

# Neoliberalism in the Post-Apartheid Era: The Legacy of Nelson Mandela and the IMF

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Global Research, December 13, 2013

[Global Research](#) 21 December 2001

Region: [sub-Saharan Africa](#)

Theme: [Global Economy](#), [Poverty & Social Inequality](#)

*This article was first published by Global Research in December 2001.*

*What was the legacy of Nelson Mandela.*

*This article by Professor Patrick Bond evaluates the policies adopted by the Mbeki government in close coordination with the Washington consensus, geared towards privatization and corporate globalization. (GR Editor. M. Ch)*

## What is Pretoria Planning for Africa

by **Patrick Bond**

December 21, 2001

Thabo Mbeki is seen as Africa's most legitimate, self-confident and fundamentally pro-Western leader. If anyone can shake down the World Bank in Washington for debt cancellation, or the WTO in Geneva for trade concessions, it's the primary architect of the miracle transition in recently-liberated South Africa. Africa needs enormous concessions, thanks to what Mbeki has termed "global apartheid" and what Washington/Geneva technocrats prefer to laud as the "Washington Consensus"-or just "globalisation." Africa generates nearly 30% more exports today than in 1980, yet their value has crashed by more than 40% because of falling terms of trade.

Likewise, Sub-Saharan Africa's foreign debt rose from US\$60 billion to US\$206 bn over the same period notwithstanding 1980s-90s debt repayments of US\$229 bn, thanks to the tyranny of compound interest rates and the near- universal failure of intervening structural adjustment programmes. Over the past three years alone, debt repayment by Sub-Saharan African countries was US\$16 billion greater than incoming new loans. Can Africa's leaders finally, vigorously campaign against such extreme uneven world capitalist development? Should we draw hope from a "New Partnership for Africa's Development" ("Nepad"), launched in Abuja, Nigeria by several African heads of state on October 23? And first of all, what background should we have about the Nepad process?

From the late 1990s, Mbeki embarked upon an "African Renaissance" branding exercise with poignant poetics. The contentless form was somewhat remedied in the secretive Millennium Africa Recovery Programme (with the acronym "Map"), whose powerpoint skeleton was unveiled to select elites in 2000, during Mbeki's meetings with Bill Clinton in May, the Okinawa G-8 in July, the UN Millennium Summit in September, and a subsequent European Union gathering in Portugal.

The skeleton was fleshed out in November 2000 with the assistance of several economists. It was immediately endorsed during a special South African visit by World Bank president James Wolfensohn "at an undisclosed location," due presumably to fears of the disruptive civil-society protests which had soured a Johannesburg trip by new IMF czar Horst Koehler a few months earlier.

Thanks to work by a co-author of South Africa's own disastrous 1996 homegrown structural adjustment programme (Stephen Gelb), the content of the 60-page working document was becoming clearer: more privatisation, especially of infrastructure (no matter its profound failure as a strategy, especially in South Africa); more multi-party elections (typically, though, between variants of neoliberal parties, as in the US) as a veil for the lack of thorough-going participatory democracy; grand visions of a developmental kickstart via ICT (hopelessly unrealistic considering the lack of simple reliable electricity across the continent); more trade with the North; and a self-mandate for peace-keeping (which South Africa has subsequently taken for its soldiers stationed in the Democratic Republic of the Congo and Burundi).

In short, Mbeki dreamed of more globalisation, not less.

By this stage, he had managed to sign on as partners two additional rulers from the crucial West and North regions of the continent: Abdelaziz Bouteflika and Olusegun Obasanjo from Nigeria. Unfortunately, both continued to face mass popular protests and widespread civil/military/religious bloodshed at home, diminishing their utility as model African leaders.

Later, to his credit, Obasanjo led a surprise revolt against Mbeki's capitulation to Northern pressure at the World Conference Against Racism in September 2001, when he helped generate a split between EU and African countries over reparations due the continent for slavery and colonialism. Tellingly, even loose talk of such reparations cannot be found in the Mbeki's document, and the South African host delegation was furious at Obasanjo's outburst because it nearly scuppered a final conference resolution.

But that incident aside, 2001 has been a successful year for selling Nepad. Another pro-Western ruler, Tanzania's Benjamin Mkapa, joined the New Africa leadership group in January 2001. Mkapa's government suffers a dreadful recent human rights record, but he and Mbeki gave the world's leading capitalists and state elites a briefing in Davos, Switzerland, which was very poorly-attended. A few days later, an effort was made in Mali to sell West Africans to the plan, with on-the-spot cheerleading by Wolfensohn and Koehler.

Then, the July 2001 inaugural meeting of the African Union in Lusaka provided the opportunity for a continent-wide leadership endorsement, once Mbeki's plan was merged with the "Omega Plan"-offered by the neoliberal Senegalese president, Abdoulaye Wade-to become the New African Initiative. For a few months until late October, observers termed Mbeki's initiative "the Nai."

The Genoa G-8 summit offered soothing encouragement. With 300,000 protesters outside the conference accusing the world's main political leaders of running a destructive, elitist club, Mbeki was a useful adornment. Likewise, Mbeki's October visits to Japan and Brussels confirmed his elite popularity, perhaps because there was no apparent demand for formal monetary commitments at this stage.

A recent surge of enthusiasm from Johannesburg corporations, Washington multilateral

banks, and European capitals deserves much more consideration than I have space for here, particularly given the geopolitical give-and-take associated with George W. Bush's "anti-terror" coalition-building. But to sum up the ideological partnership that Mbeki proposes, consider the way that the 1980s-90s recolonisation of African economic policy is explained on the website version of Nepad:

"The structural adjustment programmes provided only a partial solution. They promoted reforms that tended to remove serious price distortions, but gave inadequate attention to the provision of social services. As a consequence, only a few countries managed to achieve sustainable higher growth under these programmes."

Slippery, this line of analysis, and worth unpacking briefly, to conclude, for one test of robust analysis is to pose the opposite premise, and to see whether the subsequent hypotheses are worth exploring:

- -What if structural adjustment represented not "a partial solution" but instead, reflecting local and global power shifts, a profound defeat for genuine African nationalists, workers, peasants, women, children, manufacturing industry and the environment?
- -What if "promoting reforms" really amounted to the IMF and World Bank imposing their cookie-cutter neoliberal policies on desperately disempowered African societies, without any reference to democratic processes, resistance or diverse local conditions?
- -What if the removal of "serious price distortions" really meant the repeal of exchange controls (hence allowing massive capital flight), subsidy cuts (hence pushing masses of people below the poverty line), and lowered import tariffs (hence causing widespread deindustrialisation)?
- -What if "inadequate attention to the provision of social services" in reality meant the opposite: excessive attention to applying neoliberalism not just to the macroeconomy, but also to health, education, water and other crucial state services?
- -And what if the form of IMF/Bank attention included insistence upon greater cost recovery, higher user-fees, lower budgetary allocations, privatisation, and even the disconnection of supplies to those too poor to afford them, hence leading to the unnecessary deaths of millions of people? If these hypotheses are reasonable, and if the logical implication is to proceed no further with structural adjustment, then a central task of Nepad must be to slip around such arguments without reference to their relevance. By doing so, Nepad fits right into the globalisers' modified neoliberal project, which now insists even more incongruously that economic integration solves poverty.

Apparently, the notion that South Africa might "naai"-translated from Afrikaans as "totally screw over"-the rest of Africa through Mbeki's New, Almost-African Initiative led those gathered at Abuja to revise the name. Still, cheeky commentators are already observing that if pronounced "kneepad," the document signifies its merits as the cushion African leaders will need, as they stoop and grovel for more handouts.

But that would be unfair, for Nepad is worth reading even if merely as an ambitious attempt to bring a spirit of "engagement" by at least three African leaders to a world economy which

is still totally screwing over Africa. True, like all top-down policy formulations, Nepad reeks of technicism—a scent which could dissipate partially if exposed to the fires of popular debate, protest and participation. But that would risk the transformation of Nepad into a partnership with Africans themselves. And Mbeki's AIDS interventions provide enough evidence of his intentions to keep millions of Africans alive, much less in partnership.

The alternative to Nepad begins with African activists building up networks within and between diverse social movements, visionary trade unions, Jubilee chapters, women's organisations, environmental groups and the progressive intelligentsia. These are already taking seed across the continent via anti-neoliberal protests and longer-term strategic work (e.g., in this subregion, the Southern African Peoples Solidarity Network, at <http://aidc.org.za>, and across the continent flowing from the Dakar 2000 process to promote an African People's Consensus instead of a Map/Nai/Nepad).

A recent precedent for rejection and reformulation was the World Bank's Global Development Gateway, which was repelled in March by creative Southern African civil society groups, and which instead initiated the Africa Pulse information community. That kind of African partnership, based on a human-rights culture, a decommodification strategy and durable cross-border alliances, is far superior to Pretoria's new gambit.

Indeed, Nepad belongs with many of South Africa's other regional economic strategies: deindustrialising neighbours because of reluctance to give the same duty-free preferences to SADC imports that even the apartheid regime had offered; imposing EU and US free-trade regimes on unwilling neighbours; demanding debt repayments from impoverished Mozambique for loans that resettled dissident rightwing Afrikaner farmers and that rebuilt electricity lines which were destroyed by apartheid destabilisation; kicking out 15,000 Zimbabwean farmworkers with no compensation; or treating informal economic migrants like meat for dogs (not merely in extremist SA Police Service training exercises but on a day-to-day basis at the Department of Home Affairs).

To expand this sort of subimperialist project via a warmed-over Washington Consensus, Nepad, means that Mbeki is content merely polishing, not abolishing, global apartheid.

**Patrick Bond's** new book is *Against Global Apartheid: South Africa meets the World Bank, IMF and International Finance* (University of Cape Town Press). Ordering information from [pbond@wn.apc.org](mailto:pbond@wn.apc.org).

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