Pragmatism and the Gradual Shift from Dependency to Neoliberalism: The World Bank, African Leaders and Development Policy in Africa

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Summary. — The long-standing disagreement between the international community and African leaders over an appropriate development strategy has been settled by the World Bank’s Comprehensive Development Framework (CDF) and African leaders’ New Partnership for Africa’s Development (NEPAD). Both documents support neoliberalism and see increased global integration as the key to Africa’s development. This paper traces Africa’s journey from the dependency/neoliberalism debate in the early 1980s to the current endorsement of neoliberalism. It is argued that the overwhelming global attention and support enjoyed by NEPAD derives from its embrace of Western development ideas as well as changes in the global political economy that have made reformist ideas more acceptable. NEPAD’s success will, however, depend on how African leaders and the international community respond to the initiative.

Key words — Africa, neoliberalism, globalization, the World Bank, comprehensive development framework (CDF), new partnership for Africa’s development (NEPAD)

For the first time, there is a comprehensive plan [NEPAD] dealing with all aspects of the African plight. For the first time, it is constructed with reforming African leaders as partners, not passive recipients of aid... it is a new departure. It is a real signal of hope for the future and it is up to us now to make it a reality... Africa does matter; to us and to humanity (British Prime Minister, Tony Blair, Statement on the G8 Summit to the House of Commons, July 1, 2002).

1. INTRODUCTION

At no time in the short history of independent Africa has there been such a close convergence in development thinking. Twenty years ago, there were strong disagreements between African leaders and international financial institutions over the causes of the continent’s underdevelopment, the solutions to the crisis and what should be the focus of development effort. The debate, which reflected the dominant ideological positions in the explanation of Africa’s dilemma, was represented by the Organization of African Unity (OAU), 1 Economic Commission of Africa (ECA) on the one side and the World Bank (henceforth, the Bank) and other international financial institutions on the other. The OAU/ECA and other supporters of the dependency approach blamed the continent’s underdevelopment on external factors, including foreign capital arising out of the world capitalist system and the massive capital and resource hemorrhage from the continent. The Bank, the International Monetary Fund (IMF) and other neoliberals, however, insisted that the extant political and economic arrangements in Africa created the disabling environment and slowed the rate of development. Over the years, as these positions

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were hotly debated and each camp accumulated some experience, the gulf between them has narrowed.

In 1998, the Bank adopted a new approach to development called the *Comprehensive Development Framework* (CDF) that signaled a shift away from the donor-led development assistance strategy of the past two decades to the development of a country strategy led by a country itself. Three years after the release of CDF, African leaders also published the *New Partnership for Africa’s Development* (NEPAD), which abandoned the dependency approach and signified the continent’s endorsement of neoliberalism. This paper was prompted by the remarkable similarities between the CDF and NEPAD and the latter’s deviation from previous initiatives. NEPAD, which is being promoted by a group of African leaders who are sympathetic to Western ideas, should not come as a surprise because opposition to neoliberal policies by African leaders has gradually been eroding over the years as demonstrated by the widespread adoption of structural adjustment programs (SAPs) in the 1980s. But NEPAD is also being touted by proponents and the international media as the first African-created vision that can potentially accelerate growth and sustainable development, eradicate widespread and severe poverty, and halt the marginalization of Africa. There is no question that NEPAD represents a significant step in the debate over African development policy—it has brought new life to the development debate; it seeks to take advantage of the favorable global political and economic environments and transform African economies; it shows the willingness of all involved in African development to talk to each other; and it has created a new sense of optimism and excitement. NEPAD, however, is not the first “home-grown” solution to the African crisis; in fact, African leaders have never been short of grand proposals. Past initiatives were ignored by the international community partly because the international environment at the time was not ripe enough for alternative solutions and partly because they contained issues that contradicted policies supported by the international community.

A discussion of Africa’s gradual embrace of neoliberalism culminating in the adoption of NEPAD is important and timely for several reasons. First, although NEPAD is widely being discussed by the media and at many international forums, it has surprisingly received little attention in the development literature. Second, one is also struck by the lack of historical context in the media’s discussions of NEPAD. Third, the international community and in particular, the Bank’s indirect influence on the development of NEPAD through the CDF, has remained unexplored. Fourth, the question of whether Africa’s embrace of neoliberalism would necessarily create favorable conditions for the continent’s development has been assumed but not discussed. Finally, the articulation of NEPAD’s implication for development policy in Africa has so far been left to politicians because the academic community has not given the initiative the vigorous scrutiny that it deserves. This paper is an attempt to address these issues and stimulate academic discussion of NEPAD. After all, NEPAD is probably the most influential initiative to come from African leaders since 1989. The paper has three major objectives: (a) it provides the context for understanding the NEPAD by chronicling the shift from the dependency/neoliberalism debate of the 1980s to the current convergence of ideas on African development; (b) it explores two main factors that account for NEPAD’s support in the international community—its endorsement of neoliberalism and a more receptive international environment; and (c) it undertakes a preliminary assessment of NEPAD and suggests what African leaders and the international community must do to make NEPAD succeed.

The remainder of the paper is divided into four sections. Section 2 reviews Africa’s search for development by reviewing the major OAU/ECA and the Bank policy documents from 1980 to the present. Section 3 discusses the international community’s reactions to NEPAD. Section 4 is a preliminary assessment of NEPAD. The final section summarizes the main ideas of the paper and provides a conclusion.

### 2. AFRICA’S DEVELOPMENT CHALLENGES AND THE SEARCH FOR SOLUTION

Although Africa has never been considered “developed,” most countries performed relatively well from independence till 1973 when the economies began a downward spiral (Jespersen, 1992). In agriculture, during 1960–70, only 17 out of 45 countries had negative annual growth rates of per capita food production; for 1970–76, however, the number had increased...
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