primitive individualism in the following respects. First, it is an accumulation strategy, or growth model, which attempts to reproduce transnational relations of production in which finance capital predominates. Second, it is the ideology of transnational capital, a worldview, attempting to realise a global 'market civilisation' (Gill, 2003:116-142). To this extent, as transnational neoliberalism is internalised and expressed as the basis for national and continental political projects/ concepts of control it is an instrument of class rule. It advances the class power of transnational capital (Harvey, 2005).

In short transnational neoliberalism is a material force. It has constituted, shaped, informed and even determined social reality. This is not an idealist position in which ideas are understood as free floating and emanate from the clouds. For Gramsci ideologies had a material grounding through the role played by 'intellectuals' (Gramsci, 2003:3-14). Moreover, for Gramsci ideology was not negative, that is, 'false consciousness' but rather it reflected the conscious beliefs that social forces had about society and the world. This did not mean that 'world views' or 'common sense' was fixed. Instead Gramsci recognised the importance of contesting, reframing and disrupting ideologies through political practices. These premises provide an approach to ideology that has served as the basis for Neo-Gramscian studies within IR and IPE. Hence, Neo-Gramscian historical materialism has recognised ideology as an important force within world orders, state forms and relations of production. In this regard, the emergence and

development of neoliberalism as a transnational ideology has been an important object of study. Neo-Gramscian scholarship has attempted to understand how transnational neoliberalism as a material force *operationalises* itself through its own mechanisms of discipline and control informed by specific class objectives within social relations of production. It has done this by explaining and identifying its origins, contents, its practical operations through non/hegemonic practices and its material effects on social structures and practices.[17]

Basically, transnational neoliberalism is a historical structure shaping the current world order. Within the world order various multi-lateral, transnational private institutions, powerful states and class forces come together through a hegemonic US-led transnational historical bloc. Central to providing ideological coherence to this bloc is the role of transnational neoliberalism. As a consensus for transforming the global political economy transnational neoliberalism has impacted on African countries in a particular way. In this study we bring this into our analysis by historicising Africa's neoliberalisation over the past three decades. Moreover, this analysis is taken further by bringing into view how transnational neoliberalism through its engagements with the AU-NEPAD process has shaped the consensus on Africa's macro restructuring and development path. The role of ideas and policy emerging from the institutional power structure that makes up the US-led bloc of transnational forces is a central part of this study to show how these responses, ideas and policies eclipse the AU-NEPAD as an 'African solution to an African problem'. The study shows how Africa has been transnationalised on the terms of transnational capital through the AU-NEPAD process and how Africa has been hegemonised so that is adjusts to the needs of transnational capital. In short, studying the intersection between transnational neoliberalism and the AU-NEPAD is about avoiding the pitfalls of generalisation by bringing out the specificities of Africa's neoliberalisation.

[17] Some examples are: Overbeek (1993), Rupert (2000), Gill (2001), Van Apeldoorn (2002) and Morton (2007).

Passive Revolution

The concept of 'passive revolution' has been introduced into IR and IPE through the contribution of Neo-Gramscian theorists (Morton, 2007). The concept of passive revolution is very different from the notion of 'counter-revolution'. Counter-revolution refers to the reversal of radical advances or breakthroughs, while the notion of passive revolution refers to the redirection of historical processes in order to reproduce capitalism. During the twentieth century the concept of counter-revolution was imbued with a meaning based on actual experiences of violent suppression of revolutionary change.[18] In the context of the Cold War and super-power rivalry it referred to violent attempts to stop revolutionary advance. The 'bay of pigs' in Cuba, the coup d'è-tat against Allende, and other violent counter-offensives against left forces in the twentieth century, were all important moments of counter-revolution. Moreover, the concept of passive revolution is very different from domination in which a leadership prevails which does not have the moral, intellectual and strategic authority to lead society and essentially imposes itself on society. Domination is the opposite of hegemony.

This concept of passive revolution derives from Gramsci (2003, 106-114) and refers to a form of politics in which there is a 'revolution without revolution'. The concept of 'passive revolution' in Gramsci (2003, 106-107) derives from two important principles:

> 1. That no social formation disappears as long as the productive forces which have developed within it still find room for further forward movement.
> 2. That a society does not set itself tasks for whose solution the necessary conditions have not already been incubated, etc.

Gramsci's concept of passive revolution is a complex concept which find's its meaning in historical contexts of class and social struggle. In the first place it refers to a historical

[18] During the 20th century a whole scholarship grew up around understanding the place of revolutions and its opposite, counter-revolution, in social change. In international relations also various scholars have tried to understand the significance of these developments. See Rice (1991) which is an edited collection of reflections on revolution and counter-revolution. Also see Chaliand (1989 [1978]).

period with immanent possibilities for fundamental transformation of social relations of production and power in a particular society. However, in such moments progressive forces lose the initiative and things change but not in a radical direction. Structural change happens, like the form of the state is changed and the accumulation model, but this is not necessarily in the interests of radical social forces. To use a cliché: the more things change, the more they stay the same, in terms of social and power relations. In short capitalism succeeds in reproducing itself, even as a new form.

Moreover, the concept of passive revolution refers to a type of politics in historical moments that are full of possibilities for radical change, and in which historical processes appear to be moving in a radical direction. The rhetoric, ideological utterances and programmatic postures of the leading class and social forces give the impression of radical change. In practice, however, this is a top-down politics, which co-opts the leadership of progressive forces, accommodates particular demands of social forces to engender division, deploys a misleading revolutionary rhetoric which confuses mass forces by espousing their aspirations and generally utilises tactics to neutralise progressive social forces. The politics of passive revolution is an anti-mass based politics and it seeks to lead change away from mass influence and power. It is about the politics of reforms that do not seek to transform capitalism, but to ensure its survival (Sassoon, 1982b:127-128).

This means change happens from above and ensures that capital has the initiative to lead change. In this study the impact of transnational neo-liberalism on African countries is characterised through the use of the concept of passive revolution. It is deployed to highlight the extent to which the internalisation of transnational neoliberalism within African countries has ensured the non-hegemonic rule of transnational capital. More concretely it attempts to highlight the indigenisation of transnational neoliberalism. In other words, it attempts to show how neoliberalism has taken on African characteristics. See Table 1.3 for an overview of the theoretical concepts.

Table 1.3: Overview of Key Theoretical Concepts

Dimensions	Hegemony	Passive Revolution
Type of Power	Class based leadership of society that is strategic, 'intellectual and moral'.	Non-hegemonic form of capitalist class rule, not a form of politics for the working class and subaltern forces.
Relationship of Ideology to Class Interests	Common ideology and class interests condition historical bloc of social forces that advance hegemony.	Historic bloc advances capitalist interests and ideology through piece-meal reforms from above to maintain and advance global capitalism. Some popular demands are accommodated.
Relationship of Leaders to Masses	Active and direct consent to leadership by the masses, on the terrain of civil society, ensures historic bloc is hegemonic.	Historic bloc is not hegemonic due to the absence of mass initiative and active consent. Masses are marginalised.
Role of State	Hegemonic forces and apparatuses create conditions to strengthen self initiative of the masses. The state does not substitute for the masses.	Constitutes a form of state which centralises power either institutionally or around an individual and uses various tactics to deal with oppositional forces - cooption, violence, intimidation.

Moreover, the study attempts to show how the indigenisation of neoliberalism also expresses itself through the AU-NEPAD. In short the concept of passive revolution in this study refers to how a new concept of control/ideological project, Afro-neoliberalism, has taken root on the African continent. This concept of control is about a neoliberalised continental capitalism and has had implications for social and political practice on the continent. In the main and at the level of macro-regional politics, the AU-NEPAD is understood as having deepened Africa's passive revolution. In this regard, the AU-NEPAD is understood as a non-hegemonic class project with various class strategies and practices (discourses, concepts, policies and tactics) that ensure Africa adjusts to the requirements of transnational capital. These class practices are materially grounded in the structural and direct power of the transnational fraction of Africa's ruling classes and the

Afro-neoliberal historical bloc of forces it constitutes.[19] These class strategies or elements (and practices) are scrutinised as an 'Afro-neoliberal' solution to Africa's global and continental challenges. Completing this analysis would be an attempt to bring into view civil society engagements with the AU-NEPAD process and the extent to which these contentions from below have been able to amplify the non-hegemonic character of the AU-NEPAD. Part of this analysis will also show how AU-NEPAD contests, divides and reconstitutes African civil society. In short, this study attempts to go beyond conventional uses of the term 'passive revolution' to understand the dynamics of national political economy but also brings it into use within the continental scale.[20]

Transnational Class Formation, Historical Blocs and Social Forces

Class analysis has generally been dominated by instrumentalised conceptions of economic determinism. These approaches to class analysis have also been prevalent in the African context. In the late 1960s and through the 1970s class analysis in Africa gained currency as an explanatory social framework through the reception of 'dependency theory'. In its origins 'dependency theory' developed as a response to bourgeois modernisation theory and challenged its ahistorical, linear and Eurocentric models of development (Rodney, 1988). In the main, dependency theory and its later evolution into world systems analysis challenged the problematic of bourgeois economics at the heart of modernisation theory: the diffusion of modern capitalist relations and development in the periphery as part of a model of mimicking institutional forms and processes of capitalist modernity. Instead, dependency theorists have argued that given the legacy of colonial development and the nature of dependent structural integration and surplus extraction from economies in the periphery 'development' amounted to the 'development of underdevelopment'.

[19] This is elaborated on below when dealing with transnational class formation.

[20] This usage of the concept is inspired by Gramsci's note 'The History of Europe Seen As "Passive Revolution"' in which Gramsci critiques an attempt to present a history of Europe by Croce without dealing with the French Revolution and its impact (2003:118-120).

In the African context various versions of dependency theory proliferated together with particular approaches to class analysis. In the work of Onimode (1985) an instrumentalist conception of class analysis has prevailed. By contrast Samir Amin's contribution has been more prolific and has encompassed a reworking of world systems theory and the dependency perspective from a more explicit neo-Marxist perspective.[21] However, in Amin's framework class is structurally determined and is derived from the nature of 'external integration'. The entire socio-economic structure of African societies is externally conditioned by the 'centers' and capitalist relations are diffused from the outside into the periphery.[22] According to Smith, Amin is inconsistent in his use of class and points to instances in his work where the bourgeoisie (including the African bourgeoisie) has agency in terms of local accumulation, albeit in a 'parasitic' and 'dependent' way (1983: 80).

Moreover, Smith makes an even sharper criticism about Amin's removal of class from his analytical schema when he lumps all 'third world' countries together. She concludes that 'without denying the evils of imperialism and exploitation in poor countries, Amin's argument is the crudest kind of Third Worldism, and rests on the notion that people who are poor, non-Western and super-exploited by imperialism will not exploit each other. Thus this view abstracts from class analysis within LDCs, from the dynamics of exploitation within LDCs and diverts attention from difficult and complex issues of countries internal political and economic dynamics' (1983: 85).

Beyond Onimode and Amin, amongst other proponents of dependency analysis of Africa, 'class' has been problematised and deployed, in the main, to understand the relationship between domestic African bourgeoisies and foreign capital. Essentially, the analytical emphasis has been about showing the extent to which indigenous African capital is subordinate to and blocked in the accumulation process by foreign capital. This kind of

[21] See his *Accumulation on a World Scale* (1974), *Unequal Development* (1976) and *Class and Nation, Historically and in the Current Crisis* (1980).
[22] Contained in an edited collection by Limqueco P. and Mcfarlane B. entitled *Neo-Marxist Theories of Development* (1983); it is a rich collection of critical engagements with Samir Amin's work. This includes Mkandawire's "Accumulation on a World Scale", Leavers "Samir Amin on Underdevelopment" and Smiths " Class Analysis Versus World System: Critique of Samin Amin's Typology of Underdevelopment".

emphasis also extended into an understanding of state-capital relations with the focus being on whether the local capitalist class was able to utilise the state to reduce the power and dominance of foreign capital. In this regard the categories of a 'comprador bourgeoisie' or 'dependent bourgeoisie' have been utilised. However, for Leys several problems emerge from this analysis of African bourgeoisies.[23] Foremost is the lack of analytical rigour with regard to disaggregating the components of the domestic capitalist class – sectors, 'fractions' and so – based on their historical origins and growth paths. In addition, he points to the narrowness of a dependency approach in analysing the African capitalist class by pointing to several failures with regard to understanding African capitals internal class relationships, its relationship with other classes, their technical and political capacities as it relates to accumulation and the state, African capitals relation to other systems of authority, their engagements with external forces, African capitals decisive 'autobiographical' moments and the solutions it puts forward for further capitalist accumulation. In short, a dependency/world systems approach does not assist in understanding the concrete nature of Africa's capitalist class and the ways in which it reproduces itself and asserts its interests.

Leys criticism of how African bourgeoisies have been analysed is an important premise for how this study attempts to understand transnational class formation on the African continent. Moreover, the approach to transnational class formation in this study also attempts to go beyond intrumentalised and economic deterministic conceptions of class by drawing on Neo-Gramscian perspectives of transnational class formation. Such a perspective brings in the political and ideological realms into our understanding of class formation. That is within Neo-Gramscian perspectives of transnational class theory there is a recognition that class is not merely a structural reality but is also politically and ideologically constituted. From within this approach the following key elements are crucial.[24] First, there is a recognition that the objective existence of classes relates to the structural location of a class. This is a classic Marxist criteria for delineating class in

[23] In *The Rise and Fall of Development Theory* (1996: 183) Leys cites these problems in an attempt to motivate for a wider research agenda.

[24] See Cox (1987:355-399) and (1996:85-123), Van Der Pijl (1984) and (1998), Gill (2003), Gill and Law (1988: 71-95).

relation to the means of the production. Moreover, there is a recognition that as structural change occurs transnational class formation is engendered within accumulation processes. For example, as African economies have been structurally adjusted processes of transnational class formation have also been occurring. Second, while the structural is an important constituting factor for class this does not mean class location translates into class position. To use a more explicit Marxist language a class 'in itself' does not automatically produce a class 'for itself'. Hence transnational class formation happens when classes struggle to determine the 'general interest'. In a Neo-Gramscian frame this refers to the emergence of a historical bloc of forces that attempts to define the 'general interest' at the level of politico-ideological projects/concepts of control. Such concepts of control attempt to define the strategic direction of the historical bloc around the form of accumulation, the role and nature of the state, state-civil society relations and articulations with the world order, for instance. However, the existence of a historical bloc of forces and a concept of control are not sufficient in themselves to ensure hegemonic leadership.

Third, fractions of capital also compete to determine the content of politico-ideological projects and the strategic direction of historical blocs to reflect their interests. Such struggles also determine the hegemonic or non-hegemonic character of historical blocs and the extent to which interests of other class and social forces are realised. Fourth, the structural and direct power of transnational classes has to be understood in non-statist ways. Gill and Law (1988, 84-95) provide important illustrations of direct power of transnational capital (power over) in domestic and global contexts.[25] These forms of power, and particularly market competition, provide the disciplining edge to transnational neoliberalism as an ideology. Such forms of direct power include: market power, lobbying, networks of influence, the mobility of transnational corporations, the internationalisation of authority and international networks. Gill and Law (1988: 84-95) also point to examples of structural power in the domestic and global context. These forms include: power of markets, 'limits of the possible', international and domestic business climates, inter-state competition and the international mobility of capital.

[25] Also see Sklair (2002: 84-164).

In this study understanding AU-NEPAD as a multi-dimensional class project entails bring into view its various class practices that reinforce the direct and structural power of transnational capital. Such class practices include the articulation of concepts, principles, discourses, policy frameworks and tactics. Moreover, given that transnational capital does not have a transnational party to represent its interests within the world order, various institutions within the global power structure are utilised to ensure a 'global consensus' prevails which privileges its interests. Thus transnational class formation happens through the process of embracing the hegemonic and non-hegemonic discourses emanating from this global power structure. In this study the intersection of the AU-NEPAD and the US-led transnational historical bloc unpacks the implications of this for class formation and Africa's geopolitical place in the world.

Finally, if a transnational historic bloc wants to lead the world, then the leading class fraction should embrace other class and 'non-class forces' as part of asserting hegemonic leadership. Within some Neo-Gramscian analyses the 'non-class element' has been referred to as 'social forces'. Such a concept is materialist while not being economic reductionist. Persaud (2001:48) explains:

> Social force is a deliberately open ended concept intended to accommodate a multiplicity of structuring factors and antagonisms present in social formations and in the global political economy. Simply put, the concept is more inclusive than the concept social class, the latter having occupied a privileged position in more traditional forms of historical materialist problematics. The inclusion of social forces allows for the conceptualisation of relations of power both at the state and civil society levels, as well as in the domestic and transnational realms. While social forces are principally generated by the production structure and by the modes of social relations, they may also be over-determined by a whole host of elements critical to a historical structure, such as race, ethnicity and gender.

In the context of Africa's political economy and macro-restructuring the engagements of social forces with the Afro-neoliberal concept of control is crucial in explaining the non-hegemonic character of the AU-NEPAD. Moreover, these struggles by social forces also feature and mark the transnational class formation processes on the continent. In other

words, the emergence of the Afro-neoliberal concept of control was a response to the counter-hegemonic projects being championed by progressive social forces on the continent. It was also the result of advancing a passive revolution against progressive social forces at the continental level.

In short, this study will utilise a transnational class theory approach to also contribute to understanding and explaining how Africa's adjustment to transnational capital has been occurring. Such an approach historicises the structural emergence of a transnational fraction of Africa's domestic ruling classes. It places in perspective how such a class fraction has been structurally engendered as part of restructuring Africa's political economy. Second, it highlights how such a transnational class fraction has been politically and ideologically formed through the making of national as well as a continental passive revolution, as expressed through the Afro-neoliberal concept of control, and the hegemonic responses of transnational capital through various institutions of the global power structure. It shows how this transnational class fraction has constituted a post-Cold War and post-apartheid consensus for Africa's macro-restructuring and how this corresponds with the direction set for the world order under the leadership of a US-led transnational historic bloc and more specifically transnational capital. Ultimately such an analysis shows how the transnational fraction of Africa's ruling classes fits into the US-led transnational historic bloc. Third, the study highlights the agency or transnational class practices of this fraction through studying the class strategies and practices (discourses, concepts, policies, principles and tactics) that express the Afro-neoliberal concept of control through the AU-NEPAD. That is, the study shows how this transnational fraction of the African ruling class is attempting to reproduce itself and transnational capital in general at a continental level through the restructuring process facilitated by the AU-NEPAD.

Restating the Problematic: AU-NEPAD, Continental Passive Revolution and Africa's Adjustment to Transnational Capital

This study situates the new macro-restructuring on the African continent within a wider historical context; the conjuncture of transnational neoliberal restructuring of the global political economy. While the study captures the background of earlier attempts at macro-restructuring, its main focus is on the main initiatives from the period 1991 until 2008, from the time of the adoption of the Abuja Treaty, which establishes the African Economic Community, and up to the present with the implementation of the AU-NEPAD. This study does not claim to provide a comprehensive understanding of Africa's macro-restructuring. Given that the implementation of the AU-NEPAD is uneven, both as policy instruments and institutions, and in the main is still in the process of remaking continental Africa. This study does not seek to judge the effectiveness or non-effectiveness of these initiatives. Instead this study seeks to explain how the AU-NEPAD as a multidimensional macro-restructuring class project advances adjustment in the global political economy to meet the requirements of transnational capital. In short, it seeks to understand and explain how Africa is being globalised by focusing on four crucial issues.

First, it places the AU-NEPAD within a conjunctural process of almost three decades of global restructuring, capitalist integration and neoliberalisation at different levels of the global political economy. It attempts to understand how the AU-NEPAD fits into these global and continental processes through which capitalism is being organised on a global scale. It tries to understand how the AU-NEPAD internalises the challenges of transnational capital mobility, the formation of a global market and the emergence of global production structures. More sharply, it attempts to highlight how the AU-NEPAD is facilitating a new scramble for Africa's natural resources, markets and states.

Second, this study brings into view the role of ideas within the new post-Cold War and post-apartheid continental order. It interrogates the origins, workings and effects of neoliberalisation. In particular it tries to understand how neoliberalism has been

internalised and articulated as new norms, values, standards, practices and institutional frameworks of the AU-NEPAD. It brings out its various ideological elements or class strategies and practices. Hence, instead of assuming or asserting the neoliberal thrust of the AU-NEPAD this study interrogates the process of neoliberalisation within continental macro-restructuring and integration. It brings out the 'African characteristics of neoliberalism' at a continental level.

Third, the study grounds its understanding of the neoliberalisation of Africa within a historical understanding of the relations of force or class struggle. Africa did not choose to embrace neoliberalism and neither was it inevitable. Instead, this study argues that Africa was disciplined in the course of its post-colonial history to internalise and articulate an indigenised Afro-neoliberalism. This concept of control or project has its roots in the defeat of the New International Economic Order (NIEO) and the making of passive revolutions within African countries. This shift in the continental relations of force laid the basis for moving beyond a rival, 'self reliant' and inward looking macro-regional project central to the Lagos Plan of Action (LPA). Moreover, the making of the AU-NEPAD as part of an Afro-neoliberal project has not emerged unchallenged from below and this study recognises that key social forces on the continent have disarticulated its claims. In this regard, the study attempts to map the contentions and critiques of various social forces within African civil society against the AU-NEPAD to highlight the disaffection of Africa's intelligentsia and mass social forces but also its limits. At the same time, and more decisively, the various responses of the transnational historical bloc to the AU-NEPAD have further locked Africa into a transnational neoliberal solution to confront its 'organic crisis'. This is a key aspect of this study.

Fourth, the study brings in transnational social forces within its analytical approach to macro-restructuring. It recognises that passive revolutions in Africa's national political economies have shifted accumulation paths to adjust to transnational capital. This process of national restructuring of production relations has engendered new social forces and has initiated a process of transnationalising a fraction of Africa's ruling class. However, this process of transnational class formation was not completed through an

articulation of national and global restructuring. Hence, this study brings into view the making of a continental Afro-neoliberal project, the AU-NEPAD, through which transnational class formation has continued and is expressed through various class practices. Moreover, the response of transnational capital to the AU-NEPAD through various institutions that make up the global power structure is part of this process of transnational class formation and extending hegemonic transnational class practice. These various responses are studied and central to explaining Africa's adjustment to transnational capital and the political economy of the AU-NEPAD.

The hypothesis of this study challenges the pretensions of the AU-NEPAD as an African solution championed by Africans (i.e. a 'counter-hegemonic' solution). This does not mean that it is false consciousness or that Africa is labouring under an illusion. Neither is it about trumpeting the 'betrayal thesis' ascribed to post-colonial elites. This study seeks to show that the AU-NEPAD is more than a regionalisation initiative. Instead, it is argued that the AU-NEPAD is about restructuring post-Cold War and post-apartheid capitalism on the African continent. The agency of a transnational fraction of the African ruling class is central to organising this process through a continental historical bloc of social forces. The strategic and ideological practice of this transnational fraction led bloc is expressed through an Afro-neoliberal project that is inscribed into AU-NEPAD institutions, policies and practices. In short, the hypothesis of this study is that the AU-NEPAD represents the deepening of a continental passive revolution in which Africa is adjusting to the interests of transnational capital; Afro-neoliberalism is merely one variant of transnational neoliberal capitalism, it is not an alternative. The re-organising of continental accumulation, state forms and the continental power structure is not about a pan-African solution for contemporary Africa but is about facilitating a new scramble for Africa.