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EPISTEMIC COMMUNITIES AND DEVELOPMET: THE DAVOS PROCESS AND KNOWLEDGE PRODUCTION

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EPISTEMIC COMMUNITIES AND DEVELOPMENT: THE DAVOS PROCESS AND KNOWLEDGE PRODUCTION

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DECLARATION

Student No: 0419713X

I declare that

EPISTEMIC COMMUNITIES AND DEVELOPMENT: THE DAVOS PROCESS AND KNOWLEDGE PRODUCTION

is my own work and that all the sources used have been acknowledged by means of complete references. To the best of my knowledge, this dissertation has not been submitted before, for any degree or examination in any university in South Africa or elsewhere in the world.

Supervisor: Prof. Gilbert Khadiagala **Candidate: Dimpho Motsamai**

Date: July 10 2009 **Date: July 10 2009**

DEDICATION

This thesis is dedicated to my daughter Mandisa Ayanda, and that she is inspired to reach her potential.

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Johannesburg, July 2009

ACRONYMS

AfDB	African Development Bank
ANC	African National Congress
APRM	African Peer Review Mechanism
AU	African Union
CEI	Centre d'études Industrielle
DFI	Development Finance Institution
ECs	Epistemic communities
ECOSOC	Economic and Social Council
EMF	European Management Forum
FDI	Foreign Direct Investment
FISCU	Finance and Investment Sector Coordinating Unit
FLS	Front line States
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GCN	Global Competitiveness Network
GRN	Global Risk Network
ICC	International Chamber of Commerce
ICF	Investment Climate Facility
ICT	Information and Communications Technology
ILO	International Labor Organization
IMF	International Monetary Fund
LPA	Lagos Plan of Action
MAP	Millennium African Renaissance Program
NEPAD	New Economic Partnership for Africa's Development
NGO	Non- governmental organization
OAU	Organization of African Unity
OECD	Organization for Economic Cooperation and Development
RISDP	Regional Indicative Strategic Development Plan
SADC	Southern Africa Development Community

SADCC	Southern African Development Coordination Conference
SDIs	Spatial Development Initiatives
SAPs	Structural Adjustment Programs
SATCC	Southern African Transport and Communications Commission
WB	World Bank
WEF	World Economic Forum
WTO	World Trade Organization
UN	United Nations

ABSTRACT

This dissertation seeks to examine the role of an international institution, the World Economic Forum (WEF), its meetings (referred to as the Davos process), in determining the global development agenda particularly that of Africa. The research is anchored in the conceptual framework of epistemic communities, as explored by Peter Hass. This conceptual framework aims to explain how ideational structures routinely influence policy and decision making. The dissertation interrogates why and how actors coalesce around the WEF, and help the WEF in shaping decisive debates which have profound implications for important development issues such as poverty alleviation, debt reduction, private sector development and the future of the global economy. Starting as an informal interaction of leading Western European businessmen, the annual conclave of the WEF at Davos, Switzerland, has grown into leaps and bounds to incorporate core corporate, political and non state actors across the globe in a structured framework of influence and agenda setting. In addition to its influence on contemporary economic debates, the WEF has established formal knowledge creation and knowledge management structures, in which it conducts research across a wide array of domains. The dissertation also examines how the WEF has gradually expanded into Africa, helping shape the discourse at the level of the African Union (AU) and the Southern Africa Development Community (SADC), through the Africa WEF summits and the sub regional WEF summits. The dissertation concludes that although the WEF has been instrumental in shaping knowledge about African development issues, there is need to engage more African voices in future development debates. Yet, the dissertation also concedes that the WEF dominates in the development arena largely because of the persistence of global asymmetries in the global production of knowledge and ideas. So, for Africa to overcome these asymmetries, it will have to evolve sound endogenous sources of knowledge systems.

CHAPTER 1

Introduction and conceptual framework

1.1 Introduction

The post-1945 period has seen the emergence of a development discourse centred on poverty and the problems of underdevelopment in developing countries. Arturo Escobar argues that one of the many changes that occurred in the post World War II period was the 'discovery of mass poverty' in Asia, Africa and Latin America. It is this 'discovery' that provided the impulse for the restructuring of global culture and political economy.[1] As Escobar maintains, the conceptions and treatment of poverty were quite different before 1940. The nascent order of capitalism and modernity in the nineteenth century relied on the domestic social conceptualisation of poverty, as opposed to conceptualising poverty on a global scale. As the United States became the dominant world power from the late 1940s and 1950s, 'the war on poverty' in the Third World began to occupy a prominent place in international discourse on development and underdevelopment.[2]

The recognition of the chronic conditions of poverty, social unrest in poor countries and the threat they posed to more developed countries drove the new emphasis on poverty and underdevelopment. The conceptualisation of poverty and its solutions emerged into the international arena, occupying the agenda of the United Nations (UN), the primary institution of global governance. This discourse also gained momentum in key financial institutions of development and reconstruction, such as the International Monetary Fund (IMF), and the World Bank (WB). By the 1970s, significant changes in the international political economy took place and spurred the discourses on development, particularly with the decolonisation of African countries. Against this backdrop, there was also the proliferation of nongovernmental organisations (NGOs) in Africa and around the world.

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[1] Escobar. A. Encountering Development: The making and Unmaking of the Third World. Princetown University Press, United Kingdom, 1995. pp. 23-25

[2] Ibid.

Significantly, the 1970s to 1980s also saw the emergence of what has been defined as 'development' nongovernmental organisations that joined the debates on development in Africa.[3] The debates on African development, spearheaded by the Bretton Woods institutions, culminated into a range of interventions that led to the creation of a specialised domain of knowledge and development interventions. The World Bank played a decisive role in the production of research and knowledge about development and policies implemented by African countries. Through the process of conceptualising development in Africa, the Bretton Woods institutions evolved a particular development regime of thought and practice, leading to the construction of ideas and the production of knowledge.[4] As Okolie contends, development policies and programs are influenced by specific knowledge forms, which themselves are shaped by specific ontological, epistemological and axiomatic assumptions. Arguably, the greater significance of the role of the World Bank as an international development agency in Africa was in its domination of the development discourse, especially in the twentieth century. In recent years, the rise of non-state actors in international relations has led to significant changes in the global political economy.[5] Development nongovernmental organisations, policy networks, knowledge communities, and international private development organisations have had an impact on the evolution of the development discourse in Africa, as well as the nature of knowledge produced on development and poverty solutions.

Against this backdrop is the rising importance attributed to non-state actors in world politics, and the issue of influence by private organizations. This has gained increasing prominence in recent literature on contemporary international relations. This body of literature explores the relationship between political authority and economic power by considering its articulation with new patterns and agents that shape contemporary political economy. The field of enquiry is

[3] The significance of developmental nongovernmental organisations is that they accord themselves with a stronger development mandate than other NGO's. Developmental NGO's tend to focus on building stronger relationships with multilateral financial agencies, forge strategic partnerships with governments and are often are channels of development aid to recipient countries, from aid and financial agencies. The aim is to increase the opportunities for cooperation in order to build a financial support base for the implementation of effective policies aimed at reducing poverty and underdevelopment. Examples of development NGOs include the Ford Foundation, ActionAid, the Hunger Project, Plan International, World Vision and Action Against Hunger.

[4] Okolie, A. "Development Hegemony and the development Crisis in Africa: The importance of Indigenous Knowledges and practices in the making of food policy" in The Journal of African American History, Fall 2003, pp. 429-433

[5] Ibid.

broad. It encompasses the study of private global corporate actors as well as non-governmental organizations, the appropriation of knowledge and its diffusion through media networks and think-tanks, and the relationship between these non-state actors and formal institutions of global governance.[6]

One of the more prominent and highly influential informal institutions, the World Economic Forum (WEF), has been in operation for more than three decades. Originally conceived as a forum for discussion on managerial matters concerning European member firms, the Forum has evolved extensively over the years. As a private NGO, little is known about the Forum's activities and its relationship with formal institutions such as the IMF, WB, UN, and powerful groupings of states such as the G8/G7 group of countries which include France, Germany, Italy, Japan, Russia, the United Kingdom, the United States and the European Union.

Discussions of the WEF's perceived influence and its impact on society were rare in the 1980s and early 1990s because the Forum was largely out of the media radar. However, at the turn of the twentieth century, and at the height of the discourse on globalization, characterised by unprecedented demonstrations against formal institutions, there was growing interest in the WEF's perceived influence and power. More importantly and as highlighted above, the rising importance attributed to non-state actors in world politics, and the significance of new agents, beyond states and markets in the global political economy, has put more emphasis on organisations such as the WEF within the international relations discourse.[7]

The Forum is generally depicted as a transnational elite club, or an elitist knowledge network. However questions remain about its power. To probe these questions, analysts have focused on how the WEF impinges on the development process, and the extent of this influence. Research thus far has highlighted the fact that NGOs like the WEF are becoming influential knowledge providers, and as private associations, they have the freedom to think and shape the production of knowledge.[8] Additionally, the WEF has convening power that allows it to bring together

[6] Graz, J. C. "How Powerful are Transnational Elite Clubs? The Social Myth of the World Economic Forum" in New political Economy, vol. 8, no. 3. November 2003 p. 328
[7] Ibid.
[8] Ibid.

annually leaders from business, governments and other formal institutions, and intellectuals. The annual meetings bestow a patina of power and authority on the Forum. As an indication of this growing influence, the WEF has, in part, contributed to the creation of the 'Other Davos', that is meetings of alternative thinkers in the anti-globalization movements notably the WEF'S antithesis, the World Social Forum.

According to WEF's own declaration, 'it has become the foremost global community of business, political, intellectual and other leaders of society committed to improving the state of the world'.[9] Although it is as an informal international organization, the WEF is an agenda setting forum for issues of importance that are discussed every year. Whilst it is an NGO, the WEF is fast assuming the prestige of a formal institution, as it has become a crucial platform for shaping the world economic agenda for the year. Additionally, the WEF has also developed partnerships with the United Nations and the Bretton Woods institutions that have an impact on global politics and contribute to the evolution of multilateralism.

The aim of this research is to examine the WEF and how it influences policy debates on development. It is important to research this subject because of the WEF's increasing prominence in global politics and its noticeable expansion as reflected by WEF regional meetings in Latin America, India, Africa, Europe, Central Asia and the Middle East.[10] This indicates that there is more to its interaction and processes than meets the eye. The research analyses the nature of the WEF annual Davos summits, its participants, and organisational members. It is important to understand the WEF's expansion to other regions, particularly its focus on Africa. The research analyses how the WEF has forged intricate links with state and non state actors. The study seeks to understand how these meetings have influenced the policy dialogues across the globe, but specifically how the WEF summits in Africa have affected discussions about development on the continent. In addition there is discussion on the WEF's role in Southern Africa, since the WEF early engagement on the continent was through the Southern African region.

[9] The World Economic Forum at http://www.weforum.org/en/index.htm
[10] Ibid.

Theoretically, this research proceeds from the lens of epistemic communities, probing whether the WEF can be regarded as an epistemic community. This question is important as it can lay the basis for examining the WEF's mandate as an agenda setting forum, and how it attains a measure of hegemony in the market place of ideas and policy agendas. This is not to claim that the epistemic community model is the only one that explains the WEF's global roles; there are other theoretical perspectives that could explain its variegated facets. In using the epistemic communities approach to explain the WEF, this research seeks to contribute to existing theories that have analysed its activities. The framework used in this study highlights the concept of knowledge communities and the role of ideational structures in the construction of world politics. This research tests the utility of the epistemic communities approach in explaining the practices and processes of the annual Davos meetings. In addition, it discusses the impact of the Davos process and the WEF's summits in Africa, which have taken place over the last eighteen years. In analyzing the WEF's broader role and specific impact on Africa, the research focuses on the conceptual categories and interpretative frameworks it uses in explaining major trends in the global political economy, and where it locates African development.

1.2 Background

The WEF has its origins in the Centre d'études Industrielle (CEI) of Geneva, established in 1959 by the Paris Chamber of Commerce. The CEI was one of the four executive business schools that played a key role in the managerial revolution following the Marshall Plan in Europe. In 1969, Klaus Schwab joined the CEI as a junior member of the faculty, and later became the brain behind a professional conference convened in Davos, the first Davos symposium.[11] Whilst conferences of this nature were not new in Europe during this time period, the conference attracted esteemed individuals from European and American academic institutions, as well as high profile European industrialists. Subsequently, Schwab created the Foundation of the European Management Forum (EMF), an umbrella organisation of the CEI, which later developed the concept of the World Economic Forum. Initially, the impetus for an informal framework for strategic business planning such as the European Management Forum arose because of the absence of a forum that creates an environment to discuss pertinent economic

[11] See Graz. J.C p. 328

planning. Therefore, the scope of the European Management Forum was expanded from dealing with managerial matters to developing an agenda that encompassed political and economic issues at a broader level.[12] As a consequence, the WEF became the platform where leading businessmen, leaders from key world institutions, and academic elites could deliberate on such subject matters.

In the following decades, the annual WEF meetings convened in Davos (also referred to in the thesis as the Davos process) expanded in prestige, global influence and geographical reach. There is documentation of the sectoral origins of participants at Davos, with consensus that they reflect 'an increasing power of financial capital and capability in information technology' that plays a crucial role in determining membership to the Davos process.[13] This issue will be addressed later in thesis. The WEF has proclaimed that 'it could provide vital answers to the most urgent problems of the world'. This is indeed ambitious, as it aims to 'change the state of the world' by setting the agenda on the direction of the world economy.[14] In its statements, the Forum declares that:

> If the WEF is committed to improve the state of the world, it must address its most crucial challenges by keeping pace with its latest developments. While the whole way in which societies lived radically changed with the Industrial Revolution...we now face a twin revolution of Electronics and Genetics. The E- revolution marks a radical shift in with who we communicate. The G- revolution marks a radical shift of who we are. The key challenge is thus how to maintain a collective identity.[15]

Through such pronouncements, the WEF has sought to position itself as one of the defenders of the capitalist economic system and its instruments. In fact, the above pronouncement implies that the Forum may be more pro-active in charting new avenues and identifying new

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[12] Ibid. p. 329
[13] Ibid. p. 331
[14] Ibid.
[15] Ibid. (*Klaus Schwab, conference at the American International Club of Geneva, 14 November 2000)*

opportunities for advancing the modes of the current economic system. It is in this context that this study analyses how knowledge communities influence policy and the mechanisms through which such influence is exercised. Generally, the proliferation of knowledge networks and their influence on development policy reveals a paradox in international political economy. This is because knowledge can be used as a tool to exercise power and permit actors to have control over channels of communication and the recipients of particular kinds of knowledge. By virtue of their influence, these actors exercise structural power.[16] In addition, the epistemic nature of transnational elite clubs translates into a larger component of intellectual globalization lending yet another layer to the complexities of globalization.

The WEF meetings in Davos provide a useful case study to explore the concept of an epistemic community and how elite knowledge communities influence policy. The 'elite' or 'exclusive' quality of the Davos meetings lies in its invited participants and members who are well known or are at the top of their respective professions: business, politics, government, international organisations, academia, media, and civil society organisations As Pigman notes, the Forum is fundamentally a knowledge institution, as it affects its field of operations by influencing the thinking of its members and discussions on problems and solutions to change begin to develop.[17] The WEF meetings in Davos reflect a process of elite knowledge production that shapes the discourse on policy relevant issues, framing issues for collective debate, and to a large extent, influencing global policy on a range of subjects. Furthermore, these meetings include associations of professional experts in particular fields, who can influence politicians and bureaucrats, and therefore have the ability to offer their ideas as part of government policy**.**

Over the years, the WEF has expanded its geographic reach and the scale of its participants. The Davos summits have incorporated African participants, particularly key political figures and heads of African financial institutions, generally perceived to agree with the WEF's policy agenda. The timing of this has been significant, as it corresponded with the re-integration of Africa into the international system and the re-emergence of Africa as a potential economic

[16] Hart, A and Kim S. Power in the Information age. Department of Political Science, Indiana University. 15 March 1997. Available at http://www.vii.org/papers/ciprut2.htm
[17]Pigman, G. A. The World Economic Forum: A Multi-stakeholder Approach to Global Governance. New York: Routledge, 2006. p. 2

player in the global political economy. As will be later discussed in the thesis, there is some convergence between the policy recommendations emerging from the Davos agenda and subsequent approaches to development policy in African institutions, at the national and regional levels. For instance, there are some policy outcomes in the form of social development initiatives. For that reason, the WEF's role in Africa is an important area of inquiry, particularly as part of broader efforts to understand the significance of ideational structures in contemporary international relations. In addition, its influence may shed light on some of the structural differences in knowledge production capacities between developed and developing nations.

As part of the analysis on how the Davos process has influenced the discourse on development in Africa, it will be important to analyse the African Union's New Economic Partnership for Africa's Development (NEPAD). This is because the NEPAD agenda on development has, in part, been influenced by Western governments and those constituencies that take part in Davos meetings. To observe WEF influence in NEPAD over a period of time, the starting point should be examining the history of developing the NEPAD initiative, revisiting the Lagos Plan of Action in the 1980s and the Millennium African Recovery Plan of the late 1990s. As a key developmental model in Africa, the NEPAD can also provide an understanding of the evolution of development thinking in Southern Africa. In line with the Davos agenda, the Southern African sessions of the WEF are an important avenue to explore, seeing that they provided the platform for early engagement between WEF and the African continent.

This study will analyse the extent to which the WEF as an epistemic community has influenced development and how it has helped to shape debates in Southern Africa on issues such as socio-economic development, trade and economic cooperation, poverty eradication, the fight against HIV/AIDS, and food security. These issues are captured by the Southern African Development Community's main socio economic development plan, the Regional Indicative Strategic Development Plan (RISDP). This analysis will reflect and examine the WEF's summits in Africa that have taken place under the title 'Southern Africa Economic Summit'. These have

taken place annually in the Southern African region from 1993 to 2001.[18] In addition, the research will analyse the relationship between the Davos Summits and the Southern African summits for the purpose of tracing similarities in policy positions and their articulation.

In general, the authority of epistemic communities lies in how they intervene and influence the policy process at local, national, international or transnational levels. With reference to Southern Africa, this study analyses how the WEF has influenced the regions development paradigm, as defined by SADC's RISDP. This analysis will include the following: a) How policy processes are perceived; b) how situations are defined; and c) how actors conceptualize structural constraints.[19]

The analysis looks at some policy choices in the region, policy rhetoric and if they have been shifts in the policy thinking on development in Africa, particularly resulting from WEF summits. Because the WEF prides itself as global forum for debate, it has an 'agenda-setting' function, in both domestic and international politics. The study further analyses how the WEF decisively influences the formation of an agenda, by either adding new issues to the agenda or by changing the way in which existing issues are approached and conceptualized.

1.3 Key research question

How has the World Economic Summit and its meetings (Davos process), as an apparatus of knowledge production, influenced development discourse and agenda in Southern Africa?

1.4 Related research questions

Who shapes the global policy discourse and what are the implications of this on the international political economy?
How are epistemic communities (ECs) formed?

[18] The first Southern Africa Economic Summit was in 1993. Since then, the Southern Africa Economic Summits have taken place annually. However, from 2001, to 2005, the summits were titled 'Africa Economic Summit'. From 2006 to 2008, the summits were convened under the banner, 'the World Economic Forum on Africa'.
[19] Antoniades, A. "Epistemic Communities, Epistemes and the Construction of (World) Politics" in Global Society. Volume 17. No. 1, 2003 pp. 30-35

How can epistemic communities be distinguished from other groups such as NGOs, knowledge forum and advocacy groups?
What are the fields of policy where ECs predominantly operate?
What is the significance of the Davos process and how does it qualify as an epistemic community?
How have the Davos meetings influenced African institutions?
How has the articulation of development by Davos influenced approaches to development in Africa?
What is the relationship between Davos, Africa and Southern African economic summits?

1.5 Structure

This study is divided into five chapters which begin with an introduction and a synopsis of the chapters. Chapter 1 consists of the introduction, the research methodology, an overview of the emergence of knowledge communities, the Davos process and a brief outline of the social policy agenda under the African Union and the Southern African Development Community. The chapter also explores the prevailing theoretical debates on knowledge communities. Chapter 2 explores how the Forum works, its participants and members, as well as its relationship with formal institutions of global governance. This is because the research concedes that the WEF cannot exert influence on its own, especially since it operates within a global arena and system governed by multiple forces, including international financial and trade institutions, multinational corporations, powerful nation states, and emerging economies. The chapter also briefly explores the regional dimension of the Forum's meetings, and investigates its association with globalization, both as a process and as a discourse. This chapter views the WEF as an agent of globalization and as a conduit of a specific ideology in the international political economy. Additionally, it touches on the role the Forum plays within the development discourse, both at global and regional levels and the ideas and knowledge forms it produces. The epistemic community approach is then applied to the World Economic Forum processes.

Chapter 3 addresses the debates explored in the previous chapter, notably whether or not the WEF can be characterised as an epistemic community and the implications of its processes for its

regional summits. Emanating from the WEF's regional meetings, the study locates Davos influences on the African region, firstly focusing on African participation at WEF Davos meetings, the creation of the Africa Summits, the synergy between the WEF's Davos Summits and the Africa Economic summits, and the relationship between the WEF's activities in Africa and the institutions of development on the continent. This analysis also touches on ideas and practices expressed in African institutions that have a resonance in Davos WEF summits. Additionally, the section highlights some of the debates regarding the WEF's ideology on development and how it may shape the development discourse on the continent. Chapter 4 furthers this analysis by focusing on how the ideas and practices of the WEF have been domesticated in Southern Africa. Firstly, the chapter focuses on the rationale and objectives behind the Southern African Economic Forum meetings. It analyses the evolution of the regional meetings in Southern Africa and whether or not this impacts on the regional development agenda. Chapter 5 is the conclusion. It offers a synthesis of the chapters and themes explored, illustrates Africa's position in the hegemony of ideas and discourses on development as well as these challenges and prospects for development, in light of its relationship with forums such as the WEF. The conclusion also offers insights on whether there is consistency in how the WEF engages Africa, compared to its other constituencies, and therefore, how Africa can better engage with forums such as the WEF.

1.6 Aim of the research

This research will critically analyse the WEF using epistemic communities as a theoretical model. The study investigates the extent to which the WEF is an epistemic community, how its processes have influenced Africa and how they have contributed to the development discourse in Southern Africa, within its framework of development. The study aims to make a contribution to the existing work on epistemic communities, however, putting more emphasis on the influence of epistemic communities on the development discourse and policy of the region. It aims to describe perspectives of the theory and analyse how the policies of an epistemic community emerge, as well as their political roles and functions. The research will be a comprehensive report of the interface between epistemic communities and development discourse and policy in

the region. It will fill the lacuna in research regarding the relevance of epistemic communities to Africa, as well as the documentation of the WEF's activities in Africa.

1.7 Rationale

According to Robert Cox, at a given time, there are three categories of forces that interact to produce a historical structure which has global authority or influence. Cox identifies material capabilities, ideas and institutions as forces which define and redefine the nature of global political authority. In 'improving the state of the world', the WEF has utilised its financial power, its ideas 'to set the agenda for discourse on important matters', and its capability as an institution comprising (among others) 1000 of the world's foremost companies. These ideas and knowledge about social and economic reality can be perceived to contribute to the WEF's agenda setting function. Critically, the WEF's agenda setting function is a powerful mechanism for advocating policy positions, setting priorities for discussion and generating consensus on policies. It is at this point where the knowledge/power dimension of the Forum and its activities in the international political economy becomes relevant.

According to Francis Bacon knowledge power, was the aim of science to discover "the knowledge of causes, and secret motions of things; and the enlarging of the bounds of Human Empire, to the effecting of all things possible".[20] The power of knowledge, its transfer and the scope of its influence therefore dominates the direction of decision making, with the aim of attaining favourable outcomes. The very act of policy making displays a process whereby available information and knowledge is transformed into decisions, which invariably forms, in part or whole, a policy that becomes embedded in political, economic and social institutions. In line with the power of knowledge, research on the study of knowledge communities and the extent of their influence has affirmed that 'networks of knowledge-based experts' or epistemic communities, can achieve transnational convergence on policy positions. It is in this context that the WEF is a unit of analysis in this research, as the research seeks to illustrate the transnational

[20] Bacon, F. (1624) "New Atlantis." in *English Science, Bacon to Newton*, edited by B. Vickers, (1987). Cambridge, University Press. pg.36

influence of knowledge. This in turn, highlights the disparities between those who belong to elitist knowledge communities and those who do not, as well as the implications.

1.8 Hypothesis

The Davos process is an example of an epistemic community where experts share and transfer strategic information, with far-reaching influence on the development discourse on regional development in Africa.

1.9 LITERATURE REVIEW

1.9.1 The emergence of scientific communities and knowledge elites

In order to understand the composition of epistemic communities in the contemporary world, it is critical that this study traces the roots of knowledge communities. Many of the dimensions of contemporary international relations can be traced back to the nineteenth century when scientific and engineering expertise replaced alternative paradigms of knowledge as models for decision-making.[21] Subsequent years experienced the incorporation of scientific rationality within the supervisory function of strategy and planning, with an appreciation of logical positivism and the ideas of the Vienna Circle.[22] Moreover, the end of the Second World War experienced a rapid growth of technical and specialised government agencies, reflecting the increasing importance of technical knowledge in public governance. From the 1970s governments of industrialised countries developed research bodies dealing with issues such as natural resources and environmental challenges.[23] With the growing professionalization of knowledge, knowledge elites and bureaucracies in technical professions began to expand. As these groups exercise

[21]Haas, P. "Introduction: Epistemic Communities and International Policy Coordination" in International Organisation, Vol 46, no. 1. 1992. pp. 7- 15.

[22] Also referred to as logical empiricism or logical neo- positivism, logical positivism arose from a philosophical movement in Austria and Germany in 1920s. This theory is primarily concerned with the logical analysis of scientific knowledge. It affirms that statements about metaphysics, religion, and ethics are void of cognitive meaning and only statements about mathematics, logic and natural sciences have a definite meaning. Similarly, the Vienna Circle was a group of early twentieth-century philosophers who sought to re-conceptualize empiricism by means of their interpretation of the recent advances in the physical and formal sciences. See Tom Flynn (eds.) The New Encyclopedia of Scientific Belief. Promenthus Books. 2007

[23] Ibid. Haas

authority over scientific knowledge, a type of cognitive authority over knowledge was already in progress.

Significantly, the subset of these knowledge elites, including technocrats and scientific experts, played a role in influencing decision-making in state policy. This trend evolved dynamically in the twenty-first century, with the proliferation of elite knowledge communities and their incorporation within the craft of policymaking.[24] The ability of these communities to influence state policies can be illustrated in two ways. Firstly, they are able to develop cost- benefit analyses of scenarios that help state actors; secondly, these communities help to clarify the consequences of certain state policies, by informing, defining and formulating policy alternatives.[25]

Haas equates the growing professionalization of knowledge with changes brought about by globalization. According to Haas, globalization resulted in growing complexities and uncertainties in international policymaking and coordination, and increased the need for specific responses to deal with complex problems.[26] These challenges gave rise to demands for particular kinds of knowledge and information that describe the social order. They consisted of how to better explain social and physical processes, their interrelation, and probable consequences. As an attempt to explain these phenomena, the application of technical or scientific expertise was required. Since the evolution of policies and the need for policy coordination, science has gradually become a component of politics by virtue of the utilisation of scientific methodologies in grasping reality and defining the articulation of political interests.[27] Therefore, the domain of governance has grown to become more technical as policy makers and leaders operate in conditions of uncertainty. [28] Haas identifies the concept of uncertainty as important in understanding the emergence of knowledge network for two reasons. Firstly, in the wake of a shock or a crisis, states face uncertainties in how they should respond. It therefore becomes difficult for leaders to identify potential political allies and to be sure of what strategies are most

[24] Ibid. Haas
[25] Ibid
[26] Morgan, A. "Epistemic communities and the Russian Energy Sector" in (eds) Organisational learning in the global context. London: Ashgate Publishing Limited, 2006 pp. 71-75
[27] Ibid.
[28] Ibid.

likely to help them retain power. Secondly, a poor understanding of conditions may create enough turbulence where established operational procedures may break down. Within this context, demand for scientific and technical proficiency increases. This has been pivotal for the emergence and proliferation of networks and communities of specialists and technocrats, capable of producing and providing information under conditions of uncertainty.

By focusing on the various modalities of information diffusion taken into consideration by decision makers, the concept of "epistemic communities" developed, noticeably in international relations. This concept proposes a non-systemic origin of state interests and identifies a dynamic for cooperation, independent of the distribution of international power.[29] It is in this context that international relations can be viewed as a dynamic process in which epistemic communities can contribute as sources of policy innovation, international conduits of knowledge, and catalysts in political and institutional processes, leading to the formulation and selection of policy outcomes.

Epistemic communities are able to exert influence through institutions that they create, direct and give advice to as a result of their 'thought collective'. Through the elucidation of situational analysis, and cause-and-effect appreciation of particular issues, epistemic communities significantly contribute to the development of common inferences and expectations of state action. They exert their influence in the crafting of policy and contribute to policy coordination. International cooperation and the development of new world orders based on common meanings and understandings may depend on the extent to which nation-states adopt policies and practices that epistemic communities may have helped create, diffuse, and perpetuate.[30] The focus on epistemic communities allows for a more lucid understanding of state behaviour vis-a- vis policy formulation and its progression.

Epistemic communities are, therefore, networks of knowledge production, with the authoritative claim to producing policy relevant knowledge in their particular domains. In the process of dissemination of information and knowledge, access and interpretation to these, they are subject to an array of international and domestic (state) political and systemic constraints.[31] Nonetheless,

[29] Morgan. "Epistemic communities and the Russian Energy Sector" p.74
[30] Ibid.
[31] Ibid.

epistemic communities may convey new pattern of reasoning to decision makers, and encourage them to pursue new paths of policy making.

1.9.2 The dynamics of epistemic influence and coherence

To understand the manner in which epistemic communities exert their influence, it is crucial to understand the condition in which this occurs. According to Haas, policy choices remain highly political, especially when scientific advice is ambiguous or conflicting, or when issues involve allocation of scarce resources.[32] However, the advice of area experts holds more sway under uncertainty, such as when crises arise or new policy challenges emerge in which policy-makers have limited preconceptions concerning the state's interests or policy alternatives.[33] Therefore, policy influence emanating from epistemic communities does not occur in a vacuum, as those subjected to such influence have to make rational choices in determining the application of epistemic pronouncements on existing policies. Haas has further explored the role of ideas in determining policy choices by asserting that 'it is the political infiltration of an epistemic community into governing institutions which lays the groundwork for a broader acceptance of the community's beliefs and ideas about the proper construction of social reality'.[34] This is significant in locating participants of the World Economic Forum with regard to their institutional and political affiliations.

1.9.3 The philosophy of Davos

According to Samuel Huntington, a contemporary version of Voltaire and Diderot has transpired in the form of Davos World Economic Forum. Voltaire and Diderot were 'the masters of thought and philosophy' in the eighteen century. In the twenty first century, Huntington concedes that the most important elite vehicle in contemporary international relations is the 'Davos Man'. The Davos Man epitomises the 'Davos Culture', a culture which focuses its efforts on establishing

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[32]Thornton, W. "Peter M. Haas.: Introduction: epistemic communities and international policy coordination" in International Organization, volume. 46, no 1, Winter 1992. pp. 1-35. October 21 2001. Available at http://www.people.fas.harvard.edu/~olau/ir/archive/haa2.pdf . Last cited 25 April 2008

[33] Ibid

[34] Ibid.

modes of institutional global governance. [35] By metonymy, Davos is the WEF for a week every winter, as the Forum convenes 'to confront the problems that governments and other NGOs can't resolve'. These meetings have attracted the world's political and economic elite for more than 30 years. Hence the WEF has been termed, 'the famous parley of the rich and powerful'. The agents and actors that comprise the opinion-makers (formers) in the Davos process include many of the top businessmen, bankers and government officials.[36] According to the vision of the WEF, it is the collective passion emanating from such a high density networking environment that creates 'the spirit of Davos': the magic of impromptu meetings which ends up implementing the official WEF mission of being 'committed to improving the state of the world'.[37] What this suggests is that in practice, the Davos meetings constitute a polymorphous platform for intermediations on new challenges of capitalism, as opposed to the Davos process being a plenary on global capitalism.[38] Notwithstanding the plethora of descriptions of Davos, anti-neoliberal and anti-globalization attitudes dismiss the Davos meetings as 'the meeting place of the masters of the world,' and the WEF has become the centre of hyperliberalism, representing the capital of globalization and the main home of the"pensée unique". On the other hand, some refute the power and influence of this elite group on global politics.[39] What is clear between these contrasting views is that the influence and power arising from the Davos process emphasises the significance of agents in global political economy beyond states and markets.[40]

The very practice of the annual Davos process suggests that the power embodied by elite clubs has inherent limitations. At a glance, the WEF is institutionally cut-off from formal public institutions of the global political economy. However, the Forum does not exist independently from a more institutional process of hegemonic formation.[41] The Davos process illustrates the articulation between economic power and political authority and how this shapes and influences global economic and political policy. Moreover, through an analysis of the Davos process, it is

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[35] The philosophy of Davos. The Royal Institute of Philosophy, No.3 July 2002. pp 307-308. Available at http://journals.cambridge.org/action/displayAbstract?fromPage=online&aid=113959# Last cited, 25 April 2008
[36] See "The Philosophy of Davos." p. 308
[37] Graz, J. C. "How Powerful are Transnational Elite Clubs? The Social Myth of the World Economic Forum." in New Political Economy, Vol. 8, no. 3, November 2003, p. 328
[38] Ibid
[39] Ibid. pp. 322-325
[40] Ibid
[41] See Graz pp. 328 -339

possible to investigate the production and reproduction of knowledge and the networks through which it is diffused, thereby highlighting the 'nexus between economics and politics, private and public activities, and national and global economies.'[42]

However, the Davos process has been criticised because the so-called 'Davos people' ascribe to similar Western political and economic notions of individualism, market economies, and political democracy. Whereas there is nothing wrong with these beliefs and holding them, the Davos process has, over time, legitimised these beliefs not only as universal in content, but also as universally valid credos.[43] Although those involved in the Davos process head most international institutions, and also form political elites in many countries inside and outside the West, according to Huntington their ideas have provoked reactions opposing the Western belief system. Huntington concedes that' the non –West see as Western what the West sees as universal. What they herald as benign such as global integration is denounced as nefarious Western imperialism.[44] These are not only sentiments from non-Westerners, as there have been nationalist movements in Western Europe, equating globalization to Western imperialism.[45] Moreover, the process has been criticised for its exclusive character since it exemplifies a certain elitist collective action that does not include social groups, and thereby prevents 'real' structural change in global society. This is an important avenue to explore, given the structural manifestations of global inequalities borne out of globalization. In many respects, the Davos process exemplifies a degree of power relations between those who control and influence the financial and material basis of social life, and those at the margins of society.

1.9.4 Davos and Africa

Central to the study of African development is the link between regional development (development in different regions of the continent) and overall continental development. Regional development and its policies cannot be analysed in isolation from broader existing continental developmental initiatives. This is because in some ways, regional development

[42] Ibid
[43] See 'The Philosophy of Davos.' p312
[44] Ibid
[45] Ibid.

reinforces the continental development agenda. It is within this context that this section focuses firstly on the association between the Davos process and Africa, putting emphasis on African institutional processes that have with resonance in Davos. The former permits a thorough analysis on how the ideas and practices expressed in Davos inform part of Southern African development policy, and how these ideas have been socialised within the regional institution. In this regard, it is worth mentioning that the Davos process reinforces policy ideologies instead of creating new ideas about different forms of policy. However, much of the Davos rhetoric is largely informed by neoliberalism. This study therefore investigates the linkages between the Davos process and the regional development agenda. Additionally, this highlights how the Davos process has advanced a particular policy ideology through its discourse.

Since the Davos agenda includes a broad range of what is perceived as African priority issues such as debt relief, poverty reduction, food and health security, it is essential to trace African-led initiatives that emerged from the annual WEF meetings. Additionally, WEF has replicated Davos on the regional level where the outcomes of annual WEF meetings are linked to the agendas for regional meetings, which characteristically begin with 'Davos update' sessions.[46] The outcomes and issues emanating from regional meetings, that may have a regional impact are then fed back into the global agenda to be discussed in the following WEF meeting. This results in a cycle of continuous policy coordination. For purposes of this analysis, there is discussion of ideas from Davos that can be traced in policies from key African institutions, notably, the African Union (AU), the New Partnership for Africa's Development (NEPAD) and the Southern African Development Community (SADC).

Some of the initiatives highlighted in the study include, the Investment Climate Facility for Africa (ICF) officially launched at the WEF on Africa in 2006. This initiative emanated from the G8/ UK Commission for Africa's 'Year of Africa deliberations', and was endorsed by the Africa Economic Summit in 2005. Like other WEF/Africa initiatives launched, the ICF was discussed and highlighted at Davos first, and subsequently turned into a business-led project

[46] Leaders convene to boost African growth. The World Economic Forum. Available at https://members.weforum.org/en/media/Latest%20Press%20Releases/PRESSRELEASES26 Last visited 16 May 2008

aimed at improving Africa's investment climate.[47] The ICF has been supported by key African developmental institutions, the AU and NEPAD, and has become an AU/NEPAD- led initiative to contribute to existing continental development strategies. In essence, NEPAD plays a crucial role in the Davos process, as it is often the primary vehicle through which Davos ideas are practiced. NEPAD is in many ways, the launch pad for Davos policy concepts on Africa.

The study will further investigate other (active) WEF initiatives and activities in Africa. Some of these include the NEPAD- e readiness program, which is an outcome of the 2003 consultation between the WEF's Global Digital Divide Initiative (GDDI), and the e-Africa Commission and NEPAD. This has resulted in an Information and Communications Technology (ICT) policy framework, within the context of the SADC.[48] This preliminary evidence suggests that NEPAD may have become an interlocutor for Davos policy articulation in Africa. This is of significance as NEPAD is perceived as the policy framework for Africa's development.

1.9.5 Southern African Development agenda

SADC was established to promote sustainable and equitable economic growth and socio-economic development in Southern Africa. The proposed mechanisms through which these objectives could be achieved included the need to have efficient productive systems, which foster deeper cooperation and integration between SADC member states. Additionally, good governance, as well as peace and security were seen as crucial for regional development.[49] Key to the concept of regional development is regional social policy, which can be defined as 'collective interventions directly affecting transformation in social welfare, social institutions and social relations'.[50] Relating to this, the Southern African Development agenda has evolved from 1990 to the twentieth first century. The study will reflect on earlier development programmes which include trade and infrastructure development, and the current development paradigm, namely, SADC's Regional Indicative Strategic Development Programme (RISDP). The RISDP has been based on SADC and its Common Agenda and is the blueprint for the

[47] Ibid.
[48] Ibid.
[49] Oosthuizen, G. H. The Southern African Development Community: The organisation, its policies and prospects. Institute for Global Dialogue, Midrand, South Africa, 2006 p. 121
[50] Ibid.

strategic direction of the regional body's programmes, projects and activities. As a regional development policy for SADC Member States, the RISDP outlines a development agenda on social and economic policies within a fifteen-year period. [51]

A closer reflection on SADC's RISDP highlights the ideational similarities between itself and NEPAD. In fact, RISDP is the regional expression of NEPAD's priorities and objectives; an initiative based on developing an agenda for African Recovery and presented at the Davos meeting in 2001. An analysis of the RISDP may therefore be useful in understanding its similarities with NEPAD, against the backdrop of the WEF's relationship with NEPAD and how the WEF may influence some of its policies. Furthermore, the WEF and its role as a 'policy agenda setting venue,' suggests that it has an impact on shaping the policy of the region. This is in line with the subject of the thesis, which is concerned with the role of knowledge communities in influencing policy.

1.10 CONCEPTUAL FRAMEWORK

Theories to the study of policy change

Approaches to the study of policy change, including the mechanisms and effects of change vary across the different schools of thought. For purposes of this analysis, two theoretical approaches have been selected. This section therefore tests the utility of these two explanations to transnational knowledge based networks by exploring constructivism and the Gramscian approach. The former deals with social construction of ideas, while the latter deals with the role of 'expert communities' in the political economy. Both theories are covered by the epistemic communities approach. The study does take into consideration neorealist, poststructuralist and dependency based theories in the study of policy change. However, the theories analysed in this section have been selected for their distinctive applicability to the epistemic communities approach, and thus elucidate a thorough comparative analysis. This section therefore examines the epistemic community theory against the background of the two theories in explaining the dynamics of knowledge communities, as well as illustrating its functionality.

[51] Ibid. pp.126 - 127

1.10.1 Constructivism: the role of ideational structures

The constructivism approach to knowledge communities can be analysed in three ways: the role of normative and ideational structures; the construction of interest; and role of practices in maintaining and transforming structures.[52] Firstly, constructivists argue that 'material resources only acquire meaning for human action through the structure of knowledge through which they are embedded'.[53] In addition, constructivism stresses the importance of normative and ideational structures in shaping social identity of political actors. Secondly, constructivism asserts the importance of understanding how actors develop their interests as 'identities are the basis of interests'.[54] Thirdly, constructivism asserts that normative and ideational structures cannot exist in the absence of knowledgeable practices of those actors. Therefore the constructivist perspective contends that knowledge is a socio-cultural process in which learning occurs through communicative processes among people.[55] On closer reflection, the constructivist view is the closest complement to the epistemic communities approach, as it largely describes the characteristics of a knowledge community, taking into account the role of knowledge (epistemological) in the construction of group identities. Akin to the epistemic community approach is the constructivist emphasis on interest formation, thus exploring the motivations of group identity construction and the formation of preferences. Further merits of this approach are reflected in constructivism's inclination towards poststructuralism, depicting the structural conditions in which policy can change, thereby proposing that the mechanism through which knowledge communities are formed is in new political spaces and possibilities for discourse.[56]

However, what appears to be lacking in constructivism is going beyond the assertion of group interest formation and the role of knowledge in shaping group identity, to efficiently proving its theoretical claim of the principal influence of ideas on institutions. In doing so, it would adequately demonstrate the impact of knowledge communities on the policy making process.

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[52]Burchill, S. (eds) Theories on International Relations (3rd Edition). London: Palgrave-Macmillian,2005 p. 197
[53] Wendt, A. "Collective Identity Formation and the International State" in American Political Science Review, vol. no., June 1994, p.390.
[54] Ibid.
[55] See Burchill. Theories on International Relations. p 197
[56] Haas, P. M "Introduction: Epistemic communities and International Policy Coordination". in International Organisation, vol. 46, no. 1, Winter 1992. p. 6

Moreover, constructivism does not adequately explore the membership of knowledge communities, and the inclusion or exclusion of actors within these communities. It therefore implies that they are the same as expert communities. This is because the constructivism approach does not clearly define the characteristics of knowledge communities and the specific agents or groups which constitute them. The theoretical limitation is that not all expert committees automatically form an epistemic community. Rather, the notion of an 'epistemic community' requires the members to have a commitment to a political goal and to interpret their knowledge in such a way that it supports their goal. Furthermore, the constructivist approach gives little recognition to knowledge networks and their influence and how a network defines and is defined by structural power. This mechanism is important to explore in order to understand the significance of knowledge in knowledge communities.

1.10.2 A Gramscian approach

Another important contribution to the study of knowledge communities is the literature on the role of expert groups and the mechanisms through which popular consent and credibility for policy choices are created in bringing about and consolidating consensus between various social forces.[57] The Gramscian approach to policy making offers a useful explanation for the structural power vested within knowledge communities, thereby emphasising the construction of a particular type of hegemony over ideas. According to Gramsci, 'every social group, coming into existence on the original terrain of an essential function in the world of economic production, creates together with itself, organically, one or more strata of intellectuals which give it homogeneity and an awareness of its own function not only in the economic but also in the social and political fields'.[58] This approach examines social knowledge and its politics, primarily focusing on the creation and function of policy agendas and whose interests it serves, what Gramsci articulates as 'the need to create the conditions most favourable to the expansion of their own class' .[59]

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[57] Baylis, J and Smith, S (eds). The Globalization of World Politics: An Introduction to International Relations. Second Edition. Oxford University Press. 2001. pp. 210-212
[58] Ibid.
[59] Cahill, D. Neoliberal intellectuals as organic intellectuals. Wollongong: University of Wollongong, University of New South Wales. 2000. p. 2

What this suggests is that the composition of expert groups and the construction of policy is a deliberate mechanism to further the interests of that particular group. To a finer degree, this is comparable to the epistemic communities approach since Haas proposes that 'members of an epistemic community can influence state interests either by directly identifying them for decision makers or illuminating the salient dimensions of an issue from which the decision makers may then deduce their interest'[60] While it makes sense ideologically, the empirical application of this Gramscian tenet would be difficult within different issue spaces or domains. However, the hegemonic construction of ideas and ideology is a critical subject in understanding the mechanisms and effects of policy change. Reverting back to the popular dictum of knowledge creation as articulated by Cox, 'knowledge is always for someone and for some purpose'.[61]

Gramsci makes use of dependency-based approaches by arguing that 'the ideas and ideologies in practice assume the fanatical granite compactness of 'popular beliefs', which assume the same energy as 'material forces'.[62] Similarly, in its application, the reflection on epistemic communities is relevant to the analysis of a global mode of regulation in that these communities are defined by issues of space and by technical expertise rather than by national political dynamics.[63] However, what is more useful than the Gramscian approach in this regard is the mechanisms through which knowledge assumes 'the energy of material forces', as the epistemic communities approach puts emphasis on the way technical knowledge is disseminated and crosses political boundaries, forming knowledge-based power networks on a global scale. Furthermore, the Gramscian notion of 'organic intellectuals', explains that 'intellectuals cannot be seen as autonomous from social structures, as they form an intrinsic grouping of every fundamental social group'.[64] Therefore, they serve a 'social function' by constructing and spreading strategic and ideological concepts which form the base of a particular class consciousness.[65]

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[60] See Haas. "Introduction" pg.4
[61] Cox cited in McSweeney B. Security, Identity and Interests: sociology of International Relations. Cambridge University Press.1999 pg 109
[62] See Baylis J and Smith, S. Pg. 211
[63] Ibid.
[64]See Cahill. Neoliberal intellectuals as organic intellectuals p.2
[65] Ibid.

It must be noted that Gramsci's writing on the role of intellectuals in developing class consciousness, and the concept of ideas having the centre of formation and persuasion, provides a useful lens through which to view the Davos process. According to Van de Pijl, the WEF can even be considered as 'the most comprehensive transnational planning body operative today… a true international of capital, the first identifiable forum in which concepts of control are debated and if need be, adjusted on a world wide scale.'[66] Additionally, the Gramscian concept of 'a historic block as a congruence of political forces politically organised to exert hegemonic power through consent rather than coercion' is useful in exploring the concept of regional blocks and the rationale behind the African sessions of WEF.[67] However, the concept of hegemonic formations of knowledge and evidence of existing elitist networks do not specify the rationale behind the success of some of these networks and the failure of others. The epistemic communities approach attempts this by identifying the process of socialisation of knowledge communities, as well as how structural power emerges from their practices.

1.10.3 Epistemic communities: shifts in patterns of decision making

The concept of epistemic communities is, therefore, not a new unit of analysis in international relations, but rather a vehicle for developing theoretical insights on the creation of collective interpretation and choice. However, as with the previous theories in this study, no single theoretical approach applied on its own will adequately explain the formation of knowledge communities and policy. The epistemic communities approach, therefore, to some extent, supplements post-structural theories of international behaviour by identifying that whilst state policy coordination can take place independent of the distribution of international power, state policy may also be shaped by the distribution of information and power capabilities.[68] Moreover, the poststructuralist approach to policy change contends that the mechanism through which this occurs is through new political spaces and discourse. This consequently affirms the epistemic community approach, because the diffusion of information and knowledge in this instance occurs outside the realm of formal political institutions. The epistemic communities approach is more useful in this study, as it gives a more complete analysis of the factors that

[66] See Van de Pijl. Transnational Classes and International Relations. p. 134
[67] The 'regionalisation of Davos', as discussed in Chapter 3 of this research, assesses the extent to which the popular consensus of Davos meetings has influenced the framework for social policy in Southern Africa.
[68] See Haas. "Introduction." p.5

influence policy change. What appears to be lacking in some of the international relations theories, for example, the neorealist and dependency approaches is the emphasis on the role of non-state actors in determining the processes leading to policy coordination, a theme adequately explored in the epistemic communities approach.[69] Furthermore, it is important to take into consideration the mechanisms through which states may elect new methods of reasoning and pursue new interests. The epistemic community approach is thus useful because it serves as the foundation for understanding how policy is coordinated, the impact of knowledge on processes of policy, as well as how states become socialised within knowledge communities.

According to Peter Haas, the conceptualisation of epistemic communities should distinctly differ from that of policy communities in that the epistemic communities' contribution to policy making is knowledge based, and that they are commonly constituted by non-governmental as well as governmental actors.[70] Haas asserts that an epistemic community is created when "communicated mapping" draws a varied set of actors into a dialogue that results in a set of shared understandings, expressed in a standardised manner, regarding the discipline or activity in question.[71] Additionally, Haas argues that epistemic communities are the key channels through which ideas circulate. In this respect, epistemic communities do not only generate policies and their alternatives, they also actively coordinate policy by developing an extensive array of knowledge-based consensus that becomes the very basis for coordinated action.

An epistemic community is defined as a

> network of professionals, with recognised expertise and competence in a particular domain and authoritative claim to policy-relevant knowledge within that domain and an authoritative claim to policy relevant knowledge within that domain or issue area. Although an epistemic community may consist of professionals from a variety of disciplines and backgrounds, they have (1) a shared set of normative and principled beliefs, which provide a value–based rationale for the social action of community members; (2) shared causal beliefs, which are derived from their analysis of practices leading or

[69] Ibid.
[70] Ibid.
[71] See Morgan. "Epistemic communities and the Russian Energy Sector" Pg. 71-73

> contributing to a central set of problems in their domain and which then serve as the basis for elucidating the multiple linkages between possible policy actions and desired outcomes; (3) shared notions of validity that is inter-subjective, internally defined criteria for weighing and validating knowledge in the domain of their expertise; and (4) a common policy enterprise, that is a set of common practices associated with a set of problems to which their professional competence is directed.[72]

To this end, epistemic communities can be created both at international and national levels. However, it must be taken into consideration that this theory has some limitations, notably the argument that it 'narrows the range of analyses within which political negotiations take place. The use of this approach does not seek to analyse the interactive environment through which policy discourse takes place, but rather, the form and mechanisms through which epistemic communities exert influence on policy-making bodies through policy innovation, diffusion, selection and policy evolution.

1.11 Research methodology

The study builds upon the existing research (documentary studies) on the WEF, as it combines the constructivist worldview with the concept of the power of knowledge production. It analyses how a non-state actor can enter an arena and entrench itself in the practices and identity of that realm. The study examines the processes through which these actors have become relevant actors in the global system and are significantly influencing governance systems.

This research is therefore intended to provide insights into the Davos processes, as well as previous sessions of WEF summits in Africa as precursors for assessing the impact on development policy. For purpose of a lucid analysis, the research focuses on the WEF sessions in Davos, from the period 2004 until 2008. Firstly, looking at how the Forum operates the research uses official WEF documents, sources from the official WEF website, and other sources from the World Economic Forum offices in Geneva, Switzerland gathered by correspondence. Sources that will be used include the following:

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[72] See. Haas. "Introduction." Pp. 3-4

The World Economic Forum Participant List
The World Economic Forum Membership Categories
The World Economic Forum Strategic Partners
Managing Directors of The World Economic Forum
The World Economic Forum Annual Publications
The World Economic Forum Annual Publications on Africa
Authors and titles of scholarly articles appearing in the Global Competitiveness and Africa Competitiveness Reports
The World Economic Forum active Initiatives in Africa
Organizations and alliances of the Forum in Africa

The study also relies on other secondary sources such as journal articles, research reports, commentaries, newspaper articles and Internet sources where available. This forms the foundational basis of the study. Primary sources are in the form of interviews conducted with various actors, as well as representatives who have participated at WEF summits in Africa. The following have been interviewed:

Agustina Ciocio	*World Economic Forum: Global Competitiveness Program*
Patrick Krappie	*Director at the WEF's Directorate at the Department of Foreign Affairs, South Africa*
Huntly Pringle	*The Finance and Investment Sector Coordinating Unit, SA*
Themba Zulu	*The Finance and Investment Sector Coordinating Unit, SA*
Dr Geoffrey Allen Pigman	*Author of the World Economic Forum; a multi-stakeholder approach to global governance (Routledge, 2006)*

1.12 Limitations

This study takes into consideration methodological problems in illustrating and retracing the direct correlation between a relevant actor's position and involvement in Davos WEF meetings, and eventual translation of this into a formal political decision. This is attributed to the environment in which these strategic interactions take place, of which the study is not privy. Additionally, the dynamics of interaction between actors and institutions is difficult to grasp,

given an ever-changing global context. Conventional methodology of social sciences that focuses on implicit and explicit functions of interaction, as employed in the study, may not adequately explore the forces of this interaction. A second perceived and foreseeable limitation of the study arises from the availability of respondents to be interviewed. Given their high profiles, it was a challenge for many of the high profile actors to allocate time to conduct the interviews. They were also less willing to provide written responses to interviews. The third limitation was the dearth of records on the early engagement of the WEF with Africa, particularly in the early 1990s. Given these foreseeable constraints, the support of my supervisor was critical in assisting with the interviews.

1.13 Ethical considerations

As illustrated from the research methodology, the nature of this study indicates that the research does not have ethical issues. However, it is critical to note that the use of interviews from respondents was done with their consent and approval, as well as the use of direct quotations in the dissertation. Confidential matters, where indicated, remain as such.

1.14 Conclusion

The literature on the role and function of elite knowledge communities, as well as the nature and scope of influence on policy illustrates the prevalence and power of non-state actors in influencing state policy. The role of epistemic communities in influencing policy has in some ways been accredited to the fact that some members of an epistemic community possess expert knowledge that often has a distinct problem-solving value. Therefore, the utility of these communities can be recognized, as expert groups are perceived to provide policy options that deal with challenges emerging from social and material relations as well as the structures which take place in them. However, epistemic communities do more than influence policy, as they can shape ideologies and configure a distinctive policy discourse and agenda. The ideological practices of epistemic communities of the World Economic Forum may have far–reaching implications for the international political economy as a whole, and particularly, the position of Africa in global affairs. This conclusion derives from the fact that with the creation of

knowledge hegemony as a result of the World Economic Forum process, there is potential for accentuating the asymmetries in forms of structural power between members of such an epistemic community and those that are subjected to its influence.

CHAPTER 2

The Word Economic Forum and the concept of epistemic communities

2.1 Introduction

In the twenty first century, there has been an intensification of activism and protest movements against the increasing power of supranational financial institutions, such as the World Trade Organization (WTO), International Monetary Fund (IMF), the WEF and the accompanying deterioration of democratic structures and institutions in various regions of the world. Formal institutions including the United Nations, the World Bank, WTO, the IMF and the powerful grouping of countries like the G7/8 have had a significant hand in shaping world politics. As formal institutions and state actors, they are empowered to enforce policies that have a global reach and also exercise their influence by drawing on the political, financial and military resource of member states. Unlike these institutions, the WEF is a private, informal non state actor in global politics, but has been equated with wielding the same influence on global security and economic matters as formal institutions.

This chapter is an investigation of the WEF and its influence on global politics. The analysis adds to the growing body of scholarship affirming that non-state actors are increasingly playing a prominent role in the global political economy, complementing formal diplomacy in the transaction of relations between states. The chapter looks at how the WEF has contributed to global politics and the tools that is uses to achieve its goals. From a conceptual standpoint, the chapter reflects on theories that have explained the power of informal actors such as the WEF. As this chapter alludes to the various strategies the WEF has used to position itself in global politics, the preliminary analysis is that the role of its knowledge networks is least understood. The role of knowledge networks is often underestimated and hence the relevance in probing its facets and better understanding its dynamics.

2.2 The WEF and global public perception

The Forum describes itself as an independent international organization that has become ‘the foremost global community of business, political, intellectual and other leaders of society,

committed to improving the state of the world'. The Forum portrays itself as a global knowledge hub that focuses on 'nurturing communities of learning on information that matters', with the overarching aim to shape global regional and industry agendas. Over the course of its existence, the Forum has continued to promote its image as 'catalyst' for change, and a launching pad for bold actions that reshape the world'.[73] These proclamations, as well as its increasing prominence on the international relations sphere have brought about divergent appraisals on the WEF and its activities. The debates that have emerged question the nature and relevance of the WEF meetings to the international economy, as well the extent and impact of these meetings to global society as a whole.

There have been proponents and opponents of the WEF. In the latter category have been the anti- globalization movements that have increasingly protested against the Forum, describing the meetings as 'the centres of hyperliberalism and the capital of globalization'.[74] The protests, particularly against the WEF in New York in 1999 and in Davos January 2003, highlighted the WEF's supposed association with globalization. For the most part, these protests have drawn attention to the fact that globalization is an issue of considerable importance to both intellectual debate and discussion as well as to the overall conduct of international relations.[75] Protestors continually accuse the WEF of being an elite club that subverts democracy, and promotes the agenda of its members. Protestors also assert that the Forum holds meetings and discussions that are highly influential in setting the global agenda and promoting globalization, although the public has no access to them. This has presented a dynamic of conflicting and competing interests in the global economy and has underscored the significance of groups advocating for alternatives to globalised capitalism. Anti-globalization and anti-neoliberal sentiments were, indeed, the key drivers to the creation of the largest antagonist to the WEF today, namely, the World Social Forum.

Proponents, on the other hand, have denied the fact that the Forum has overarching influence in the global political economy. They emphasize that it is merely a forum of engagement and

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[73] Annual report 2007. The World Economic Forum. Available at http://www.weforum.org/pdf/SummitReports/am2007.pdf

[74] Ibid

[75] Pigman, G. A. "A Multifunctional Case Study for Teaching International Political Economy. The World Economic Forum as Shar-pei or wolf in Sheep's Clothing" in International Studies Perspectives. Volume 3. 2002 p. 303

discourse on global issues. However, from its own declaration, the WEF can be perceived to do more than 'set the agenda' on global issues. Additionally, the emergence of a counter WEF movement, World Social Forum, as a space that provides a sense of solidarity with other WEF anti movements, illustrates that the WEF has gained much prominence on the global political economy.[76] This suggests that the WEF's agenda setting function goes beyond simply discussing important global matters, and that its practices have broader impact. In addition, scholars and analysts seek to understand the WEF because of its the increasing influence as a non state actor with the ability to influence global policy networks and discourses on global economic governance. Its activities and status as a non state actor cannot be ignored.

The study therefore explores some of the many faces of the WEF, notably, the Forum as a global knowledge hub, as a key factor in driving its expansion, the process of legitimating its practices, and its ability to impact global society. The contention of this study is that the WEF is an apparatus of knowledge production, and that knowledge production can be used to shape particular discourse, as well as be used in global and regional policy deliberations, and sometimes has substantial impact on governance processes. The emphasis of the research is therefore knowledge production and the aggressive advocacy of particular forms of knowledge by the WEF. The hypothesis is that, knowledge production serves as one of the key strategies for the Forum to propagate its ideas and concretely implement its policy agenda.

Within this context, the chapter provides a historical overview of the WEF, a brief account of its evolution, as well as the main drivers that facilitated its growth. Secondly it explores how the forum works, its strategies and outputs. The third section explores how the WEF's outputs can be regarded as 'knowledge production', and how this facilitates its prominence as an authoritative non state actor in the field of international relations and its role in the architecture of global economic governance. The fourth part focuses on the theoretical framework of epistemic communities that explains knowledge production within communities and how these communities construct their agenda. Finally, the study explores some implications of the WEF practices to contemporary global society.

[76] Ibid.

2.3 The history of the WEF

Reflecting on the history of the WEF sheds light into its agenda and how its agenda has grown over the course of its existence. Since its conception in 1971, the WEF's efforts to address global issues, as well as act as a platform to 'improve the state of our world', have evolved over time. As noted, the WEF was established by Klaus Schwab, who initiated the drive for an informal framework for strategic business planning. The scope of the Forum was later expanded from dealing with managerial matters to developing an agenda that encompassed broad political and economic issues. [77] Therefore the WEF became the very platform where leading business figures, leaders from key world institutions and academic elites could deliberate on such subject matters.

In the following decades, the annual WEF meetings convened in Davos expanded in the geographical scope of participants, prestige and degree of influence on global processes. Some have argued that these meetings reflect a process of elite knowledge production that aims to shape the discourse on policy-relevant issues, and frames issues for collective debate. According to Goodman the WEF is a class grouping, fully embedded in social relations, that self-consciously takes on the role of planning for collective class interests.[78] As these meetings have included associations of professional experts in various fields, there have been questions about the role and significance of transnational non state actors, in shaping ideas, knowledge and information.[79] Below, this chapter investigates the annual Davos meetings, which inspired the concept of the 'Davos man', by focusing first on the time period that coincided with the WEF's inception, and subsequently on the growth of the Forum's activities.

2.4 Good timing or plain coincidence?

The political and economic backdrop from which the WEF was conceived illuminates some debates surrounding its existence. To put the moment into context, it can be recalled that the 1970s period was characterised by key developments and processes within the international political economy. When the organisation was founded in 1971, Europe was in the process of

[77] Graz, J, C. "How Powerful are Transnational Clubs? The Social Myth of the World Economic Forum" in New Political Economy. Volume 8, No. 3, November 2003. Pp. 327- 330
[78] Ibid.
[79] See Pigman. "A Multifunctional Case Study for Teaching International Political Economy." pp. 294-297

economic transition with the emphasis on a single market among its nations. This economic transformation included the creation of the Europe's Common Market, an idea of which was initiated in 1957, but institutionalised more than two decades later. Changes in the global economy were also taking place, as the fixed exchange rate international monetary system established at Bretton Woods in 1944 was collapsing. Responding to these events, European firms started to challenge the post war economic dominance of the United States, as the number of US firms buying up European industries was increasing.[80] This led to a contestation between European firms and governments, relating to the 'paternalistic' model of relations between government and businesses that had remained since the Second World War, and were perceived to undermine interests of private firms. Then came the 1973 oil crises which negatively affected Europe, as the Organization of Arab Petroleum Exporting Countries unleashed embargos on critical oil exports. This resulted in an energy crisis that affected both governments and private firms, as inflation hit the global economy and elevated oil prices until the mid 1980s.

The 1970s also signalled the early development of various phenomena and processes of economic, political and social convergence and diffusion across territorial boundaries, inaugurating a new phase of 'globalization'.[81] This phase of globalization depicted processes that comprise social- cultural discourses and information flows; it also entailed representations of competing interests and exercise of power by forces in their own interests. According to Robert Cox, the period within which the WEF was founded, was characteristically '...a turning point in the development of capitalism, from an international to a global economy'.[82] Although the Forum was founded before current forms of globalization gained prominence, it is accurate to argue that the WEF was initially a product, and subsequently a driver of the set of economic, social and political phenomenon that are now characterised as globalization. Since the Forum was created to function as a principal venue for deliberations on issues relating to globalization, it is important to understand the time period of its creation because it was when the globalization was gaining momentum and interest groups began to emerge around it. The accelerated forces of globalization were not only taking place in the sphere of markets, flow of people and culture, but

[80] Ibid.
[81] Ibid.
[82] Cox, Robert W. "Gramsci, Hegemony, and International Relations: An Essay in Method." In Robert W. Cox and J. Sinclair (eds.), Approaches to World Order. Cambridge, Cambridge University Press, 1996. Pg 61

also on principles, communication, information and knowledge. The timing of the WEF's founding can be interpreted in two ways.[83] Firstly, it was strategic, whether by design or pure coincidence. On the other hand, the WEF can be seen to have emerged 'ahead of its time' and was able to take advantage of the social, economic and political environment in a manner that assisted its growth and as the demand for its information output grew.

2.4 The evolution of the WEF: From Europe to the global arena

The European Management Forum (EMF) was initially conceived as a private, not for profit organisation, to encourage the exchange of information and ideas within its membership. However, in over three decades of its existence, the range of its operations has distinctly grown. As will be shown below, the evolution of the Forum reveals how it expanded the scope of its activities, and the conditions which made this possible. Much about the Forum's story of its evolution is available on the World Wide Web, which narrates its growth from a gathering of European leaders, to becoming a leading international institution that now plays a unique role in the international stage. This evolution can be understood from three main pillars that laid the groundwork for its expansion. Each of these pillars has a strategic character. Each pillar explains elements which facilitated the EMF's growth and global outreach to becoming the WEF that we know today.

Pillar 1: Ability to convene exceptional group of decision makers and expand the Forum's focus and goals.

The ground work for the first pillar can be traced to the early 1970s. The EMF which was limited in principle to a membership of 'the 1000 foremost global enterprises', grew from a membership organisation and expanded the scope of its focus, from management issues to political, economic and social issues. The WEF identifies the 1973 oil crises as a catalyst for this expansion, as membership was no longer bound to Europe but also included leaders from developing countries by 1977, and the People's Republic of China by 1979. It was during this period that the Forum's research function became apparent as it began producing and publishing

[83] Ibid.

its research in the same year. The World Competitiveness Report was first produced in 1979, and became the Forum's primary annual research output for years to come.[84] Within this time frame, the Management Forum was increasingly expanding its focus, taking on bolder goals. According to the Forum's strategy, this included influencing policy decisions, promoting the development of emerging market economies, and challenging business leaders with cutting edge management theory.[85]

Pillar 2: Development of strong committed communities as part of the Forum's membership.

During the 1980s, the Forum's communities began to blossom with the creation of industry specific gatherings of global CEOs. These comprised individuals from key global corporations, and the meetings became known as 'the Governors' meetings', and later expanded to become known as 'the Informal Gathering of World Economic Leaders'. These meetings brought together leading world politicians, including heads of state and cabinet ministers, and leaders of multilateral organisations such as the World Bank, IMF and the General Agreement on Tariffs and Trade (GATT) to the annual summit. From 1982, the dedication to developing strong partnerships was expanded to international media leaders, non-governmental economic research organisations and regional and municipal government officials. According to the Forum, one of the more notable developments during this time was a meeting of trade ministers during its annual gatherings in 1982, which launched GATT Uruguay Round in 1986.[86] Additionally, regular meetings in India began to take place, coinciding with India's stages of market liberalisation. As the Forum sets its global expansion programmes in motion, it embraced the global nature and scope of its membership, thus the resolution to appropriately change its name from the EMF to the WEF. The need to develop strong committed communities as part of the WEF's membership was harnessed by the Forum's efforts to reconcile intergovernmental diplomatic conflicts, as it instigated a succession of high level initiatives in the late 1980s, under its annual meetings and its auspices. In 1988, parties that were brought under the WEF's

[84] See Annual Report 2008. The World Economic Forum.
[85] Ibid.
[86] The World Economic Forum: Three Decades of History. The Wall Street Journal. Available at http://www.aegis.com/news/wsj/2003/WJ030103.html , January 20, 2003

diplomatic resolution initiatives included those from North and South Korea, Greece and Turkey, political factions in South Africa, Israel and Palestine and East and West Germany. By the end of the 1990s, the WEF was known as a premier global summit that defined the business agenda for the year, and became recognised for its community building potential.

Pillar 3: Initiation of task forces, public private partnerships, and initiatives aimed at provoking action for concrete results.

The fall of the Berlin Wall in 1989 marked a momentous opportunity for the WEF to expand the scope of its activities. The breaking down of barriers between the East and West in Europe signalled new political social and economic realities in contemporary international relations, and created an opportunity for the Forum's expansion. As the world's attention was drawn to the final remnants of the fall of Communism in Europe, the Forum stepped up its meetings and initiatives, addressing the changing post- cold war political and economic climate. Moreover, the evolution of communications technology throughout the 1980s and 1990s enhanced the Forum's expansionary course as global communication became easier.[87] It was clear that the 1990s would bring new prospects for the WEF's agenda, and accordingly, the design of its existing programmes was augmented. The Forum held a pan - European summit of Heads of State and government, which fostered the need to institutionalise similar summits around the world.

Thus the annual regional economic summits were founded, beginning with the Europe- East Asia economic summit in 1992, followed by a Southern African economic summit in 1993, the Middle East – North Africa summit in 1994, a Mercosur summit in 1995 and a central and European Summit in 1996. The regional summits became a useful platform for the Forum to create new knowledge networks for different groups.[88] Notably, the creation of the Global Leaders for Tomorrow, was an assemblage of young politicians, academics, business leaders, arts and media figures, the World Arts Forum for arts and cultural leaders; the Global Growth Companies was for academic and business leaders in high technology industries, as well as a

[87] Ibid.
[88] See Pigman. "The World Economic Forum." pp 300-304

faction called The Group, for fast growing entrepreneurial regional firms.[89] By 1998, the Forum's regional and global activities, initiatives, and partnerships were exceptionally integrated. In its quest for provoking action and developing closer permanent relations, the Business Consultative Council became instrumental in bringing together its heads of business associations with the UN Organisation. In addition, the Forum was accorded NGO consultative status within the Economic and Social Council of the United Nations.

Pillar 4: Addressing the globalization 'backlash' and anti WEF protests

At the turn of the new millennium, the Forum has continued with its trend of expanding its activities and responding to changes in the global political economy. With the security challenges brought on by the post- 11 September 2001 attacks on the World Trade Centre, the Davos meetings were moved to the city of New York in 2002. However, it was not only security which was a concern during this time, but the growing public discontent with formal and informal institutions perceived to be agents of globalization. Following the collapse of the 1999 WTO ministerial meeting in Seattle as a result of the internal disputes between the North and South, divisions in the approach to global economic governance were clear.[90] In addition, the Seattle Ministerial had generated unprecedented protest from civil society and governments around the world. In its annual meeting in Davos in 2001, the Forum was confronted with a large number of hostile demonstrations outside its Swiss meeting venue.[91]

The Forum launched a public relations initiative which was aimed at building an image of balance and legitimacy of its activities. The objective was to moderate its association with the advancement of globalization. Invitations to the Forum's annual summit were given to leading non- governmental organisations and critics of corporate globalization, to attend and speak as fellows at the meeting. The list of International NGOs included Amnesty International, Oxfam, Transparency International and Save the Children. In 2001, the Forum extended the invitation to some key regional and national NGOs, as well as burgeoning social movements critical of globalization. These included representatives from India, Thailand, the Philippines and

[89] See 'The World Economic Forum: Three Decades of History.' The World Street Journal, January 20, 2003
[90] Ibid.
[91] Ibid.

Malaysia.[92] The WEF created Forum Councils to encourage dialogue focusing on civil society, global unions and NGOs. In response to the rising anti- WEF movements and critics, the organizers started initiatives which were aimed at mitigating the Forum's negative image. These focused on the need for economic development with a strong social dimension, what was referred to as 'globalization with a human face'. By 2006, the Forum's portfolio of active initiatives included corporate citizenship, global health, global governance, reduction of greenhouse gases and water conservation.[93]

2.6 Replicating Davos on the regional level

The first signs of the WEF's regional outreach programme was as early as 1976, when the Forum's first symposia between Europe and the Arab States and Europe and Latin America took place. As previously discussed, the conception of regional summits was part of the Forum's third strategic pillar to promote interregional business corporation. This laid the foundation for its regional agenda. After holding a pan- European summit of heads of state in 1990, the Forum accelerated its programme of regional summits by instituting an annual Europe East Asia in 1992, followed by a similar summit in Southern Africa in 1993. In 1994, the first Middle East-North Africa summit was convened, a Mercosur summit from 1995 and a Central and Eastern European summit from 1996. [94] In addition to its annual meeting at Davos, the Forum now holds regional summits in Latin America, East Asia, Africa, India, Chile, China and Turkey.

Table 2.6 Regional meetings in 2008

World Economic Forum on Latin America	*Cancún, Mexico 15-16 April 2008*
World Economic Forum on the Middle East	*Sharm El Sheikh, Egypt 18-20 May 2008*
World Economic Forum on Africa	*Cape Town, South Africa 4-6 June 2008*
World Economic Forum Russia CEO Roundtable	*St Petersburg, Russian Federation 6-8 June*
World Economic Forum on East Asia	*Kuala Lumpur, Malaysia 15-16 June 2008*

[92] Shaping the Regional Agenda. The World Economic Forum. Available at http://www.weforum.org/pdf/Shaping_Regional_Agenda_2008.pdf
[93] Ibid
[94] Ibid.

World Economic Forum on Europe and Central Asia	*Istanbul, Turkey 30 October - 1 November 2008*
India Economic Summit	*New Delhi, India 16-18 November 2008*

2.6.1 How the Forum works

The WEF's membership comprise a thousand of the world's largest corporations from the US, European and Japan. The Forum's existing members choose who to admit as members. Membership is determined by a company's annual revenue, which should exceed over $1 billion. Members pay substantial annual fees to the Forum, which facilitates the running of the organisation. In 1998, revenue from annual membership fees amounted to 18.76 million Swiss francs of the WEF's total income of 51.89 million Swiss francs in 1998.[95] For the WEF's various activities around the world, participants pay a cost contribution. The WEF has additional income from partnership agreements with those member companies who want to contribute knowledge and financial resources in support of specific projects of the organization. The Forum strives to achieve an annual surplus of 15 percent to be fully reinvested in the development of new services for its members and constituents. A small part of the surplus is added to the Foundation's capital, which in 1997/98 amounted to 6.13 million Swiss francs. In addition, institutional members can become strategic partners, meaning that they become identified with the WEF's objectives, events and largely drive the Forum's research and discursive outputs. Other types of partnerships include annual meeting partnerships, regional partnerships, industry partnerships and initiative partnerships. The privileges and membership costs vary.[96]

The WEF is governed by Forum's Foundation Board, chosen from leaders belonging to multilateral economic organizations, leading corporate business, the political arena, academia

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[95] Davos World Economic Forum: Pricey Corporate Trade Association Loses its Camouflage. Public Citizen. At http://www.citizen.org/documents/WEFreport.PDF. January 31 2002. Pp. 1-6

[96] The highest level of membership to the Forum is the Strategic Partnership scheme, as this type of partnership holds the most privileges, but also cost the most money. This partnership scheme costs the member an estimated 500 000S/fr a year. The privileges include four additional seats at member's price to the annual meeting, involvement and acknowledgement as a partner in two regional summits and up to six free seats for participants at three roundtables at the summit. The strategic partner is also involved in 'industry' partnership, is offered ten free seats at other regional events and is recognised prominently in the framework of the Forum's activities. Therefore, the more privileges a type of partnership has, the more expensive the financial contribution to the Forum is. For further information see Pigman, 'The World Economic Forum: A Multi-stakeholder Approach to Global Governance. New York: Routledge, 2006. pp. 28 - 31

and civil society. The Founder, Klaus Schwab is the Executive Chairman of the Board. Other members of the Board include Tony Blair, former British Prime Minister, former UN Secretary General (1997-2006) Kofi Annan, and former president of Mexico Ernesto Zedillo Ponce de Leon. The Board consists of a) the Executive Council of the Foundation; (b) the Nomination and Remuneration Committee; and (c) the Audit Committee. The daily management is in the hands of an Executive Board and the members are associated with decision-making at the Forum through the Council of the WEF consisting of 40 CEO's from member countries.[97]

2.6.2 Discourse and outcomes

The annual Davos meetings bring together business, political and academic elites. Some corporations are invited by the Forum to become institutional or knowledge partners who are more tied to the WEF and co-sponsor the annual meetings. Ahead of meetings, the participants receive a conference package that is a synopsis of the Forum's focus for the upcoming meetings. It includes presentation of papers, reports, analyses, and aggregated data on specific subject matters. More than a hundred workshops take place during the summit, as the focus of the Forum is to lean toward a more knowledge based process. The Secretariat of the Forum is structured to include a system of knowledge dissemination, and is, therefore, responsible for the availability of research material on the Davos sessions.[98]

Each year a theme related to the current social, economic, cultural and political situation is discussed with the aim of 'improving the state of the world.' The WEF directs the content of its knowledge or research output as authors are carefully selected, as well as non member participants from government, academia and the press. The Forum's agenda setting aspects include the selection of themes and topics of importance each year. For example, in the early 1990's, the WEF was more preoccupied with 'selling' or promoting globalization. A review of the themes of the Davos summits during the 1990s reflects the Forum's selected annual agendas.[99] The internal proceedings start with an array of presentations and panel discussions. This is then followed by industry sectoral meetings, and sessions with presidents, prime ministers and other government leaders. Private meetings also take place between corporations,

[97] See the World Economic Forum-Home. At http://www.weforum.org/en/index.htm
[98] Ibid.
[99] Ibid

businessmen and politicians. The meetings often conclude with the launch of task forces and initiatives; while some are completely different from previous ones, others are often an extension of existing initiatives.

However, the Forum has two categories of literature output from its proceedings. The first are publicly available literature, materials and documents from its proceeding, which include its annual report; the second are internally circulated documents that can only be accessed by invited participants and members. This private information function is centered on a network and database of a 'members only' intranet site that functions throughout the year. The Forum's public information function is therefore a mechanism through which it seeks to bring about change in the public policy arena.[100] In some of its public literature, the Forum asserts that it is a catalyst for global business agreements and it acts as an interface for business/government interaction.

On the other hand, the Forum credits itself with launching the Uruguay Round of negotiations of the GATT, as it provided a venue for the meeting of 17 key trade ministers. In line with the trade negotiations, the Forum established a working group in 2001 to 'address the stalled WTO talks', responding to an urgent plea issued at its meeting by three former Director Generals of the GATT and WTO, attending its summit. The Working Group was reported to be the primary research body for the Forum's engagement with the WTO. The more tangible end-products from its summits are a number of research reports and documents which cover a range of issues and debates on the state of the contemporary world. These include a series of 'global reports': the annual Global Competitiveness Report published since 1979, the Global Information report and the Travel and Tourism Competitiveness Report. Other research outputs include the Infrastructure Private Investment attractiveness Index, the Africa Competitiveness Report and the Arab World Competitiveness Report.[101]

[100]See the World Economic Forum- Home.
[101] See Table 2.7 'Research Output and Publications'

2.7 Key drivers of the WEF's growth

The key drivers of the WEF refer to global events and processes which the WEF was able to take advantage of and utilise in furthering the caveats of its agenda. The following are highlighted:

A. Globalization

The Forum's association with globalization dates back to its days as the EMF. Member firms had explicitly favoured public policies that would enable them to profit more from an integrated global market place. These are some of the main aspects of globalization. As the Forum grew, it naturally became an avenue for exploring and publicising the economic, social and political consequences of globalization. Since the early 1990s, the Forum has been advocating policies which advance macroeconomic and monetary policy cooperation, harmonization of commercial regulations and removal of regulatory impediments to free flows of trade. An important factor that contributed to its expansion and ability to develop its discourse on globalization was the advances in technology, which included communication and information technologies. Taking stock of these changes, the Forum created regional and sub-regional networks of information exchange and knowledge production, as demonstrated by the regional versions of the economic summits. This can be explained as an aspect of intellectual globalization where knowledge is created, transformed and diffused in the course of WEF activities. Critically, this process goes beyond the confines of territorial boundaries.

It must also be recalled that the majority of its membership, including influential multinational corporations, political and government leaders come from the developed world from where these technological advances emanate. The many factors that empower them such as easier transportation links, the speedy flow of information, the diffusion of finance and technology, and commerce also allowed the Forum to grow in its activities. Additionally, as globalization intensified, the process enabled self-regulation, liberalised markets, privatisation, and the free movement of capital, labour and services. This created prospects for taking advantage of these changes where private firms increasingly play a role in decisions on what public and elected

bodies used to decide.[102] The Forum has shown an ability to recognize and respond to new developments in the global order. In its own words, key challenges cannot be met by governments, business or civil society alone, but by those institutions that provide strategic insights in addressing changing global dynamics.

B. The construction of discourse

The agenda setting function of the WEF is integral in its activities. As the Forum responds to new developments in the global order, it frames issues for debate within its agenda. The Forum's usage of words and ideas significantly contribute to both its internal and public discourses. In its process of discursive construction, the Forum's use of language and ideational tools define the term of understanding among the different actors within the Forum, as well as contribute to global linguistic and ideational terrains.[103] For example, the WEF's themes frame the issues for debate in its meetings, as well as become part of broader public discussions as both critics and proponents debate its merit. This became more evident in the 1990- 2000 period with the WEF's engagement with the globalization discourse. In the early 1990's the WEF's themes focused on how the changes associated with globalization could benefit business and eventually societies as part of setting the agenda for its meetings. However, in the midst of critique, particularly its articulation and approach to globalization as well as the type of discourse it was promoting, the Forum shifted gears to a 'new conceptualisation of globalization'. Thus in subsequent years, the idea of 'globalization with a human face', 'global governance' and development through private-public partnerships' became part of its broader discursive agenda. Since the Forum prides itself as 'an agenda setting venue for important matters concerning the world', the construction of discourse becomes important in its raison d'être. This is because the construction of its discourse allows the WEF to incorporate the agenda of its members as discourses can serve as the means through which interests of dominant powers are fulfilled. It is from these discourses that specific ideas, information and knowledge are created and exchanged. According to Pigman, the Forum has been experimenting with ways to operationalise these ideas.[104] Some of the approaches are explored below and later whether or not the WEF has been successful in this endeavour.

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[102] See Pigman. "The World Economic Forum" p. 92
[103] Ibid
[104] Ibid.

C. Knowledge production capacity and knowledge networks

As previously stated, the WEF is not a formal institution; rather it is an informal but influential actor in the area of international relations. The study argues that the role the Forum plays and the influence it exerts has largely been determined by how it took advantage of the changing global political, economic, and social contexts. Looking back at the Forum's evolution, the trend has been for it to conduct research on these changes, set the theme for the meetings' agendas and propose appropriate responses. In this regard, the Forum, contributes to the process of knowledge production. Broadly, the process includes investigating global issues and analyzing them. The Forum's knowledge production involves the construction of tools, methods, and approaches to respond to the changing global order. Importantly, this has largely been facilitated by the financial power of its members which has enabled its research capacity to grow. The Forum's Centre for the Global Agenda was created in 1998 to act as a 'hub for global policy networks'. It is a system of sustaining contacts and facilitating interactions between the top academic experts and the major think tanks in the world. The WEF has now created knowledge networks for this task. The Global Competitiveness Network (GCN) acts as a platform for discussion and debate between the business community, government, academia, international organizations and civil society.[105] Several research reports are compiled each year, and they have become flagship publications of the Forum. The GCN has been responsible for producing 'competitiveness reports' on the following subjects: global competition, travel and tourism, global information technology, Africa's competitiveness, and the Arab World competitiveness. The WEF continues to expand geographic coverage of its Global Competitiveness Report, currently featuring a total of 117 economies, of which the new entrants this year include Albania, Armenia, Azerbaijan, Benin, Cambodia, Cameroon, East Timor, Guyana, Kazakhstan, Kuwait, Kyrgyz Republic, Moldova, Mongolia, Qatar and Tajikistan, making this report the most comprehensive index of its type. The Global Risk Network (GRN) focuses on concerns such over climate change, energy insecurity, geopolitical instability and potential economic upheaval. This has produced the Global Risks report.

[105] Ibid.

The reports are compiled by assigning research to the WEF's networks of Partner Institutes, which includes leading research institutes and business organizations in the countries covered by that particular report. As will be explored later in the study, the WEF's annual reports have increasingly become a valid point of international reference and guide on issues such as countries' competitiveness rankings and environmental standards. In its process of knowledge creation, the knowledge networks that the Forum has created have given the reports substantial credibility in the global arena. The reports have become reliable sources of information on the various areas that they cover. In addition, the reports serve as an important point of reference in the Davos and regional meetings. The Scenario Planning team is another critical component of the WEF's ongoing research activities. It carries out research forecasts on countries, as part of a continuous dialogue with the Forum's Industry Partnership programme and its regional meetings. The research publications include forecasts on The Gulf Cooperation Council (GCC) countries and the World: Scenarios to 2025', The Digital Ecosystem- Convergence between IT, Telecoms, Media and Entertainment: Scenarios to 2015 Technology and Innovation in Financial and Services: Scenarios to 2020.[106]

D. Relationship with formal institutions of global governance

The WEF exercises its influence by bringing the world's top business people and policy makers together at its meetings. Over the years, the Forum has increasingly built relationships with formal institutions, notably the UN, the IMF and the WTO. As far back as the 1980s representatives from GATT, the IMF and the WB were invited to attend the Forum's meetings. It was during this period that the Forum credited itself for providing the decisive input to the Uruguay Round of GATT. These negotiations led to the founding of the WTO in 1995. More recently, high level participants at the Forum's annual meetings include the former WTO Director General and current UN Trade and Development Secretary-General Dr. Supachai Panitchpakdi, Director-General of the WTO, Pascal Lamy, Managing Director of the IMF Dominique Straus Khan, and the President of the World Bank, Robert B. Zoellick.[107]

[106] See 'List of Public Figures 2008'. The World Economic Forum. Available at http://www.weforum.org/pdf/AM_2008/PFs.pdf

[107] Kevin, S "Inside the World economic Forum" in Global Agenda, January 2003. p.18

The Forum's relationship with the UN is also essential as it seeks to cement the legitimacy of its agenda. Kofi Annan, the former Secretary-general of the United Nations has been a regular at the Forum's meetings over several years and serves on the WEF's Foundation Board. In 1995, the WEF was granted NGO Consultative Status with the UN's Economic and Social Council (ECOSOC), thereby admitting the Forum into a 'mutually beneficial' working relationship with ECOSOC. This arrangement gives the Forum some rights and privileges, as it qualifies it to contribute to the work programmes and goals of the United Nations. The WEF representatives can serve as technical experts, advisers and consultants to governments and Secretariat of the UN. In addition, the Forum's representatives can participate in ECOSOC and its various subsidiary bodies through attendance of meetings, international conferences called by the UN General Assembly special sessions, and other intergovernmental bodies. Furthermore, the 'NGO Consultative Status' permits the WEF to implement plans of action, programmes and declarations adopted by the United Nations. A good example of this is the signing of a Memorandum of Understanding between the UN and the Forum in 2004 to undertake a one year project to help ECOSOC define policies that could generate more business contributions for development. This was a result of a mandate given by the General Assembly to the Finance for Development (FFD) Secretariat, at its High Level dialogue on Financing for Development in 2003.[108]

The WEFs engagement with these institutions is strategically important in driving its growing role as a key multi stakeholder in the global political economy. Firstly, the IMF, World Bank and WTO are considered to be institutions of global economic governance, as they all have power to implement policy and affect economic regulations. The UN is considered to be the focal point of the multilateral system. What this means is that the Forum's engagement with principal formal institutions provides it with the opportunity to engage and perhaps influence some processes of global economic governance. Secondly, consultations between the Forum and these important institutions give the WEF's activities some operational competence. Inputs in the form of presentations from the UN, WTO, WB and IMF representatives eventually form part of the

[108] The World economic Forum announces technology pioneers. Lentigen. Available at http://www.mozilla.com/en-US/press/mozilla-2006-12-04.html

Forum's Annual Reports, and are used in the compilation of some of its other annual publication mentioned above.

E. Explicit recognition by the G8/G7

In addition to the relationship the Forum has with formal institutions, is its relationship with the G8/G7 group of countries which include France, Germany, Italy, Japan, Russia, the UK, the US and the European Union. Over the years, leaders of the G8 and their ministers have appeared at the Davos meetings as guests or participants. In 2004, the (then) President of the G8, UK's Prime Minister Tony Blair, chose to unveil his two fold agenda for the 2005 Gleneagles summit at the World Economic Forum. Focusing on African development and climate change, the 2005 Gleneagles agenda was presented before a heavily business oriented audience in Davos. The WEF was additionally invited by the UK Government to contribute input into the Gleneagles Dialogue on Climate Change. At the Forum's 2006 summit, Chancellor Gordon Brown used the Forum as a platform to call for G8 member countries to pledge immediate new funding to implement the Global Plan. Notably, the Global Plan to stop tuberculosis was launched at the WEF in January 2006.[109]

More explicitly, the G8 gave recognition to the WEF in the *2000 Okinawa Charter on Global Information Society.* It stated that the 'G8 leaders welcome from the private sector such as those of the Global Digital Divide Initiative of the WEF'. This is because the G8 acknowledges the role of the private sector in development and recognize the WEF as an appropriate setting to launch some of their campaigns. This recognition is significant for the WEF, as the G8/G7, a self-constituted forum of the major free-market democracies, has situated itself at the center of global governance. Deliberations and declarations from the G8/G7 group largely shape key decisions in the management of global economic and political affairs. The G8/G7's combined economic, military, and diplomatic power and influence means that it can exercise tremendous influence over the multilateral institutions of global governance. Significantly, the G8/G7 has great influence on policies and programs of the UN Security Council, WTO, IMF, WB and the Organization for Economic Cooperation and Development (OECD**).** Giving support to the WEF

[109]Hajnal, P. The G8 System and the G20. Evolution, Role and Documentation. Ashgate Publishing Company. USA 2007. p. 97

and its umbrella of initiatives highlights the important role of the WEF on the global political economy. To illustrate the convening power of the WEF, table 2.7.1 illustrates examples of important international governmental and non government institutions, some of which are which are members, participants and important knowledge constituencies of the Forum.

Table 2.7.1 Global Outreach of the WEF

International Governmental Organisations		International non-governmental organisations
WB	(Global)	International Chamber of Commerce
IMF		International Pharmaceutical Industries Association
WTO		Leading Multinational Corporations
UN		
OECD		
Various Groupings – G8/ G77		
	(Regional)	European Social Forum
		African Union
European Union		South Asian Association for Regional Cooperation

2.8 The World Economic Forum and the theory of epistemic communities

This section pursues the epistemic communities approach and applies it to the Forum's evolution, its processes and activities. It employs Peter Haas' epistemic communities theoretical framework to evaluate the extent to which the WEF can be regarded as such. Before delving into the theoretical application, the chapter explores some conceptual considerations. Firstly, it focuses on the definition of knowledge in terms of epistemic communities, and the significance of knowledge as an important dimension of power. Secondly, it examines how epistemic communities construct their agenda. In this respect, the theoretical framework of constructivism forms a core part of this analysis. Lastly the chapter explores whether the theoretical framework of epistemic communities can be used to explain World economic Forum's activities.

2.8.1 Knowledge communities as epistemic communities

Epistemic communities have been defined as 'thought communities' made up of socially recognized knowledge-based networks.[110] These networks can be made up of formal actors (international institutions and political representatives), expert groups from academic institutions, and actors from non formal institutions. According to John Ruggie, transnational networks of knowledge-based experts can also be defined as epistemic communities. Ruggie argues that transnational knowledge networks can achieve 'convergence' on policy positions by engaging experts in their processes, thereby becoming a vehicle through which knowledge can be transported.[111] As epistemic communities, these knowledge communities control 'recognised' knowledge. This is a factor which is explored below, as it is important in explaining how these communities construct their agendas. Epistemic communities are generally perceived to have the power to impose particular discourses and particular worldviews on societies. This is referred to as an exercise of 'cognitive authority' over the knowledge they create.[112] In this light, knowledge communities are agents of knowledge production. Within this process, epistemic communities have a decisive role in the interactions that produce and reproduce knowledge, on which their output is based. Knowledge communities can play a role in setting the rules of the game and the agenda or simply reinforce these rules to suit an outlined agenda. The ability to impose particular discourses goes hand in hand with the ability to influence people's understanding of how society is constructed. This means that epistemic communities can use knowledge production as a tool to influence ideas within social structures. The concept of knowledge and knowledge as an instrument of power becomes a relevant subject of analysis.

In this study, 'knowledge' is to be understood in terms of how it is utilized as a tool or technology in economic and social progress. The type of knowledge emphasized here is in the form of codified knowledge which is defined as a system of information interpretation that is known as research. Broadly speaking, knowledge is created when the demand for evidence-

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[110] Fleck,L. Genesis and Development of a Scientific Fact Chicago: University of Chicago Press, 1979, pp. 45, 158–159

[111]Ruggie cited in Antoniades, A. "Epistemic Communities, Epistemes and the Construction of (World) Politics" in Global Society, Volume 17. No. 1, 2003. Pp. 23 -25

[112] See Haas. "Introduction." pp. 21-23

based policy and cross-national lesson-drawing' to improve policy development arises. Knowledge communities play an important role in the way that this particular knowledge is managed and shared between themselves, and with other knowledge communities and organizations. This element of knowledge management becomes particularly relevant in how a knowledge community determines 'best practices' as part of its process of knowledge production function.[113]

2.8.2 The concept of epistemic communities

This concept was introduced in international relations by John Ruggie in 1972. Drawing from French historian and philosopher Michel Foucault's studies on 'episteme' culture, Ruggie proposed that knowledge communities should be defined as epistemic communities and are a 'cognitive level of international institutionalisation'.[114] The term 'epistemic' is derived from 'episteme', which is the Greek word for knowledge. It refers to the beliefs, assumptions, and categorisations which come to dominate a particular period. Therefore, epistemic community literally translates as knowledge community. As Ruggie argues, epistemic communities are based on interrelated roles of knowledge networks that are developed around a social world order. This concept remained marginal in the application to international relations theory from the late 1970s to early 1990s. It was reintroduced by Peter Haas to IR theory in 1992 as an alternative approach to the study of international policy coordination. The concept has also been utilized to explain patterns of policy change and co-operation in world politics.[115] However, Haas does not have a monopoly on the concept, as it has been used by various authors. It is Haas conceptual framework of epistemic communities that is used in this study.

According to Haas, an epistemic community is created when 'communicated mapping' draws a varied set of actors into a dialogue that results in a set of shared understandings expressed in a

[113] Ibid.
[114] In his research on the construction of knowledge, Foucault analyses what he refers to as 'the production of discourse', the possibilities that allow it to take place, and those that govern its knowledge production. He highlights that discourse is epistemological, and that the knowledge created within discourses is both a creative and disciplinary force.
[115] See Haas. "Introduction: epistemic communities and International Policy coordination." pp 1-3

standardised manner, regarding the discipline or activity in question.[116] This simply means that different actors from various issue areas are drawn into an information exchange process that, when frequent enough, draws them into a community where particular beliefs and opinions on matters are generally consented to within that community. Additionally, Haas argues that epistemic communities are the key channels through which ideas circulate. As defined by Haas, an epistemic community is 'a network of professionals with recognized expertise and competence in a particular domain and an authoritative claim to policy relevant knowledge within that domain or issue-area.' Therefore, epistemic communities are in substance communities of experts associated with a particular domain or issue area. Haas proposes four main defining features in the conceptualization of epistemic communities, namely 1) shared normative and principled beliefs; 2.) shared causal beliefs; 3.) shared notions of validity; and 4.) a common policy enterprise.[117]

2.8.3 Epistemic communities and the social construction of reality

The study locates the theory of epistemic communities mainly based on constructivism, arguing that epistemic communities themselves are agents and products of the social construction of ideas and group identity. In the process of knowledge creation, epistemic communities create new understandings of reality, influence the development of existing understandings of reality and world politics. Thus, it could be argued that in their effort to understand this reality, epistemic communities also become a product of social reality. When epistemic communities begin to analyse or write about social reality, they re - create new ways through which reality can be interpreted. This is where the knowledge/power aspect of epistemic communities stems from. In addition to constructing dominant sets of beliefs, experts and professionals, who make part of an epistemic community, can go beyond knowledge production and dissemination as they become a critical part of the process of policy transfer. These experts and professionals are specialists and therefore become 'policy entrepreneurs' within their knowledge communities. Critically, they help transfer the intellectual matter that underpins policies.[118] In so doing, they become important agents within epistemic communities, since they can provide the rhetoric, the

[116] Ibid. pp. 20-25
[117] Ibid. Pp 2-7
[118] See Antoniades " Epistemic communities" p. 25

language and scholarly discourse to give substance and legitimacy to certain preferred positions. Having mentioned that epistemic communities are one of the key channels through which ideas circulate, it is also important to note that members of an epistemic community engage in a variety of strategies to win support for ideas which they aim to circulate. Some of the more obvious strategies include identifying problems, networking in policy circles, shaping the terms of policy debates, and building coalitions. It is the latter that becomes significant in determining the success and survival of an epistemic community in contemporary international relations, as knowledge communities build strategic coalitions with key actors in the international system. Increasingly, epistemic communities operate alongside, as well as incorporate official actors such as politicians, political appointees and bureaucrats in transferring policy practices as defined by knowledge communities.

As agents and products of the social construction of reality, epistemic communities therefore develop a particular position in the global political economy. The Access World/Denial World metaphor, proposed by Thomas Kuhn explains their significance, with emphasis on the WEF and its role in 'the global configuration of the practice of international relations'.[119] According to this concept, the WEF is seen as a vehicle of class power, constructed as part of an 'Access World' which benefits from globalization and its process. Therefore, the Access World/Denial world metaphor complements constructivism, as both concepts reveal that the 'reality' created by the WEF is through human action and interaction. It is through this interaction that ideational structures play a critical role in which interests and identities are purposefully crafted in specific ways.[120] This approach therefore accounts for the construction of groups by taking into consideration the role of ideational structures, the construction of interests, and the role of practices in maintaining and transforming structures.[121] . By reproducing the inter-subjective knowledge constructs on which social reality is based, epistemic communities can exercise decisive power in the 'interaction game' of the construction of world politics.

Revisiting the concept of 'cognitive authority' over knowledge, Haas explains that the power of epistemic communities lies in how they impose particular discourses and influence popular

[119] See Schoeman. "From SADCC to SADC and beyond." pp. 273 - 276
[120] Ibid. Pg. 111
[121] See Haas "Introduction." pp. 25-27

consciousness. It is in this context that epistemic communities can influence the knowledge and ideas comprised within social structures. Additionally, Gramsci offers a useful explanation to the structural power vested within knowledge communities. He thereby emphasises that epistemic communities construct a particular hegemony over ideas. According to Gramsci, 'every social group, coming into existence on the original terrain of an essential function in the world of economic production, creates together with itself, organically, one or more strata of intellectuals which give it homogeneity and an awareness of its own function not only in the economic but also in the social and political fields'.[122] This approach examines social knowledge and its politics, primarily focusing on the creation and function of policy discourses and agendas. Additionally, Gramsci asserts that superstructures of ideology and political organization are created when intellectuals develop and sustain the mental images, technologies, and organizations that bind strands of the common identity of a hegemonic class. Following this analysis three levels of consciousness are distinguished: the economic-corporative, aware of the specific interests of a particular group; the solidarity or class-conscious, remaining at the economic level yet extending to a whole social class; and the hegemonic, harmonizing the interests of the leading and subordinate classes into an ideology expressed universally.[123] The extent to which Forum mirrors these arguments follows.

2.8.4 Some conceptual limitations

This definition of epistemic communities has produced some controversy in the way in which epistemic communities should be conceptualized. In addition, concerns have been raised over how epistemic communities can be distinguished from other relevant agents, such as interest, groups, advocacy coalitions, advocacy networks and think tanks. Haas proposes that 'causal beliefs' should be the distinctive feature of epistemic communities, and he takes a clear positivist position on what the term *epistemic* implies. From a positivist perspective, Haas implies that the only authentic knowledge is knowledge which is based on actual sense experience. Such knowledge can only come from affirmation of theories through strict scientific method. Similarly, other academics like Ernst Haas suggest that the 'epistemic communities' framework

[122] Gramsci, A. (1971). Selections from the Prison Notebooks (Translated and edited by Hoare, Quintin; Nowell-Smith, Geoffrey, Trans. William Boelhower New York: International Publishers 1985. p.5
[123] Ibid.

applies only to specific fields of policy. He argues that epistemic communities 'operate only in fields of policy where science matters.' For example, in the field of human rights, there are no epistemic communities. Science is irrelevant to that field. In environmental politics, science is critical. As stated, epistemic communities include communities of experts, who share a 'common enterprise'' and a common vision or worldview that define these communities. Therefore, Sebenius suggests that the emphasis is on the *purpose* rather than on the *method*. Further he notes that an 'epistemic community is made up of a network of specialists from a variety of positions, who share a common world view and seek to translate their beliefs into public policies and programmes.'[124] In the following section, the study applies the theory by using a knowledge/power structure in examining the WEF's role in the construction of world politics.

2.8.5 Empirical considerations

The World Economic Forum as an epistemic community

This section puts the epistemic communities approach into practice. It tests the utility of the approach in explaining the practices and processes of the annual Davos meetings. For that reason, we revert to Haas' key defining characteristics of an epistemic community and examine the degree to which the Forum can be explained as such. It is critical to stress that the term 'epistemic communities' does not only refer to scientific communities as used elsewhere. Haas asserts that the notion of an epistemic community (somewhat) resembles the notion of a 'thought collective' as well as Kuhn's sociological definition of a paradigm, which is 'an entire constellation of beliefs, values, techniques and so on, shared by members of a given community' and which governs 'not a subject matter, but a group of practitioners.'[125] As a starting point for the analysis we revert to the technical criteria for epistemic communities as defined by Haas, interpret them and use empirical support, where possible.

An epistemic community may consist of professionals from a variety of disciplines and backgrounds. In the case of the WEF this includes executives from the world's 1000 leading

[124] Sebenius, J. ''Challenging Conventional Explanations of International Co-operation: Negotiation Analysis and the Case of Epistemic Communities'' in International Organization, Vol. 46, No. 1 1992 p. 325
[125] See Hass. "Introduction". p. 3

companies, along with 200 smaller businesses from the developing world, leaders from formal institutions like the IMF, WB, ICC, UN, and communities of leaders from academia, government, the media and non- governmental organizations.[126] According to the theory, epistemic communities have the following characteristics:

(1) a shared set of normative and principled beliefs which provide a value based rationale for the social action of community members;

Normative and principled beliefs in this case give reference to how the Forum defines problems and solutions. This puts emphasis on how things should or ought to be, how to value them, which things are good or bad and which actions are right or wrong. These norms, beliefs and standards for weighing problems, then determine particular responses and solutions which are endorsed by community members. As a starting point, it must be recalled that the Forum has consistently promoted a globalization agenda. This is illustrated by its post-Cold War themes which reflected the shared objectives of the member firms in pursuing a barrier-free global market place. Themes such as *the new direction for global leadership (1991), Global cooperation and mega competition (1992), Sustaining Globalization (1996) Managing the impact of globalization (1999)* illustrate the Forum's extensive engagement with the process and discourse of globalization. Therefore, as early as the early 1990s the Forum's normative beliefs were articulated through its globalization 'vision'. This was to be promoted by the world's largest firms cooperating with governments, multilateral organisations and civil society.

By the turn of the 21st century, the rise of the Forum's opposition was more visible, as the WEF's growth and influence were criticised. As the Forum evolved and responded to the rising opposition against its activities, these normative beliefs remained, but were 'packaged' to be more aligned to incorporate some of the critics' concerns. Therefore, these normative and principled beliefs have evolved over the years. This evolution is a process which includes inviting some of its critics to participate in its meetings, and incorporating elements of the critics' agenda as part of the evolving norms and beliefs of the Forum. The following themes are a reflection of how the Forum has attempted to address its opposition while at the same time,

[126] Shaping the Regional agenda. The World Economic Forum. Available at http://www.weforum.org/pdf/Shaping_Regional_Agenda_2008.pdf

remaining a forum to discuss the different visions of globalization. These include, *Rebuilding Confidence (2002), Rebuilding Trust (2003) Partnering for Security and Prosperity (2004), Shifting Power Equations (2007) and the Power of Collaborative Innovation (2008).*

(2) shared causal beliefs which are derived from their analysis of practices leading or contributing to a central set of problems in their domain and which then serve as the basis for elucidating the multiple linkages between policy actions and desired outcomes;

Here the research investigates how the Forum interprets the global political economy through a 'cause and effect' methodology. Firstly, the Forum asserts that 'sustainable world prosperity must be based on both economic and social development, where the developing world must be integrated into the global community.' The Forum believes that the private sector is a major driving force in the quest for sustainable global prosperity. These positions have been derived from years of research and global research networks that have become an instrumental part of the WEF's knowledge production. An illustration of this is in the way that the Forum conducts and coordinates its research between its Davos annual summits and the regional summits. Research on the regional agendas of the different summits is established by the WEF'S Programme Team together with the Industry and Regional teams. This means that there is a systemic transfer of research findings which contribute to the Forum's policy 'best practices'. The basis of the Forum's research comes from internally defined indicators. For example, the research approach to compiling the Competitiveness Reports is more or less the same every year. The indicators of the reports are derived from hard data (from international organizations such as WB, ILO, ITC, and others) and soft data. The soft data is obtained via the Executive Opinion Survey which the Forum conducts every year in more than 130 countries to assess different dimensions of a country's business environment.[127] These reports then contribute to how the Forum defines the global political economy and country specific challenges.

Another illustration of the cause- effect analogy of the Forum is through some of its prescriptive statements and actions on how the global political economy should be governed.

[127] See The Global Competitiveness Network. The World Economic Forum.

The Forum has developed its own consensus on the empirical world. For example, the initiatives launched at previous meetings like the Our Water Initiative, 'launched to transform water from being a source of conflict and poverty to becoming a catalyst for progress' , Our Global Health Initiative ' that fosters private sector engagement in the global battle against HIV/AIDS' both outline a host of guidelines and activities to remedy these global challenges.

(3) shared notions of validity- that is inter-subjective, internally defined criteria for weighing and validating knowledge in the domain of their expertise; and

This reinforces criteria no (2), as it alludes to the Forum's conception of what the world looks like and therefore, how the WEF's conceptualizes the global political economy. Here, the emphasis is on inter-subjective positions derived from the Forum's debates and the consensus reached. This culminates in an annual report which summarizes the proceedings as well as the resolutions and initiatives to be taken. The empirical support for 'internally defined criteria for weighing and validating knowledge' can be seen in the Forums Index reports, notably, *the Infrastructure Private Investment Attractiveness Index, the Global Competitiveness Index, the Environmental Sustainability Index, the Networked Readiness Index,* and the *Enabling Trade Index*. The index reports serve as barometers for a given market or industry against which performance is measured. These are therefore inter - subjective, as they are internally determined by the Forum. [128]

Another critical element here is how the Forum creates knowledge, that is, concrete intellectual and scholarly products in the form of its research publications. This kind of knowledge is packaged for distribution among the Forum's members and its regional networks. This results in a process whereby 'tacit knowledge' – shared understandings, 'on-the-ground knowledge' and the Forum's position on a range of subject matters are shared. The Forum's regional summits and its 'knowledge partners' indicate that it has a relatively fluid global knowledge network A key feature of this is that the networks facilitate the

[128] Ibid.

WEF's exchange of information as well as the process for developing consensus on appropriate policy responses.

(4) *a common policy enterprise- that is, a set of common practices associated with a set of problems to which their professional competence is directed, presumably, out of the conviction that human welfare will be enhanced as a consequence.*

The most apparent example of this is reflected in the Forum's declaration to 'improving the state of the world, by engaging leaders in partnerships to shape the global, regional and industry agendas.' The Forum's regional knowledge networks are specifically chosen by the WEF to develop task forces, initiatives and summit contents which set the Forum's agenda for the year. This is a process in which the WEF is dominantly active. Because of this 'hands-on' approach in selecting research and knowledge partners, generally, promoting a 'common' policy enterprise in the Forum is easily achieved. What also facilitates a common policy enterprise in the Forum and its regional activities is a process of knowledge convergence. This occurs between Davos and its regional networks as knowledge about policies, institutions and ideas in one political setting (past or present) is used in the development of policies, and ideas of another (regional) political setting. What makes the Forum's policy enterprise 'common' is the fact that the reports which the Forum compiles sets normative standards upon which policy paradigms, or models of policy are developed. Once an idea or policy model becomes dominant, for example, calls for a more inclusive process of globalization, or 'globalization with a human face' as propagated by the Forum in the 21st century, other approaches lose their authority in the regional summits. To this extent, the WEF is active is drawing policy lessons and emulating practice as well exporting this knowledge globally, thereby imposing common policy ideas.

In the course of this process, experts and professionals in the Forum share their expertise and information. As they engage annually through rigorous interaction (via other international conferences, websites, email correspondence), they eventually form common patterns of understanding regarding policy. These networks are critical in sharing expertise and knowledge, and organizing consensus on an array of subject matters. To this extent, there is inter-dependence between the Davos meeting outcomes, research reports and the regional summits.

This drives a process towards a common policy objective between the WEF and activities which take place under its auspices.

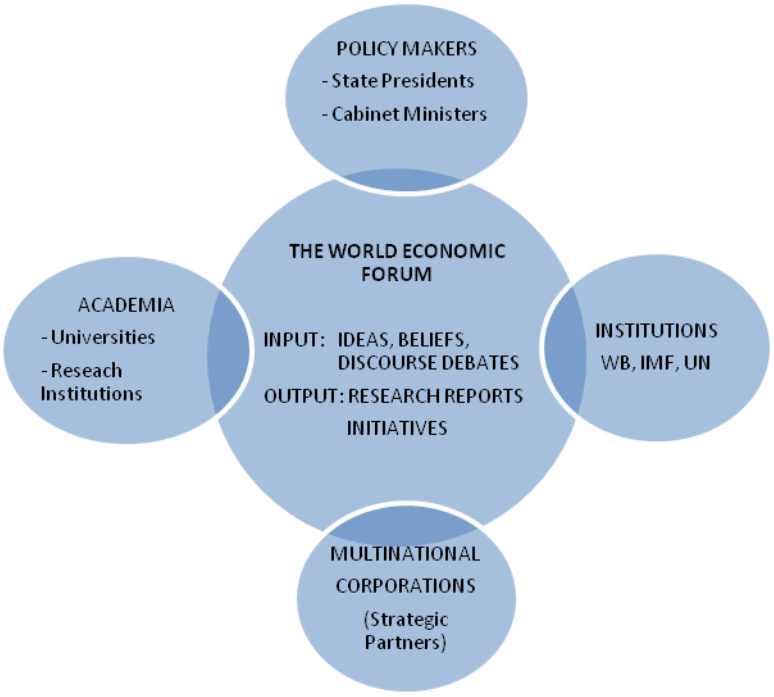
2.9 Summary: Epistemic communities of the Forum

From the above analysis, it is clear that while the Forum in its totality cannot be characterized as an epistemic community. However, epistemic communities within the WEF are integral to its processes of research and knowledge production. These epistemic communities comprise of members from formal institutions, multinational corporations, and the political and academic spheres. Therefore, the epistemic communities of the WEF consist of experts and policy makers who play a role in the convergence of ideas and creation of policies. Figure 2.9 illustrates the nature and scope of epistemic communities within the WEF, and figure 2.9.1 illustrates how these communities coordinate.

Figure 2.9 WEF Epistemic communities and knowledge production

	Objectives	Members	Cognitive activity	Selective rules	Nature of the Objective	Nature of the social link	Role in knowledge creation
Epistemic Community	Produce collective knowledge	Heterogeneous	Construction of knowledge and/ or languages Circulations of codified knowledge	Selection by peers	International	Respect of a procedural authority	Facilitate exchange

Figure 2.9.1: The coordination of epistemic communities within the World Economic Forum



2.9.1 Conclusion

The WEF is often likened to the International Chamber of Commerce (ICC). The ICC is an organization that explicitly champions world business, promotes trade and investment, open markets for goods and services, and the free flow of capital. It is the image of being viewed as a corporate trade association that the WEF has worked hard to avoid. Rather, the WEF has not only built an image as an important venue for debates and discussion on issues of global importance, but it has also achieved a level of legitimacy for its activities. As part of legitimating its process and as it seeks 'to change the state of the world', the WEF has developed strong constituency-networks of formal institutions, politicians and businesses across the globe which strengthens its knowledge production capacity. In its evolution, the thesis asserts that the WEF has increased the scope of its activities, forging alliances and coalitions with major stakeholders in the process. Of significance is its relationship with states and formal institutions, as it enjoys consultative status at the United Nations. This adds to the WEF's recognition as an important international actor. Its membership and participants also largely

includes multinational corporations that have a strong presence in nation states. These corporations are influential because through their investments, they can shape the political and social future of countries all around the world.

The multi-stakeholder character of the Forum is a source of the WEF's influence. This is because the individuals that constitute its membership are also active in other formal and informal intellectual communities, professional associations and knowledge networks. The Forum, among other depictions, is an apparatus of knowledge production by constructing its global agenda through the interactions of its knowledge networks. In the process of its evolution, the WEF has created an international knowledge network through a system of coordinated research, dissemination and publication, as well as intellectual exchange.

While the WEF is not an epistemic community per ser, epistemic communities that exist within itself help the WEF to maximise its influence with regard to knowledge production and dissemination. These include members, partners and communities that form part of the knowledge creation stream. This is because global knowledge networks such as the WEF can become a mode of global economic governance. Hence, there is a functional interdependence between public and private actors whereby these networks allow resources to be mobilized towards common policy objectives, especially in domains outside the hierarchical control of governments. Often, these policies are implemented and endorsed by countries. However, such knowledge and expertise as well as its degree of articulation and codification can only be accessed and exploited by individuals who are members of specific epistemic communities. The location of such individuals and the communities to which they belong are the decisive determinants of knowledge spillovers. Epistemic communities within the WEF clearly present new policy forums and opportunities to produce particular knowledge. Given its regional dimension, epistemic communities of the WEF are increasingly becoming important producers of global knowledge. This has led to new forms of 'soft' authority recognised in global knowledge networks such as the WEF and private regimes which complement the 'hard' or formal authority of states and international organizations. The WEF is a knowledge producer-cum- activist, whose influence, among others, is important in shaping contemporary debates on important issues. As the WEF expands its global agenda, it is clear that states and formal institutions are not the only entities that have control over policy directions.

Annexure

Table 2.7 Research Output and Publications as of January 2008

COMPETITIVENEREPORTS	GLOBAL RISKS REPORTS	INITIATIVE REPORTS	
Global Competitiveness Report	Global Growth	Business Alliance against	Humanitarian
Travel and Tourism Competitiveness Reports	Global Risk	Chronic Hunger	Relief
Africa Competitiveness Report	Global risk to the	Climate Change	Initiative
Arab World Competitiveness Report	Business	Corporate Global Citizenship	International
The Global Information Technology Report	Environment	Disaster Resource Network	Monetary
The Global Enabling Trade Report	Disaster Risk	Energy Poverty Action	Convention
	Reduction	Financing for Development	Project
	Europe	Global Competitiveness	Partnering
	India	Global Education Initiative	against
	Middle East	Global Health Initiative	Corruption
	Latin America	Global risks Network	Scenario
		Humanitarian Relief Initiative	Planning
		International Monetary Convent	Water Initiative
			Working
			Towards
			Wellness

Source: The World Economic Forum 2008

COMPETITIVENESS REPORTS:	Surveys conducted in more than 130 counties worldwide, to assess different dimensions of the country's business environment.
GLOBAL RISKS REPORTS	Identifies and assesses emerging risks to world business, the world economy as well as risks in different regions of the world
INITIATIVE REPORTS	Research reports detailing the Forum's ongoing initiatives, particularly the role business in advancing economic development and social progress.

CHAPTER 3

The World Economic Forum and Africa

3.1 Introduction

In the previous Chapter, the epistemic communities approach argued that the World Economic Forum is an agenda setting forum that generates and exchanges knowledge and information to contribute to global public discourses. The previous chapter also demonstrated that the WEF is a powerful and influential informal institution which has strategically crafted its expansion by aligning itself with key formal institutions in the global political economy. The nature of the Forum's relationship with institutions such as the UN, the WB, the IMF, and the WTO has contributed significantly to the legitimacy of its activities, as well as the capacity of its knowledge production.

Since the Forum was founded in 1971, it emerged against the backdrop of existing paradigms and ideological discourses on development. The incorporation of Africa as part of international discourse on development spans many decades and transcends different periods of Africa's history and different stages of the international political economy. Over the past twenty years, a wide range of organizations with very different ideological agendas, have incorporated Africa and African development into their debates and discussions. Formal institutions like the UN, WB and IMF have played a major role in conceptualizing Africa's development imperatives, and implementing policies to address these challenges. The need to deconstruct the evolution of the development discourse on Africa is based on the fact that development and the model of development implemented relies on the dominance of a particular knowledge system.

This section, therefore, traces the evolution of development discourse on Africa, with a view of assessing how the World Economic Forum has influenced it. Firstly, the chapter gives a background of Africa's political economy during the period of the Forum's creation. Secondly, a survey of Africa's incorporation into global debates and discourse is given, as well as the changing development discourses within Africa. The third section focuses on Africa's initial

entry into Davos, the trends of African participation at the annual meetings and some of the outcomes. In the fourth section, the birth of the regional Africa Economic summits is discussed, examining the role of the Forum in constructing its understanding of Africa and African development challenges, as well as the analytical tools used in the process.

3.2 Development discourse: An overview

In general, the discourse on development became more prevalent in the early post World War period. This was a result of war devastation which led to debates on how the problems of poverty could be overcome. The new conceptual approach was referred to as 'the problematization of poverty'. This became the central theme in discussions on development during the post World War II years. According to Artudu Escobar, development is mainly a political concept. Escobar argues that the concept of development is based on the historical conditions that made underdevelopment possible and the ways in which states addressed underdevelopment. Primarily, states would start by conceptualising conditions that describe underdevelopment and the solutions to these challenges. Escobar refers to the process of conceptualising development as 'the professionalization of knowledge and the institutionalization of development practices'.[129] It is, therefore, noteworthy to highlight the different understandings and perspectives on development as well as their defining elements. As African countries emerged from colonialism in the 1950s and 1960s, the focus was on how to address the development trajectory on the continent, specifically by the developed world. The focus was on what Africa lacked in order to achieve economic development, as well as the attainment of good policies to sustain development.

Thus the assertion was that Africa would not go it alone; external financial assistance was crucial for achieving development.[130] The notion of trusteeship, which held that development in one country could be managed by another more developed one, was still a powerful ideology. This was reinforced by the post-World War II experience with the Marshall Plan's aid to Europe, as

[129] Escobar. A. Encountering Development: The making and Unmaking of the Third World. Princeton University Press, United Kingdom, 1995. pp. 23-25

[130] Shivji, I, G. "The influence of ideas and the power relationships that lead to those ideas on development in Africa" in World Hunger Notes. At http://www.worldhunger.org/articles/05/africa/shivji.htm

well as the Keynesian ideas about state intervention to increase money supply.[131] These interventions helped to popularize the idea of external financing for development. To an extent, these ideas also led to the emergence of modernization theory which explained that the problems holding back the industrialisation of poor countries were related to the 'irrational' way in which resources were allocated in traditional societies. Traditional societies became modern by rationalizing resource allocation and by the elimination of cultural, institutional and organizational roadblocks that did not allow countries to develop. These notions equated development in Africa to Westernization.[132]

The focus of this section is on Africa in the 1970s, as the period coincides with the WEF's establishment. For the purpose of the research, the section highlights the debates and discourses on Africa's challenges to development, without necessarily delving into the history of colonialism, the colonial period and an extensive analysis of colonial legacies.

3.2.1 Africa in the 1970s

Postcolonial challenges in Africa between 1960s and the early 1970s depleted the potential economic benefits of independence. However, economic growth and development on the continent was relatively higher than in other developing regions. During this period, the economic performance of African states was fairly stable, as states borrowed from international financial institutions to support productive or prestigious projects. This has been referred to as *the age of developmentalism* as states showed modest growth rates given the initial conditions at the time of independence. In addition, the increased influence of the UN on global issues, specifically on poverty alleviation in the Third World also buttressed the idea of developmentalism. In 1961, the UN resolved that the 1960s would be 'the decade of development'.[133]

The decade of development was short-lived. The turbulence of the 1973 oil crisis severely undermined African economies. In addition, political instability increased and economic

[131] Ibid.
[132] Shivji. "The Changing Development Discourse inn Africa" in Global Forum Policy. October 6 2005. p 2
[133] Ibid.

development started to deteriorate, contributing both to severe conditions of economic decline and underdevelopment on the continent. Petro dollars accumulated by international banks during the 1973 oil crisis were off-loaded in the form of cheap loans to developing countries. This was made possible by ideologies of development during this time as well as the mechanisms made available to African government to address declining economies. The idea that external finance was critical for development (which had emerged in the 1940s and 1950s) formed part of the development discourse during this period. It encouraged development planning linked to external borrowing. This then became self- producing as it created more need for external borrowing, and encourages domestic and external forces that perpetuate it.[134] By the end of the 1970s, these loans had turned into heavy debt burdens as countries reached the limits of growth experienced in the earlier periods and suffered economic shocks. With the combination of massive loans obtained by Africa and other developing countries, the oil crisis, recession and high interest rates in the developed countries, an international debt crisis ensued. Africa was severely affected as countries were plunged into an economies crisis. During this time, growth rates became negative, loans repayments were unsustainable and fiscal imbalances and inflation soared. African government found themselves in a vicious cycle of debt and underdevelopment.

Although import substitution was one of the causes of the crisis, import substitution policies were promoted as a solution to African countries facing severe economic crisis. These policies were consistent with the ideas of development, actively being promoted by dominant forces in the world economy, notably, the UN. When import substitution policies were failing, the IMF and the World Bank undertook a new development strategy for the continent, in the name of Structural Adjustment Programmes (SAPs). Around this time, 'structuralism' became the established orthodoxy for development theory for African countries. Therefore, the SAPs followed logically from the import substitution policies of the 1960s and 1970s. It has been argued that the greater significance of the role of international development agencies like the World Bank on African development has largely been in their domination of the development discourse. Backed by the powerful G7 group of countries and financial might, Africa's course of development was determined by the ideology of development as articulated by these institutions. Thus, while financial commitments were important, the significance of these formal institutions

[134] Ibid. Pp. 2-5

within the development paradigm was in their role as providing powerful incentives to get African governments to agree to the Bank's vision of development. This vision was based, among others on, privatization, liberalization, fiscal and budgetary austerity, and cutting subsidies. A closer look the SAPs highlights that it tends to facilitate an economic environment favourable to the activities of globalised production as dominated by transnational corporations. One of the critiques of the SAPs was that they were forged by elite groups from the US and the UK, thereby undermining real recovery prospects on the continent.

3.2.2 Africa as part of global debates and discourse

With the end of the Cold War, the burden of super-power rivalry was lifted from Africa's shoulders and a surge towards peace, democracy and development began. However, countries were still grappling with inter and intra- state conflicts, mechanisms for conflict resolution, as well as experiencing levels of economic decline. Consequently, the development institutions from the West focused on Africa, as war- torn countries presented international financial institutions with an opportunity to create `market friendly' opportunities for themselves.[135] Following the debt crisis, prescriptions for African development shifted slightly, because discourses on Africa's development still focused on what Africa lacked, and included prescriptions on how African countries needed to manage their economies. The decades of collaboration with African states to bring about development were coming to an end. This was because of the view that African governments which were collaborating with Western capitalists or pursuing import substitution policies were in fact not developing. According to the IMF and WB Import substitution was the obstacle to the process of development in Africa.

Therefore, the 1980s period, often referred to as *the lost decade*, was the transition decade which marked the beginning of the decline of developmentalism and the rise of the neoliberal doctrine. This is an economic theory which emphasizes deregulation and the reduction of state intervention in private enterprise. In Africa, neoliberalism was expressed in the form of policies around stabilization of monetary and fiscal fundamentals, on the one hand, and marketisation,

[135] See Shivji. "The influence of ideas and power relations" p3.

liberalization and privatization of the economy, on the other.[136] These constituted the ideological underpinnings that international financial institutions infused into the 'post-conflict' discourse, as these institutions crafted a course to address underdevelopment of the continent. In defining ideology, this chapter draws from the writings of Birchfield, and concedes that ideology is an intellectual production which has several elements, namely: (1.) a set of moral values, taken as absolute, (2) an outline of the good society in which those values will be realised, (3) a systematic criticism or affirmation of the present social arrangements and an analysis of their dynamics, and (4) a strategic plan for getting to the future.[137]

In line with the above definition of ideology, the reports and subsequent SAPs were based on the belief that the villain of the declining economic performance in Africa was the state; a corrupt and dictatorial state, bloated with bureaucracy, nepotism and economic mismanagement.[138] As the solution to underdevelopment on the continent, the SAPs were meant to bail out crisis ridden economies, on condition that proposed conditionalities would be implemented for countries to firstly put economic stabilization policies in place. These were based on particular conceptualizations of development. The chapter highlights two reports which significantly influenced the development discourse in Africa. The Berg Report and the Lagos Plan of Action are highlighted as those that primarily changed the development discourse. The Berg report was produced by the World Bank in 1981. It was titled 'Accelerated development for Africa: An Agenda for Africa'. The report outlined Africa's development challenges and diagnosed policies to remedy underdevelopment.[139] The significance of the report in the evolution of the development discourse in Africa is explored further below.

3.2.2.1 The World Bank's Berg Report

Often referred to as Berg's Diagnosis and Prescription, the main theme of the Berg Report was 'the crisis in Africa'. The report is considered to be very significant because it influenced the interpretation of development in Africa. In assessing the causes of African crisis, it asserted that

[136] Arrighi, G. "The African Crisis. World System and regional aspects" in New Left Review. No. 15 May- June. 2002 p 7
[137] Birchfield V. Contesting the hegemony of market ideology: Gramsci's good sense and Polanyi's Double Movement. Review of International Political Economy. Vol. 6 No. 1, Spring 1999. pp. 27-35
[138] See Arrighi. "The African Crisis". p7
[139] Ibid. pp. 8 -9

the domestic policies of African governments were undermining the process of development within African countries. Emphasis was put on poor monetary policies (overvalued national currencies and substantial currency devaluations) and excessive state intervention as 'bad' policies most responsible for the African crisis. The emergence of the 'Washington consensus' in 1989, which generally describes a set of specific economic policy prescriptions considered to constitute a "standard" reform package for developing countries in crisis, was endorsed by the IMF and the WB.[140] Therefore, the Berg Report and the string of other World Bank reports on Africa that followed endorsed the ideology behind the Washington consensus. In a nutshell, the standard reform package of the 'Washington consensus' was a strategy for 'structural adjustment, although the Berg report sought to be an antidote to SAPs model, which was largely considered to have failed to deliver the promise of sustainable development.

3.2.2.2 The Lagos Plan of Action

As Ikome highlights, the unsettling realities of the 1970s engendered a reassessment and redirection of Africa's policy options at the national and regional levels. Africa's policy makers believed that poor performance of African economies revealed the unsuitability of an extroverted development strategy on the continent.[141] In a document published the same year as the Berg Report but signed in 1980 at a meeting in Lagos, the heads of state of the Organization of African Unity, (OAU) traced the African crisis to a series of external shocks. These included deteriorating terms of trade for primary products, growing protectionism of wealthy countries, soaring interest rates and growing debt service commitments. This came to be called The Lagos Plan of Action (LPA), which saw the resolution of the crisis in a greater reliance, not on world-market mechanisms, but on the capacity of African states to mobilize national resources and foster greater mutual economic integration and cooperation. The emphasis was on collective self-reliance through the eventual creation of a continental common market.[142]

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[140] Loxley, J. "Berg Report: Accelerated Development in Sub Saharan Africa" in Review of African Political Economy. Vol. 10 No 27/28. Pp. 198 -204

[141] Ikome, F. N. 'From the Lagos Plan of Action to the New Partnership for African Development: The political economy of African regional Initiatives. Institute for Global Dialogue, Midrand, South Africa. 2007 p50

[142] Sawyerr, A. 'The Politics of Adjustment Policy', in Adedeji, Rasheed and Morrison (eds) The Human Dimension of Africa's Persistent Economic Crisis. London 1990, pp. 218–23.

In the following year, a proposal for action on Africa's economic and social problems was presented to a special session of the General Assembly of the UN. The OAU summit produced a document, *Africa's Priority Programme for Economic Recovery, 1986–1990* (APPER), which highlighted the specific role of external shocks in deepening the African crisis, and further, the responsibilities of African governments for the crisis, and the limitations of any actions undertaken by African states on their own. However, it has been argued that APPER sharply contrasted the LPA, as it agreed to implement a variety of policy reforms consistent with the Berg Report and asked the international community to take action to ease the crushing burden of Africa's external debt. This resulted in a 'compact' between African states and the international community calling for joint action towards the resolution of the crisis, outlined in the *United Nations Programme of Action for African and Development, 1986–1990* (UNPAAERD) document. Again, this was largely perceived to be a reincarnation of the Berg Report'. [143]

During the early 1990s significant changes were taking place within the international global economy, including the collapse of the Soviet Union and communism. In addition to the ideology of development epitomized by the SAPs, the neoliberal package of marketisation, privatization, and liberalization became the articulated policy for African states. This was linked to the *good governance* discourse. For the IMF and the WB, good governance defined good performers that would be rewarded with more aid, whilst badly governed countries would suffer the consequences. In addition to the IMF and WB, other development institutions began to engage with African states. As Okolie highlights, the IMF, the WB, international development agencies and Western governments were achieving development hegemony in Africa, because of the implementation of (their) development policies based on their development ideologies.[144]

The ascendance of the neoliberal paradigm of development was reinforced by increasing globalization. In Africa, the discourse echoed the failures of the SAPs, as Africans were vehemently criticizing the IMF/WB policies for narrowing the policy space for governments to develop themselves. The discourse in Africa promoted deeper integration of African economies into the global capital market. This was motivated by the belief that the nature of international development, especially the structured access to financial credits, constrained development

[143]Ibid.
[144] See Okolie A. "Development Hegemony and the development Crisis in Africa." p. 429

choices in Africa and ensured that the major players reaped huge rewards, regardless of the impact of the policies and programs on people which the policies were designed to address.[145] One critical factor was that the SAPs were believed to marginalise and undermine African experiences and ideas. Rather the SAPs served as a powerful mechanism whereby Western capitalist countries with the financial, ideological, diplomatic, and military power and resources could advance their hegemony in Africa.

Consequently, the discourse on alternatives to the 'Western' and or WB and IMF ideology-driven concepts on development became more prominent in the 1980s and early 1990s, and were centered on 'human and people centered development', as reflected in the Lagos Plan of Action and the reports that followed the LPA. Critically, the reports outlining African development, as highlighted above, were a very significant contribution to the development discourse on the continent. However, they came into existence when international development agencies and Western governments had already achieved development hegemony on the continent. One of the major implications of the dominance of the neoliberal paradigm as an answer to underdevelopment on the continent was that it helped to ensure the perpetuation of a development paradigm which focused on the involvement of international capital in addressing Africa's underdevelopment and poverty related issues. In time, this created overreliance on external assistance and undermined self-reliance.

As much as the discourse was dominated by formal institutions, international nongovernmental organisations (INGOs) were increasingly playing a role in influencing the development discourse, and to an extent, policy choices. Firstly, there was an increasing number of NGOs in Africa in the 1990s period, as they began the process of adding policy advocacy as part of their overall programmatic activities. The purpose of this was to influence public policy for the benefit of group members and/or constituents at the micro-level as well as implementing projects geared toward meeting peoples' basic needs. Secondly, as old development models failed, developmental NGOs played a major role in addressing development at the micro level; where

[145] Ibid.

formal institutions had failed.[146] Therefore, the condition of underdevelopment in Africa, and the indebtedness of African countries made it possible for multilateral lending agencies and development NGOs to have a major presence on the continent. It also made it possible for this model of development to be entrenched on the continent. As Dicklich observes, the 'failure of the [African] state to provide for basic services has led to many official donors to use NGOs rather than the local state to provide services.'[147]

Donor agencies started to channel development assistance through NGOs and other non-state institutions because of the view that the states in Sub-Saharan Africa were both inefficient and corrupt. For example the British's department for International Development (DFID) allocated around 8% of its aid programme through NGOs and the United Sates allocated nearly 40% of financial transfers of its aid programme to NGOs in the 1990s.[148] According to the Overseas Development Institution, in 1992, development NGOs constituted between 10% and 15% of all aid transfers to the Third World. The source of finance was largely from official sources and private donations. By 1993, there were an estimated 28,900 international NGOs worldwide, with approximately 20,000 of these in Third World countries.[149]

Against this background, the World Economic Forum began to host its annual meetings in the early 1990s to bolster the dominant neoliberal agenda of development. Its focus on Africa came at a time when development NGOs were becoming a prominent part of the global development machine. The list includes a vast institutional and disciplinary group of official agencies, practitioners, consultants, scholars, and experts producing knowledge about the developing world.[150]

3.3 Africa's initial entry in Davos

[146] Manji, F. "The Missionary Position: NGOs and development in Africa" in International Affairs. Volume 3 Issue 78, 2002. p. 574
[147] Dicklich cited in Makoba, J Wagona. "Nongovernmental Organisations (NGOs) and Third World Development: An alternative Approach to Development." Journal of Third World Studies. 2002. P. 4
[148] See Manji. "The missionary position: NGO's and development in Africa. pp. 575 -576
[149] Ibid
[150] Ibid.

As emphasized in the previous chapter, the Forum's relationship with formal institutions, mainly, the IMF, the WB, the UN and the G8 group of countries, have been fundamental to the process of legitimating its activities. As early as the 1980's the Forum had aligned itself with these powerful institutions, the very institutions which dominated the development discourse in Africa. The early 1980s also saw the WEF bring together government leaders from states of the newly industrialising world to its meetings. This was part of its emphasis on mapping an agenda that would address the crises of accumulation experienced in the 1970s and early 1980s.[151] As part of its expansion strategy, the WEF launched an outreach programme, by which it began to 'reach out' to non- OECD governments in the developing world and later on, Africa that were excluded by 'neoliberal globalism'. The first notable participation of African leaders at Davos WEF meetings was in 1992, when the Forum invited to its meeting, the then President of the African National Congress Nelson Mandela, along with the South African President in 1992, President F. W. DE Klerk and Chief Mangosuthu Buthelezi of the South African liberation party, Inkhata Freedom Party.[152] The invitation to promote dialogue and reconciliation was not the first, as the WEF was also engaging leaders from Israel and Palestine to peacefully resolve their conflict. Shimon Peres, then Israeli Foreign minister, attended the Davos summit to meet with Yasser Arafat, chairman of the Palestine Liberation Organisation in 1994.

The appearance by Nelson Mandela, President De Klerk and Chief Mangosuthu Buthelezi, was the first joint appearance outside South Africa, by the three key players in South Africa's transition. According to the WEF, the aim was to help facilitate dialogue between the three leaders, concerning the move towards a democratic dispensation in the Republic of South Africa during this time. The invitation was significant in that, Mandela used it as a platform to promote some of the policies that would be in place in democratic South Africa. Mandela stated that the forum 'constituted a critical component of the leadership of the peoples of the world'. Further, he appealed for the removal of economic sanctions once the interim government was established, and emphasized that democratic South Africa would ensure a conducive political and social

[151] Graz. "How Powerful are Transnational Élite Clubs?" p327
[152] Entrepreneurship in the global public interest. The World Economic Forum. At http://www.weforum.org/pdf/InstitutionalBrochure2005.pdf

climate that will create business confidence for long term investments.[153] The significance lies in the fact that the WEF invited the three leaders as a way of acquainting themselves with Africa, specifically South Africa, and its potential economic prospects. This later becomes clear in the later years, as the WEF held most of its summits in South Africa, and invited several South African politicians to its Davos meetings. After South Africa attained its democracy in 1994, South Africa began to emerge as a new political factor on the continent, as well as a prospective destination for international investments. From then on, President Mandela became a regular participant at Davos.

As highlighted, the relationship between the WEF and South Africa, facilitated the creation of the Southern African Economic Summits in 1993; the first summit in Africa under the auspice of the World Economic Forum. In his last address as president of South Africa, at Davos in 1999, Mandela highlighted the role and significance of the WEF's engagement with South Africa. In his statement, Mandela endorsed the Davos platform as an important avenue to forge international partnerships. The address also highlighted the World Economic Forum as a venue to change negative perceptions of the continent.

> '….South Africa's leadership has had a close and fruitful relationship with the WEF over the last eight years. Such is our approach to the international business community that our new democracy never hesitated to accept your kind invitations to participate in this rigorous forum. I hope that by doing so we have been able to convey information about the challenges and the potential of our wonderful land. We have been lauded, politely listened to and pilloried for some of the things that others and I have said on various occasions here in Davos. Indeed I have vivid memories of this process during my visit here in 1991. It has taught us much and reinforced our belief in dialogue and

[153] Statement of the President of the African National Congress Nelson Mandela at the World Economic Forum. Davos Switzerland. February 2nd 1992. The African National Congress. At http://www.anc.org.za/ancdocs/history/mandela/1992/sp920202.html

interaction with the international community.' (President Nelson Mandela at the World Economic Forum, Davos, Switzerland, January 29 1999)[154]

The WEF has also requested other government representatives, as well as leaders of financial institutions to be a part of their meetings. In 1994, South African Finance Minister Trevor Manuel was selected by the Forum as a 'Global Leader for Tomorrow', coinciding with his appointment to the Advisory Committee of the UN initiative for Trade Efficiency.[155] He has since become a regular attendant at the Davos meetings, as well as the WEF summits in Africa. From 2001, the WEF has sought to expand its membership base globally. Often referred to as the 'Davos card', which is the list of regular participants at Davos, from Africa, this includes former President of South Africa, Thabo Mbeki, former president of Nigeria, Olusegun Obasanjo, President of Senegal, Abdoulaye Wade, Nigerian Finance Minister Ngozi Okonjo-Iweala, president of African Development Bank (AfDB) Group, Mr. Donald Kaberuka, the governor of the SA reserve Bank, Tito Mboweni, and the former Minister of Trade and Industry in South Africa, Alec Erwin.

As mentioned above, the first summit in Africa under the WEF took place in 1993, followed by summits on the continent, every year. The rationale of scaling up African participants at Davos from 2001 was based on a number of factors emanating from discourses within the regional meetings as well as changes taking place in the global political economy that highlighted the need to emphasise 'African underdevelopment' and related issues, as part of the Davos debates. Therefore the WEF entered the debates regarding the world's commitment to Africa and its development, taking place on a worldwide scale. As a case in point, the research outlines some of key highlights at Davos regarding African development and initiated by African leaders and representatives. The research looks at some of the key initiatives from Africa which were presented at the Davos meeting, and offers some understanding on the implications of these presentations.

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[154] President Mandela. Address at the World Economic Forum. Davos Switzerland. January 29 1999. At http://www.anc.org.za/ancdocs/history/mandela/1999/nm0129.htm

[155] Trevor Manuel also chaired the World Bank Development Committee and has held several positions in multilateral institutions including the appointment as Governor of the Board of the World Bank and the African Development Bank Group.

3.3.1 *Briefing of the Millennium Africa Renaissance Program (MAP) 2001*

Since the 1990s the WEF has marked itself as an important international platform. The Forum became a vehicle in promoting Africa's own developmental initiatives. For instance, on the event of the World Economic Forum in Davos, 28 January 2001, President Thabo Mbeki presented the first formal briefing on the progress of implementing the MAP. The MAP is a precursor to the New Economic Partnership for Africa's Development (NEPAD). The briefing was presented during the session on Africa, which is part of the agenda of the Davos WEF meetings. In his words, Mbeki emphasised that '[t]he success of its implementation would require the buy in from members of this exciting and vibrant forum. Implementation of our programme will not only be a major step forward in developing effective global governance but also make a profound contribution to the future welfare of the entire globe'.[156] The significance of the MAP programme lies in that it was marked as a declaration of firm commitment by African leaders, forged to take ownership and responsibility for the sustainable economic development of the African continent. The MAP proposed a 'Global Partnership for Africa's development, calling for the inclusion of Africa in the world. In his briefing, President Thabo Mbeki attributed African underdevelopment to '...the continued marginalisation of Africa from the globalization process, the social exclusion of the vast majority our people that constitutes a serious threat to global social stability.'[157]

In addition, the MAP highlighted challenges in establishing good governance on the continent, which President Mbeki stressed as essential for the sustainability of the globalization process. The MAP built on previous initiatives and programmes on African development, which were not adequately implemented for a variety of reasons, including lack of capacity and resources. This includes the Lagos Plan of Action (1981) and the Abuja Treaty (1991). Nonetheless, these initiatives were significant to the evolution of the development discourse in Africa. The genesis of the MAP can be traced to the 1999 OAU Extraordinary Summit in Sirte, Libya where the OAU mandated President Mbeki and President A Bouteflika of Algeria to engage Africa's

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[156] Mbeki: Briefing on Millennium Africa Renaissance Programme at WEF meeting in Davos. 28 January 2001. The Presidency. Available at http://www.gov.za/search97cgi/s97_cgi?action=View&Collection=speech01&Collection=speech00&Collection

[157] Ibid

creditors on the total cancellation of Africa's external debt.[158] In the following year, the OAU summit mandated President Mbeki and Olusegun Obasanjo to engage the developed North with a view to develop a constructive partnership for the regeneration of the continent. Whilst attending the G8 summit in Japan during July 2000, the three Presidents raised the issue of partnership with the G8 leaders. The work on what would become the MAP was already in process, as President Mbeki, Bouteflika and Obasanjo began the work of engagement at bilateral and multilateral levels.[159] Thus the Presentation of the MAP at Davos was a significant part of this engagement.

MAP's key elements coincide with the World Economic Forum's policies on economic growth and its understanding of and priority areas for Africa's development. Generally, the policies articulated by the World Economic Forum are centred on three fundamental points; free trade in goods and services, free circulation of capital and freedom of investment. These fundamental policies underpin WEF programmes and initiatives. The MAP highlighted the need to increase investments for development. This is an idea that the WEF promotes, as it seeks to actively engage the private sector in the development of countries around the world. This is more obvious in the membership of the WEF, which is dominated by multinational corporations. Therefore MAP policy convergence with the WEF is in the model of investment and resource mobilisation for development, and in some of the key areas that pose challenges to development. For both the WEF and the MAP, these are premised on democratic governance on the continent. Key development areas include information and communication technology, infrastructure development in transport and energy; and developing financing mechanisms.

3.3.2 *Presentation of the Omega Plan for Africa 2001*

At the same Davos meeting, a second African development paradigm was presented. The Omega Plan was presented to the WEF, on the 30th of January 2001, two days after Mbeki's presentation of the MAP. Both the Omega Plan and the MAP were amalgamated into the final NEPAD initiative. The Omega Plan was conceived by Senegal's President Abdoulaye Wade as a parallel initiative to the MAP. But it was developed without a mandate from the OAU. Ikome concedes

[158]See Ikome. From Lagos Plan of Action. p130
[159] The New Partnership for Africa's Development (NEPAD). The Department of Foreign Affairs, South Africa. Available at http://www.dfa.gov.za/au.nepad/historical_overview.htm

that the Omega plan is in fact like the MAP, as it was informed by Africa's debt overhang. It recognized the need for Africa to keep pace with globalization, and the need to restructure Africa's relations with the industrialized world to achieve economic renewal of the continent and the reduction of poverty[160]. The plan focused on 'a long term strategy for financing development in Africa through bilateral and multilateral cooperation. It highlighted five priority areas for Africa's development, namely infrastructure, new technologies of information and telecommunication, education and human resource development, health and agriculture.

The plan also called for a continental multilateral authority which would manage all resources for development and deal with investment, and answer directly to the United Nations. It was first presented to the Francophone Summit in Cameroon in January 2001 and in Davos later the same month. There has been debates regarding Wade's presentation of the Omega Plan at Davos, as subsequent reports conveyed that the three MAP presidents became aware of the plan for the first time at the January 30th WEF presentation. In an interview however, Wade indicated that the plan was part of efforts to contribute to discussions on African development, and therefore it was not a contradiction to the MAP, but a different take on development. On this, Wade stated... 'To be honest, I didn't know that they were going to talk about a plan for Africa. It was right there in Davos that I found out about it. But I spoke and they both said, indeed, what President Wade has said fits in perfectly with our plan for Africa.'[161] As Ikome highlights, the presentation of the Omega Plan at Davos was the early beginnings of a merger process of the MAP and the Omega Plan. In the following months, Senegal was then invited to join the MAP steering committee together with Egypt. Both governments subsequently participated fully in the MAP process, though Senegal continued to elaborate its Omega Plan. Both the Omega and the MAP were then presented to the extraordinary summit of the OAU in 2001, where the OAU endorsed the work done by the four presidents, Mbeki, Obasanjo, Bouteflika and Wade. However, the summit called for a single coordinated initiative that would be presented to international partners. In July 2001, a single document merging MAP and Omega (temporarily entitled "A New African

[160] Ibid.

[161] Quist-Arcton, O. Interview with President Abdoulaye Wade. 'Africa: A "Continental Strategy for Building Africa Infrastructure Needed – Wade'. February 8, 2001. Available at allafrica.com

Initiative" - NAI) was presented to the OAU Summit in Lusaka. The Plan was renamed NEPAD in October 2001.[162]

Like the MAP, the Omega Plan has some similarities to the Davos policies. Firstly, the Plan was a long-term strategy of mobilizing finance for infrastructure development. The finances were to be mobilized from multilateral and bilateral cooperation. Secondly, in the fine print, the Plan highlighted that partnerships would benefit Western countries as they would also be invited to carry out the infrastructure work and offer technical assistance. Thus, they would have a bigger presence on the continent. This seemed agreeable to WEF constituents, as again, the idea of private partnerships for development was emphasized, and the increase engagement of these partners on the continent as a model for sustained development. It has been argued that the presentation had an impact on the final NEPAD initiative. The arguments suggest that some elements of the two initiatives the MAP and OMEGA were retained and strengthened after the feedback from the forum, and of course after the consultations with the OAU. This is because much of the criticism of NEPAD has focused on how it has been influenced by the neoliberal discourse associated with the Bretton Woods Institutions, (the World Economic Forum included) and the negative effects of these policies in Africa, in the last 30 years.

3.3.3 The NEPAD

These presentations laid the foundation for the WEF's engagement with the continent for the following reasons. Firstly, the briefing of the MAP and the Omega Plan by architects of NEPAD: Presidents Mbeki, Bouteflika, Obasanjo and Wade, was a symbolic illustration of the continents' willingness to forge a partnership with the developing world. The founding fathers of NEPAD endorsed the WEF as a platform to carry out the OAU's mandate of 'engaging the developed North in a constructive partnership for the renewal of the continent' and to mobilize resources for development as advocated by President Wade.[163] Furthermore the Presidents recognized the WEF as a platform for reaching out to the developed North to promote the idea of a partnership with Africa, the very essence of the NEPAD initiative. The engagement with the

[162] See Ikome pp. 123 -125
[163] See NEPAD. The Department of Foreign Affairs

WEF was part of initial bilateral and multilateral engagement of the NEPAD with international partners.

As part of the NEPAD diplomacy, the founders of NEPAD began to promote the NEPAD initiative in different bilateral and multilateral fora including the WEF. Examples of this diplomacy included, President Mbeki's visit to China in 2001 which secured China's commitment to NEPAD, a meeting with the G8 personal representatives with the NEPAD steering Committee in December 2001, and an invitation back to the 2002 WEF Summit in New York, where African leaders were able to engage the North on the WEF processes.[164] At this Meeting, Mbeki called for resources to finance NEPAD priorities. In the presentation, South Africa promoted NEPAD's focus on privatization, particularly of infrastructure such as water, electricity, telecommunications and transport, largely in the form of "Public-Private Partnerships" between private industry and government. The presentation sought to highlight the eminent possibilities for partnership between the developed countries and African countries. As usual in the Davos meeting, the political leadership of the G8 were present. In addition to the, briefings of NEPAD at the G8 summits, the briefings at Davos reinforced the idea of NEPAD to the economic superpowers. This is because the briefings at the G8 meetings had followed the same approach taken at Davos in 2001, emphasising that Africa should take ownership for its development, and 'opening up' Africa for investment. It must be recalled that the WEF has achieved explicit recognition by the powerful G8 group of countries. Therefore the synergy between the WEF and the G8 ensured the WEF as a useful platform for NEPAD diplomacy.

The diplomacy bore some fruit. After the NEPAD presentations at the G8 summits, the G8 put in place an Action Plan for Africa at their Genoa Summit of 2001. The G8 agreed to support African efforts to resolve African problems. Peace, stability and the eradication of poverty were seen as among the most important challenges Africa faced in the new millennium. The G8 had welcomed the New African Initiative, which in their view was based on the principles of responsibility and ownership, with an emphasis on democracy, transparency, good governance,

[164] See Ikome. From the Lagos Plan of Action. p 35

rule of law, and human rights as fundamental factors of development.[165] Therefore, NEPAD became a major project in the rebranding of the African continent on the international stage. The NEPAD initiative was recognized as the blueprint for Africa's development beyond the continental level, from powerful states as well as non-state actors of the industrialized world. Through these presentations, *the advocacy function* of the WEF is clear, as it is an avenue to articulate policy positions regarding development.

NEPAD has since become part of the Davos conversation in its Africa sessions. Through NEPAD, the WEF has launched initiatives in Africa to promote development and showcase Africa's potential as an investment partner. These initiatives include the NEPAD Business Foundation (2005) that promotes communication between the NEPAD secretariat and the business community as well as investment for the implementation of NEPAD projects, the NEPAD e-readiness policy programme (2003) that addresses technology related policy issues, and the NEPAD e schools initiative (2003) that provides IT skills and infrastructure to schools.[166] In addition, relations with the NEPAD Secretariat have deepened as the WEF hosts its regional Africa summits.[167] From Davos to the international community, Africa was 'brought back' once more, into international debates as NEPAD symbolizes an African initiative towards establishing new partnerships and links with the outside industrialized world. Ultimately, the WEF was utilized for the following reasons: i) as a platform to promote the NEPAD initiative; ii) as a mechanism to strategically engage the North in the implementation of NEPAD projects; and iii) as an approach to rebranding Africa and promoting investment into the continent.

Outcomes of the Davos engagement with NEPAD are highlighted as substantive programmes have been launched. The programmes and initiatives that have been developed focus on NEPAD priority areas, specifically, regional infrastructure development including information and communications technology (ICT), human resource development – education and health, and economic corporate governance and enhancing capital flows. The initiatives highlighted in table

[165]Nabudere, D. N. 'Nepad: Historical Background and its Prospects' April 2002. At http://www.worldsummit2002.org/texts/DaniWNabudere.pdf

[166] See table 3.1 'WEF Active initiatives with NEPAD.'

[167] Since October 2001, the NEPAD Secretariat has been based at the Development Bank of Southern Africa in South Africa with President Mbeki's economic adviser, Wiseman Nkhulu as the chief operating officer. NEPAD cooperates closely with the African Development Bank (AfDB), the Economic Commission for Africa (ECA) and the African Union (AU). Steps to incorporate NEPAD Secretariat into the AU are underway.

3.1 below include the NEPAD e readiness policy programme that focuses on developing ICT infrastructure on the continent, the NEPAD e- Schools initiative that seeks to improve the quality of education in African primary and secondary school, and the NEPAD Business Foundation which promotes cooperation between the private and the political sectors. [168]

Table 3.1 WEF. Active Initiatives with NEPAD

The NEPAD e readiness policy Programme 2003

The policy programme is a result of WEF consultations with the NEPAD Secretariat, and the e- Africa Commission to address technology related policy issues within the context of broader development activities. It builds on the work of the WEF's Global Digital Divide Initiative and the e- Africa Commission on ICT policy. The programme is supported by WEF member companies Microsoft, Accenture, and Hewlett-Packard and focuses on helping African countries to develop e-readiness policies and reduce policy obstacles that limit the use of ICT throughout the continent. It aims to build ICT capacity on the continent by identifying stakeholders to build partnerships with countries and inform ICT policy processes.

The NEPAD e- Schools Initiative 2003

Adopted as a priority continental undertaking, the initiative is centred on the provision of ICT skills and knowledge for primary and secondary schools, to teachers and school managers. It includes the following components: ICT infrastructure (including computers, communications, networking, power) ICT training for teachers; content and curriculum development; efforts toward community buy in, involvement and ownership of the process, organization and management of projects including partnerships, and financial sustainability issues. The NEPAD e Schools Demonstration Projects complements this process by carrying out research on implementation of the initiative. It currently operates in 20 countries, covering 600 000 schools across the continent. This informs the roll- out of the e schools initiative.

The NEPAD Business Foundation 2005

The Foundation contributes to the implementation of the NEPAD programme, by ensuring constant communication between the NEPAD Secretariat and the Business Community. The Foundation represents the interests and views of the private sector, and develops best practice standards in corporate governance for the continent. Members to the

Business Foundation give corporate organisations access to political and decision makers in Africa, opportunity to interact and network with other organisations as well as support NEPAD projects.

3.3.4 Other WEF initiatives in Africa

There are other programmes and initiatives that have been launched outside WEF-NEPAD partnership. These are initiatives that are supported by WEF stakeholders and the WEF Foundation. They address a range of issues from HIV/AIDS, malaria and tuberculosis, poverty, to energy, infrastructure, and the private sector. According to the WEF, the crafting of the initiatives has been made possible by the exchange of ideas and continuous feedback from the regional meetings to Davos and vice versa. Therefore the Davos platform has proved to be an effective dialogue and networking arena for marshalling resources for ongoing projects on the continent; not only for supporting the implementation of NEPAD; but also to help development targets to be met through innovative partnerships for development. Through *technical cooperation and service provision,* WEF helps to implement existing continental goals. The initiatives below all have considerable similarities.

Firstly, they are based on a *private-public partnership* model as a prerequisite for their implementation. Secondly, the initiatives promote business-led development, and the privatization of specific social provision sectors in order for development to be achieved. The following are highlighted: a) *The African Investment Climate Facility* focuses on private-public ventures as mechanism for investment; b) *Changing Perceptions of Africa Initiative* is designed to address and improve negative perceptions about the continent; c) *the Hunger Initiative* proposes a 'Business Alliance to reduce chronic hunger. It is a private public venture that seeks to address the root causes of poverty; d)the *Energy Poverty Action* has mandated a WEF task force to develop an electric grid- electricity infrastructure for the continent d) *the Water Initiative* is designed to expand private participation in Southern African water resources e) the *Health care systems initiative* aims to strengthen health care systems on the continent by mobilizing resources to promote a mixed private-public healthcare system in Africa; and f) the *Partnering against corruption initiative (PACI)* is designed to curb corruption practices in businesses.

A synopsis of WEF activities in Africa highlights that the initiatives are designed to complement some of NEPAD priority areas, as well as some challenges facing the continent. For instance, the role of business in development has been crucial in facilitating NEPAD projects and it is a very strong mandate of the WEF. Therefore, the development model that the WEF ascribes to is similar to that of the NEPAD, as they both promote Public Private Partnership as a framework for development, investment and growth in Africa. Less obvious or less documented both at Davos and on the continent, have been business deals that have been signed between members and participants, specifically between multinational corporations and governments. This has become a critical point of inquiry on the influence of the WEF in Africa.

3.4 The World Economic Forum's Regional Summits in Africa

Apart from inviting political leaders from Africa to the Davos meetings, the WEF has concretely established itself on the continent though its annual meetings. Usually, the Forum holds between five to ten regional meetings around the world every year. This has been part of its approach in expanding the scope of its activities since the early 1990s. The combination of regions has varied, although the meetings in Africa, China and India have been held consistently over the last decade. As illustrated above, the first strategy of engaging Africa was to invite key figures from African governments and institutions to the Davos meetings. It is here that the relationship with Africa was developed through concrete initiatives emanating from partnerships, for example with NEPAD as the continental development machinery.

The Forum first tested 'African waters' in 1993, when the first summit under the WEF's auspice took place in Southern Africa. From 1993, the WEF summits in Africa have taken place every year, although in different forms. Table 3.4 is a chorology of WEF meetings in Africa since the first summit in Southern Africa in 1993. This chapter concedes that the meetings are somewhat different, as the Southern Africa Economic Summit focuses on the Southern Africa region in partnership with SADC. The Middle East/North Africa Economic Summit have taken place in North Africa and focus on the Northern geographic location of the continent in partnership with Arab states. The Africa Economic Summits now referred to as the World Economic Forum on Africa, focus on Africa as a whole, therefore are more encompassing of developmental challenges on the continent.

In a sense, the regional summits are an extension of what has been discussed at the Davos meetings. The rationale of the regional summits is to promote knowledge and information on global processes. Therefore, a feedback mechanism is crucial in integrating Davos with its regional activities. The link between the Annual Meeting and the Regional Meetings is sustained by the design of the agenda for the regional meetings. To facilitate the transition from global to regional perspectives, the agenda for the regional meetings typically start with a 'Davos summary session' covering topics such as global competitiveness, international risks and country scenarios. Similarly, the Davos meetings begin with regional updates.[169]

3.4.1 Attendance and Participation at the regional summits

It is important to note that attendance and participation at the summits is by 'invitation only'. As a private organization, the WEF decides on whom to invite to its Davos meeting, and its regional summits. The Africa summit has been labeled as the region's premier gathering of leaders from business politics and civil society. This is reflected in its broad list of participants at the regional summits. It includes politicians from across the continent, heads of African banks, development organizations, business and research institutions along with heads of large multinational corporations doing business in Africa. Representatives from the IMF, World Bank and WTO also attend the regional summits in Africa.[170] For the corporate participants of the regional summits, the WEF Africa summits have become an important regional space and network as it opens business opportunities in continent, and allows multinational corporations to promote their business on the continent.

The WEF Africa summits are not significantly different from the larger Davos meetings as they also include key leaders from political, economic and financial institutions on the continent, representatives and experts from government, business, international organisations and civil society. In the true sense, the WEF summits in Africa are a regional arm of the Davos meetings, promoting more or less similar ideological discourses on development. Regular participants at

[169] See The Regional Agenda. Available at http://www.weforum.org/pdf/Agenda.pdf
[170] The World Economic Forum on Africa -List of Participants. At http://www.weforum.org/fweblive/groups/public/documents/wef_member_pdf/fbrc_ct_participants.pdf

the summits include Klaus Schwab, Founder and Executive Chairman of the Forum, Haiko Anfeld Head of Africa Programme of the WEF, Adeyemi Babington Ashaye Associate Director of the Regional Agenda team, many of the South African politicians and leaders of multinational corporations: President Thabo Mbeki, Trevor Manuel, Patrice Motsepe, Tokyo Sexwale, Maria Ramos, Iqbal Survé ; African presidents and politicians Olusegun Obasanjo, Abdoulaye Wade, Armando Guebuza, Jakaya Kikwere, Charles Soludo; and heads of corporate organisations.[171]

3.4.2 Agenda setting for the Regional Summits

In general, the agenda of the different summits are established by the regions' Programme Team together with the Industry and Regional teams, at the WEF headquarters in Switzerland. For this purpose, the Africa Programme of the WEF was established in 1995 to focus on Africa and related issues. The significance of the Africa Programme is that it contributes to session on Africa in the Davos meetings. The Programme also heads and coordinates the regional summits. One of its core mandates is to support business in Africa in managing uncertainties and identifying opportunities such that business led development is achieved.[172] The Africa programme has convened regional summits in South Africa, Mozambique, Egypt Zimbabwe and Namibia among other countries. Over the last five years, the summits have been convened in South Africa. This partly explains the dominance of South African attendees at the summits. Another explanation is that the Forum's member firms in Africa are largely South African-based corporations. This is explored in detail below. As highlighted the themes for the regional summits are selected in response to current development in the international political economy, as well debates in Africa relating to development. This is a collaborative effort between the WEF's Africa desk and regional teams. The following are highlighted: 'Priorities for global competitiveness in the 21st century' (1998 Southern Africa summit); 'The African economic renaissance: making it happen', (2000 Southern Africa summit); 'Corporate citizenship and the

[171] Ibid.
[172] Anfeld, H. Africa is a very attractive destination for investment" in New African. June 2005. Pp. 1-2

NEPAD' (2002 Africa summit); and 'Call to action: a turning point for Africa' (2005 Africa summit).[173]

3.4.3 WEF Memberships and forms of Partnerships in Africa

The World Economic Forum is primarily a membership organization. The Forum is self selecting as membership and partnership to the Forum is determined by its membership committee, which handles application of prospective members each year.[174] The Forum engages its members and partner companies or organisations for various purposes. In Africa the WEF's institutional members are in three categories: African Foundation Members, Regional Partners and Strategic Partners. The WEF has 43 African Foundation members, 33 from South Africa, 4 from Egypt, 2 from Morocco, and one from each of the following countries Cote D'Ivoire, Kenya, Mauritius and Ghana. Table 3.4.4 is a list of financial institutions, banks, and corporate organisations that make up the WEF's partners in Africa. Therefore, the WEF's Africa Foundation members, regional and strategic partners are crucial in the work of its activities in Africa, including organizing the Africa summits. The first category of institutional membership, the African Foundation members comprises of top corporate institutions and private companies in Africa. The Foundation seeks to be the primary interface between government and the private sector and coordinates the member's involvement in Forum-led initiatives and task forces. The Africa Foundation Members also participate in the Davos meetings, the meetings of the New Champions and other Forum led Initiatives.[175] This is a clear example of how the WEF *coordinates state and non- state activities*, through its global networks.

Regional and Strategic partners are more select tiers of membership. Firstly, strategic partners are chosen by the WEF to represent the image of the Forum and therefore, represent a high profile public commitment to the WEF and its activities. Strategic Partners in Africa include Price Waterhouse Coopers, the Coca Cola Company, Microsoft Corporation, A. T Kearney, Hewlett Packard, Pfizer, Zurich Financial Services, Audi, Volkswagen, McKinsey and Company and ABB South Africa. Regional partners of the Forum include the Absa Group, Sasol, Africa

[173] See Table 3.4 'WEF meetings in Africa since 1993'.
[174] Pigman. The World Economic Forum: A Multi-stakeholder Approach to Global Governance. pp. 26 - 27
[175] Ibid.

Rainbow Minerals, Eskom, Murray and Roberts, and SABMiller. Regional Partnerships offer partner companies a leadership role at the Africa summits and in one or more regional summits. The partnership also provides firms with the opportunity to have a steering role in planning and executing WEF activities on the region.

3.4.4 WEF Knowledge production on Africa

The WEF goes beyond its agenda setting mandate to focusing on research and knowledge production. The production of knowledge has become a key element of its operations in Davos and around the world. Knowledge is produced in the form of research reports on Africa. This is a collaborative venture between the Forum, its international knowledge partners which includes leading universities, the World Bank, and member partners on the continent. In the compilation of research for Africa, specifically the Africa component of the Global Competitiveness report and the annual Africa Competitiveness Report, the WEF engages a variation of its institutional members, regional and strategic partners. The list of knowledge partners in Africa is extensive. It covers research institutions, business organisation and universities from across the continent.[176] This collaboration might change from one report to the other; it can go from sharing some specific hard data, to collaborate in writing a chapter. The choice of partnership with the institution is determined by the WEF's focus on its research reports as well as where the research is going to be used. For example the WEF may utilise the research institutions for the compilation of reports for the regional meetings, and collaborate with financial institutions in its annual reports on Africa.

The production of knowledge has an important function to the WEF and its regional constituencies. Knowledge production is critical to the Forum's activities, as it has increasingly assumed the role of providing development advice. As highlighted in the previous chapter, the research reports are not unique to Africa as the Forum produces research reports on the regions where its regional summits take place: Latin America, India, the Middle East, and others. The research reports produced on Africa play a significant role in the changing development discourse in Africa. Firstly, they inform initiatives and programmes launched. For example, the

[176] See table 3.3 WEF Partner Institutes in Africa

initiatives and programmes launched with NEPAD have been influenced by the Competitiveness reports which highlight some of the challenges to development on the continent. Additionally, the WEF-led NEPAD initiatives are premised on private public partnership as a model for development on the continent. This is also articulated in its research report as they detail policy recommendations on development; emphasize a model of development based on private public partnerships and the necessity for African countries to improve investment conditions. The reports also reinforce the idea of good governance as a mandatory principle for international partnerships with Africa. To an extent, these reports articulate existing policies. For example, good governance is a matter emphasized by NEPAD's APRM, and the concept of financing for development is articulated by NEPAD. Therefore, the reports have a standard setting function, as they outline policy best practices. To this end the WEF is *an agent for adopting international norms and standards* on policies.

While it is difficult to quantify, the research reports are among the most influential contemporary economic publications. Their status as legitimate representations of development has contributed to their credibility. A critical observation of how the WEF compiles its research reports sheds light into its strategy of achieving a consensus on its policies. As development theory highlights, in order for development policies to have any hope of success, they ought to involve the people in whose name they are being proposed.[177] In this endeavour, the WEF consults an extensive list of its knowledge partners on the continent who play a major role in providing data and information of the reports. The list includes DFI's universities, research think tanks and government agencies across the continent. There are some important issues to consider. The first is that some of the reports are compiled in conjunction with the World Bank. Although the WEF's reports are not as prescriptive as the WB reports, they have more or less the same concepts on African development.

Secondly, the research reports on Africa are part of a process that 'professionalises' development knowledge. This is to say that the WEF becomes an authority on development practices, as its research is supported by formal institutions. In practice, the reports are used within its regional summits, as they form the basis for discussion and deliberations. Members

[177] Nepad and Globalization, some initial thoughts. Alternative Information and Development Centre. At http://dawn.thot.net/nepad3.html

and participants at the summits draw on the reports for discussions. Furthermore, the research reports can influence public perceptions on political economy issues, as they are widely available to the public and regarded to be comprehensive and all embracing on their subject matters.

3.5 WEF Research reports on Africa

3.5.1 Africa Competitiveness Report

Generally, competitiveness reports outline specific impediments to a country's economic growth. The concept of 'competitiveness' has gained currency in global debates. Since1979, the WEF has produced the annual *Global Competitiveness Report.* It examines the factors enabling national economies to achieve sustained economic growth and long-term prosper. However, the measurement of 'competitiveness' has its limitations. These include lack of recent data on specific sectors, and inadequate documentation on matters which are difficult to measure, for example, the impact of the quality of life and social capital on the economy. Nonetheless, in addition to the Global competitiveness report, the WEF now produces the Africa Competitiveness Report (since 1998) which is also an annual publication.

The WEF defines 'competitiveness'as the set of institutions, policies, and factors that determine the level of productivity of a country. Prior to 2004, competitiveness of African countries was calculated on the basis of six indices: openness of markets, government, finance, labour infrastructure and institutions. In 2004, the WEF's Global Competitiveness Index (GCI) was introduced as a more a comprehensive index for measuring national competitiveness. The GCI takes into account the microeconomic and macroeconomic foundations of national competitiveness, based on 12 different pillars that are referred to as 'the 12 pillars of competitiveness.' These are i) institutional environment; ii) infrastructure; iii) macroeconomic environment; iv) health and primary education; v) the quality of higher education and training; vi) goods and market efficiency; vii) the efficiency and flexibility of the labour market; viii)

financial market sophistication; ix) technological readiness; x) market size; xi) business sophistication; and xii) innovation.[178]

Since the launch of the GCI, the elements that determine competitiveness in the Africa competitiveness report have been expanded, to get a more complete evaluation of African economies. The African Competitiveness report assesses African countries and evaluates them in terms of their competitiveness. These conclusions are based on a survey of African ministries of finance, central statistical offices, businesses, data collected from the Global Competitiveness Reports, and data collected from sources such as the WB, IMF, and UN. The report is in two parts. The first is an overview and appraisal of country's economies. The second is an 'essays' section, where authors and contributors go into greater detail about issues such as FDI flows, necessary reforms and their political aspects, the impact of globalization on competitiveness and how countries can develop competitive advantage.

Overall, the recommendations which enhance competitiveness emphasized in the report include good governance and good leadership as prerequisites. This encompasses political and policy stability and transparency. The report also stresses other areas of importance to the business community: openness to trade; improved infrastructure and low levels of corruption. The message of the report is clear as it reiterates minimum state intervention in African economies, attracting and increasing FDI flows, and again that economies must focus on developing strong governments, good leadership and well functioning institutions.

The Africa Competitiveness Report has been instrumental in the WEF's programme in Africa as it contributes to the agenda of the regional summits. As highlighted, it is used by participants and members at the summits as a point of reference for the report used in the summits.[179] The 2008 edition of the Africa Competitiveness report was a collaborative effort between the WEF, the

[178] Ciocio A. World Economic Forum: Global Competitiveness Program. Email correspondence with author. August 2008. Also see The World Economic Forum Global Competitiveness Report. At http://www.exim.gov/about/reports/compet/documents/2007_competitiveness_report.pdf

[179] The WEF employs two indices to measure competitiveness. These are i) the Current Competitiveness Index (CCI), which measure the factors that underpin current economic performance and current productivity and the Growth Competitiveness Index (GCI), which, measures the factors that will contribute to the future competitiveness or growth of the economy. The two indices together are said to provide a more revealing picture of a country's competitiveness.

World Bank and the African Development Bank. According to the WEF, the goals of the Africa Competitiveness Report is to highlight investment opportunities on the continent; provide a analysis of national business environment such that obstacles are revealed and addressed; provide a tool for policy makers to identify and address obstacles to growth; and reveal obstacles to African competitiveness in an increasingly integrated knowledge based global economy.[180] To a larger degree, these goals are continuously being achieved as the report is used as a point of reference by governments, policy makers and other stakeholders in identifying business threats and evaluating progress.

3.5.2 Africa Risk Report

The risk report is a new research publication as it was launched at the WEF summit in Cape Town in 2008. Titled 'Africa at Risk', the report focuses on perceived threats to Africa's development. The report is prepared by the Global Risk Network of the WEF, together with the Forum's Africa regional agenda team.[181] Although the measurement of 'risk' is a contested matter since risk models are subject to interpretation, the WEF has chosen to focus on specific elements that are perceived to be important in its understanding of underdevelopment in Africa as well as in its strategic engagement with African governments. The report identifies four main threats to the future of Africa's development. These are food and water security, geopolitical instability, economic shocks, climate change and environmental challenges to development. The report also underlines important trends in African countries which exacerbate the four main threats to development. These include rising food prices, social unrest, poverty, severe economic water scarcity caused by a lack of human and infrastructure capacity, population growth and per capita agricultural production.[182]

According to the report, the threats are not isolated risks as their drivers, triggers and potential consequences are highly interconnected. As a case in point, the Risk report illustrates that food and water security will be affected by how climate change impacts the region as well as global

[180] See The World Economic Forum. Research Reports on Africa.
[181] The World Economic Forum. Africa@ Risk. At http://www.weforum.org/pdf/Africa2008/Africa_RiskReport_08.pdf
[182] Ibid. p.8

and regional economic conditions. Additionally, as food is a major proportion of poor people's consumption basket, higher food prices may threaten political stability in Africa, leading to a regressive economic crisis, and placing Africa's growth at risk[183]. Similarly, the report concedes that acute water shortages might exacerbate intercommunity and interstate tensions and blight prospects for development.

To this end, the report offers some recommendations to mitigate the problems brought by interdependency of the threats. It highlights collective action by individual governments as a requirement to address each of the four risk areas. This includes raising agricultural productivity, strengthening local adaptation to climate change, improving governance and enhancing economic resilience through diversification. Furthermore, the report states that in order to reduce the vulnerability to external shocks and strengthen the prospect of sustainable growth, governments, the private sector and civil society must collaborate on governance reforms, reducing corruption and ensuring equity in the provision of basic services.[184]

3.5.3 Public Institutions Index

This report is motivated by the Forum's strategy of engagement in Africa, that of public private partnerships. The public Institutions Index is derived from the Forum's Executive Opinion Survey. The Executive Opinion is a continuous research undertaking in different countries on the continent. The survey gathers information from different sources in these countries, including universities, financial institutions and think tanks, to put together the state of a country's level of corruption, and the rule of law. In Africa, the surveys are collected in collaboration with the Global Competitive Programme's Partner Institutes. It captures the perceptions of national business leaders on the quality of the business environment of the country in which they operate, and ranks them according to the index. Additionally, the index represents the annual measure of a nation's political and economic environment and ability to attract FDI and achieve sustained growth. Thus, the Public Institutions index report ranks African countries in the order of

[183] Ibid. p. 5
[184] Ibid.

competitiveness and overall prospects for economic growth. As expected, the country rankings in the report may change from year to year.

3.6 Key findings: How the World Economic Forum influences Africa

This chapter concludes that there are five main areas of the World Economic Forum's impact in Africa. This impact highlights the importance of an informal institution such as the WEF in rooting itself within the development discourses on the continent. Through its engagement with Africa, it is gaining more visibility as an important medium to engage African development challenges and for the creation of action- oriented policies. Below are the main areas of WEF influence in Africa.

- The Forum has an advocacy function as it has become a platform to promote a range of polices.
- It has a standard setting function, as it is an agent in adopting international norms through its reports.
- It is an avenue for mobilizing private and public partnerships.
- The forum has a technical cooperation and service provision function, as it supports the implementation of existing regional goals.
- The WEF coordinates state and non state activities through the global networking of its public and private research institutions.

3.7 Conclusion

This chapter has demonstrated that partnership between developed and developing countries takes many forms. This includes foreign aid, or official development assistance, and foreign direct investments (FDI). In essence there are two major dimensions to these partnerships. One is concerned with 'money changing hands', which is the transfer of capital, made possible by changes in information and technology. This has seen an increase in transnational capital, as new patterns of capital accumulation allow capital to integrate national markets. The second aspect of these partnerships deals with the concept of 'ideas changing minds', which is the role of ideas in

policies and partnership models. To the latter, the chapter has demonstrated that ideas have an important consequence on the political economy of Africa. It is through ideas that concepts are formulated, and knowledge is created. For example, in the 1980s, the discourse of development was driven by the dominant concepts and ideology on development as articulated by the IMF and the WB. The result was the prescription of the SAPs to African countries, as a solution to declining economies.

Secondly, the chapter has highlighted that the power of financial capital is crucial for ideas to be solidified in policies. The argument offers a twofold supply and demand explanation. Firstly the incentive for African countries to adopt the SAPs was that much needed financial resources would be provided to their governments. The demand for financial resources and the supply of those resources to African countries was the first step in influencing their policies. Once entrenched in these governments, the second step was to make sure that these ideas became embedded in development debates in the long term. Therefore for these ideas to be tangible, the World Bank and the IMF undertook extensive research projects that led to the compilation of their reports. This was made possible by the vast financial resources of the two institutions. The model used by the Bank was to provide intellectual and political leadership by articulating their policy positions in the form of their research reports.

Similarly, the WEF has focused on the transfer of capital and knowledge as central components of development cooperation in Africa. The Forum has capitalized on financial mobility, and specifically on Africa's demand for financial resources for the implementation of development projects. The direct result is an increase in PPP model based initiatives, between the WEF and Africa. The critical question at this point is why knowledge and capital play an important part in how an informal institution like the WEF engages with Africa. The answer lies in that knowledge and capital accumulation are considered to be the formula through which the developed nations have become what they are, and how they have been able to penetrate and dominate development discourses on the continent. The five areas of the WEF's impact highlighted in the chapter clearly indicate that the significance of the World Economic Forum in Africa. Through the WEF's Africa agenda, the Forum has contributed to the development paradigm of the continent.

Annexures

Table 3.3 WEF Partner Institutes for the Competitiveness Program

Algeria	Centre de Recherches en Economie Appliquée pour le Développement (CREAD)
Angola	Serviços de Organização e Finanças Lda (SOF)
Benin	Micro Impacts of Macroeconomic Adjustment Policies (MIMAP)
Botswana	Botswana Institute for Development Policy Analysis (BIDPA)
Burkina Faso	Société d'Etudes et de Recherche Formation pour le Développement (SERF)
	Centre d'Etudes de Documentation et de rechercher Economique et Social, Université de Ouagadougou
Burundi	(Center of Scientific Research in Economics (CURDES)
Cameron	Centre d'Etudes et de Rechercher en Economie et Gestion (CEREC)
	Comité de Compétitivité (Competitiveness Committee)
Chad	Groupe de Recherches Alternatives et de Monitoring du Projet Pétrole-Tchad-Cameroun (GRAMP-TC)
Cote d'ivoire	Centre Ivoirien de Rechercher Economique et Sociale (CIRES), Université de Cocody
Egypt	The Egyptian Center for Economic Studies
Ethiopia	Ethiopian Economic Association/Ethiopian Economic Policy Research Institute
Gambia	Gambia Economic and Social Development Research Institute (GESDRI)
Ghana	International Institute of IT (INIIT)
Kenya	Institute for Development Studies, University of Nairobi
	Institute of Policy Analysis and Research (IPAR)
Lesotho	Lesotho National Development Corporation
	Sechaba Consultants
Libya	National Economic Strategy Monitoring Group
Madagascar	Centre of Economic Studies, University of Antananarivo

Malawi	Malawi Investment Promotion Agency
Mali	Groupe de Recherche en Economie Appliquée et Théorique (GREAT)
Mauritania	Centre d'Information Mauritanien pour le Développement Economique et Technique (CIMDET/CCIAM)
Mauritius	Joint Economic Council of Mauritius
Morocco	Université Haasan II
Mozambique	EconPolicy Research Group, Lda
Namibia	Namibian Economic Policy Research Unit (NEPRU)
Nigeria	Nigerian Economic Summit Group (NESG)
Senegal	Centre de Rechercher en Economie Appliquée
South Africa	Business Unity South Africa (BUSA)
Tanzania	Economic and Social Research Foundation (ESRF)
Tunisia	Institut Arabe des Chefs d'Entreprises
Uganda	Makerere Institute of Social Research, Makerere University
Zambia	Institute of Economic and Social Research (INESOR), University of Zambia
Zimbabwe	University of Zimbabwe

Partner institutes of the WORLD ECONOMIC Forum at
http://www.weforum.org/pdf/gcr/africa/partner_institutes.pdf

Table 3.4 A List of WEF meetings on Africa since 1993

1993 Southern Africa Economic Summit

1994 Southern Africa Economic Summit

1995 Southern Africa Economic Summit

1996 Southern Africa Economic Summit

1997 Southern Africa Economic Summit: *A new Growth Opportunity*

1998 Southern Africa economic Summit: *Priorities for Global Competitiveness in the 21st century,*

1999 Southern Africa Economic Summit: *Responsible leadership for Stability Action and Growth*

2000 Southern Africa Economic Summit: *The African Economic Renaissance: making it happen*

2001 Southern Africa Economic Summit: *Acting on realities, confronting perceptions*

2002 Africa Economic Summit: *Corporate Citizenship and the NEPAD*

2003 Africa Economic Summit: *Harnessing the power of partnership - the New Partnership for Africa's Development)*

2004 Africa Economic Summit: *Engaging Business in Development: the role of the private sector in Africa*

2005 Africa Economic Summit: *Call to Action: A turning Point for Africa*

2006 World Economic Forum on Africa: *Going for growth*

2007 World Economic Forum on Africa: *Raising the bar*

2008 World Economic Forum on Africa: *Capitalising on Opportunity*

3.4.4 WEF Members and Partners in Africa

Members	
Anglo American Corporation of South Africa LTD	*Anglo Gold LTD*
Anglo Vaal Mining Limited	*Council for Scientific and Industrial Research (CSIR)*
De Beers Group of Companies	*Denel (PTY) LTD*
Development Bank of Southern Africa	*Dimension Data Holdings*
ENGEN LTD	*Eskom*
Fedsure Holdings LTD	*First Rand LTD*
Genbel Securities LTD (GENSEC)	*Industrial Development Corporation of South Africa LTD (IDC)*
Investec Bank LTD	*Johannesburg Stock Exchange*
KWV (PTY) LTD	*Murray & Roberts Holdings LTD*
Nedcor Limited	*New Africa Investments Limited (NAIL)*
Old Mutual PLC	*Plate Glass & Shatterproof Industries Limited*
Rustenburg Wine Estate	*Sanlam*
Sappi Limited	*Sasol Limited*
South African Breweries PLC	*South African Reserve Bank*

Standard Bank Investment Corporation (Stanbic) LTD	*Telkom SA Limited*
The Tongaat- Hulett Group LTD	*Transnet*

Strategic Partners	
ABB	*Alcan*
AMB	*Audi*
Barclays	*Citi*
DuPont	*Goldman Sachs*
HP	*Intel*
JP Morgan Chase	*KPMG*
Merck & Co.	

Regional Partners	
ABSA	*African Rainbow Minerals (ARM)*
Eskom	*Murray & Roberts*
Nigerian National Petroleum Corporation (NNPC)	*SAB Miller*
Sasol	

CHAPTER 4

The World Economic Forum and Southern Africa

4.1 Introduction

The findings of the previous chapter concluded that the early WEF summits in Africa were designated as the 'Southern Africa Economic Summit', and held in the Southern African region. Therefore, the WEF entered Africa through Southern Africa. For this reason, this chapter focuses on Southern Africa, the history of its engagement with the WEF, and the policy outcomes. As previously discussed, after the 1970s, Africa witnessed a remarkable growth of economic organisations which were spurred by debates on continental development. Chapter 3 discussed the World Bank and the OAU reports, particularly the LPA that provided the groundwork for African thinking and articulation on development. The LPA and its update, the Abuja Treaty, envisaged a plan for an African economic union through the consolidation of sub regional units like the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC). Thus when the WEF entered Southern Africa, the SADC was already in operation as the region's development machinery. This chapter will touch on the articulation and practice of development in the Southern African region, specifically the role of SADC in development, and how the WEF positioned itself in Southern Africa's development paradigm. Against this backdrop, the chapter investigates the activities of the WEF in Southern Africa and the extent to which they compliment the SADC development plan.

4.2 Background

The debates on regional development in the Southern African region can be traced to the 1960s and 1970s, with the formation of the Front Line States (FLS) advocating for the region's independence and economic stability. Between 1975 and 1980, six nations- Angola, Botswana, Mozambique, Tanzania, Zambia and Zimbabwe grouped together to form a body dubbed as the FLS. Although an informal grouping of countries and with low levels of institutionalisation of

(their) policies, the FLS were at the forefront of driving political and military efforts to help the region gain independence, strengthen political alliances and economic cooperation.[185] These political developments were taking place alongside significant changes in the global political economy. Specifically the shock waves of the 1970s oils crises raised fundamental questions on models of development and highlighted the increasing importance of regional blocs in the international political economy. In Southern Africa, these developments gave impetus to debates about development in the region, particularly regional integration as a possible model to achieve greater economic cooperation and development. However, the desire to build an economic bloc was hampered by political and security realities in the region. These included the persistence of apartheid in South Africa and its regional offensive throughout the 1970s and 1980s, to destabilise neighbouring countries. South West Africa (Namibia) was still under the political management of the Republic of South Africa.[186]

However, shortly after Zimbabwe formally gained independence in 1980, the leaders of the region's majority-ruled countries gathered in Lusaka to discuss the elements of an economic development plan for the region. The result was the adoption of a declaration titled 'Southern Africa: Toward Economic Liberation.'[187] This came to be known as the Lusaka declaration and paved the way for the establishment of the Southern Africa Development Coordination Conference (SADCC) in 1981. The main reason for the establishment of SADCC was to reduce the region's economic dependence particularly, but not exclusively on apartheid South Africa and to promote interdependence and mutual benefit for the region. There was much more to the ideology of SADCC than it being an attempt at economic regionalism or development cooperation. As Oosthuizen highlights, two processes elsewhere on the continent influenced SADCC's formation. Firstly, SADCC was driven by the original forces behind the ideas of African development as expressed in the OAU's Lagos Plan of Action for the Economic Development of Africa 1980-2000 and the related Final Act of Lagos of 1980. Secondly, the SADCC was influenced by the Preferential Trade Area for East and Southern Africa (PTA) created in 1981. The PTA was the predecessor for COMESA.[188]

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[185] Oosthuizen. The Southern African Development Community. The organisation, its policies and prospects. p53
[186] Ibid.
[187] Ibid. pp.59- 63
[188] Oosthuizen. The Southern African Development Community. p. 61

During its early years, SADCC was heavily reliant on external funding and increasingly on private funding for the implementation of its policies or projects. This was mainly due to the SADCC states being victims of global economic conditions such as adverse terms of trade, increased indebtedness, and reduced investment. SADCC relied on the international community for most of the finance necessary to fulfil its mandate. Direct assistance for SADCC came from three main sources: the United States, the Nordic states and the European Commission.[189] Although economic sanctions had been imposed on South Africa, the donor community tried to be consistent with their aid package to the rest of the region. For example, in line with its positive view of sanctions, the US aid package increased from 1987, awarding SADCC $110 million over five years. Nordic States contributed 30 per cent of total OECD bilateral assistance to SADCC between 1980 and 1985.[190] In 1986 the Nordic- SADCC Initiative was inaugurated to promote regional development.

The years leading up to 1990 were dominated by discussions on two subject matters. One was on economic sanctions imposed on South Africa and the other on the promotion of the private sector, FDI and trade in the region. On sanctions, the discussions related to the negotiated security pacts between South Africa and Angola and between South Africa and Mozambique (Lusaka Declaration and Nkomati Accords respectively). South Africa subsequently violated them. This raised concerns that the military attacks by apartheid South Africa on states in the region compromised the region's prospects for development, and that as long as that was the case, sanctions on South Africa would remain. The SADCC leaders had long recognized that the most important factor in creating regional development was to involve democratic South Africa within the organization.[191] So, as South Africa's destabilization of the region escalated, the SADCC became increasingly politicized and critical of the inactivity of the US and some European Commission countries regarding this issue.[192] In any case, the SADCC resumed its old stance of avoiding political comment and re-focused on regional development. In line with this was the role of the private sector in trade and development, which was another critical issue for

[189]Bowen, B. "The Southern Africa Development Coordination Conference (SADCC)" in Trocaire Development Review. Dublin 1990. Pp 36 -41
[190] Ibid.
[191] Ibid.
[192] Ibid pp 41 -45

discussion. In 1987, for the first time, the SADCC was opened up to the private sector. It focused mostly on transport and communications, a re-organized food, agriculture and natural resource sector and a re-activated energy sector.[193] The admission of the private sector was intended to boost the region's industrial programme through productive investments, and building on infrastructural progress by both public and private sector. Since then, the idea of public-private partnerships became a recurring theme of the SADCC and later the SADC.

4.2.1 The 1990S period: The transformation of the SADCC to the SADC

The transformation of the SADCC into the SADC was based on a number of factors, following the end of the Cold War. These factors included the end of superpower contestation in the region, as the superpowers no longer focused on securing allies by providing economic assistance. Additionally, the European Commission became more inward looking as it focused on prospects for a common market in Europe and thus a reduced focus on Southern Africa. With this reduced focus from important donors, countries in the Third World began competing for Western aid and investments. This went against sentiments that there was a lack of success in the Third World on development assistance, contributing to a general aid fatigue from donors.[194] Therefore there was a deep concern from the region, about the growing marginalisation of Sub - Saharan Africa. Within the global political landscape, these changes contributed to an ideological shift on traditional notions of security, to emphasise a much broader definition of security that included economic, environmental and societal security. This also emphasized economic globalization, with a focus on economic liberalization, increased bloc formation and the globalization of finance and production.[195] Furthermore, these notions underscored an economic growth and development model with a distinctly neo-liberal economic paradigm. According to Schoeman, this became the new ideological driving force that governed decisions also at the regional level. In responding to these developments, SADCC member states had to concentrate on regional integration as opposed to regional cooperation for the sake of protecting member states.

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[193] Ibid.
[194] Masemola, H. An appraisal of restructuring in SADCC/SADC Since 1990. Unpublished Masters Degree thesis. University of South Africa, Pretoria. September 2005.
[195]Schoeman, M. From SADCC to SADC and beyond: The politics of economic integration. Department of Political Sciences, University of Pretoria. Available at http://eh.net/XIIICongress/Papers/Schoeman.pdf

As the era of apartheid and the Cold war drew to a close in 1992, SADCC members dissolved the organisation, and signed the Windhoek Declaration and treaty establishing SADC as an international body and a legal entity.[196] The rationale was that the creation of SADC would strengthen the position of SADC member states in international trade and political affairs, especially in light of the emerging global trend towards regionalism. As Schoeman highlights, external forces that informed the change from SADCC into SADC were much more economically oriented than the mainly political considerations that underlay the establishment of the SADCC. Therefore the main difference between SADCC and SADC is that the latter includes the regional power South Africa, its primary goal goes beyond economic co-ordination to encompass regional integration, and its mandate extends to the political and security spheres.[197]

4.2.2 The end of apartheid in South Africa and its impact on the SADC

The period leading up to South Africa's democratic elections in 1994 created a lot of expectations and enthusiasm in the region and abroad. The expectation was that South Africa's entry into regional organisations, particularly the SADC, would be a major catalyst in steering forward the process of regional cooperation and integration. On the other hand, there were some doubts in this regard as some argued that the priority for the new democracy would be domestic challenges which would sideline the focus on the regional programme. In August 1994, South Africa joined SADC. To a large extent, the democratic transition of South Africa contributed to the region's economic prospects. South Africa's accession increased SADC's international credibility and made it a sought-out partner with which to dialogue and to cooperate on the continent. This was largely based on South Africa's emphasis on democracy, human rights and respect for the rule of law in the region- the very principles that SADC donors emphasized. Africa emerged as a high priority in the new democracy's foreign policy. According to an ANC

[196] Over the years, SADC's membership increased to the present day 15 countries. Namibia joined in 1990, South Africa in 1994, Mauritius in 1995 and Democratic Republic of Congo (DRC) and Seychelles both joined in 1997. Madagascar became a member in 2004, when Seychelles left SADC and was re-admitted in 2007.

[197] At the time of inception in 1992, the civil war in Angola resumed and other democratic transitions in the region were still fragile. Therefore SADC declared that institutional arrangements to ensure political stability and mutual security, which were critical for regional cooperation and integration.

foreign policy document entitled 'Developing a Strategic Perspective on South African Foreign Policy', this priority was informed by the considerations below.[198]

Firstly, as a part of Africa, South Africa's economic development is linked to that of the continent; secondly, that South Africa has an important role to play in the continent's economic and political revival; and thirdly, that economic development in Africa will be significant in bridging the North South divide.[199] Western countries also welcomed South Africa's enhanced participation in the regional economy as an important development that would stem the tide of economic decline and poor governance, as well as anchor regional economies on a sustainable growth path.[200] Therefore, from a region that was grappling with war and uncertain economic prospects, the SADC region was transformed into Africa's brightest hope for peace and prosperity.

The enthusiasm to engage Southern Africa was not only from formal institutions and states. The donor-dependent SADC would also benefit from partnerships with business and private corporations, which increase FDI into the region. Notably, after South Africa's democracy, South Africa dominated foreign investment in SADC. This was attributed to the fact that South Africa received a substantial fraction of new FDI inflows into the SADC region and also hosted the greatest number of foreign subsidiaries across a broad range of economic sectors.[201] In this regard, South Africa's capacity to act as a magnet for FDI in the region was clear, particularly in the context of investment flows as contributors to SADC's mandate of regional economic integration. Critically, this highlighted a shift in the perceptions about the region. In the early 1990s the reluctance to engage Southern Africa was premised on a number of factors including corruption, crime, political insecurity and economic instability. Therefore, South Africa's democracy had a positive impact on the regions' policy environment. Moreover, South Africa assumed leadership of the SADC in years to come, initiating change in SADC's principles, rules and decision making procedures.

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[198] Ikome p. 119
[199] Ibid.
[200] Qobo, M. Regional Integration, Trade and Conflict in Southern Africa. South Africa Institute of International Affairs. January 2007
[201] Dahl, J. Incentives for Foreign Direct Investments: the case of SADC in the 1990s.'NEPRU Working Paper No 81. Namibian Economic Policy Research Unit, Namibia. February 2002. Pp. 5 -8

4.2.3 The regional dynamics of the 1990s

Much of the history of Southern Africa's international relations had been dominated by states and formal institutions. As noted, the experience of the region in earlier decades was shaped by the independence imperative, the maintenance of security and the contribution of the West and Eastern countries to security efforts. Development and economic policies were largely hampered by underfunding, such that after independence and a level of security were achieved in the region, there were significant milestones in addressing underdevelopment. According to Thompson, Southern Africa's future prospects in the 1990s were shaped by: i) the regime frameworks operating within the region; ii) the influence of exogenous forces such as the supply of aid and the international economics; and iii) the potential changes of interest in the region from state and non states actors.[202]

In terms of the focus of the research, the latter is significant as it sheds light on understanding some of the 'unofficial' actors in the region. As underlined, there was indeed a general enthusiasm on engaging the continent in the years leading to the democratic transition in South Africa. The renewed expectations on establishing economic and political ties with the region did not mean that Southern Africa was not experiencing developmental challenges. In particular, one of the major challenges was to create an enabling environment for investments, thus attracting non-state actors into doing business in the region. On the other hand, the onus was for investors and non-state actors to identify opportunities in the region, despite foreseeable challenges.

4.2.4 SADC in the 1990s and beyond

Given the regional dynamics in the 1990s, it is critical to assess the role of SADC in Southern Africa and the ways in which non-state actors and business institutions were able to cooperate with it. It is important to understand what SADC stood for in the 1990s, and what its principles and objectives were. This section looks at SADC's mandate in the 1990s as it informed the mechanisms through which partnerships could be achieved with the regional development

[202] Masemola. An appraisal of SADC restructuring. p. 61

institution. Further it is also critical to highlight SADC's mandate in the 1990s as SADC undertook major institutional reforms in 2001.

After its transformation from the SADCC in 1992, SADC objectives were centered on achieving social development and economic growth. The Windhoek declaration outlined that the framework for SADC cooperation would include: a) deeper economic cooperation and integration on the basis of balanced equity and mutual benefit, providing for cross border investments and trade, and freer movement of factors of production, goods and services across national borders; b) common economic, political social values and systems, enhancing enterprise and competitiveness, democracy and good governance, respect for the rule of law and the guarantee of human rights, popular participation and alleviation of poverty; and c) strengthened regional solidarity, peace and security.[203] The SADC treaty which established SADC in 1992 retained much of the Windhoek Declaration but put more emphasis on democracy, poverty eradication and combating HIV/AIDS and other diseases such as tuberculosis and malaria.[204] In the following years, a number of treaties were signed between member states. The treaty also set up sector areas run by member states. Among others, they included trade investment and finance which was held by South Africa under the finance and investment sector coordination unit (FISCU) and run from South Africa's Ministry of Finance. By 1996, protocols on trade, transport and communication and energy were signed.[205]

During this time, the work on reforming the SADC was also in progress. Special mention can be given to the 1993 report entitled 'A Framework and Strategy for Building the Community', stating that the cooperation approach required revision. In 1994, SADC produced a document titled 'Management for Regional Co-operation' that underlined the management and capacity constraints of the SADC institution. Another significant report was the 1997 consultant's SADC Programme of Action Rationalization report, which called for a more coherent framework in formulating sector policies and time frames.[206] In the following year at a SADC summit, it was stressed that the future focus of SADC should be on policy formulation, coordination and

[203] See Oosthuizen. The Southern African Development Community. pp 70-73
[204] Ibid.
[205] The SADC trade Protocol was entered into force in 2000. It provided a framework for further trade liberalisation, and enhancing the region's economic development, diversification and industrialization.
[206] Oosthuizen pp. 77

harmonization, and that the private sector and other stakeholders should be involved in the development activities of the Community.[207]

According to Oosthuizen, SADC started warming up to the private sector during the second half of the 1990s. This was in line with its market integration approach based on the belief that trade and market liberalization results in development. Thereby, SADC was formally recognizing the role of the private sector in attaining its objectives. SADC also welcomed region-wide private sector associations such as the Southern Africa Enterprise Network (SEAN), the Mining Industry Association of Southern Africa (MIASA), and the Association of SADC Chambers of Commerce and Industry with which the SADC signed a memorandum of understanding[208].

From 2000, SADC carried out a number of organizational and institutional reforms, amending the original 1992 SADC treaty. SADC's main objectives were still directed to the promotion of economic growth and socioeconomic development, and security. However an important instrument was launched in 2004, as the main socioeconomic development plan. Often referred to as SADC's NEPAD programme, the Regional Indicative Strategic Development Plan (RISDP) was developed to take into consideration the region's political and economic advances since the establishment of the SADC in 1992. Its development took into consideration WTO, NEPAD, and Cotonou agreement frameworks, the Millennium Development Goals (MDG) and the views of the private sector. The RISDP is a fifteen year plan that seeks to deepen the integration agenda of SADC and accelerate socio economic development. The plan identifies two priority interventions: cross sectoral intervention areas which include poverty eradication and the fight against HIV AIDS, and sectoral cooperation and integration areas that include trade liberalization, sustainable development and food security and human and social development.

More specifically, the RISDP has prerequisites for achieving its objectives. Like the NEPAD discussed in Chapter 3, the RISDP highlights good governance and democracy, economic and corporate governance and the creation of an enabling institutional environment in the region as critical to achieving its socioeconomic objectives.[209] Further, the RISDP emphasizes the need to improve productivity and competitiveness in the regional economy; diversification and trade

[207] Ibid.
[208] Ibid.
[209] See Oosthuizen pp. 125-127

liberalization; the development of a knowledge based society; and research, science and technology innovation, development and diffusion for the successful implementation of the programme. As concluded in the previous chapter, these elements of integration and development are similar to those that the WEF expresses. They are particularly more visible in the kind of initiatives that the WEF has launched with NEPAD in the areas of ICT infrastructure and education. To an extent, the work of the WEF has been informed by existing institutional development frameworks. To this end, the research assesses the WEF's regional summits within the development paradigm of the SADC from the 1990s, noting that the first summit in Southern Africa took place in 1993.

4.3 Background to the regional summits

The WEF explicitly outlines the rationale for its regional summits. In its statements, the Forum notes that the main objective of its regional events is to provide a platform for interactions among political and business leaders where participants can take advantage of networking opportunities and explore business partnerships for trade and investment.[210] It is therefore critical to explore why the WEF started engaging Southern Africa as a possible venue for its regional agenda. The interest in Southern Africa was taking place at a time when the region was undergoing significant political developments and the world's attention was focused on the outcomes of the democratic process in South Africa. From 1991 onwards, interest from both state and informal actors began to grow. This was because of talks regarding the removal or lifting of economic sanctions from South Africa. Notably, in 1991, states began the process of lifting economic sanctions on the government-in-transition. The US lifted economic sanctions against South Africa in 1991 amidst stark criticism from top Democratic leaders, and anti apartheid movements in the US. In the same year, Japan also lifted economic sanctions against South Africa.[211] The European Commission lifted its ban on oil sales to South Africa and advocated for the resumption of sports, cultural and scientific links. Norway announced that it

[210] See 'Shaping the regional agenda. Available at http://www.weforum.org/pdf/Shaping_Regional_Agenda_2008.pdf

[211] Case Studies in Sanctions and Terrorism. Peterson Institute for International Economics. At http://www.iie.com/research/t(s/sanctions/southafrica.cfm

would partially lift its economic and trade sanctions against South Africa, but maintained its embargo on oil and weapons sales.[212]

In November 1993, the US signed into law a bill repealing all remaining federal anti-apartheid sanctions, except for the arms embargo and restrictions on transfers of nuclear technology. Lifted sanctions included: a ban on aid; a ban on Overseas Private Investment Corporation (OPIC) and Export-Import Bank programs; and trade restrictions. The law also called on local governments to repeal their own sanctions before October 1995 or risk the loss of federal transportation funds.[213] Therefore, there was a clear drive from the international community to re-engage with South Africa economically and politically. After the lifting of international sanctions and the relaxation of capital controls, South African companies began to invest and grow into the region. In addition, companies also began to explore international options. At the same time, the region was alive with possibilities regarding the engagement of multinational corporations in the SADC region. This changed the business environment not just within the country itself, but throughout Southern Africa. The lifting of American sanctions and of UN restrictions a few years later opened the doors for South Africa to the world and expanded opportunities for the continent.

Noting these significant developments in the SADC region, the WEF held a meeting on Southern Africa during its Davos summit in 1990. The meeting was to discuss the changing political landscape in the Southern African region, with particular emphasis on bringing together representatives of the government and all political groups of South Africa, along with government officials from neighbouring countries.[214] This meeting sowed the early seeds of the Forum's engagement with South Africa and the region. This is because in 1992, the WEF invited to its Davos meeting, the then President of the African National Congress Nelson Mandela, along with the South African President in 1992, President F. W. De Klerk and Chief Mangosuthu Buthelezi of the South African liberation party, Inkhata Freedom Party.[215] These were the key actors in South African politics, who were negotiating the democratic transition of South Africa.

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[212] Ibid.
[213] Ibid.
[214] See Report on the 1999 Southern Africa Economic Summit. Responsible Leadership for Stability and Growth. Durban South Africa 4- 6 July. World Economic Forum, 1999. p. 26
[215] The World Economic Forum: Three Decades of History. The Wall Street Journal. Available at http://www.aegis.com/news/wsj/2003/WJ030103.html

Engaging key political figures of South Africa during its period of transition was strategic for three main reasons.

Firstly, the WEF took into consideration that the democratic transition of South Africa could possibly change the political economy of the region. The WEF identified South Africa's potential role in the region as a catalyst for economic activity. Secondly since the SADC was largely donor dependent for the implementation of its projects, there was a financing gap that could be explored. Thirdly, the WEF anticipated that South Africa's role in the region could influence the agenda of SADC, once the country was admitted into the regional community. Therefore, South Africa would be the means through which it channels its activities in the Southern African region. As highlighted in the previous chapter, the Southern Africa Economic Summits were among the first of the WEF's regional conferences around the globe.

4.4 The economic summits

The first Southern Africa Economic summit was held in 1993.[216] From then on the Southern Africa Economic Summits were held annually until 2001. In the same period, the WEF also hosted the Middle East-North Africa summits. Therefore the research discusses the Southern Africa summits from 1993- 2001. The summits will be categorized into three groups. The first group refers to the early summits which took place from 1993 to 1995. The second group is the summits that took place from 1995 to 1999 when South Africa and the region were undergoing significant changes and the WEF was expanding its mandate in the region. The third group of summits analyzed is those in the twenty-first century, from 2000 to 2001. The analysis also looks into some of the 'new' issues that arose from global discourses that may have had an impact on the agenda of the meetings during this period.

The summits under the banner 'Southern Africa economic summit' were held in cooperation with the SADC. The distinction between the Southern Africa economic summits and the latter Africa Economic Summits (held from 2001 onwards) is significant. The first point is that the Southern Africa Economic summits were convened to specifically focus on developments in the

[216] See The Report on the 1999 Southern Africa Economic Summit.

Southern Africa region particularly in the 1990s, and how the WEF could take stock of economic opportunities in the SADC region. Frédéric Sicre, Director and Member of the Executive Board of the WEF during this time underlined that the WEF was seeking to become the "trustee of the most powerful network of business, political, intellectual and other leaders of society committed to improving the state of Southern Africa."[217]

Therefore, the aim was to build a relationship with Southern Africa first, particularly government and businesses, as part of the WEF's strategy to interact with the African continent. The second point is that from the mid 1990s, the WEF's global mandate was expanding as the Forum responded to changes in the global political economy. As the WEF indicated, the 21st century brought new challenges to Africa as a continent, especially on how the continent could be integrated into the global economy.[218] The Forum conceded that Africa was experiencing new political leadership that was driving the continent forward under democracy and market liberalization measures, and that the opening up of opportunity was in turn fostering the emergence of a powerful entrepreneurial class.[219] Thus the WEF needed to rebrand its summits and expand its reach on the continent. Therefore, the chapter focuses on the discussions and outcomes of the Southern Africa summits in 1993, 1997, 1998, 1999, 2000 and 2001.

4.4.1 Southern Africa Economic Summit 1993 – 1996

In May 1993, the first Southern Africa Economic Summit took place in Cape Town, South Africa. The summit was attended by the WEF's member companies, the private sector from South Africa and neighbouring countries, as well as political leaders in the region and those from the developed world. As the summits were convened in partnership with the SADC, the agenda for the summits was largely determined by changes taking place in the political economy of SADC countries and the region as a whole. Therefore the conventional approach was to combine discussions that were taking place within SADC with those that were taking place at the WEF Davos meetings. Economic profiles, the investment climate and opportunities in each of

[217] Ibid.
[218] See Shaping the regional Agenda.
[219] Ibid

the SADC member states were some of the core topics of discussion each year.[220] As already stated, SADC was beginning to warm up to the idea of business partnerships in the development process of the region. Since the first summit in Southern Africa was held in conjunction with SADC, the SADC ministers of economy and finance were among those present at the regional meeting.

According to the WEF, the aim of the summit was to support SADC efforts of 'further regional integration both in the political and regional sphere'.[221] With the process of transition taking place in South Africa, Nelson Mandela used the meeting as a platform to reassure the international community that an ANC-led South Africa would emphasize political stability, social justice and immediately deal with political and economic uncertainties. The SADC representatives took the lead in outlining the challenges to the region's development. They reiterated that there were 'numerous opportunities in infrastructure, energy, natural resources, manufacturing, telecommunications, transport, tourism and travel'. These sentiments were aligned with the WEF's plan for the continent as a whole, as it was seeking to 'sensitise the political and business leadership of Africa to the impact of globalization and the prerequisites for private sector investment.'[222] Already, the idea of partnering for development was burgeoning. Although there were no concrete outcomes from the meeting, it was hailed a success by the summit stakeholders. The WEF-SADC partnership was seen as promoting cooperation and mutual benefit, as it provided the stage for informal discussions on the most pressing issues in the region. The event itself was also well attended and stimulated much debate about future development scenarios in the region, with discussions on South Africa's democracy and contribution to the region's development.

In the following year, on the 27th April 1994, South Africa underwent its first democratic elections which saw Nelson Mandela become the first president of the new democracy. The result was a fundamental change in the political, social and economic landscapes of the country.

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[220] See The Report on the 1999 Southern Africa Economic Summit.

[221] Southern Africa Economic Summit Calls for Action. May 19 1998 . Xinhua News Agency. At http://www.encyclopedia.com/doc/1P2-18176170.html

[222] Southern Africa A new Growth Opportunity. 1997 Southern Africa Economic Summit Harare, Zimbabwe, 21- 23 May. SADC Finance and Investment Sector Coordinating Unit. 1997. pp5-7

In August the same year, the WEF held its second Southern Africa Economic summit in Cape Town.[223] This time, the summit's significance was unmistakable. It was more of a formal regional convention of heads of states, cabinet ministers, and business leaders in celebration of South Africa's historic independence. With the region's presidents: Sam Nujoma, Robert Mugabe, Haasan Mwinyi, SADC Chairman and former first Vice-Chairman of the OAU, President Masire in attendance, President Nelson Mandela gave the equivalent of a state of the nation address. Mandela expressed gratitude to the WEF and 'its efforts to assist the reconstruction and development plans of the region', and also emphasised the challenges ahead for South Africa's reconstruction and the necessary cooperation with the SADC.[224] In summary, South Africa was putting emphasis on a vision of partnership between itself and the SADC, and between the SADC and the informal WEF, as one that would ensure sustained development.[225] Media reports after the 1994 summit revealed the WEF's early influence in the region. They reported that the meeting had been successful, and that the WEF was becoming a key vehicle for politico-economic consultations in the region.

The 1995 and 1996 summits followed the same model. Working with the SADC, the meeting convened heads of states from the region, cabinet ministers, and business leaders from international and regional corporations, as well as leading academics and scientists.[226] Discussions at the 1995 summit were a combination of South Africa's foreign policy priorities and the development agenda for Southern African countries under SADC. Some of the themes outlined for discussions included 'promoting democratic governance and Human Rights in Southern Africa'; 'enhancing Southern Africa Business Infrastructure'; and 'finding South African Partners: Opportunities for Business'. At the summit, President Mandela urged SADC countries to realise regional economic integration.[227] This was timely, as the SADC was already taking steps towards greater economic integration during this period. The Trade Protocol was becoming the subject of intense negotiations between SADC member states. The decision to

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[223] Ibid.
[224] Address by the President of the Republic of South Africa, Nelson Mandel at the Worlds Economic Forum Southern Africa Summit. Cape Town. 9 June 1994. At http://www.anc.org.za/ancdocs/history/mandela/1994/sp940609.html
[225] Ibid.
[226] Southern Africa Economic Summit 1999. SADC Finance and Investment Sector Coordinating Unit (FISCU), Department of Finance, Pretoria, South Africa. 1999
[227] See Xinhua News Agency. Southern Africa Economic Summit calls for action.'

establish sector coordinating units run by member states saw the creation of FISCU in 1995, as a step towards promoting sound investment policies, financial harmonization, macroeconomic stability and improved utilization of development finance resources to address development requirements on the region.[228]

From 1996, together with SADC, FISCU started to work hand in hand with the WEF Southern Africa Task team in organizing the regional summits. The contribution of FISCU was notable, as FISCU coordinated the primary research for the summit reports. FISCU was key in coordinating primary research in all fourteen SADC countries, working with various ministries of finance and central banks, agencies and stock exchanges in compiling economic statistics for the reports.[229] FISCU was also integral in providing the summit with comprehensive country profiles comprising of political overviews, economic trends and opportunities.[230] This strengthened the research capacity of the Southern Africa Economic summits and established the knowledge production link between the Southern African region and the Geneva-based organisation. At this time the FISCU report was the main research output of the summit. These reports indicated the general consensus at the meeting; that economic cooperation between SADC countries and between SADC, the continent and the rest of the world, was critical for the regions development agenda.[231]

By 1996, considerable changes were taking place in the SADC. In August 1996 SADC member states signed, among others, a Trade Protocol. It has been argued that the Protocol reflected a new level of commitment regarding regional integration efforts. The Trade Protocol was based on the principle that an integrated regional market will create new opportunities for a dynamic private sector.[232] It focused on simplifying trade procedures in order to promote trade, eliminating tariffs and non-tariff barriers, and promoting industrial development and diversification in Southern Africa. These were some of the very principles that the WEF advocated; that of open markets and free enterprise. From 1996 onwards, the Trade Protocol and

[228] Oosthuizen. The Southern African Development Community. pp 72 -75
[229] See The Southern Africa Economic Summit 1999 report.
[230] Ibid.
[231] Ibid.
[232] Ibid. Oosthuizen.

its core tenets dominated discussions at the regional summits, as well discussions as at high level consultations in the SADC.

4.4.2 The Southern Africa summits: 1997 – 1999

Starting from 1996, the location of the summit shifted from South Africa to other countries in the region. Part of the reason to rotate the countries hosting the summits was to embrace the 'Southern African' dimension of the summits and to mitigate sentiments that the summits were becoming South African-driven, ignoring key issues affecting other countries. Another issue was that South Africa was the chair of SADC in 1997, it was therefore crucial to show that South Africa's approach to SADC matters was indeed 'regional'.[233] For these reasons, the period from 1996 onwards saw the summits rotating within countries in the Southern African region. The 1997 summit took place in Harare, Zimbabwe, and the 1998 summit was in Windhoek, Namibia. The summit returned to South Africa, taking place in Durban in 1999.[234] The summits also became more pragmatic regarding the agenda and the outcomes of the summits. The programme of the summits was intensified to incorporate global trends and developments within discussions and outlined some recommendations on topics discussed. These recommendations became guidelines for further discussions at upcoming summits.

Generally, between 1997 and 1999, discussions at the summits were centered on regional economic policy. Core to the discussions were the following: facilitating the implementation of the Trade Protocol; increasing FDI in the SADC region through multilateral institutions and private sector engagements; and creating a strong business-driven network through which private sector-led economic development can rapidly take place.[235] The 1997 economic summit, titled 'Southern Africa; A new Growth Opportunity' focused on SADC economies in a global context. According to the FISCU- SADC report on this meeting, the purpose of the 1997 meeting was to provide a sufficient understanding of SADC member states to investors.[236] This was based on observations that while a number of investors regard the region as a viable investment

[233] Ibid.
[234] See The 1997 Southern Africa Economic Summit Report.
[235] Ibid.
[236] Ibid.

destination, there was still insufficient information about investment opportunities, investment climate, regulatory frameworks, the process of privatization, and the general macroeconomic information about SADC.[237] The meeting report concluded that economic performances in the SADC region had improved and that with a growing manufacturing sector and an improving financial sector, the region was presenting investors with new opportunities which could enhance the diversification of economies and economic performances.[238] The report outlined some recommendations that would improve SADC's economic performance. These incorporated the following: policy reform and adjustment in economic sectors (the deregulation of prices, complete removal of exchange controls and privatization of state enterprise); scaling up regional integration efforts (as outlined in the 1996 Trade Protocol); improving the state of infrastructure in the region through private sector funding; shifting from the idea of transport corridors to development corridors with a strong public-private partnership; and accelerating the process of spatial development initiatives.[239]

Three months later at a summit of SADC Heads of State and Government in Malawi, the Southern Africa economic summit was discussed as well as the recommendations which were made to the SADC Secretariat at the summit. This summit was attended by the Secretary General of the OAU Dr Salim Ahmed Salim, the acting Secretary General of COMESA, Mr. J.E.O. Mwencha, and representatives of the African Development Bank (ADB) and the United Nations Economic Commission for Africa (UNECA).[240] In addition to the discussions and resolutions taken at the SADC summit, the SADC summit further endorsed decisions and recommendations made at the 1997 Southern Africa Economic Summit. These were calling, among others, for fundamental economic reforms and meaningful involvement of the private sector in economic policy making and implementation.[241] The significance of the WEF in setting the regional agenda was already taking shape.

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[237] Ibid.
[238] Ibid
[239] Ibid.
[240] SADC Heads of States and Government. Summit Communiqué. Malawi Blantyre. 8 August 1997. http://www.iss.co.za/af/RegOrg/unity_to_union/pdfs/sadc/communiques/HoS%2097.pdf
[241] Ibid.

The theme for the1998 summit convened in Windhoek- 'Priorities for Global Competitiveness in the 21st century'- was to highlight some of the successes and challenges facing SADC countries.[242] This was to contribute to the region's economic forecast for the coming years. Discussions focused on signs of an economic and business renaissance in Southern Africa and steps the region should take to better integrate into the global community on the eve of the new millennium. In line with the above, it was emphasized that one of the aims of the summit was to produce a SADC macro-economic analysis document that would be used to inform current and potential regional and international investors of, amongst others, the investment climate in each SADC economy, potential investment opportunities and legal provisions for doing trade.[243] To that effect, the SADC macroeconomic analysis document was produced. It outlined some of the region's macroeconomic highlights and discussed the notion of 'competitiveness' concerning Southern Africa. This was against the backdrop of debates on economic policy in the region (within stakeholders such as labour, commerce, industry and NGOs), and increasing international attention on Southern Africa and prospects for doing business.

Discussions were predominantly centered on economic policy and macroeconomic management in SADC countries, as well as the role of SADC in ensuring governments' commitment to sound economic principles.[244] The following are other topic headings that were discussed at the summit: 'Southern Africa: Actions for Global Competitiveness in the 21st Century,'; 'understanding the Asian crisis and its impact on Southern Africa'; the role of the global corporation in Southern Africa'; and 'the possibilities of SADC to strengthen ties with Eastern and Central Africa.'[245] The summit report outlined some recommendations on regional economic policy. It stressed the need to ensure that a market based economic system embraces a wide majority in order to address poverty and other social backlogs; the need to improve the economic policy environment so that it is conducive to attracting and keeping regional and foreign investors, and that challenges such as political commitment and institutional capacity to implement reforms be addressed at the SADC level.[246]

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[242] See The 1998 Southern Africa Economic Summit Report.
[243] Ibid.
[244] Masemola. An appraisal of SADC restructuring. pp 126 - 130
[245] See The1998 Southern Africa Economic Summit report
[246] Ibid.

The 1998 summit also launched the first Africa Competitiveness report in the Southern Africa region. This report was originally compiled for the WEF Davos summit, as a comparative analysis of strengths and weaknesses of 24 countries in Africa and their economic prospects. Out of the 24 countries in the report, all SADC countries, with the exception of the Democratic Republic of Congo and the Seychelles were also covered in the report.[247] The report was emphasized as an important contribution to understanding the challenges facing the region and possible practical solutions. The competitiveness report was important in that it covered most of the SADC countries; therefore it was a relevant source in the summit discussions. Secondly, the Africa Competitiveness report became a crucial research undertaking for the WEF in subsequent years. The report was also discussed at the 1999 summit, as a measure economic progress in the region. The deliberations at the 1999 economic summit focused on regional macroeconomic policy, the role of governments in achieving growth and development, and advances in the region's trade policy.[248] The report conclude with the following three main recommendations: i) that a comprehensive plan for regional integration should be developed, including a timetable for its implementation; ii) that capacities for SADC institutions should be strengthened such that SADC becomes an aggressive agent for change and modernity in the region; and iii) that Southern Africa must communicate better with the rest of the world to create 'more good news' and demonstrate that private/public partnerships can bear tremendous results.[249]

After these three summits, the WEF had made its mark in the region. Part of the reason was that the summits, held in cooperation with the SADC, convened the most important and influential leaders in politics and business. By 1999, the WEF was reputed for being the most powerful platform in the region where African and international business leaders work together with political leaders in a private and informal atmosphere. [250] Additionally, the importance of the summits was often brought to light at SADC Heads of State summits and also by heads of state at the economic summits. For instance, at the 1997 summit, President Mandela asserted that the summit was one of the most significant events in Southern Africa's calendar. In particular, President Mandela stated that the Forum provided SADC with the opportunity to measure policy

[247] Ibid.
[248] See The Southern Africa Economic Summit 1999 Report.
[249] Ibid. pp. 2-3
[250] Ibid.

progress and challenges against the judgments and the plans of decision-makers in government and business. Further Mandela reiterated that the Southern Africa summits were important in bringing those who command investment resources together with SADC and its member governments and also critical to forging strategic a partnership in the region.[251]

4.4.3 Southern Africa Economic Summits 2000- 2001: The 'renaissance' moment

The 2000 Southern Africa Economic summit took place in South Africa. The theme for the summit-'the African Renaissance: making it happen'- was a true reflection of discussions taking place on the continent.[252] The first issue related to the decision to establish the AU as the successor to the OAU in 1999. African leaders had decided to establish the AU as 'a new departure' for the continent, which would continue the task of building a strong and united Africa in an era of unprecedented global change and uncertainty. The AU was to steer Africa forward, as it advocated, a spirit of renewal concerning development on the continent. The notion of a 'renewal, and 're-birth' of the continent was one that had its roots in the concept of an African renaissance, as promoted by President Thabo Mbeki.[253] As the second president of democratic South Africa, Mbeki sought to drive African development. As far back as 1997, the concept of African renaissance was a topical discussion.

As President Mbeki highlighted, the elements that comprise the African Renaissance were: social cohesion, democracy, economic rebuilding and growth, and the establishment of Africa as a significant player in geo-political affairs. In the following year, the NEPAD development framework would be endorsed as the main tool in achieving the vision of an African renaissance.[254] The 2000 Southern Economic summit was tasked with identifying some of the challenges facing Southern Africa on the onset of the new millennium, specifically in achieving the development mandate of the SADC. According to the WEF Africa Desk, the vision was to create a platform for efficient outcome-oriented dialogue and high-level networking between

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[251] Address by President Nelson Mandela at the Southern Africa Economic Summit Harare 21. May 1997. 'A vision for Southern Africa. At http://www.anc.org.za/ancdocs/history/mandela/1997/sp970521.html

[252] Southern Africa Economic Summit 2000 Report. The Africa Economic Renaissance: Making it Happen. Durban South Africa 21-23 June. World Economic Forum 2000.

[253] Ezeoha, A and Uche, C. South Africa, NEPAD and the African Renaissance. ASC Working Paper 64/ 2005. African Studies Centre. Pp. 16 – 26.

[254] Ibid.

business and political leaders.[255] This meant that there were concerted efforts to not only make the summits a venue for discussions and networking but to come up with concrete policies and action plans that could be implemented.

The two broader objectives of the summit were to give an economic input to the African Renaissance concept, by identifying impediments to the fulfillment of 'renaissance' on the continent, and also assess how regional integration priorities in Southern Africa can be pursued. The main impediments to the African Renaissance were seen to be the insufficient capacity for conflict resolution and inadequate social welfare provisions on the continent.[256] Thus, for the first time, the agenda of the summit was not only focused on issues affecting the Southern African region, but also on development strategies encapsulated within the AU framework.

The summit also saw the launch of the second Africa Competitiveness Report, covering 30 countries on the continent. The report laid the basis for discussions on overcoming underdevelopment and attracting FDI in Africa. The report revealed that Africa was still ranked as the lowest recipient of FDI globally. Therefore the key recommendations were that the WEF should intensify its activities on the continent such that it builds a community of leaders committed to African development. The summit report reflected that 'one of the challenges of the WEF was to go beyond being an influential annual convention to fulfilling its mandate of improving the lives of Africans.[257]

To that end, the recommendations from the economic summits were directed at the SADC and the AU in ensuring that the WEF can carry its development mandate on the continent. A litany of policy prescriptions directed to the SADC and the AU were outlined. There were: i) adherence to good governance both to sovereign states and business; ii) adherence to free market principles and to the free movement of goods and services; iii) pursue and support economic policies that stimulate domestic savings and investment; and iv) adopt a pragmatic and urgent approach to the issue of health, including malaria and HIV/AIDS epidemic.[258]

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[255] See The Southern Africa Economic Summit 2000 Report.
[256] Ibid.
[257] Ibid.
[258] Ibid.

The 2001 summit was convened in Durban, South Africa under the theme 'Acting on realities and confronting perceptions'.[259] The meeting took place following events in the region that were identified as immediate concerns for the SADC. These included floods in Mozambique, renewed fighting in the Democratic Republic of Congo and the breakdown of law and order in Zimbabwe.[260] In addition to the above, the meeting mainly focused on recommendations made at the previous summit, as these issues were incorporated in meeting plenary sessions and discussions. In customary fashion, the summit brought together continental heads of state, leaders from the corporate sector, WEF foundations members and leading international policy experts. However, for the first time, the summit was held in association with the MAP Steering committee which was formed in October 2000.[261] This was significant because the Steering committee made important contributions to the final NEPAD initiative, and secondly that the MAP and OMEGA plans were amalgamated into the final NEPAD initiative. As a project of the AU, the NEPAD was to mobilize investments to support the implementation of development projects on the continent.

The collaboration with the MAP steering Committee marked a shift in the WEF's mandate in Southern Africa; that it was becoming much broader to include the rest of the continent in its discussions. In line with expanding its Africa mandate, the WEF later expanded the coverage of its summits. From 2002, the economic summits were convened under the banner 'Africa Economic Summit' and later on, 'The World Economic Forum on Africa'. They no longer focused on the Southern African region only, as they were convened in collaboration with the AU, NEPAD, SADC, and its extensive range of knowledge and strategic partners. Specifically, the Africa summits were to become a platform for effective dialogue and networking to marshal private sector inputs to ensure the effective implementation of the NEPAD. As the WEF stipulated, the summits would help clarify targets and build innovative partnerships to provide the necessary framework for investment and growth in Africa, and harness the crucial role of

[259] Ibid.
[260] See Southern Africa Economic Summit to open in Durban. June 20 2000. Xinhua News Agency.
[261] In September 2000, President Bouteflika and President Obasanjo approved a concept paper on the Millennium Partnership for the African Recovery Programme (MAP) which was developed by President Mbeki. A MAP Steering Committee was then appointed to develop a more detailed proposal.

business in facilitating NEPAD's success. Thus, the first rationale was that the WEF wanted to deepen its engagement with Africa, to take stock of imminent economic opportunities.

The second reason was that the WEF was responding to changes in the global political economy. Following the 11th September 2001 terrorist attacks on the US, the WEF's regional programmes were being intensified globally.[262] Summits in Latin and South America, India and China were launched and became annual events of the WEF. Regarding the move from the Southern Africa Economic Summits to the Africa economic summits, the WEF emphasized that the post 11 September trade growth forecasts in Africa were negatively affected, and that the world recession that was taking place could take a heavy toll on African economies as a whole. Therefore, the summits were to bolster African development efforts and ensure that development in Africa was not ignored as the West focused on fighting terrorism.

At the 2001 economic summit, the partnership with the MAP steering committee was evident in some of the topics discussed. The themes of the 2001 summit included the following: the role of Africa; good governance, stability for development and investment; the response of Africa's international partners: market access, debt relief and development aid; bridging the digital divide; and the global health initiative.[263] These themes were similar to those that had dominated the Africa session at the WEF Davos meeting the same year. Core discussions also included the follow-up of the launch of the Millennium Africa Programme, which was presented at the World WEF annual meeting in January. One of the reasons behind this discussion was to provide key resolutions that would inform the discussions on NEPAD at the G-8 Summit in Canada, shortly after the economic summit. The meeting highlighted other development issues on the continent, and the role of the international community in assisting development efforts.[264]

4.5 Key outcomes of the Southern Africa Economic summits

The outcomes underlined below are initiatives or programmes that were launched as a result of consultations in the regional summits. The chapter maintains that the outcomes take two forms.

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[262] See. The World Economic Forum: Three Decades of History. The World Street Journal, , January 20, 2003
[263] See The Southern Africa Economic Summit 2000 Report.
[264] Mbeki: Briefing on Millennium Africa Renaissance Programme at WEF meeting in Davos. 28 January 2001. The Presidency. Available at http://www.gov.za/search97cgi/s97_cgi?action=View&Collection=speech01&Collection=speech00&Collection

The one being concrete on-going initiatives which are formally organized, and the other being intangible outcomes like declarations, or action plans that tend to reinforce certain principles of development. The following outcomes are brought to light.

- International Trade Centre (ITC) business matchmaking initiative

The ITC business matchmaking service was initiated at the annual summit in 1997. Over the course of the Southern Africa economic summits (and the subsequent Africa Economic Summits) the ICT matching initiative organized numerous matchmaking meetings where possibilities for partnerships were explored. According to its reports, over 400 bilateral meetings have been conducted, connecting business people from 20 countries, 14 of which were from Africa. The ICT reports that these meetings have led to business partnerships in financial services, telecommunications, energy, management consulting and education. Success stories include Mozambique's national electricity company (EDM) which was 'matched' with a Swedish power supplier in 2005. EDM purchased renewable energy technology from Sweden a year later. This an example of the WEF's focused networking and partnership facilitation function as the summits became a platform to connect business people from Africa with those from the developed world.[265]

- Formation of a NEPAD SADC Business Hub

The NEPAD SADC Business Hub was established in 2008. It was a product of the NEPAD Business Foundation founded in 2005 by five founder partners: Anglo American, Eskom, MTN, Old Mutual and Transnet. NBF facilitated the establishment of a SADC NEPAD Business Hub consultation at the WEF Africa summits.[266] The SADC Business Hub emerged from the 2008 summit with the following objectives: to ensure the private sector's role in the development of economic growth on the continent; to address the current challenges existing in conducting business within the SADC region; to promote trade and investment flows; to reinforce the role of

[265] International Trade Forum. At http://www.intracen.org/aboutitc/compendium/welcome.htm?http&&&www.intracen.org/aboutitc/compendium/en/main.htm
[266] Ibid

the private sector for relevant trade and economic policies within SADC; and to strengthen integration within SADC.

- SADC WEF e -readiness consultation report 2001/2002

The 2000 economic summit report recommended, among others, that there was a need to look at improving ICT in Southern Africa and to make ICT part of the development model in the region. The report emphasized that the integration of ICT into the economies and societies of the SADC member states was an overarching issue as ICT can become part of the solutions in achieving development. Hence, SADC included ICT at the top of its agenda. The WEF Steering Committee on Policies and Strategies was invited by regulators from SADC to share perspectives on what constitutes e-readiness. A joint SADC-World Economic Forum consultative workshop was held on 4-5 October 2001 in Johannesburg, South Africa, to lay the ground work for the report. The Southern African Transport and Communications Commission (SATCC) also provided research capacity in the e-readiness project.

The SADC WEF e-readiness report was therefore a contribution by the WEF Digital Task Force to assess e- readiness in SADC countries. This was to inform and guide WEF and SADC interventions in Southern Africa during 2002. It further represented a first step toward a common vision for regional e-readiness development that could serve as a tool for informing local decision-makers and stakeholders as they consider how best to make their society and economy e-ready. The report provided recommendations in the areas of ICT regulatory framework and ICT infrastructure in the region and underlined that a sound ICT policy framework was crucial in creating a reliable environment within which business and social programmes can thrive. Key issues included: trade agreements and tariff standardization; enterprise and entrepreneurship development; and e-commerce promotion and telecommunication liberalization.

- Mobilizing support for Spatial Development Initiatives in the SADC region

SADC plans for regional economic development and integration stress strategies such as export oriented industrialization and Spatial Development Initiatives (SDI). The SDI was a programme initiated in 1995 by the South African Department of Transport and Trade and Industry. Key to

the implementation of SDIs was the formation of PPPs in order to finance infrastructure development. This is where the WEF played a role through broad consultations between the public and private sectors at the summits. These consultations enhanced the formation of public-private partnerships (PPPs) at the summit, and allowed governments to take advantage of information and knowledge exchange leading to new investment opportunities. Over the years, the summits have seen a number of SADC states committing to PPP initiatives to support the development of SDIs in the region.

4.6 Policy convergence with SADC development framework

From the above analysis, it is crucial to assess the extent to which the regional summits and their outcomes relate to SADC development policies. For this purpose the SADC development framework in the 1990s is revisited, and later, the development framework after the institutional reform of SADC in 2003. As discussed, the transformation of the SADCC into the SADC in 1992 resulted in an expansion of the SADC development framework. The SADCC was to change from an institution that coordinated mainly national affairs to an international organization focusing on cooperation and integration. The Windhoek declaration that informed the decision to transform the SADCC into the SADC outlined the framework for cooperation. It included i) deeper economic cooperation and integration that provides for cross border investment and trade; ii) common economic, political and social value systems that enhance enterprise and competitiveness, democracy, good governance and the rule of law, and the alleviation of poverty and iii) strengthening regional solidarity, peace and mutual security as 'critical components of the total environment for regional cooperation and integration. There were subsequent treaties on various forms of cooperation.

For the purpose of this analysis, the 1996 Trade Protocol is discussed. The Protocol called for the gradual removal of trade barriers among the SADC member states, leading to a Free Trade Area in 2008, and provided the general principles and objectives that would discipline the elimination of tariff and non- tariff barriers to regional trade. The Trade Protocol was entered into force in early 2000. The motive was that a free trade area would stimulate economic growth in the region. By 2000, SADC development policy had evolved to focus on aggressively

stimulating economic growth in the region. In 2001, a draft protocol on industrial policy was produced. The 2001 draft argued that 'if SADC member states were to develop, they must industrialise.[267] The industrial policy was to enhance the development regional framework. The later years saw the organisational reform of SADC and the creation of the RISDP as the main development model. The priority intervention areas of the RISDP include poverty eradication and the fight against HIV/AIDS. On cooperation and integration, the intervention areas include trade liberalisation and development, and human and social development.[268]

Against this backdrop, this section considers some similarities between the agenda and outcomes of the Southern Africa Economic summits and the development paradigm of the SADC. To begin with, the summits were convened in collaboration with the SADC. SADC had an input into the agenda of the regional meetings. Together with the WEF Southern Africa Task Team, the SADC had a direct input on the issues to be discussed at the summit sessions. So, there was a harmony between the WEF and the SADC Secretariat regarding the strategy for the regional meetings, what the themes should be and what issues should be emphasized. At the same time, the summits were WEF-sponsored and although the decision to host the summit with the SADC illustrated that the summits were based on mutual cooperation and consultation, it has been argued that the WEF had a final say in the agenda meetings. An extension of this argument is that the WEF was propagating the rhetoric of its policy positions in the summits. This is exemplified by calls within the regional summits, for stepping up private public partnerships, adapting regional policies to 'embrace' globalization or to become 'better' partners within the globalization process. To many, this echoes WEF Davos meetings where the Forum vehemently supports the free market version of globalization.

Nonetheless, the themes and issues raised at the summits have in fact reflected some of the issues being discussed in the SADC region. Broadly, these included the need to mobilize resources for the implementation of SADC projects, constraints in attracting FDI, and socio-economic underdevelopment that has plagued much of the region. In addition, statements from SADC member states also highlighted that in order for the region to be recognized in the world market

[267] Palotti., A "SADC: A Development community without a development Policy" in Review of the African Political Economy, Vol 31 2004 pp 513 -515
[268] See Oosthuizen. The Southern African Development Community. p. 125

place, challenges should be overcome. Those challenges included lack of a comprehensive plan for regional integration (including a timetable for implementation), challenges in strengthening capacities of SADC to become aggressive agents for change and modernity in the region, and improving Southern Africa's communications with the rest of the world. These issues were well covered at the 1998 and 1999 Southern Africa Economic summits. It was at these summits that SADC appealed to the international business community in helping the region progress with development efforts.

Other policy positions that were more evident between the WEF summits and SADC are on issues relating to governance. As noted above, the policies of SADC, give priority to good governance, the respect of the rule of law, and security in the region. According to SADC, they are requisites for economic development. Likewise, the WEF advocates the same policies as the Africa Competitiveness reports discussed at the regional summits have underlined some of the hindrances to 'competitiveness'. They include corruption and lack of good and accountable governance in SADC countries. Some of the main recommendations from the summits have stressed the need to root out official corruption in the political and economic systems in the region, capacity building in law enforcement and judicial systems and the empowerment of local governments to effectively participate in political processes.[269]

Another aspect of policy convergence between WEF Southern Africa summits and the SADC development framework can also be technically qualified. Here, the similarities of policy positions are analyzed from the main ideological underpinnings of the initiatives developed from the summits. The analysis contends that the initiatives and programmes launched at the summits or as a result of consultations with the SADC have one commonality; they are all business or private sector led programmes. They are also premised on the ideology of free market economic policies and economic liberalization principles. Now, this is not a new concept to the SADC; in fact the regional integration/economic regionalism model is based on trade liberalisation within member states. The Windhoek treaty made some references to both the need of structural transformation of the economies of Southern Africa and the new international development

[269] See The Southern Africa Economic Summit 2000 Report

priorities of trade liberalisation and private sector-led growth. [270] Further, the SADC has increasingly become more open to the idea of private sector led development.

SADC was also responding to changes in global politics, and attempted to keep up with development trends in the rest of the world. With the WEF, this became easier as the WEF's research capacity brought to the fore other countries' experiences and some best practices in the area of development policy. For example, the WEF e-readiness consultation report in 2001 was an acknowledgement by the SADC that ICT plays a role in improving capacities of governments to address a number of socio economic challenges. This was a regional version of studies conducted around the world by the WEF's Digital Divide Initiative. At the 1999 summit, it was also suggested that capacities in new sciences such as information technology, biogenetics or medical research should be increased. Issues relating to education, health, infrastructure development and poverty alleviation were identified as those that can substantially benefit from enhanced ICT capabilities. Another trend was the creation of regional business networks that engaged governments as a collective, and forged economic cooperation partnerships. To that end, the formation of the SADC-NEPAD business hub has contributed to regional efforts to accelerate private sector involvement in the region's development, and to 'open up' the Southern Africa region to business on a global scale.

Finally, policy complementaries with the RISDP are largely in the areas of socioeconomic development; HIV/AIDS and poverty alleviation. Although RISDP was established in 2003, after the Southern Africa Economic summits were discontinued, it is important to note that some of the discussions at the summits and initiatives launched, support RISDP policies. The policies on regional integration and trade liberalization have been evident in the manner in which the SADC has engaged the corporate led WEF since the first summit in 1993.

In summary, the regional summits have been a platform through which SADC can articulate some of its policies. Over the years, SADC countries expressed their view on a range of development issues, for example regional integration approaches, positions on political stability, respect for rule of law, and corporate social responsibility. The summits also provided the

[270] Palotti. SADC: A development community without a development Policy? p. 516

platform for SADC countries to appeal for financial support for development, highlight Southern Africa's health welfare needs – HIV/AIDS and other commutable diseases and advocacy for debt cancellation.[271]

4.7 The Significance of the WEF SADC collaboration

As a non-state actor, the collaboration with a regional institution is important for a number of reasons. Firstly, the SADC is the foremost regional development institution comprising of 15 member states, therefore it is arguably, the highest form of engagement with the region. As an informal institution, the WEF SADC collaboration gives the WEF credibility, as it endorses its mandate and activities. The collaborations also legitimize any WEF activities in the SADC region, and accord the WEF with a status similar to formal institutions. According to the WEF, it was critical to involve the SADC Secretariat in the organization of the regional summits for the WEF to 'truly' address issues at the regional level.

The WEF established a Southern African Task Force to specifically focus on organizing the Southern Africa summits. In partnership with the SADC, the WEF Southern Africa Task Force worked closely with the SADC FISCU to compile research reports and background papers to be used in the summits.[272] FISCU was the regional program that was intended to provide SADC member countries with a mechanism to respond to short-term requests for consulting services that are directly related to the goal of promoting macroeconomic convergence and regional economic integration in the region. Therefore, FISCU was a useful body in providing the WEF with macroeconomic reports of SADC countries.

4.8 Conclusion

Generally, the agenda for the Southern Africa Economic summits have been more or less the same each year. A summary of topics which were more prominent over the years, include regional integration, trade, infrastructure development, improving the region's competitiveness

[271] Ibid.
[272] See The Southern Africa Economic Summit 1999 Report

and privatization. Critically, the summits have led to some positive spinoffs in the region. Firstly, the discussions at the summit were helpful in shedding light on some of the priorities in the SADC region. In analyzing the topics of discussion, it became clear that new items were being added to discussions on the region's development. For example, the early summits were dominated by calls for debt relief and political stability. From the 1996 onwards, there was more emphasis on country ownership of the development process. Partnerships between the public and private sectors (Private-Public Partnerships) were promoted, recommendations on economic growth focused on increased productivity within the framework of liberalizing economies, and alignment of country policies with regional framework.

The second advantage was that the summits were convened in partnership with SADC, and that the SADC Secretariat contributed to the agenda of the meetings. The summits were therefore useful as a platform to discuss challenges in the region, and appeal for support to assist in meeting them. As a critical information and knowledge provider on Southern African economies, the summits were already contributing to these efforts. Thirdly, the summits provided an informal networking environment between business and government officials. As Sicre highlighted at the 1999 Southern Africa Economic Summit, the summits were integral in efforts to change negative perceptions about African countries and doing business on the continent; Afro pessimism.[273] Furthermore, the summits became the platforms to showcase investment opportunities in the region, thereby contributing to existing efforts under the SADC development framework.

[273] Afro pessimism refers to the perception of sub-Saharan Africa as a region too riddled with problems for good governance and economic development. The term gained currency in the 1980s, when many Africanists in Western creditor countries believed that there was no hope for consolidating democracy and achieving sustainable economic development in the region

CHAPTER 5

Conclusion and Recommendations

5.1 Introduction: Unpacking the WEF

More than three decades since inception, the WEF has firmly established itself as one of the most influential policy groups in global politics, not only convening its annual meeting in Davos but also having a global reach. From the summits in Africa to regional WEF summits in Latin America, the Middle East, China, and India, the WEF has become an important annual event all over the world. Through the regional meetings, the WEF actively extends its geographical reach and influence. As part of efforts to formalize its agenda, or to 'advance regional development and cooperation in the global economy' as the Forum puts it, the WEF established a distinct operating body called the Centre for Regional Strategies. Accordingly, Robinson and Harris have described the WEF as the 'most comprehensive transnational planning body … and a quintessential example of a truly global network binding together the [TCC] in a transnational civil society'.[274] Since its inception, the role of the World Economic Forum has increased from an informal gathering of European businessmen to a renowned and influential international organization.

Although the WEF has attempted to move away from the association with a corporate image, the Forum is organized around a highly elite core of transnational capitalists (the Foundation Membership) which it has limited to '1000 of the foremost global enterprises'. Additionally, its self selected constituents, represent a variegated range of globalist elites, including members of the scientific community, academics, media leaders, public figures and various NGOs. The WEF has now moved beyond being a forum for discussion and debate to establishing concrete programmes in the form of global initiatives and regional partnership initiatives. In that way, the WEF has established itself in these regions, through its activities at the regional summits. For

[274] Robinson and Harris cited in Carroll, W, K and Carson, C. "The Network of Global Corporations and elite policy groups: a structure of transnational capital class formation?" in Global Networks. Volume 3, Issue 1. p. 55

example, through a combination of partners-companies, members and participants, the WEF has contributed to development policy in Southern Africa and Africa by launching programmes that complement existing continental and regional development programmes.

This dissertation has examined the patterns and dynamics of the WEF. The dissertation raised a number of questions and attempted to provide some answers. The thesis questioned, the driving forces or factors of its growth and influence, the basis of these factors are (are they power based, interest, or knowledge based or a combination of the above), how the WEF accomplishes its conference diplomacy, who the key actors are and how they interact to influence the process, what the outcomes of the meeting are and the WEF's relationship and contribution to development policy in Africa. The section that follows therefore is a summary of the research findings.

5.2 Epistemic communities of the World Economic Forum

This thesis has attempted to unpack the elements that have contributed to the WEF's increasing role in global politics. The hypothesis was based on Peter Haas concept of epistemic communities, which broadly outlines the core elements which have enabled the WEF to achieve global influence; the exercise of knowledge and its power. The theoretical concept was utilized to highlight the role of knowledge and modes of knowledge production as one of the important tools through which informal institutions like the WEF have assumed relevance and significance in global politics. The hypothesis stated that the WEF annual and regional meetings exemplified an epistemic community where experts share and transfer strategic information, with far-reaching influence on the development discourse in the region and regional social policy development in Africa. The epistemic communities concept also defined the composition of the WEF as encompassing networks of professionals with recognized expertise and competence, who have an authoritative claim to policy relevant knowledge. According to Haas, epistemic communities aim to satisfy the need for information of institutions so as to reduce their inertia linked to uncertainty. They are composed of members coming from various disciplines

(belonging to different communities of practice), well-known for their expertise and competence in their respective domains and having also diverse experiences.[275]

Further Haas states that '*...Epistemic communities are one possible provider of this sort of information and advice. As demand of such information arises, networks or communities of specialists capable of producing and providing the information emerge and proliferate. The members of a prevailing community become strong actors at the national and transnational level as decision-makers solicit their information and delegates responsibility to them."*[276] Hence, for the WEF's mandate of improving the state of the world to be achieved, and for WEF members to interpret and express the necessary pieces for decision- making, knowledge and information would be a critical component of achieving any type of development. If a continuous need for information exists for advice and interpretation, then the epistemic community will be highly solicited and will consequently tend to be "institutionalized.''[277] This has been evident in the WEF's research and knowledge production capabilities. The WEF's extensive research reports include annual global competitiveness reports, research publications on economic forecasts, global risks reports and risks reports. To this end, epistemic communities of the WEF increase the WEF's organizational *savoir-voir*, its ability to detect future scenarios, and identify opportunities.[278]

Furthermore, the research reflected on literature on knowledge networks and concluded that knowledge creation is fundamentally embedded in social complex process with takes into consideration particular situations of co-evolution and relationships. Therefore, for epistemic communities to emerge from the WEF's annual and regional meetings there must be particular network capabilities within the Forum. These capabilities rely on four characteristics:
i) A *structural dimension*, which influences mainly the development of new knowledge (but, not exclusively) according to the way its different facets alter actors' access to exchange situations and their participation in the knowledge creation process;

[275] See Haas. Introduction: epistemic communities and International Policy coordination' p.4
[276] Ibid. p.3
[277] Ibid.
[278] Savoir voir (to know, to see) here is translated as 'foresight'.

ii) A *cognitive dimension*, which reflects knowledge as a deeply social construct, and that knowledge and its meaning are always embedded, or dependant on a social context. At the same time this knowledge is created and maintained through social exchanges and combinations of situations;
iii) A *relational dimension*, which points out the social origin of knowledge creation, and guarantees a privileged access to information and new opportunities to a particular interest group; and
iii) An *economical dimension*, which sets the limits and constraints on knowledge creation.[279]

In their literature, Shawney and Prandelli sum sup the conclusion reached by the research that knowledge creation is "*an emerging, dynamic and diffuse process*" and "*new knowledge is the output of a synergistic interplay between individual contributions and social interaction*". [280] To this end, the research synthesizes that knowledge is a social construction, embedded in a system of social relationships; is socially spread and influenced by social settings; is based on the interaction of several interpretations; is shared by agents who process data through cultural processes; is shared among organizational members, both demanding and allowing for different interpretations; is developed through participation in 'communities of practice'; and is catalyzed by the development of network organizational structures. These dynamics are at play in WEF annual Davos and Africa meetings. Because the WEF has taken advantage of social and cognitive interactions, epistemic communities have emerged making the WEF among other features, an organizational knowledge production machinery, as it facilitates the production and exchange of knowledge.

Hence, the research analyzed the specific function of knowledge in development dynamics. The research illustrated the role of institutions such as the World Bank in conceptualizing development practices in African through their research reports, and the role of African institutions in contributing to development policy, through again, the production of knowledge. Thus, the research concludes that knowledge creation is the result of changes and development of existing knowledge. Therefore, in order for an organization to successfully produce

[279] See. Carroll and Carson. The Network of Global Corporations and elite policy groups. pp 75 - 80
[280] Ibid.

knowledge, it must be able to exploit its knowledge base, and be able to anticipate and detect opportunities, particularly in stimulating interactions between agents who are key in the process of knowledge production.

From the Davos summits to the regional summits in Africa, members of epistemic communities consist of important decision makers in global politics. The list includes heads of states, leaders of international institutions and heads of corporate organisations. For this reason the research concluded that the WEF consists of epistemic or knowledge community groups that come from a variety of professions. The research findings highlighted that individual members who make up the WEF's meetings are also affiliated with different organizations and different policy groups. This illustrates the transnational policy influence aspect of the WEF. Therefore in unpacking epistemic communities within the WEF, the research concludes with three levels of analysis.

1. *At the level of the actors*: who are the individuals who come to the meetings and what are their affiliations?
2. *At the level of organisations*: what other organisations or policy groups are the members engaged with? Are there interlocking engagements between these groups?
3. The contribution epistemic communities make to the WEF and therefore to development policy.

At the level of the actors

The findings that individuals who make up epistemic communities in the WEF are also affiliated with other formal organizations and are part of different policy groups, support the claim that the WEF has formed a well-integrated global network of knowledge and policy communities. Theses policy communities include the business community, politicians and transnational policy groups. A key observation is that most individuals who are participants and members of the WEF epistemic communities also hold elite position in their respective professions. This is certainly no coincidence as the WEF is self selecting and has become an influential organization from requesting membership and participation from elite corporations and individuals. It is therefore important to highlight the importance of selective invitation in the WEF corporate-

policy agenda and how integrated the WEF knowledge community structure is. Within an already elite group of leading corporations and corporate directors and influential politicians the case for epistemic communities becomes much more apparent.

At the level of organisations

a) WEF member and partner companies

The WEF is also very corporate driven with an exclusive corporate membership limited to 1000 of 'the world's foremost corporations.' Member companies must have annual revenues of over $1 billion. Although WEF's membership list is similar to corporate organisations like the ICC, and that for example a former top WEF staffer is now an ICC Director, it is clear that much of its growth and legitimacy is attributed to member companies. This pronounces the relationship between the WEF and its member companies. Board members and attendance at its Davos annual meeting are overwhelmingly from Europe, the US and Japan. Along with the summits convened in Africa, the WEF now embraces elite corporations from the continent as part of its membership. As Krasner highlights, multinational corporations (MNCs) have become the most prominent contemporary NGOs. MNCs are also major driver of global economic integration and 'establish unprecedented linkages among economies worldwide'. [281] The biggest and the most effective industrial corporations are reported to be based in the US, Europe and Japan, which form a large core of WEF member and partners companies. The most notable MNCs in the WEF's structure are industrial and financial corporations, the most important being banks.

The choice to grant exclusive memberships to big corporations was a strategic one on the part of the WEF. The strategy was simple: it combined the power of capital with the influence that came with it. One of the measures of the influence of MNCs is the extent of the resources they control. Many of these corporations have more economic activity than the GDPs of the majority of the states in the world. For instance, MNCs which are WEF member partners such as JP Morgan Chase and Co, Barclays, Microsoft Corporation, Dubai Holding, Price WaterhouseCoopers

[281] Ataman, M. "The impact on non-state actors in world politics: A challenge to nation states" in Turkish Journal of International Relations. Volume 2, No 1. Spring 2003. At http://www.alternativesjournal.net/volume2/number1/ataman2.htm

Google, Coca Cola, Deuchebank, have outranked the GDP of nation-states like Taiwan, Norway, Turkey, Argentina, Pakistan, Malaysia and Nigeria in the early 1990s. Multinational corporations play a major role in national economic decision making process.

For this reason they are effective in directing the foreign policy of states, including that of the most powerful ones, and they also set agenda for international politics. Miller concedes that the activities of MNCs "may seem evident of the growing inability today of the sovereign state to control and regulate effectively economic activities within the private sector. If that is so, then one of the traditional rationales for modern sovereignty is undermined".[282] WEF member and partner MNCs have been instrumental in (financially) contributing to the global initiatives and regional programmes the WEF has. The Africa summits for example have produced a number of WEF NEPAD programmes which are partly financed by MNCs. In addition the ideology of PPPs as a mode of development is a corporate initiative which seeks to engage government in long-term development projects, thereby creating an enduring presence of MNCs across the region.

To this end, it has been argued that the WEF meetings are also a mode of business activism drawing together transnational corporations and political leaders into dialogue and possible partnerships. The argument alludes to the formation of a transnational capital class that has its basis exclusively on elite networks and epistemic communities of the WEF. As Carson argues, the increasing role of the WEF is a reflection of transnational capitalism. The development of transnational capitalism also includes the global integration of national economies, the mobility of capital and global reach of accumulation circuits. To a great extent, this has been exemplified by the involvement of WEF partner and member companies in business transactions all over the world.

The mobility of capital has therefore ensured the success of WEF's regional projects. It is within the WEF's meetings that aspects of 'business activism' are illustrated, for example by policy positions and practices that have been articulated at WEF Davos and Africa meetings. For instance, the WEF has been advocating for corporate social responsibility, but at the same time,

[282] Ibid.

embracing the ideology of consumerism which according to Carson forms an integral aspect of transnational capitalist class formation. The WEF has increasingly shifted its image from one of 'pure global capitalism' to one that embodies 'responsible capitalism'.

So, it is clear that the epistemic communities formed by the World economic Forum contribute to the development of transnational capital class. As Gramsci stipulates, class formation involves both structure and culture, but also the formation and nature of networks is a critical point of inquiry.[283] Further, an investigation into the meeting of the WEF, the themes and issues to be discussed and their outcomes, establishes that there are some discursive elements of neo liberal globalization, particularly from the point of view of corporations. As one of the epistemic communities formed at WEF (made up of directors of multinational corporations) they have contributed to the development of a particular economic ideology. In this case, the neoliberal economic version of globalization.

b) WEF engagement with formal institutions

The WEF collaboration with international organisations such as the World Bank, the UN and formal bodies like the AU-NEPAD and the SADC affords it with a high level status of legitimacy. Firstly, both international organisations and continental and regional bodies are considered to be important instruments of countries. States are the creators of international governmental organisations, and those representing international organisations and institutions have a significant hand in shaping policy outcomes. International organizations have also gained influence and sometimes more autonomy to act independently. The association with these organizations has been in the form of partnerships or collaborations. In the case of Africa, collaborations in the areas of research and knowledge production. Association with formal organisations has also been by individuals who represent these organisations, who are invited and attend the WEF meetings. This not only highlights the convening power of the Forum as it bring together key members from formal organisations to its meetings, it also sheds light into how non-state actors link with formal institutions, the strength of linkages between international

[283] Ibid. p 35

organizations and continental political institutions with the WEF, as well as how they have emerged as part of WEF epistemic communities.

Additionally, international organisations and institutions have linkages with other development organisations. Therefore the interconnectivities of WEF members, partners, and participants allow us to have a visual grasp of how these organizations create an inter-organizational network within the WEF. These visual examples bring to mind the theoretical framework on which this research was based, as experts and professional that make up an epistemic community are largely from formal organisations and institutions.

5.3 WEF Epistemic communities of practice

Having elaborated on the emergence and role of epistemic communities in the WEF, it is critical to highlight some of the mechanisms through which these communities have been sustained. The answer lies in the standard practice of WEF meetings. The WEF summits are convened annually and therefore result in established links between community members, and constant and continuous engagement of community members amongst themselves (at the summits). Accordingly, Wenger explains this using the concept of 'communities of practice'.[284] Here the duality of community and practice explains why these communities are sustained and how their practices become embedded in WEF's norms and culture. In general (epistemic) communities of practice are characterized by three dimensions (i) a mutual engagement; (ii) a common enterprise and (iii) a shared repertoire.[285] Firstly, the WEF meetings are a reflection of the Forum's capacity to organize itself particularly by its interaction with community members. Through its annual and regional conventions the practice of constant engagement produces norms and modes of understandings on an array of subject matters. Therefore once formed, the epistemic communities of the WEF influence learning, the practice of WEF activities, and finally the interpretation and articulation of development policy.

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[284] *A New Learning Agenda: Putting People First.* Institute for Research on Learning, 2008 (unpublished pamphlet) http://www.funderstanding.com/content/communities-of-practice

[285] See Carroll and Carson. The Network of Global Corporations and elite policy groups. p.34

5.4 Epistemic communities of the WEF and contribution to development policies in Africa

Noting that epistemic communities consist of experts and professionals who have an authoritative claim to knowledge in the policy areas or domains, the rationale for WEF meetings has traditionally been to debate and discuss pertinent issues relating to global policy and development. It is critical to consider that the WEF is primarily an agenda setting forum for debate therefore that as part of debate new ideas are formed. Ideas inform policies, and prevailing ideas may be an important determinant of policy choice and persistence.[286] As illustrated, the epistemic communities of WEF also includes technical experts, individuals from research community NGOs and international organisations who may have access to privileged information as they share and discuss ideas. Epistemic communities can have powerful influences on policy-making, some expressing certain political opinions and having links with governmental decision-makers. With the WEF, the research has highlighted its relationship with African institutions, notably in its collaboration with SADC and FISCU, and the AU and NEPAD.

Essentially, the contribution of the WEF to development in Africa has been twofold. Firstly, the WEF has contributed to the development discourse in Africa. By setting the agenda, themes and issues for discussion at the summits, the WEF makes a decisive input in development debates. Since discourse describes a way of thinking, and outlook on policies, the research has brought to light, a number of WEF research reports on African development and solutions to underdevelopment, which for example, have largely been based on privatization. Discourse can also refer to dialogue, language, and conversation. In this definition, the research alludes to word used regarding policy positions; what has been referred to as Davos 'rhetoric'. Regarding African development, the rhetoric has included phrases like- 'Opening up Africa to the World', 'Making Globalization work for the poor' and democracy and good governance as a basis for FDI'.

An input into the development discourse creates possibilities for WEF to initiate concrete programmes. To this, the research has listed WEF led initiatives in Africa, which have been

[286] See Haas "Introduction" p. 26

designed in alignment with the regional and continental development paradigm. These programmes are also launched in partnership and collaboration with African formal institutions. The expression has been that the programmes promote development, with a focus on regional integration and select projects that have a direct impact on African development. For that reason, the projects are often supported by comprehensive studies in order for them to be promoted as meeting the development needs of the continent, although without necessarily suiting the economic conditions of African countries and institutional capabilities.

What this implies is that the goal of contributing to development policy is both internal and external to the WEF. Internal because the WEF determines the kind of development knowledge it produces, and external because in its goal to contribute to the development process, the WEF diffuses existing knowledge such that it is in line with its development doctrines. These have included promotion of private investment into development projects, promotion of trade between WEF constituencies and states, and infrastructure development: transportation, communication, electricity, health and education. The question here is whether the relationship with Africa is simply altruistic or whether the WEF's contribution to development policy has far reaching implications for Africa. The latter is explored further below.

5.5 WEF: Committed to changing the state of the world or a mode of global economic governance?

The WEF's development agenda stems from its motto, "committed to improving the state of the world." As highlighted, the WEF has assumed significance and relevance in the international political economy in a manner that sees its influence being attributed to that of a formal institution. One of the explicit ways of this is that the WEF meetings, particularly in Davos have claimed more print coverage than other set-piece annual events as the G8 summits, the IMF/World Bank annual meetings or the UN General Assembly meetings. The extent of coverage confirms the WEF's successful expansion of its policy agenda and to some who are critical of its growing influence, the view that Western politicians, businessmen and social commentators are of overwhelming importance in global politics.

Nonetheless, the research has also showed that the WEF summits have become a global project, comprising of members and partners in Africa and other regions. Therefore it is critical to analyze the implications of the WEF's global project, especially through the lens of epistemic communities that the research concedes as instrumental to the WEF's growth. When the research focuses on the activities of epistemic communities, it maintains that the WEF is comprised of agents who share a common goal, and a common reference framework. Therefore, in the attempt to 'change the state of the world' epistemic communities of the WEF have a general consensus on how to go about improving the world. As already discussed, these positions are evident in assessing meeting outcomes and reports, which are more or less endorsed by WEF constituents. Following Haas, the main motivation of the members of an epistemic community is to influence institutional decision-makers, and this influence will provide them with the flexibility to operationalise their policy. This explanation helps us to think about the WEF actual role in the international political economy. At a glance, the WEF's global projects do contribute to change and improvement in socio- economic development. However, as an informal actor, what does the influence and growth of the WEF's activities symbolize?

To answer this, the research reflects on the literature relating to the manifestation of institutions of global governance, which has been used to explain different phenomenon such as the role of intergovernmental organisations and transnational corporations (TNCs) in world politics as well as the influence of civil society on international decision making process.[287] Although the term 'global governance' has been defined and used in various ways, the research reflects on Gerry Stoker's definition. For Stoker governance refers to 'the development of governing styles in which boundaries between public and private sectors have become blurred'.[288] Further, Rhodes specifies these governing styles as 'self-organizing, inter-organizational networks characterized by interdependence, resource exchange, rules of the game and significant autonomy from the state'.[289] Therefore there are three main characteristics of global governance. The first is that global governance rests on different forms of cooperation, coordination and decision-making at different levels of the international system. Secondly, global governance acknowledges the

[287] O' Brien, R. (eds). Contesting Global Governance: Multilateral Economic Institutions and Global Social Movements. Cambridge University Press. 2000. pp 2 - 23
[288] Ibid.
[289] Ibid.

essential multi-polar structure of world politics. Lastly global governance is frequently conceived as a long-term project of global integration that rests on multilateralism, increasing regional cooperation and a multitude of actors.[290] This research has demonstrated that the WEF's activities reflect these characteristics.

From Davos to Africa, the activities of the WEF, and the composition and structure of the WEF epistemic communities has contributed to some changes in the contemporary global political economy. Together with its various constituencies, these activities, has contributed to the WEF's mode of global governance. This is supported by research findings which have quantitatively assessed the WEF's processes of co-ordination and cooperation between Davos and regional summits, and the nature of its decentralized networks, involving a wide variety of actors, from state bureaucracies to regional authorities and firms to advocacy networks and other non-governmental actors. Through its commitment to changing the state of the world, the WEF has penetrated national boundaries in such a way that it has operationalised its policies. Another key observation is in the field of economic development, since the WEF focuses on the good governance of administrations as a compliance condition for investments. This was a similar approach by the WB to granting foreign aid. To this end, the WEF exemplifies a mode of global economic governance through its practices, and the manner in which these practices have redefined the nature of the private and public realms.

With regards to the dynamics of global governance, this dissertation concludes that non-state actors, such as the WEF and its epistemic communities; business and industry groups, and non-governmental organizations (NGOs), play a key role in influencing the process and shaping the outcome of its meetings. The influence of the WEF as an informal actor in world politics is enhanced by the composition of its members and their roles in and out of the WEF's groupings.

Therefore the influence of the WEF is enhanced at the global level for two reasons: because, as a non-state actor the WEF has organized itself into knowledge and expert networks, and secondly, its summits are akin to conferences where through their nature of informality, the summits act as influential sources of information and knowledge, where influential leaders are more open to

[290] Ibid.

their input. Lastly, questions of the consequences of WEF epistemic communities include the kinds of products or outcomes of the summits and what role they play in international politics. Regarding the WEF and epistemic communities created through its meetings, this dissertation has argued that the WEF has created, institutionalize, and reinvigorated the regimes surrounding development issue areas. In other words, by creating and disseminating the neoliberal principles and norms in its knowledge production function, the WEF summits are periodic and legitimate forces in the global governance regime.

5.6 Implication of WEF epistemic communities to development in Africa

Having discussed the global role the WEF plays, it is critical to highlight some of the implications the WEF's knowledge production function may have on the development policy of the continent. The 'elite' nature of the WEF and that it is self selecting sheds light into the following observations.

a) At the annual Davos meetings and other regional summits in the developed world, the WEF has attempted to include civil society organisations and NGOs in its proceedings. Therefore, international civil society groups are increasingly penetrating the WEF's epistemic communities. However, the research discovered that this is not the case in its Africa summits. On the continent, civil society organizations are not components of WEF epistemic communities. This leads to the argument that some of the development projects promoted and initiated by WEF may not adequately represent the needs of Africans. The issue here is about consistency in participation, as the range of invited participants at Davos and other regional summits is broader than at the Africa summits.
b) Although initiatives launched are in cooperation with NEPAD and SADC, they remain private sector driven and may reduce the role of governments in the development process. This may have some negative implications including reduced public accountability for private companies who are carrying out projects; it may lead to the loss of public control over government services and may reduce service quality, and it may also replace the market network with a network of personal connections who are privy to information on WEF -SADC and NEPAD projects.

c) WEF practices may become so entrenched in Africa such that the WEF develops knowledge hegemony on the continent and weakens other possible avenues of knowledge production in Africa.

5.7 The value of the research: Do epistemic communities matter?

a) Implications of WEF ideational structures: hegemony over ideas

The Access World/Denial World metaphor proposed by Kuhn can be used to explain the consequences of WEF's control over ideas and knowledge production. The Access World/Denial World metaphor explains that the management of knowledge production and the influence of the WEF's activities on a global scale is an attempt at maintaining class power. The aggressive advocacy of its development paradigm and knowledge relating to the process of globalization is one of the main drivers of WEF's power. Once this paradigm is widely accepted and becomes dominant, it creates a distinction between those that can benefit from globalization and its processes and those who cannot. Therefore, knowledge production driven by the WEF's epistemic communities contributes to power asymmetries between developed and developing countries.

b) Value of understanding ECs and 'soft power'

The WEF is a good example of how an institution can exert influence without the use of force or cohesion. This is often referred to as soft power, as soft power rests on the ability to shape the preferences of others. This ability tends to be associated with intangible assets such as an attractive traits, culture, political values and institutions, and policies that are seen as legitimate or having moral authority. These are some of the 'elements of attraction' that the WEF has utilized to induce and attract its members and participants. The WEF has taken advantage of the information revolution such that it uses multiple channels of communication to help frame issues. This has contributed to its ability to break into existing norms and ideas and transform them close to prevailing norms and values of its agenda. Additionally, the practice of its soft power adds to its credibility, as its members, participants and constituencies perceive the WEF as

enhancing development. So, the nature of knowledge communities and epistemic communities is a useful subject matter in understanding the element of soft power in global politics.

c) How Africa can better respond to the dynamic brought by WEF power

As noted, African leaders and businesses make part of the WEF's epistemic communities. They attend the summits, and some are involved in the processes knowledge production The WEF has maintained that it incorporates key African actors in its agenda as a way of creating 'development practitioners committed to African development'. Therefore, to an extent, the responsibility of 'responding' to the WEF's influence rests with the high ranking individuals who attend the summits. It would be useful to analyze how these individuals engage other constituencies on the continent in a manner that the policies initiated are more encompassing of African development challenges.

5.8 Areas for future research

This dissertation has not attempted to be the last research undertaking on the WEF's relationship with Africa. The focus of the study was largely on the structure and make-up of the WEF as illuminated by the concept of epistemic communities, and particularly its influence on African development issues. As such, there are areas of research in this dynamic field, which are relatively unexplored. The dissertation draws attention to the following areas:

a. An examination of WEF partner MNCs and TNCs and FDI in Africa and their impact on corporate governance;
b. A comparative analysis of WEF summits in developing countries. For example, a comparative study between WEF Africa and Latin America summits;
c. A study which seeks to 'model' the WEF's strategy to Africa and analyse its utility to knowledge production strategies in Africa; and
d. An assessment of the WEF's changing role in the global political economy with the focus of understanding its role in addressing the global financial crisis of 2008.

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