

AFRICA UNDER NEOLIBERALISM

Edited by Nana Poku and Jim Whitman



Contemporary African Politics

AFRICA UNDER NEOLIBERALISM

The period since the 1980s has seen sustained pressure on Africa's political elite to anchor the continent's development strategies in neoliberalism in exchange for vitally needed development assistance. Rafts of policies and programmes have come to underpin the relationship between continental governments and the donor communities of the West and particularly their institutions of global governance – the International Financial Institutions. Over time, these policies and programmes have sought to transform the authority and capacity of the state to effect social, political and economic change, while opening up the domestic space for transnational capital and ideas. The outcome is a continent now more open to international capital, export-oriented and liberal in its political governance. Has neoliberalism finally arrested underdevelopment in Africa?

Bringing together leading researchers and analysts to examine key questions from a multidisciplinary perspective, this book involves a fundamental departure from orthodox analysis which often predicates colonialism as the referent object. Here, three decades of neoliberalism with its complex social and economic philosophy are given primacy. With the changed focus, an elucidation of the relationship between global development and local changes is examined through a myriad of pressing contemporary issues to offer a critical multidisciplinary appraisal of challenge and change in Africa over the past three decades.

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*Edited by
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First published 2018
by Routledge
2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN

and by Routledge
711 Third Avenue, New York, NY 10017

Routledge is an imprint of the Taylor & Francis Group, an informa business

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British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

Library of Congress Cataloging in Publication Data

A catalog record for this book has been requested

ISBN: 978-1-4724-2570-6 (hbk)

ISBN: 978-1-4724-2573-7 (pbk)

ISBN: 978-1-315-56596-5 (ebk)

Typeset in Bembo
by Wearset Ltd, Boldon, Tyne and Wear

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ACKNOWLEDGMENTS

We would like to thank all of the contributors for their enthusiasm and responsiveness and for the kind of tolerance that edited book projects usually entail.

Chapter 4 was originally published as: Pádraig Carmody and Francis Owusu. 2016. Neoliberalism, Urbanization and Change in Africa: the Political Economy of Heterotopias. *Journal of African Development* (2016) 18:18: 61–73. We are grateful to the African Finance and Economic Association for permission to reprint it.

Chapter 6 was originally published as: Adam Sneyd. 2015. The Poverty of 'Poverty Reduction': The Case of African Cotton. *Third World Quarterly* 36(1): 55–74. We are grateful to Taylor & Francis Group for permission to reprint it.

Figure 3.1 originally appeared in Michael Burawoy, 'Marxism After Polanyi', in Michelle Williams and Vishwas Satgar (eds), *Marzisms in the 21st Century: Crisis, Critique and Struggle* (Johannesburg: Wits Press, 2013). We are grateful to Wits Press for permission to reprint it.

ABBREVIATIONS AND ACRONYMS

AAACP	All African Agricultural Commodities Programme
ACA	African Cotton Association
ACP	African, Caribbean and Pacific Group of States
ACTIF	African Cotton and Textile Industries Federation
ADMARC	Agricultural and Development Marketing Corporation
AERC	African Economic Research Consortium
AG	Action Group
ANC	African National Congress
AProCA	African Cotton Producers Association
AU	African Union
BCI	Better Cotton Initiative
BRICS	Brazil, Russia, India, China, South Africa
BWI	Bretton Woods Institutions
CAADP	Comprehensive Africa Agriculture Development Programme
CBO	Community-Based Organization
CD	Campaign for Democracy
CDHR	Committee for the Defence of Human Rights
CEEAC	Communauté Économique des États de l'Afrique Centrale
CEMAC	Communauté Économique et Monétaire de l'Afrique Centrale
CLO	Civil Liberties Organization
CmiA	Cotton Made in Africa
CODESRIA	Council for the Development of Social Science Research in Africa
COMESA	Common Market for Eastern and Southern Africa
COS-Coton	Comité d'orientation et de suivi du Partenariat UE-Afrique sur le coton
CPR	Constitutional Rights Projects
CSR	Corporate Social Responsibility

xiv Abbreviations and acronyms

ECA	Economic Commission for Africa
ECOWAS	Economic Community of West African States
ERP	Economic Recovery Programme
ESAF	Enhanced Structural Adjustment Facility
EU	European Union
FAL	Final Act of Lagos
FAO	Food and Agriculture Organization
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
Ha	Hectare
HDI	Human Development Index
HIPC	Heavily Indebted Poor Countries
ICAC	International Cotton Advisory Committee
ICTSD	International Centre for Trade and Sustainable Development
IFF	Illicit Financial Flows
IMF	International Monetary Fund
ING	Interim National Government
ITC	International Trade Centre
IWRM	Integrated Water Resources Management
LFF	Licit Financial Flows
LPA	Lagos Plan of Action
MOSOP	Movement for the Survival of Ogoni People
NANS	National Association of Nigerian Students
NBA	Nigeria Bar Association
NCF	National Consultative Forum
NCNC	National Council of Nigerian Citizens
NEPAD	New Economic Partnership for Economic Development
NGO	Nongovernmental Organization
NMA	Nigeria Medical Association
NNAASP	New Asian–African Strategic Partnership
NPC	Northern People’s Congress
NUJ	Nigerian Union of Journalists
NUPENG	National Union of Petroleum and Natural Gas Workers Union
OAU	Organization of African Unity
OECD	Organization for Economic Cooperation and Development
OFDI	Overseas Foreign Direct Investment
PACRM	EU–Africa Partnership on Cotton
PAMSCAD	Program of Action to Mitigate the Social Cost of Adjustment
PPCP	Public–Private–Community Partnership
PPP	Public–Private Partnership
PRC	Provisional Ruling Council
SADC	Southern African Development Community
SAP	Structural Adjustment Programme
SDG	Sustainable Development Goals

SEZ	Special Economic Zone
SF	Syndrome-Free
SNC	Sovereign National Conference
SOE	State-Owned Enterprise
SSA	Sub-Saharan Africa
TFP	Total Factor Productivity
TNC	Transnational Corporation
ToT	Terms of Trade
UEMOA	L'Union Économique et Monétaire Ouest-Africaine
UK	United Kingdom
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
US	United States
US\$	US Dollar
WC	Washington Consensus
WIN	Women in Nigeria
WTO	World Trade Organization



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Nana Poku and Jim Whitman

The expansion and consolidation of neoliberalism

Neoliberalism is now both everywhere and nowhere. In political discourse and in academic literature, the visibility of ‘neoliberalism’ as a primary term in International Political Economy has shrunk very considerably¹ while, at the same time, it has taken adjectival form in research fields as diverse as conservation, criminal justice, urban studies, health care reform, higher education and party politics. The puzzling diffusion of the term can be accounted for in part by the remarkably wide and often imprecise ways in which it has been deployed. Indeed, one research project which examined the literature over a 14-year span concluded that ‘the term is often undefined; it is employed unevenly across ideological divides; and it is used to characterize an excessively broad variety of phenomena’ (Boas and Gans-Morse 2009, 161). Yet ‘neoliberalism’ is still frequently invoked in ways that signal both its embeddedness and its decades-long, pervasive effects, often as shorthand to depict – and frequently, to castigate – the inequities of capitalism.

‘Neoliberalism’ has resisted definitional consensus for many other reasons: its complex history; the involvement of a multitude of both state and non-state actors; shifting, highly adaptable purposes; and varying forms and degrees of political and financial expression. It is not monolithic; unilinear; irresistible; unambiguously good or bad; and in terms of its far-reaching effects, not easy to comprehend from a single viewpoint – socio-political, economic or institutional. But although ‘neoliberalism’ lacks precision, it has after all taken explicit ideological and programmatic forms; and there are sufficient commonalities between its varieties and phases to make the term meaningful and its history coherent. For our purposes, we can characterize as neoliberal the philosophical and political determination to give primacy to free markets over state-led regulatory regimes for business and trade; and over forms of tax-generated public subsidies. So neoliberalism is concerned essentially with the configuration and

re-configuration of relational qualities, particularly between states, citizens and markets (Jones 2012; Burgin 2012). Neoliberal initiatives most often take the form of deregulation and privatization initiatives, as conditional loans in response to financial crises, as 'corrective' austerity measures or as a domestic political determination that formerly state-owned, directed or subsidized sectors will perform more efficiently and to the greater good if obliged to operate in a competitive market.

Much like the wider, enabling dynamics propelling globalization, there is no directing power for neoliberalism writ large, no grand strategic, unified purpose beyond a loosening of restraints on the largely private accumulation of wealth. One needs no recourse to conspiratorial or mono-causal imaginings: the dynamics involved are generated from common (and increasingly networked) interests in re-framing state-market relationships and exploiting opportunities for wealth transference and/or accumulation. In addition to the familiar instruments of neoliberalism – capital controls, the opening up of domestic markets and the shrinking of the state, particularly through curbs on fiscal deficits and the accumulation of debt – there are also politico-financial arrangements such as tax competition, offshore tax havens, forms of inward investment, complex investment vehicles and the ease and speed with which capital can be moved around the world, all of which facilitate neoliberal initiatives, even in the absence of philosophically explicit neoliberalist ideals.

Over decades, the accretion and institutionalization of neoliberal values has been pervasive, both nationally and internationally, constraining and shaping socio-political expectation as much as the institutions of governance. Throughout much of the developed world – and in the US and UK most notably – political differences over the role of the state and the governance of finance mostly turn on the particulars of policy implementation rather than on the issues fundamental to the organization of political community, such as ownership, equity, justice, and the accrual and expression of power and accountability. Neoliberalism has not only shed its once-radical profile; neoliberal arrangements are now unexceptional throughout much of the world, the default setting for a significant portion of the organization of political community, with the result that opposing views struggle to find purchase:

Once upon a time, antineoliberal theory posited an opposition between the state and the free market, arguing that the antidote to the latter lay in the active intervention of the former. But the opposition is false, just another piece of the detritus of the modern history of capital. As states become mega-corporations ... they become inextricably part of the workings of the market and, hence, no longer 'outside', an antidote, or an antithesis from which to rethink or reconstruct the 'neoliberal paradigm'. This, in part, is why government is increasingly reduced to an exercise in the technical management of capital, why ideologically founded politics appear dead, replaced by the politics of interest and entitlement and identity – three counterpoints of a single triangle. And this is why the capillaries of neoliberal governance seem so firmly entrenched in the cartography of our everyday lives.

(Comaroff 2011, 146; Mudge 2011)

But for all of the pervasiveness of neoliberalism, there is a certain sleight of hand at work in the contention that the state should be reduced to something akin to an ‘emergency services’ role, allowing dynamic entrepreneurship to flourish, since it does not stand up to the empirical evidence of high-risk state investments (especially in science and engineering) facilitating private gains (Mazzucato 2013). This socialization of risk/privatization of gains suddenly became highly visible and reached its apogee with the worldwide banking crisis. The subsequent financial turbulence brought with it predictions of the imminent death, demise or tempering of neoliberalism (Cahill 2011; Grugel and Ruggirozzi 2012). Yet once the banking crisis had subsided (in large measure through public bail-outs), there was little corrective/preventive legislation to prevent a recurrence, nor a holding to account of the individuals and corporations responsible (Garrett 2014), nor, most remarkably, a serious and sustained challenge to the neoliberal paradigm (Mirowski 2013). This is despite the fact that the limitations of neoliberalism as a panacea have long been evident, recently to the point that a 2016 paper produced by the International Monetary Fund (IMF)’s own research department argued that ‘no fixed agenda delivers good outcomes for all countries for all times. Policymakers, and institutions like the IMF that advise them, must be guided not by faith, but by evidence of what has worked’ (Ostry *et al.* 2016, 41). However, the IMF’s Chief Economist, Maurice Obstfeld, was quick to state that ‘the article has been widely misinterpreted’ – ‘it [did] not signify a major change in the Fund’s approach’ and that the Fund had

not fundamentally changed the core of our approach, which is based on open and competitive markets, robust macro policy frameworks, financial stability, and strong institutions. But it has added important insights about how best to achieve those results in a sustainable way.

(International Monetary Fund, 2016)

More broadly, although neoliberal logic informed the regulatory arrangements which ‘contributed to the financial crisis of 2008 by putting in place a set of opportunities and constraints that led to rapid growth in the market for asset-backed securities’ (Major 2012, 536), neoliberalist principles remain the predominant ideological, institutional and technical governance instruments for configuring global, international and national socio-economic orders – and indeed, for addressing the financial turbulence for which they were partly responsible. The ongoing Greek debt crisis (Souliotis and Alexandri 2017; Konstantinidis 2016) is dramatic, but viewed against the history of neoliberal interventions, it is essentially an unexceptional case:

[C]rises manifest themselves in specific ‘domestic’ contexts, each with their own history and internal logic, albeit the origins of such crises are rooted in the general dynamics of the global capitalist system and in the relations among its constituent national entities. [...] In cases where individual states, each with their own history, internal logic, needs, pressures and coercive powers,