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# The Political Significance of NEPAD

**A homegrown recipe for neo-liberalism**

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A homegrown recipe for neo-liberalism  
2004

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NEPAD is the elites battle plan, but the war wages on many fronts: the army of labour and the poor must fight where it meets the enemy. And the immediate enemy is at home. \* It is important to begin to co-ordinate our struggles across the borders, just as our rulers do, and to recognise the common basis of our different struggles against privatisation, neo-liberalism and authoritarian States. A common popular solidarity must be built, brick by brick.

- This means practical actions – supporting political prisoners in neighbouring countries, supporting strikers and getting anarchist and radical literature into more countries.
- The old illusions in the African elites must be done away with once and for all. If it was once at least understandable – but mistaken – to be taken in by a Nkrumah, it would be ridiculous to be gulled by an Obasanjo, a Mugabe or an Mbeki. Now, we have a golden opportunity to expose these thugs: link the daily concerns of the masses with the greed and brutality of their rulers.

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particular. No man can easily see himself as the problem. Neither can a social class. We could not expect these strongmen and money grabbers to be honest judges, juries and executioners in their own trials!

## **THE NEW ELITE PACT**

Clearly, the African elites have made peace with their older brothers in the West.

The radical nationalists of the 1950s and 1960s, men of the ilk of Nkrumah and Kuanda, men who hated colonialism (and loved capitalism), are gone from the stage. The old nationalists played, at least, a small role in challenging colonialism, and in shaking the old Empires. They turned on their own people soon enough, sure enough, but they did play – for at least a time – a small role in the global struggles for emancipation.

The NEPAD generation are more cynical men of more pathetic stature. Unlike their predecessors who favoured State capitalism, the NEPAD generation do not adopt neo-liberalism and Structural Adjustment unwillingly – they embrace it and proclaim it an “African Renaissance.” Like the slave traders of old West Africa, they parade their countries and populations on the world market.

## **STRATEGY**

Two things could happen at this point: foreign capital will buy into NEPAD, or it won't. In either case, the strategic implications for the working class are clear.

- Be practical: what can we do NOW? We can fight NEPAD and the African elites through local actions.
- To intensify local struggles against privatisation, cut-offs and evictions is the best way you can take on NEPAD.

## FREE TRADE

NEPAD is equally concerned with promoting the fortunes of Africa's capitalists. The document repeatedly stresses the need to "negotiate measures and agreements to facilitate market access for African products to the world market" (Sections 169, 170) in order to "admit goods into markets of the developed countries through bilateral initiatives, and to negotiate more equitable terms of trade for African countries within the WTO multilateral framework" (Section 188).

## WHOSE DEVELOPMENT?

In NEPAD there is a straightforward assumption: capitalism is good, and benefits everybody. Therefore privatisation, the "free" market, free trade and so on are to be welcomed.

The problem with this view is equally simple: it is capitalism that is to blame for the main problems faced by working class and poor people.

What was colonialism but capitalism backed up with Maxim guns? What was the postcolonial period from the 1950s to the 1990s but a drive by African capitalists to get rich quick whilst beating down the complaints of the ordinary workers and peasants? As Mobutu Sese Seko, former "king" Of Zaire, said of his regime: "Everything is for sale in ... our country. And in this traffic, ... any slice of public power is a veritable exchange instrument, convertible into illicit acquisition of money or other goods."

To now see in the capitalist system in its modern, most naked, most cynical and greedy form, neo-liberalism, the ordinary African's salvation, is absurd. The illness, in NEPAD's diagnosis, is actually the cure. A remarkable medicine this!

This confusion is not stupidity however. It is a mystification of the role of capitalism, and of the African ruling classes, in

The New Partnership for Africa's Development (NEPAD), adopted by the African Union in Abuja, Nigeria, in October 2001, is nothing more and nothing less than a neo-liberal plan by Africa's elite to join with multi-national corporations, the IMF and World Bank to plunder Africa's labour force and resources. It is a consolidation of a range of a neo-liberal shifts by Africa's motley crew of ruling dictators, military chiefs, and capitalists.

## ONE GAME

And it signifies the new strategic goal of these elites: accommodation with global capitalism. Gone are the days when African ruling classes at least struggled – under a thick haze of revolutionary cant – to develop their own rival capitalisms. There is one game in town – global capitalism dominated by the advanced industrial countries and corporations – and Africa's local bosses want in.

## TOP-DOWN

Presented as participatory and democratic in inception and in intent, this document was drawn up by "leaders" whose actions are undemocratic in practice, and anti-working class through and through. Drawn up by South Africa's Thabo Mbeki, champion of the GEAR strategy at home, with the help of Algeria's dictator, Abdelaziz Bouteflika, and of Nigeria's strongman, Olusegun Obasanjo, NEPAD has been endorsed by almost all African governments. No ordinary people, no trade unions, no community structures, no popular movements were involved.

Like all strategies of the ruling classes, NEPAD dresses itself in the clothes of caring, and makes kindly nods in the direction of the concerns of the masses of Africa's workers and peasants, the most desperately poor people in the world. It promises

dramatic improvements in living conditions and employment. The issue, however, is how these aims are to be achieved.

But when we examine the methods through which NEPAD intends to work its magic, it becomes clear that the masses have little to gain but more chains.

## **DEMOCRACY?**

African governments, according to NEPAD, will become more democratic. No clear mechanisms are established to ensure that this is the case. The reason is simple: enforcing basic democratic rights in Africa would mean reviewing and replacing practically every government in Africa. With less than five exceptions, Africa's governments are dictatorships, whether this fact is proclaimed openly and proudly or quietly enforced through manipulating elections and jailing opponents.

## **PRIVATISATION**

In any case, the rhetoric of "democracy" is subordinated to NEPAD's primary objective: attracting foreign capital into Africa so that local and foreign elites can jointly enjoy a tasty meal of cheap labour and captive markets.

Section 166 of NEPAD is quite explicit on this score: African governments must create a sound and conducive environment for private sector activities, promote foreign direct investment, trade, and exports, and local business must be fostered.

To develop local infrastructure, such as roads and electricity, the same recipe is proposed: according to Section 103, there must be a drive to "increase financial investments in infrastructure by lowering risks facing private investors, especially in the area of policy and regulatory frameworks."

Privatisation is the name of this game: there must be "policy and legislative frameworks to encourage competition"

and policies aimed at "cross-border interaction and market enlargement" (section 106). Public-Private Partnerships (PPPs) are singled out as "a promising vehicle for attracting private investors" allowing the State to cut spending." In section 115 we learn that there must also be PPPs and "concessions" in the ports, roads, railways and maritime transportation.

The PPPs will be at the core of the alliance proposed between Western capital and the elites who run the local States. But so too will private African companies, the "domestic entrepreneurs" which NEPAD stresses as key to "development."

## **CAPITAL FLOWS INITIATIVE**

For NEPAD's champions, private investment is the miracle cure for all ills. In the interests of the working class and poor, the flow of profit-seeking money into Africa must accelerate. To meet its targets, NEPAD will require US\$64 billion a year (section 147).

Part of this money will come from domestic savings, part from tougher tax laws, but the "bulk of the needed resources will have to be obtained from outside the continent." In part this will be done through trying to get the African debt reduced, with attention also being paid to "private capital flows" and "private sector investments by both domestic and foreign investors." This will be topped up with additional loans from the IMF and World Bank.

To attract private money, Africa must become an investor-friendly destination, with a proper "security of property rights, regulatory framework and markets." "Private enterprise must be supported" and "governments should remove constraints to business activity." This includes attracting big money into mines (section 160), and factories (Section 161), plus "trade liberalisation" and (corporate) tax cuts (Section 169).