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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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Chapter 2

Global Capitalism and the Neoliberalisation of Africa

Introduction

Africa has experienced almost five hundred years of capital penetration, from the era of merchant capital, through the slave trade, colonialism and neo-colonialism. Over the past three decades, however, Africa has witnessed a departure from this trajectory with new historical conditions and dynamics of accumulation taking root. Changes in global capitalism, due to the accumulation crisis of the seventies, brought to the fore a new set of requirements for capital accumulation. During this period the increasing international mobility of capital, the further integration of a global market and the restructuring of global production have re-organised capitalism on a global scale. This chapter begins by contrasting the dynamics of colonial accumulation that informed the late 19th century 'scramble for Africa', with the new dynamics of neoliberal global restructuring. In short, it argues that the 'new scramble for Africa' obtains its meaning only in relation to understanding how the neoliberal global economy works today.

While Africa's political economy is not unique in its neoliberalisation, there are particularities and complexities that need to be highlighted to allow a more nuanced understanding of the forces shaping the continent. Through this analysis I attempt to situate the origins, development and logic of a neoliberal Africa, and challenge many of the common sense understandings about the failures of post-colonial development. More importantly, this chapter specifies how 'Afro-neoliberalism' has affected continental accumulation processes, ideological concepts of control and state forms, while recognising that the embrace of neoliberalism was not inevitable but was engendered under particular historical conditions. These historical conditions produced more than a 'neoliberal moment' by conditioning a structural shift in which Africa has been disciplined to accept neoliberal capitalism as its development path - albeit indigenised as 'Afro-neoliberal capitalism'.

At the same time, the neoliberalisation of Africa is not without its contradictions. Contemporary liberal Africa coexists with an 'illiberal' Africa. This is a part of Africa that is driving the commodity boom for natural resources, such as oil, stimulating continental growth and generating large amounts of financial resources, but is exempt from neoliberal standards of Anglo-American style 'market democracy'. It is that part of Africa that is most conflict ridden, tied into extractive global circuits, politically authoritarian and resistant to 'democratisation'. Both liberal and illiberal Africa constitute the Afro-neoliberal concept of control in national spaces. Their co-existence frames the conditions of accumulation, state forms and the nature of state-civil relations prevailing in Africa. In short, 'Afro-neoliberal capitalism' is facilitating the new scramble for Africa. This chapter shows how it operates in national spaces.

While this chapter shows how Afro-neoliberal capitalism emerges in the context of disciplining Africa in the midst of its long crisis of the 1980s and the violent defeat of potentially radical state-led development projects, it also shows how a democratising and neoliberalised Africa had to be supported to maintain this trajectory for Africa's development post the Cold War. With the second wave of structural adjustment hitting Africa in the 1990s but also failing to turn Africa around, a new basis had to be found to provide legitimacy to Africa's failed Afro-neoliberal states. A 'good governed Africa' had to bring in democratising forces while maintaining the Afro-neoliberal direction for change. Africa's poor masses had to be mollified. This meant important concessions had to be made to keep Africa's passive revolutions on track. Many of these concessions emanate out of the 'global anti-poverty consensus' and shifts around donor support to Africa. These issues are explored to show how Africa's national passive revolutions were locked in through a new politics of poverty. The connections between the new politics of poverty and Africa's macro-restructuring through the AU-NEPAD will also become clearer in subsequent chapters as part of putting into perspective the new global consensus on Africa's development path and choices. This connection assists in understanding how national passive revolutions, in which the non-hegemonic rule of transnational capital was embedded through Afro-neoliberalism, becomes a continental passive revolution.

The First 'Scramble for Africa', Current Dynamics of Global Restructuring and Neoliberalism

The late 19th century colonial carve up of Africa by European countries at the Berlin conference (1884-5) continued a process of transplanting modernity and its various capitalist forms onto the African continent. This process was affected by the different kinds of colonialism that took root and was an outcome of the global expansion of capital due to industrialisation. However, the expansion of capital did not bring Africa into its orbit such that capitalist relations and forces were evenly spread throughout the continent. Instead, Africa was linked into a global division of labour as a supplier of primary commodities, a role which it continues to fulfil even up to the present day. In this sense the first scramble for Africa has had consequences that still endure. Nonetheless, despite this continuity, it is important to understand the basis for capital expansion in the late 19th century world order and how this differs with that of the early 21st century.

The first important feature distinguishing the basis for capitalist expansion in the late 19th century from the present was the emergence of monopoly capital. This was observed by the liberal Hobson and various Marxists such as Hilferding, Bukharin, Lenin and Luxemburg. The emergence of monopolies, married to nation states, also provided a basis for intense competition for markets (including raw materials); generating 'inter-imperialist' rivalries between these economically advanced capitalist centres. This also served to explain the basis for war and conflict. However, unlike the national monopolies of 'finance capital' in the late 19th century, the forms of capital driving the world economy today are transnational. Transnational capital is grounded in post-fordist production structures that operate on a cross-border basis and which constitute the emergence of a global economy (Cox, 1997). Such forms of transnational capital originated in the crisis of accumulation of the 1970s and have been central to restructuring production, financial flows and the global division of labour. More specifically, global restructuring has developed production systems and value chains that cut across national spaces but have been unevenly organised, through the concentrated triadic investment flows between North America, Europe and Japan, as well with parts of Latin America and Asia, particularly China. Hence, the nature of rivalry today is not 'inter-imperialist' but 'global rivalry'. This is

observable on the African continent in various sectors as transnational capital scrambles to capture resources to meet the needs of a global capitalism.

The second important distinguishing feature of capitalist expansion in the 19th century is the historical structures serving as the basis for world order. These structures were also the basis for 'British hegemony' (Arrighi, 1994).[1] Britain's victory over Napoleon (1815) gave it control of the Westphalian inter-state system, which it transformed to its advantage. The rise of an industrial bourgeoisie, control of the world market, and the expansion into and extraction of tribute from non-Western colonies was such that the city of London was built into the centre of global finance, this serving to enhance the hegemonic capacities of Britain in the 19th century. However, by the time of the Berlin conference, British hegemony was in decline and being challenged by both Germany and the USA. Germany was attempting to emulate the territorial empire building of Britain, a factor that gave a particular impetus to the carving up of Africa and ensured a fragile balance of power in Europe. Subsequently, after World War II, the USA emerged as the dominant capitalist power and proceeded to build a new world order, the *Pax Americana*. It was maintained through the Bretton Woods system - managed by the World Bank (WB) and the International Monetary Fund (IMF) - anchored in mass fordist production relations and the Keynesian welfare state (Cox, 1987). However, unlike British hegemony, US hegemony was extended through the promotion of decolonisation and simultaneously through a process of incorporation conditioned by the 'Communist threat' during the Cold War, and by capital investment, military alliances, institutional linkages and dense networks across the developed capitalist states (Panitch and Gindin, 2006). This integration, restructuring and coordination of the capitalist core continues to this day.

A final distinguishing feature of capital expansion relates to the ideological dimension. In the 19th century, British hegemony expressed itself through the credible assertion that the growth of its power reflected a universal rather than merely a national interest. Arrighi suggests 'central to this hegemonic claim was a distinction between the power of rulers and the "wealth of nations" subtly drawn in the liberal ideology propagated by the British intelligentsia. In this ideology, the

[1] The term 'hegemony' is not utilised by Arrighi in a Gramscian way, which refers to consent amongst social forces (states, classes, media, professional cadre classes, etc.) that make up a 'transnational historical bloc'. Arrighi uses 'hegemony' in a state centric way very similar to theorists in the (neo) Realist tradition of international relations.

expansion of the power of British rulers relative to other rulers was presented as the motor force of a universal expansion of the wealth of nations' (1994: p.174). In other words, the ideology of 'free trade' was effectively tied to wealth creation and fostered a dependency on the British-market that reproduced its power. By the end of World War II the British led world order came to an end and was replaced by the *Pax Americana.* The ideological articulations and coercive practices of the *Pax Americana* broke with British 'free trade' and laid the basis for the internationalisation of US monopolies.

By the 1970s, however, the *Pax Americana* was in a crisis and began to unravel. This crisis was 'organic' and hence went to the heart of how capitalist accumulation was organised. In the words of Overbeek and Van Der Pijl the crisis of the 1970s, 'was a fundamental crisis of "normality" affecting all aspects of the post-war order: social relations of production, the composition of the historical bloc and its concept of control, the role of the state, and the international order' (1993: 14). They argue capital's response had to be comprehensive and hence the restructuring of capital had to be accompanied by a newly constituted project of hegemony. Neoliberalism had to locate itself as the 'national' or 'general' interest while being the narrow fractional interest of transnational capital.

Since the 1970s the neoliberalisation of the world order has confronted contending ideological forms and models of national political economy. Neoliberalism in the 1980s had to overcome the 'developmentalism' of the Third World, bureaucratic and centrally planned Soviet socialism, and the regulatory regime of European social democracy. By the beginning of the 21st century the 'war on terror' also became an important element in the ideological construction of neoliberalism; in other words, global accumulation had to be 'securitised'. This has also meant a US-led world order is increasingly based on coercion. The notion of 'US supremacy' most appropriately describes the shift from hegemonic consent to the coercive politics of the past decade and a half (Gill, 2003). For Gill this means neoliberalism is an instrument of power, more appropriately understood as 'disciplinary neoliberalism'. This 'involves the increasing use of market based structures to secure social discipline and organise distribution and welfare, for example in capital and labour markets, with the costs of adjustment forced upon the weakest by the strong, backed by the coercive apparatus of the state' (2003:25).

However, in the transition from the US-led *Pax Americana* to a US-led neoliberalisation of the world it is important to put in perspective the main goals of this project. While neoliberalism was presented as a solution for the accumulation crisis of the 1970s, affirming the centrality of market-led development, free enterprise and a possessive individualism, it was also intended to ensure: (i) the restoration of US leadership and hegemony in the world; (ii) the construction of a seamless global market for trade and financial flows, deepening commodification through intellectual property rights and capital; (iii) a model of primitive accumulation in which the market is unleashed on society and nature such that the structural power of capital, particularly finance capital, prevails; (iv) state forms and regional economies are restructured to meet the requirements of global capitalism in a disciplined way; and finally (vi) all subaltern and working class forces are subordinate to the rule of capital.

However, today the US brand of hegemonic neoliberalism is in crisis. The 'Washington consensus' has unravelled through its development failures, the social crisis inflicted on the world through mass poverty and inequality, the internal contradictions of the US economy and the impasse in WTO negotiations. Nonetheless, this does not mean the end of neoliberalism, but rather its articulation into new forms, such as the poverty reduction paradigms of the WB and IMF. Moreover, the ideological renewal of neoliberalism is also being conditioned by post-9/11 security imperatives. The 'war on terror' has compelled the USA to recognise the importance of excluded states and hence it is attempting to ensure its informal empire is firmly entrenched in the South and that its values restructure these states (Panitch and Gindin, 2006: 37). This means the new scramble for Africa is also about the US scramble to ensure that the states on the continent are disciplined to ensure loyalty in the 'war on terror', management of global crises and the reproduction of global capitalism.

The 19th century scramble for Africa's resources was directly related to the expansion of capital through colonialism. This was conditioned by the existence of various historical structures and forces – relations of production, hegemonic state forms and ideologies - that enabled penetration of the African continent. Today, Africa is confronting a new expansion or globalising form of capitalist penetration but in a post-colonial context. While consequences from the old scramble

are still prevalent, the realities flowing from this need to come to terms with a new wave of capitalist penetration shaped by the existence of transnational capital, US supremacy and the ideological prescriptions of a new concept of control: transnational neoliberalism. Africa today is confronted by the formation of a global capitalism in the image of the USA.

'Great Transformation': 'Afro-neoliberal Capitalism' and the Disciplining of Africa

Karl Polanyi (2001) in his classic work the *Great Transformation* observed how the disembedding of the market from social and cultural matrices after World War I in the Western World, was akin to trying to achieve a 'self regulated' market economy; the economic instance with its emphasis on private property, profit maximisation and individual enrichment was being unleashed to dominate social relationships. Such a process of dis-embedding and universalising the self regulated market is analogous to the onslaught of transnational neoliberalism over the past three decades. In the context of Africa, neoliberal structural reforms have been the means utilised to dis-embed and deterritorialise the market. In this process national political economy models have had to become more externally orientated. Imports and national debt had to be serviced by export earnings, privatisation and creating risk free environments for financial flows. Africa has had to adjust to transnational capital and not transform according to the needs of its people. However, given the uneven development of the global economy, Africa's structural location is in the underdeveloped South. Hence, the impact and politics of neoliberal global restructuring on Africa has to be distinguished.

The way African ruling classes have ideologically internalised neoliberalism and engaged transnational capital has to take account of particular modes of social relations of production. Put differently, neoliberalism has had to take on 'African characteristics' and has had to express itself through ideological forms and constructs championed by Africa's ruling blocs in national and regional political spaces. For instance an IMF-led structural adjustment programme in Uganda, under Museveni, is hailed in popular political rhetoric as the *Bonna Baggagawale* (the Prosperity For All Programme). In Ghana neoliberal adjustment under Jerry Rawlings in the 1990s entailed indigenising neoliberalism by marrying it to a sanitised version of Nkrumah's legacy (Sandbrook, 2000:117-123). Most parties revered the memory and achievements of the

Osagyfo (Redeemer), while at the same time, rejecting his doctrine of socialist oriented or heavily state-led development. This has actually provided for an ideological convergence with the professed neoliberals organised around the tradition of *Danquah-Busia*. In post apartheid South Africa, structural adjustment has been home grown and has been legitimised through the 'Better Life For All' rhetoric of the 'Reconstruction and Development Programme' (RDP), the political program of the African National Congress. While this process of neoliberalisation has been uneven, it has produced an 'Afro-neoliberal capitalism' over three decades on the African continent.

For Gill (2003), the moment of neoliberalisation represents a civilisation shift. It is about the deepening of commodification into the nooks and crannies of everyday life, in an extremely intensive way. The logic of commodification increasingly subordinates social relations and the ecological conditions that sustain life. The 'myth of capitalist progress' thus marches under the banner of 'market civilisation'. Afro-neoliberal capitalism is an ideological expression of the shift in the *longue duree* to a 'global market civilisation'. In the current situation on the African continent, it is a ruling classes' response to the organic crisis of the continent; a crisis which has its roots in the failed post-colonial transition from structurally determined underdevelopment to economic development. This has been a long crisis, which has become multifaceted with various contradictions, as it spanned early post-colonial independence and reached into the neoliberalised present.

The making of Afro-neoliberal capitalism has been a violent and brutal process, consisting of three overlapping post-colonial conjunctures. These conjunctures are: (i) the defeat of actual and potentially radical post-colonial state-led development projects – revolutionary nationalist, African socialist and Marxist-Leninist; (ii) the debt crisis and national adjustment; and (iii) limited democratisation and continental restructuring to meet the requirements of transnational capital.

Some commentators blame 'Fanon's ghost', or middle class betrayals, for the neo-liberalisation of Africa, reducing failed post-colonial development to various state based pathologies, such as 'South African sub-imperialism', the 'predatory state', 'criminalised state' and 'neo-

patrimonialism', such that reality has been flattened out and complexity has been homogenised.[2] Hence, the WB argued that neoliberalisation was the only solution to overcome some of these state centric pathologies. But are such single factor causal arguments sufficient to explain Africa's 'great transformation' and structural shift to market-led development? While these factors feature in the historicising of neoliberalism in Africa, they were aspects of the disciplining of Africa, which intersects with and cuts across the aforementioned conjunctures. The disciplining of Africa has involved a dialectical interplay of US-led Cold War forces with continental and national forces. Africa's embracing of neoliberalisation was about particular relations of force, which defeated progressive political agency on the continent. Following Gramsci's interpretative approach, we must put into perspective the different levels of force that constitute the disciplining of Africa, that is, the economic, political and the coercive (Gramsci, 2003:175 -185).

The Economic Relations of Force

First, Africa's post-colonial economic structures were the least diversified at the time of their independence and were 'extroverted' (i.e. skewed to meet the needs of colonial economies) (Mengisteab, 1996). Originally cash crops were the main economic products, but later, minerals and oil become important national exports. Moreover, Africa's pre-colonial state boundaries were never resolutely fixed and did not fit into some kind of idealised cultural map, with various disruptions – drought, war, and trade – impacting upon them. However, this historical framing does not take away from the argument that economically viable African states required territorial unity. Although some anti-colonial leaders attempted to avoid balkanisation to the point of proposing greater unity across colonial territorial boundaries, the majority of nationalist leaders preferred to accept the colonial map of existing Africa, and 'small states' obtained sovereign status in the sense of being internationally recognised at independence. Furthermore, although inward industrialisation was attempted as a crucial accumulation strategy in numerous countries,

[2] The 'sub-imperialism' argument has been made by Patrick Bond (2004a, 2004b, 2006) and has been a consistent explanation he has put forward to explain Africa's woes. Fanon's ghost is invoked in Bond (2005). Regarding pathologies of the state in Africa, while corruption and state failure clearly exist on the African continent, I share Mamdani's (2005) view that the state that has really failed in the post-colonial context is an inherited colonial state, with its various forms of rule that generated racial and ethnic identities. The 'African failed state' thesis attempts to explain a social reality by being ahistorical and by being blind to wider external and systemic realities facing African states.

this did not confront the structural weaknesses of the inherited colonial economy and also failed to break out of the colonial mould of the state. Thus according to Mkandawire, 'the phase of import substitution industrialisation was too short – in most countries it was less than a decade' (2005:168). Ultimately, post-colonial Africa was locked into structurally dependent economic relations. The seeds for this were sown in the decolonisation process and ensured economic control remained in the hands of neo-colonial forces, while most of Africa's politically liberated majorities had to be content with citizenship and inherited 'weak states'.

By the 1980s, the cumulative impact of oil price shocks in the 1970s, falling primary commodity prices, drought and reduced global demand due to substitution contributed to Africa's debt crisis. However, the global event that ensnared Africa in the debt trap was rising interest rates in the USA in the early 1980s. This move by the US Federal Reserve drove up the costs of loan finance to Africa and firmly tied Africa into the debt crisis. As a consequence, Africa became a net exporter of capital through this period and growth rates were in negative digits.[3] Hence, the first wave of structural adjustment failed by all trade and investment indicators. Africa's 'great transformation', being the deepest and most aggressive, began displaying morbid symptoms: de-industrialisation and stagnation. Both the structural weaknesses and the debt crisis of the 1980s did not just hit 'non-capitalist' states but even those that were seen as models of capitalist development, like Kenya. African debt undermined many economic and social development gains made through post-colonial development.

The Political Relations of Force

The disciplining of Africa continued at a political level. The narrowing of space for autonomous development choices by post-colonial African states links directly with how the demands by countries of the South for global economic restructuring were received by the US-led bloc in the United Nations system in the early 1970s. These demands required greater redistribution through improved terms of trade, access to markets and regulation of 'multinationals' to ensure beneficial developmental impacts. For the US-led bloc, these demands represented a grave threat to the

[3] According to Rachid Tlemcani, Africa's debt stood at 500 billion dollars in the first few years of the new millenium. At the same time, 50% of Africa's savings was moved off shore. This capital flight deprives Africa of important financial resources for development, which could break its dependence on IFIs if redirected (2005:31).

'sovereignty of capital' and by the late 1970s, the demands for a New International Economic Order (NIEO) were defeated (Van der Pijl, 1993). As a result, the NIEO inspired Lagos Plan of Action, put forward by African countries in the early 1980s, which emphasised an alternative development path based on self-reliance, regional integration and endogenous industrial development, was still-born. In this context, the debt crisis of the 1980s effectively undermined the last vestiges of economic sovereignty available to the African state. Despite this reality, by the early 1990s the WB claimed that the cause of failed adjustment was the African state and the fact that insufficient time was given to adjustment (Mkandawire, 2005:162). This gave rise to the full-blown adjustment of the African state.

The 'great transformation' to bring about 'Afro-neoliberal capitalism' had devastating consequences on the continent. First, the deterritorialising and disembedding of the African market meant rolling back state intervention. Structural adjustment was aggressively championed through strategies like privatisation, liberalisation and monetarism. It was as though the already ravaged African state had to walk through a bonfire; it had to be subsumed by the market. Second, 'African states' which did not escape the colonial mould remade racial and ethnic cleavages in the context of economic crisis. Ethnic and reactionary nationalisms came to the fore. Africa turned on itself even more and civil wars broke out in the 1990s, from Liberia, Sierra Leone, Angola and even Rwanda. Many of these conflicts were the result of failed attempts to achieve 'market democracies' or took on the characteristics of 'resource wars'.[4]

Third, secular economic decline continued and by the mid- to late 1990s most commentators and development actors including the World Bank were willing to accept the failures of adjusting the African state and economy (Mkandawire, 2006, 2005; Cheru, 2002; Nyang'Oro, 1999; Mengisteab and Logan, 1995). The poverty, social polarisation, suffering and inequality this engendered further undermined the legitimacy of several already disintegrating states. This gave rise to a wave of resistance and democratisation. These processes were uneven but swept away one-party states and numerous military dictatorships after the collapse of the Soviet Union

[4] Klare's (2001) use of the term 'resource wars' assists with explaining the new geo-political dynamics underpinning conflict in the post-Cold War context, particularly with regard to the 'economization' of US security policy and the nature of resources themselves – limited supply, increasing demand and conflicts about ownership. In the African context, rival elites (ethnic, religious etc) struggle to control national endowments like water, oil, timber, diamonds, land and various other resources. These struggles have been at the root of various conflicts.

(Southall, 2003). While before 1990 Africa had only seven countries – Morocco, Senegal, Botswana, Zimbabwe, Tunisia, Egypt and Mauritius – with multi-party systems, albeit limited in some way, between 1990 -1997 peaceful change of government took place in more than forty-two countries through competitive multi-party elections (Cheru, 2002:33).

Strengthened by the democratic opening in South Africa in 1994, this wave of democratisation held out numerous radical possibilities and gave rise to ideological battles about the kind of democracy appropriate for Africa. While many attempted to defend 'popular democracy' over narrow liberal electoral democracy, the constitutionalism that emerged from this process, in most instances, premised democratisation on a separation of the economic and the political. The ideological argument that enabled this was anchored in an interpretation of post-colonial Africa which conflated state intervention with authoritarianism; democracies had to therefore ensure the 'freedom of the market' even if state intervention in some instances had a great deal of economic merit (Mkandawire, 2006:16). This meant a Rousseauian politics of mobilised 'general will' easily descended into a Hobbesian nightmare in many countries. Thus, the 'second independence' or democratisation movement of Africa changed the post-colonial constitutionalism of Africa, but in the main locked in private property rights, insulated policymaking processes from mass-based politics and further transformed the African state into students of 'good governance' under external surveillance of 'donors' (Abrahamsen, 2000; Sachikonye 1995; Shivji 1991). In a sense, the democratisation wave from below exposed its major weakness: it was not counter-hegemonic and instead it gave rise to a neoliberalised African state, which was rendered an effective prisoner to transnational capital and trade flows.[5]

[5] Evans (2008) goes beyond Polanyi's 'double -movement' of society to protect itself from the 'self regulated market'. While he embraces Polanyi he argues that counter-hegemonic globalisation entails four general requisites: (i) movements for social protection have to transcend the divide of national boundaries and the north/south divide; (ii)these movements must braid together diverse constituencies; (iii) institutionalise multi-level contestation and (iv) capture the collective imagination. In my view the ghost of Gramsci's 'war of position' pervades Evans's argument. His argument also helps us think about what was absent from Africa's movements leading democratisation in the context of failed structural adjustment.

The Coercive Relations of Force

The coercive factor in post-colonial Africa also played a crucial disciplining role. This happened through counter-revolution and was part of Cold War 'anti-communism'. Coups, covert operations, assassinations, support for dictators, low intensity destabilisation and the fomenting of civil wars were used to prevent the emergence of successful state-led development projects or autonomous development paths (Heller, 2006; Hobsbawm, 1995). Post-colonial ruling classes made this even easier when many squandered the legitimacy gained from the 'national-popular' project of national independence by narrowing the space for mass involvement in development. Many of the first and second-generation post-colonial ruling blocs replaced the masses with the state as the motive force for change.[6] State-centric development widened the gap between leaders and the masses, which easily opened the door for counter-revolution.

Despite instances where African post-colonial ruling blocs made mistakes, which were utilised effectively against them, Cold War forces on the African continent insidiously targeted those movements and political forces that had the potential to emerge as counter-hegemonic projects. One of the first Cold War operations on the African continent to stem the tide of 'communism' was the 1961 assassination of Patrice Lumumba, the first prime minister of the Republic of Congo. This pioneer of African unity was not a communist but a radical nationalist who threatened colonial interests. Lumumba was assassinated by Belgian forces and was replaced with US backing by Mobutu Seseko. Kwame Nkrumah the leader of a liberated Ghana, an advocate of African socialism, fervent proponent of continental unity and anti-imperialism was toppled in a Western backed coup in 1966. Amilcar Cabral one of the great revolutionary leaders in the liberation struggle of Guinea-Bissau and Cape Verde was assassinated in 1973, on the eve of a liberation breakthrough.[7]

[6] This would include Kenneth Kaunda's Zambia and Julius Nyerere's Tanzania and their attempts at African socialism from above. In the second generation, Gerry Rawlings of Ghana and Yoweri Museveni of Uganda are interesting in how they mutated from radical promises and commitments to being fervent neoliberalisers.

[7] There is an important literature that tells this tragic story. See Davidson (1981), Ray et al (1982), Birmingham (1990) , De Witte (2001) and Chabal (2002).

The decolonisation of Southern Africa also became an important theatre for the Cold War conflict. Reagan's 'roll back' strategy in the Third World gave support to Savimbi's UNITA forces in Angola and RENAMO in Mozambique through the 1980s.[8] The South African apartheid regime complemented these forces through military incursions, intelligence and logistical support. Savimbi's UNITA was able to destabilise an MPLA-led Angola for almost three decades. Fighting only stopped when Savimbi was killed in 2002 and it was clear that by this time MPLA had abandoned its commitment to a Marxist-Leninist project. In the struggle for Mozambique's liberation from Portuguese colonialism, Eduardo Mondlane one of the top leaders of FRELIMO, was assassinated in 1969. However, the destabilisation of Mozambique and FRELIMO only ended with the death of Samora Machel in 1986, in a dubious plane crash after leaving South Africa, and after FRELIMO entered into a peace agreement with South Africa, abandoned its Marxist-Leninist orientation and embraced multi-party democracy (Hall and Young, 1997; Christie, 1989).

According to Hobsbawm (1995: 251), the Cold War ended at a Washington summit in 1987 but was not recognised as such until the collapse of the Soviet Union in 1989 and the dissolution of the USSR by 1991. In Africa, however, it did not end with the collapse of Eastern Europe or the inauguration of a negotiated transition in South Africa, but with the assassination of Chris Hani, General Secretary of the South African Communist Party on 10 April, 1993, and the subsequent degeneration and capture of his party by an 'authoritarian populist' faction.[9] The counter-revolution in Africa destroyed countries, dislocated populations and shattered the lives of millions of ordinary people. The violent disciplining of Africa through destabilisation during the Cold War and its consequences, cannot be excluded from an understanding of how state-led development projects failed or were blocked.

All of these historical factors - economic, political and coercive- shifted the relations of force against an autonomous development path for Africa. The disciplining of Africa produced an

[8] The Portuguese acronym FRELIMO stands for Frente de Libertacao de Mocambique/ Mozambique Liberation Front and RENAMO refers to Resistencia Nacional Mocambicana.

[9] See Forrest, D. 2008. "A bigot with his eye on the Cabinet?" *Mail and Guardian*: South Africa. Moreover, Williams (2008) highlights the extent to which the renewal of socialist thinking in the SACP during the 1990s was merely a theoretical exercise for most and did not lead to the serious development of 'counter-hegemonic generative' politics to take forward its new programmatic orientation.

Afro-neoliberal capitalism, which has attempted to legitimise neoliberal accumulation strategies within ruling class projects of economic and political reform on the African continent. It has inserted itself into the 'common sense' of most African citizens through various cultural, political and social idioms and practices. In this sense, Afro-neoliberal capitalism indigenises neoliberalism and restructures African economies, state forms, state-society relations, historical blocs and international relations to harmonise with its goals. At the same time, Afro-neoliberal capitalism as a concept of control, excludes alternative development options for Africa such as delinking, autocentric development, self-reliant development and even 'African capitalism'. It is presented by ruling historical blocs as a solution to Africa's organic crisis and embodies the 'national' or 'general interests' of society; an 'African solution to an African problem'.

Africa is not exceptional in this regard. In various national and regional economic spaces, the core of neoliberalism has had to coexist with various ideological constructs (some hegemonic and some not) and established forms of rule buttressing the power of ruling classes. This mixing of ideological elements has brought various national and regional paradigms of development under its sway and has hybridised with the 'ideological projects' of political agents to structure and extend the reach of transnational capital and a global pattern of accumulation. In Western Europe, for example, a heartland of capitalism, the restructuring of capital had a double effect. For Van Appeldoorn (2002) it spawned and made transnational capital, while at the same time, this fraction utilised its structural power to defeat projects emanating from nationally bounded capitals that would have introduced greater national regulation and protection from global competition.

In various other parts of the world, neoliberalisation had to be internalised in a way that solicits consent and is rooted in the common sense mentalities of various civil society structures.[10] However, this has not always been done through a democratic politics in countries of the South. From Chile to China, neoliberalisation has been imposed through authoritarian means.[11] In other contexts, non-hegemonic strategies of 'passive revolution' that limit mass social and political

[10] See Prasad M. (2006) for a comparative historical analysis of the development of neoliberal policies. Philip Arestis and Malcolm Sawyer (2005) give a very interesting account of the economics of the 'Third Way'.

[11] Fernandez (1993) provides a tragic account of how Chile was violently and brutally made the guinea pig of the first country based neoliberal experiment led by an authoritarian military regime which he characterises as an example of a 'neoliberal dictatorship'. Also see Harvey (2005:120) regarding the neoliberalisation of China.

forces from influencing the restructuring have been utilised.[12] The irony of neoliberal accumulation strategies is that these are not development strategies. Privatisation, liberalisation, public-private partnerships, surveillance-based good governance, a truncated individual rights based discourse and regular elections are all strategies to entrench the power of capital over society and the state. This is the essence and logic of the new scramble for Africa.

The Illiberal Side of Neoliberalism: Africa's Petro-States

Africa has seven oil producing economies in which net oil exports make up 30% or more of total exports (IMF, 2007). Besides these oil dependent economies there are a host of other countries that have discovered oil and are poised to emerge as petro-states. This boom in oil exploration and extraction has been a recent phenomenon and has precipitated a geo-political shift from North Africa – Algeria and Libya some of the early oil producers – to the Gulf of Guinea on the West Coast (Watts, 2006; Obi, 2009). The commodity boom over the past few years on the African continent is driven by these oil producers. According to the IMF, Africa's growth crisis has been broken and the improvement of the continent's growth rate from just over 3% in 2001 to 6% in 2007 is bound to further increase (IMF, 2007).

However, while the growth data is wielded as an affirmation of the restructuring of Africa's political economy, it conceals the 'illiberal' side of neoliberalism and 'Afro-neoliberal capitalism'. Most of the petro-states in sub-Saharan Africa - from Sudan, Chad and most of West Africa - are some of the most authoritarian states on the continent. A non-hegemonic politics of domination, combining dictatorship and fraud, prevails. The state forms that exist have international recognition, but internally, sovereignty 'stands on imaginary stilts' due to the deep legitimacy crisis of these state forms. A duality exists in these non-hegemonic political forms. Alongside formal state institutions, a parallel form of 'oil governance' operates made up of an axis of relations: ruling classes - transnational oil companies - transnational banks (Shaxson, 2007). Various extractive mechanisms come together in this 'axis of oil governance', but most striking is the use of selective elements of disciplinary neoliberalism. For instance, all these oil

[12] Restructuring in Mexico, Spain, Australia and parts of the former Eastern Europe are examples of passive revolutions. See Overbeek (1993) and Soederberg, Menz and Cerny (2005) for some of these examples.

economies have liberalised their oil industries and while state oil corporations exist, in most instances, they are locked into 'public-private' partnerships that fit directly into the 'axis of oil governance' (that is, they extract oil for the benefit of the ruling classes and transnational capital) (Watts, 2006). It is through this extractive axis of relations and its various mechanisms that Africa's oil wealth and its petro dollars are being drained away (Massey and May, 2009; Obi, 2009).

The selective use of disciplinary neoliberalism also extends to the sphere of consumption. In this regard, liberalisation has been crucial in ensuring that imports are plentiful to meet the conspicuous consumption appetites of the ruling classes. This includes luxury cars, the latest *haute couture* (high fashion), the necessities for palatial homes and expensive restaurants (Shaxson, 2007). All the trappings for a transnational bourgeois culture are provided through imports for the ruling classes and their elite enclaves. This elite consumption is in a context of the emergence of the largest slums in Africa, from Benin City to Accra, together with deepening poverty, inequality, abysmal human development trends and sharp social cleavages in these societies (Watts, 2006; Shaxson, 2007). Africa's petro states are poised to become increasingly wealthy with growing global demand for oil and increasing prices. It is estimated that Africa's oil revenues per annum under current market conditions range between $90 and $100 billion dollars (Shaxson, 2007: 238) making it larger than total global aid flows. Yet there is increasing human misery and environmental destruction concentrated in these petro-states and afflicting Africa more broadly.

It is in these petro-states that wars are waged and thoroughgoing democratisation is a pipe-dream. Attempted democratic openings, such as in Nigeria, have been managed from above and are not conducive to bringing the people into the political process to influence economic policy and development choices. The axis of oil governance still rules. More generally the 'disciplinary dictatorships' of Africa's petro-states have ensured that the 'outer trenches and earthworks' of civil society are rudimentary and are pacified. With primitive accumulation concentrated on oil extraction, the development of agricultural production and manufacturing has been constrained in most of these economies. This means civil society is mainly composed of pre-capitalist relations that combine with the relations that make up the 'axis of oil governance' through

clientelism and patronage (Shaxson, 2007; Massey and May, 2009). In the end, the axis of oil governance 'buys out' some social forces and unleashes coercion and fear on the rest in order to maintain a conducive 'business climate' and 'stability'.

In short, the illiberal realities of Africa's petro-states contradicts the utopian expansion of 'market democracy' and 'Afro-neoliberal capitalism'. These states seem to be an acceptable exception for the US-led transnational historical bloc promoting the neoliberalisation of the global economy as long as the investment and oil output from them aggregates into growth for Africa and ultimately the global economy, on the one hand, and massive oil profits are made for transnational capital, on the other. The transnational scramble for Africa's oil resources harmonises with the selective deployment of neoliberal accumulation strategies by Africa's petro-states. This enables the use of global market economic force, combined with fraud, patronage and coercion, to give the relations that make up the 'axis of oil governance' a 'disciplinary dictatorial' character. Ultimately, these free market based disciplinary dictatorships have produced a horror-ridden dystopia for the majority of their citizens.

Africa's Passive Revolutions and the Politics of Poverty

In the 1990s, while the democratisation wave on the African continent did not produce a counter-hegemonic project it did succeed in having two important consequences. First, the hold of bankrupt national liberation forces was broken in key parts of the continent. Kenya, Tanzania, Zambia and even Zimbabwe, for example, threw up new political forces. In the case of Zambia and Zimbabwe these were forces directly linked to trade union movements. Both Chiluba in Zambia and Tsvangaria in Zimbabwe were from labour unions. The second important consequence of the democratisation wave was that it exposed how gearing Africa's economies around debt payments was not acceptable to Africa's poor citizenry. Despite SAPs, debt obligations in Africa ballooned into the 1990s and beyond (DeLancey, 2007: 128). SAPs worsened Africa's structural economic weaknesses. This reflected in increasing poverty rates, food insecurity, increased urban based unemployment, deforestation, environmental degradation and widening gender inequality such that Africa at the end of the 20th century was the only continent that had fallen of the economic map and had not benefited from 'globalisation' (Peet,

2003: 141; DeLancey, 2007: 119-144). In the streets of many countries citizens challenged the austerity associated with Afro-neoliberal adjustment. Violent protests against cuts in food subsidies, government services and failures to provide inflation linked wage increases become a prominent feature of a structurally adjusted Africa (Tandon, 2008: 44-62). In Zimbabwe a big part of the explanation for its crisis in the 1990s lies in the fact that its structural adjustment program was resisted and challenged by unions demanding inflation linked increases, on the one side. On the other, war veterans increasingly impoverished by almost a decade of Afro-neoliberal reforms wanted land from a bankrupt and inept ruling elite (Tandon, 2008: 47-56). Most importantly, the IFIs were not willing to allocate SAP funding to bank roll either of these demands.

These contentions from below held out the prospect of moving Africa in a radical direction, very similar to Latin America. At the same time in the late 1990s, from within transnational civil society, a strident critique emerged from the streets as the Jubilee 2000 campaign for debt cancellation gained momentum and the Seattle protests launched a scathing attack against the 'trickle down' free trade growth models of transnational neoliberalism.[13] The negative effects of failed neoliberalisation were actively resisted on a global scale and an incipient discourse on 'alternatives' began gaining ground. For the US-led transnational historical bloc Africa was moving in the right direction and was showing its commitment to Afro-neoliberal capitalism but had to get its economic management right. As pointed out above, for the World Bank despite the social costs of SAPS, Africa's 'good governed' states had to continue embedding transnational neoliberalism and had to maintain the trajectory. In the 1990s Africa's disciplined political economy had to now jump from accepting the importance of private sector and market led development, to the next level of macro-economic stability and a continuity of economic and political reform. At the same time, there was also a recognition that demands from below had to be addressed. Noël (2006) suggests this amounted to a shift to what the OECD calls an emerging 'global anti-poverty consensus'. However, this 'rediscovery of poverty' in the African context was not grounded in a profound conception of justice, as Noël (2006: 308-310) suggests. In the context of Africa, the World Bank and IMF knew that if Africa had to remain disciplined

[13] Prempah (2006: 141-163) provides a useful overview of the activist campaigns waged to pressure debt cancellation as part of Jubilee 2000. He maps key engagements and social forces engaging the IFIs.

important concessions had to be made. To put it cynically, the poor African masses had to have some demands met if Africa's Afro-neoliberal passive revolutions were to survive. This introduced a new politics of poverty into the African context which also reflected a mutation in transnational neoliberalism within certain social forces and institutions that make up the US-led transnational historical bloc; new elements and emphases were coming to the fore to ensure market-led development and its trickle down growth model worked.

This becomes apparent when scrutinising how the new politics of poverty was shaped by Africa's donor relationships. In the early 1990s Africa's donor support began declining in comparison to the 1980s (Moss, 2007: 117). The post Cold War context and the existence of a disciplined Africa did not necessitate further financial flows through aid. Old cold war geopolitical alliances with dictators like Mobutu were the source of embarrassment to the West as the rhetoric of 'market democracy' gained currency. Hence, support for authoritarian regimes fell away and support for counter-insurgencies like in Mozambique and Angola also disappeared, although local financing derived from illicit economies in natural resources became the grist for the war mill in many parts of the continent. However, by the late 1990s a shift begins to happen and Africa's bi-lateral and multi-lateral donors started shrugging of their dependency argument and started rationalising aid in terms of a big push. This case for a big push gains currency gradually. To capture the scale of this shift is difficult due to the problems associated with aid figures. These figures are extremely misleading, inaccurate and defined in opaque ways that provide a bias in favour of the rich countries.[14] The reporting is done in a way which assists these rich countries report to tax payers in their home countries. Hence, to put Africa in perspective as the most aid dependent continent in the world is a bit difficult. To make the point, aid figures issued by the Development Assistance Committee (DAC) of the OECD can give us a picture of aid contributions to GDP. By 2003 at least 24 African countries received aid that amounted to more than 7% of GDP (Moss, 2007:133). At the upper end of this list of recipients was the resource rich Democratic Republic Congo with its GDP made up of 94.7% of official development assistance (ODA).

[14] The Organisation for Economic Cooperation and Development (OECD) is a club of rich country donors which contribute close to 90% of global official development assistance (ODA). It provides annual ODA data through its Development Assistance Committee (DAC). Tandon (2008:1-41) provides a useful critique of the OECD's definition of development aid but also its statistical, conceptual and operational flaws.

However, this way of looking at ODA does not tell us anything about the type of aid and how it works. Most critics of aid highlight that the figures actually hide the skewed procurement processes associated with it, which benefit suppliers from the donor country. Moreover, the conditionalities associated with aid and the outflow of resources that goes with it are never brought into view (Tandon, 2008:7-12). Actually tied aid (commercial loans, stabilisation loans and structural adjustment loans) is a crucial instrument in perpetuating the domination of Africa. Africa's formal aid varies from bi-lateral to multi-lateral support. However, with the shift to 'good governed' states on the African continent national budgets have become a crucial means to channel aid and advance the new politics of poverty. Looking at aid in this way, from above and in relation to national country budgets, assists in understanding how the new politics of poverty fits in with Africa's passive revolutions. Such a view shows how African countries transmit transnational neoliberal policy imperatives through an African centered 'good governance' discourse, while taking on board a commitment to meet the demands of African citizens through poverty reduction.

In the mid to late 1990s a new politics of poverty took root on the African continent through two important shifts in donor policy. The first shift is reflected in the Heavily Indebted Poor Country Initiative (HIPC) initiative. This was initiated by the World Bank and IMF in 1996 and on the face of it this initiative was designed to relieve the debt burdens of poor countries, most whom where in Africa. The stated objective of HIPC was to reduce the debt level of poor countries to a 'sustainable level' so that resources could be freed up for growth and poverty reduction (Ocampo et al, 2007:112). After the initiation of HIPC, only two African countries (Uganda and Mozambique) out of four were able to qualify for HIPC relief and were granted actual debt relief. This prompted a review and adjustment to the HIPC program such that by 1999 an enhanced HIPC package, designated HIPC-2, was put in place. According to DeLancey (2007:130) HIPC- 2 relaxed strict eligibility criteria and made a clearer link between debt relief and poverty reduction programs. By 2006 fourteen African countries, out of a total of eighteen countries, were receiving debt relief through HIPC.[15] However, was and is this happening

[15] HIPC does not embrace all low income countries on the African continent that have debt problems.

through ‘relaxed criteria’? How are neoliberal macro-reforms tied in with HIPC? On closer scrutiny of the HIPC process, including HIPC- 2, debt relief is only a small part of the process.

Prempeh (2006:144) provides a useful overview of how HIPC-2 works through a three stage process. First, a country qualifies for the initiative only if it had ‘unsustainable debt levels’. Moreover, it had to show a serious and committed track record over a three year period regarding key performance measures. These measures impacted directly on national fiscal and budgetary policy and included stabilisation programs, public sector reforms and the targeting of spending towards poverty reduction, health and education. In 1999 this three year track record was shortened as part of HIPC-2. The striking aspect of this first stage is that African countries had to be good Afro-neoliberalisers and had to show discipline. This in turn created conditions for allocating benefits to the masses without uncoupling from neoliberalisation. The second stage of HIPC-2 brought countries that met the requirements of the first stage to *decision point.* This led to another round of neoliberal reforms. Countries had to introduce ‘sound’ macroeconomic policies and a poverty reduction strategy, outlining clear measures to reduce poverty levels. If countries were judged to be ‘good performers’ and showed commitment to tutelage then they received temporary debt relief.

This laid the basis for the third stage of HIPC treatment. In this stage countries had to prepare a full *Poverty Reduction Strategy Paper* (PRSP), ostensibly based on inputs from civil society but guided by compliance to conditionalities linked to particular policy reforms. The PRSP element of this process came to the fore in 1999, as part of HIPC-2, when the World Bank and IMF invented a more explicit poverty centered language within which to embed structural adjustment policies. In 1999 the IMF changed its Enhanced Structural Adjustment Facility (ESAF) to the Poverty Reduction and Growth Facility (PRGF). This facility provides ten-year loans to 80 low income countries, at an annual interest rate of 0.5 %. According to the IMF this does two things, ‘it immerses poverty reduction into structural adjustment; and it aims at broader participation and greater country ownership of the economic programmes that accompany loans. Under the PRGF conditionality is supposed to be more selective, with greater emphasis on the social impacts of policies and more emphasis on ‘governance’ – this includes accountability for public resource management, budgets that are more pro-poor and pro-growth, and increased flexibility

for government budget targets' (Peet, 2003: 98). It would seem HIPC's were the first experiment with PRSP's. Craig and Porter (2006: 54) provide a useful characterisation of how PRSPs fit into the overall logic of neoliberalisation: 'Global economic integration first, good governance second, poverty reduction following as a result, underpinned by limited safety nets and human capital development. In this prioritization, we argue that both poverty reduction and social inclusion policy and strategy represent a refinement of the liberal political project, specifically a mode of ''inclusive'' liberalism, in which the disciplined inclusion of the poor and their places is a central task.' After a PRSP is put in place a country is meant to have reached *completion point* and the country qualifies for 'irrevocable debt relief' within the HIPC process.

The HIPC initiative has had two important implications for Africa's passive revolution. First, it has entrenched the Afro-neoliberal trajectory. It does not write off debt but attempts to lessen the squeeze on some of the poorest countries in the world, most of whom are in Africa, by freeing up some resources from debt servicing to maintain a trickle of benefits to the masses. The emphasis of this framework is on 'debt sustainability' and in technical terms bringing debt-service ratios to manageable levels. However, despite the hype, publicity and propaganda value around 'poverty reduction', 'it is now generally recognised that most of the debt reduction that was achieved in the HIPC countries took the form of writing off bilateral debts already in arrears, thus freeing up a smaller amount of real resources for poverty reduction spending than had been originally foreseen' (Ocampo et al, 2007: 115). In short, the poverty reduction dimension of HIPC provided Africa's Afro-neoliberal regimes a legitimating discourse for ongoing neoliberalisation. Second, the legitimating discourse was re-enforced by the 'participatory dimension' for the PRSP. The practice and approach to participation has not amounted to a change in conditionalities underpinning HIPC. Actually participation comes in at the tailend of the three stage process and seems more like cooption. By most accounts participation has also been instrumentalised to bring in civil society voices but in a public relations way. As Moss (2007:144) highlights, 'in practice the consultations have largely been superficial and donors have for the most part continued to fund their own priorities rather than responding directly to the PRSP'. Or as Craig and Porter described it above: 'the disciplined inclusion of the poor' is practiced (2006: 54).

The second important shift in donor policy that transmitted a new politics of poverty into the African context has been through the Millennium Development Goals (MDGs). These development goals derive from the OECD, the rich donor countries, and were adopted at the Millenium Summit as eight key goals to deal with extreme poverty.[16] Addison et al (2005: 29) point to how the 1996 report of the OECD's DAC on *Shaping the Twenty-first Century: the Contribution of Development Cooperation* defined new priorities for aid and how this emerged as the MDGs. They also show how the MDGs have become the foremost aid initiative supported through a growing global consensus defined through the World Bank's interventions in the late 1990s on making aid more effective, the Monterrey International Financing Conference in 2002, the UN Millennium Project Report (2005) and various other initiatives. Mark Malloch Brown, the leading UN official responsible for developing a strategy for the achievement of the Goals within the UN system, suggests that for success, 'ownership is indispensable. To ensure that ownership, the Goals need to be customised and tailored to national circumstances and built into national medium-term goals and strategies. For over seventy of the world's poorest countries, these strategies take the form of a Poverty Reduction Strategy Paper (PRSP). The Goals can be seen as both the front and the back end of the PRSPs: they represent the overarching objectives of the PRSPs and the way to monitor whether they are performing as advertised' (Black and White, 2004: xviii). In short, Brown sees the World Bank and IMF framework as crucial in ensuring the realisation of the MDGs.

Addison et al (2005:29-30) locate this emphasis within a growing consensus on how to approach development finance. They suggest there are five broad areas of agreement. First, there is a widespread agreement that aid works. Without aid, poverty would be worse. Second, aid resources for the MDGs must be boosted externally by aid donors but also internally by aid receiving countries through the domestic financial system. Third, donor countries and their partners must work to improve aid effectiveness, to achieve poverty reduction through growth and by financing pro-poor public spending on services and infrastructure targeted at poor people

[16] The eight Millennium Development Goals are: (1) eradicate extreme poverty and hunger; (2) achieve universal primary education; (3) promote gender equality and empowerment of women; (4) reduce child mortality; (5) improve maternal health; (6) combat disease; (7) ensure environmental sustainability; and (8) develop global partnership.

and their communities (especially in the areas of primary health care, primary education, and safe water and sanitation). Fourth, aid must work to enhance and strengthen fiscal management. This is a big part of the good governance agenda in which 'effective', 'accountable' and 'transparent public expenditure' is necessary for pro-poor expenditure. Moreover, improved fiscal management is directly related to state building and directing resources to re-engineer the form of the state. Finally, public resources in the form of aid must attempt to leverage additional private money as well, through increased foreign direct investment, commercial bank lending and portfolio flows (aid in the form of technical assistance in the areas of commercial law, banking and finance is therefore important).

The implications of the MDGs for Africa's passive revolution are four-fold. First, the substantive agenda of the MDGs are a powerful instrument to speak to mass needs and demands within the overall framework of transnational and Afro-neoliberalism. It marries the demands of crucial struggles on the African continent to neoliberalism. For instance the struggles against the exclusion of women, the struggle against HIV/AIDs and struggles to meet basic needs like education and health care are now central to Afro-neoliberal restructuring. The MDGs provide the basis to mobilise mass support but for market-led approaches and solutions to poverty. Second, the MDGs re-enforce HIPC and more. Its scope affects all African countries and it also does not challenge neoliberal reforms. It fits in squarely with the 'good governance' agenda of the World Bank and IMF, including the new concepts of 'ownership' and 'partnership'. While the MDGs strengthen the shift to channelling ODA through country budgets, it does this not just to 'protect the poor' but more importantly to ensure debt payments are on track. It also assists in ensuring macro-economies are 'stable' and state intervention is kept to a minimum so as not to crowd out private capital. The risk to and sovereignty of transnational capital is protected. In short, in the African context the MDG's merely legitimise Afro—neoliberalism and assists with meeting certain mass demands as Africa's economies are adjusted to meet the requirements of transnational capital.

Third, the MDG's more than any other reform intervention over the past few years limits how Africa's post-Cold War democracies tackle poverty. The MDGs form part of a hegemonic norm within the US-led transnational historical bloc. Both currents of welfare based public policy and

market-led trickle down converge on the MDGs as the essential focus for 'poverty reduction' in places like Africa. Thus, Africa and its people are the big MDG experiment to show that globalisation can work, extreme poverty can be tackled while externally orientated economies are developed on the African continent. The MDGs are a crucial substantive dimension of 'external partnership'. For Africa's transnationalising elites the social policy challenge is not about tackling inequality but about ensuring more Africans earn a dollar a day, which means Africa is gaining from globalisation and this would show in declining poverty rates. If this works, the moral and humanitarian implications let the US-led historical bloc and its transnationalising allies on the African continent off the hook for the deeper inequalities facing African society and it contributes to mollifying Africa's poverty stricken masses with a few concessions. Fourth, the MDGs have at the same time re-inforced the primacy of liberal Africa as opposed to illiberal Africa. In many respects it has spurred on and renewed the big push in aid for Africa over the past few years. However, this push is directed at Africa's good governed states and this also re-enforces the political economy of the AU-NEPAD. In other words, the 'carrot of aid' serves to incentivise the internalising of Afro-neoliberalism through the AU-NEPAD and in this process attempts to manage mass aspirations and demands. This is discussed further in chapters 4 and 5.

In summary, mass struggles in the African context, anti-neoliberal globalisation protests in places such as Seattle and calls for debt cancellation by the Jubilee 2000 campaign, together with failing Afro-neoliberal reforms prompted a shift in relation to Africa by the end of the 1990s. This engendered a new commitment by the US-led transnational historical bloc to include a poverty dimension to neoliberalism. By the year 2000, this discourse on poverty reduction was an 'add on' which did not detract from the basic strategies of transnational neoliberalism. It was a discourse embedded in the stabilisation and structural adjustment paradigm. It was also a policy discourse that did not bring into view wider inequalities. It was and is about a 'politics of reformism' and essentially keeping Africa's passive revolutions on track. The 'tackling extreme poverty concession' was largely based on a recognition that Africa was already committed to an externally orientated accumulation model except it now needed to get its economic management right through 'good governance' as it went forward. The poverty discourse gave Africa's Afro-neoliberal states the room to manouvre and ensure mass pressures were deflected and

neutralised. ‘Good governance’ and ‘poverty reduction’ through the MDGs have become synonymous with what development means in the context of Africa’s passive revolutions. This also has the major implication of keeping Africa’s donor dependent democracies firmly controlled. The role of AU-NEPAD macro-restructuring in re-inforcing this through strengthening donor support for MDG-led poverty reduction and debt reduction is explored in subsequent chapters.