Africa and globalisation

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Ray Bush unpicks the rhetoric of neoliberal modernisation.

There is currently much optimism about economic development in Africa, and the ability of globalisation and western policy to promote growth on the continent. This optimism is misplaced, however, and it is self-serving of G8 and other donor interests; it also goes to the heart of how ‘the west’ views ‘Africa’, and does little more than promote a patronising view of Africa (and Africans), while promoting a subordinating practice of development.

Globalisation has transformed states in Africa, and reduced their economic and political independence. For neoliberal globalisation builds the growth and development of one part of the world on the back of other parts. That is done through the idea of a global free market, yet we know that the most basic feature of neoliberalism is the systematic use of state power to impose market imperatives through a domestic process that is replicated internationally. Part of Africa’s difficulty is thus countering the intellectual deceit peddled by international financial institutions - that globalisation brings universal economic growth rather than a continued subordination to the rule of capital. Globalisation brings poverty and inequality to Africa as a result of the continent’s uneven incorporation into the world economy. The main hope for the future is not free trade, open markets and technological gains; rather, it is resistance to the impact of globalisation by workers and peasants, and the construction by Africans themselves of an alternative future.
Africa and globalisation

The western view of African growth

Addressing Africa’s poor economic performance has risen in the rhetoric and actions of western donors. The highlight in this hand wringing so far has been Tony Blair’s 2005 Africa Commission Report, and the bru ha ha at Gleneagles 2005, driven by the Make Poverty History Campaign. But Angela Merkel and Germany’s dual presidency of the EU and G8 in 2007 also sought to keep Africa on the development agenda. The German presidency called for ‘strengthening its partnership with Africa’ and Germany’s development minister noted ‘We have faith in Africa’s future; Africa is a continent of opportunity’.

Africa is indeed a continent. Generalisations are therefore foolish, and they are certainly so when considering the unevenness of globalisation. Africa is the world’s second biggest continent, covering more than 20 per cent of the planet’s landmass. It is also the second most populous, with a population of more than 900 million - 14 per cent of the world’s people. How is it possible to generalise between countries as different as Egypt and Burundi, Lesotho and Nigeria? Broad generalisation is nevertheless what often happens. The Commission For Africa, for instance, in spite of stressing the importance of looking at specific countries, fell into the popular belief that Africa ‘suffered from governments that have looted’, ‘that cannot deliver services … that are predatory states’; it also argued that there is much corruption and the theft of aid. Such pronouncements continue the well-established practice of diverting blame from the main culprits.

Commentators frequently note that Africa is now recovering from the lost development decade of the 1980s and the economic reform of the 1990s. African economies are forecast to grow by an average of 6.2 per cent in 2008 - up from 5.8 per cent in 2007. Africa’s growth, however, is the result of a tremendous demand for export commodities, and the resulting high price of crude oil and minerals. Africa supplies the world economy with more than half its diamonds, platinum and cobalt, and more than a third of strategic minerals like Vanadium. (This increased demand for Africa’s resources is sometimes referred to as the new scramble for Africa.)

The historic increase in Foreign Direct Investment to Africa between 2006 and 2008 is overwhelmingly located in the unprocessed raw material sectors, and the inflows largely accrue to the main oil producing states - Chad, Algeria, Egypt, Equatorial Guinea, Nigeria and Sudan. These states accounted for 48 per cent of the
continent’s investment flows. But this inflow of capital was infinitesimal compared with flows elsewhere. And the higher growth by mineral exporters has not been replicated in other economies. Only five economies had an average real GDP growth rate of 7 per cent between 1998 and 2006, while 25 per cent of the economies had rates of growth of less than 3 per cent. Growth rates rose again in 2007 to about 6.5 per cent, but these aggregate figures were skewed by high oil prices and Chinese demand for energy supplies and raw materials. The economic downturn in the world economy as a whole in 2008, shaped by irresponsible bank lending in the west and subsequent crises in profits, is now jeopardising even these moderate generalised gains from the resource boom.

Poor growth figures mean that millennium development goals lag well behind in Sub-Saharan Africa. The proportion of the population that has lived on less than a dollar a day for the last twenty years is 45 per cent; the target for 2015 is 22 per cent.

Even in oil producing countries growth is not translated into a reduction of poverty. As the Economic Commission for Africa’s 2008 flagship report notes, recovery - whatever that means and for whomever it reaches - is not being translated into ‘meaningful development’, and ‘has not benefited vulnerable groups’. The areas of plunder (International Financial Institutions call it modernisation) - the mining and the extractive sectors - do not create employment. Mining is capital intensive and fraught with highly volatile markets. Though there are high prices now for oil and copper, since WW2 there has been a secular decline in raw material prices. That has meant producers need to export more to sustain similar levels of income generation, and any windfall profits that may accrue with spikes in prices have led to what has simplistically been called a ‘curse of resources’. The 2008 high prices for gold, oil and other resources served the optimists well. They allowed a projected long-term sustainable high in raw material prices. But that has also been the rhetoric in previous periods when there have been temporary price hikes. And even taking into consideration the China (and India) factor of sustained high demand for some of Africa’s resources (such as cobalt, copper and oil), these commodities are located in only few countries, such as DRC, Zambia, Sudan and Angola. The record of western companies in Africa’s extractive sectors has been notorious and well documented, but early signs are that the social and political implications of China’s resource thirst are certainly as bad.

And there remains, of course, the question of debt. The continent’s external
Africa and globalisation

debt of more than $254 billion means that debt service obligations remain high. The fundamentals remain unchanged: international commitments to halve poverty require sustained growth rates of 7 per cent, but these are not evident in any generalised or sustained way. The reality is that the whole of Sub-Saharan Africa has an income of not much more than Belgium’s, with an average GDP of not much more than $3 billion.

There are many other dimensions to Africa’s crisis - though this term is overused, suggesting something that has only recently emerged. The reality is a long-term structural inability for African states to promote development strategies from local resources and savings, and to do so with democratic decision-making. There was economic growth in Africa after WW2, but this seems to have been erased from history, since it was based on a developmental model that has been ditched in the neoliberal era. As Giovanni Arrighi has remarked, Africa’s tragedy is broadly linked to a ‘pre-colonial and colonial heritage which has gravely handicapped the region in the intensely competitive global environment engendered by the US response to the crisis of the 1970s’. The crisis has become so intractable because of continued poor gross domestic savings and investment, despite the rhetoric to the contrary around globalisation - and this is without even considering the impact of the predicted 19 million deaths from HIV/AIDS between 2010 and 2015.

Modernising for dispossession

At the heart of existing debate regarding globalisation and western policy in Africa is a strategy of modernisation: the desire to more fully integrate ‘parts’ of Africa into the world economy. Those ‘parts’, as we have seen, contain raw materials and oil. There is also the need to promote a level of law and order (control of populations), under the guise of ‘development’, in states with resources and those without. Hence the US initiative in 2008 to create AFRICOM, to securitise the continent and provide a rationale to intervene, ostensibly to keep al-Qaeda at bay.

The strategies for the greater incorporation of some states and promotion of paternalistic development in others - and also the abjection, active throwing away, of others - leaves Africa vulnerable and dependent upon the West. This is a dependency that will be increasingly shaped by the west’s desire to access Africa’s resources and drive primitive accumulation. At the heart of globalisation is the
attempt to modernise Africa for dispossession, and this has been characterised by struggles over land, mining and labour.

Capitalist accumulation involves two processes - the relations between capitalist and wage worker and the relationship between capitalist centres and non-capitalist economies, or imperialism. Accumulation by dispossession - David Harvey’s term - refers to the primitive or original accumulation that is constantly being recreated in Africa. The key, and repeated, experiences of primitive accumulation on the continent include the commodification and privatisation of land and the forceful expulsion of peasant populations; the conversion of widely varying property rights into exclusive private property rights; the suppression of rights to the commons; the commodification of labour power; and the suppression of alternative - indigenous - forms of production and consumption.7

These processes and others, such as resource extraction, coercive labour regimes and financial control, are persistent patterns of capitalist development in Africa. Globalisation has not ameliorated these coercive and exploitative processes; it has ensured their continuation. The social and violent excesses of the early dramatic capitalist developments in Europe and the global north are daily replicated in African particularities. They are constantly reproduced by resource extraction and modernisation for dispossession.

The subordination that is generated by these processes has become internalised by many African states, who are eager to capture the perceived benefits of the West’s securitisation agenda (for example Algeria, Morocco, Egypt, countries in the Greater Horn, where Ethiopia has rallied to the aid of US interests in attacking Islamic courts in Somalia). And there have also been local struggles to capture increasing shares of Africa’s mineral wealth (for example Nigeria, Angola, Equatorial Guinea, Sudan, DRC, Mauritania, Chad).

Tony Blair’s Commission For Africa was billed as ‘a coherent package for Africa’, and its ideas were extended in DFIDs 2006 development White Paper Eliminating Poverty. Blair’s position was to ditch any idea that globalisation could be about international equality and solidarity. Instead he promoted the mantra that globalisation was the only game in town. He argued that Africa’s problem is its marginalisation from the world economy, and that to further integrate the continent into globalisation five themes needed exploring: governance; peace and security; poverty alleviation; growth and improved African ‘capacity to trade’. The mechanism
Africa and globalisation

for supporting this agenda is: aid, debt reduction and trade reform. All this was to be driven not only by the west, but by African governments with ‘ownership’ of reform programmes.

As far as aid is concerned, the UK government’s temporising to get official development assistance (ODA) to 0.7 per cent of GDP has been likened to ‘waiting five years before responding to the tsunami’. As long ago as 2006 Oxfam noted that levels of aid were insufficient for millennial targets to be met, and that assistance from Germany, Britain and France had actually declined since 2005. It is salutary to note here that although the UK aid budget has doubled since 1990, for every £1 spent on development £8 is spent on defence.

The G8 has also notably failed to deliver on debt relief. The real focus of activity has been on trade ‘reform’. However it is difficult to see how this could in any sense be understood as helpful. The EU is currently putting 75 countries in Africa, the Caribbean and the Pacific under enormous pressure to sign Economic Partnership Agreements or EPAs. These are attempts by free marketeers to stop any non-reciprocal or preferential access to European markets by poor country producers. The EPAs require ACP countries to open up their markets to EU competition. Free markets, according to EU Trade Commissioner Peter Mandelson, will drive growth in poor countries and help ACP integration into the global economy. But by mid 2008 most ACP countries had delayed signing these new agreements: opposition to EPAs was effectively demonstrating how seriously a ‘free’ market would undermine local private and state entrepreneurial activity.

Free trade is a euphemism for northern economic dominance. And while it is being promoted to ACPs, the hypocritical northern economies protect their own economic actors. OECD, for example, subsidises farm exports by more than $350 billion a year. UK wheat and sugar is sold on international markets at significantly less than production costs, meaning that they are effectively dumped. In fact, the big lie at the core of the donor imaginary is that Africa is a poor trading continent. But African trade as a percentage of GDP is only a little less than that of China, 55 per cent, and it is twice the proportion of India. The problem, of course, is what Africa is trading: unprocessed mining and raw materials and seasonal fruits and vegetables - commodities where high value accrues to consuming states and not the producers.

This is not a question of ‘moral’ or ‘ethical’ failure by the ‘international community’. The poverty of Africa is a reflection of the continent’s having been
the playground of neoliberal zealotry from the 1970s onwards. This led to what ex World Banker William Easterly has called ‘a quarter century of economic failure and political chaos’.9

Sustaining African poverty

The Commission For Africa, British politicians and other donors have viewed Africa as ‘elsewhere’, a zone outside and beyond the normal international community, that needs to develop new codes of conduct - set for the continent by the West and implemented by African leaders themselves. The message is clear: the onward march of neoliberal globalisation is unstoppable and to resist it - or even engage with it in terms that try to recognise difference and local particularities - is to resist rationality and modernisation. This is at best patronising and at worst racist. As the Kenyan author Binyavanga Wainaina has noted, attacking conservative and liberal alike when writing about Africa,

Make sure you show how Africans have music and rhythm deep in their souls and eat things no other humans eat … don’t mention rice and beef - monkey brain is an African’s cuisine of choice …

Taboo subjects are ordinary domestic scenes, [and] love between Africans (unless death is involved), references to African writers or intellectuals, mention of school going children who are not suffering from Yaws, ebola fever or female genital mutilation.

… if you are a man thrust yourself into her warm virgin forests. If you are a woman, treat Africa as a man who wears a bush jacket and disappears off into the sunset. After celebrity activists and Aid workers, conservationists are Africa’s most important people. Do not offend them. You need them to invite you to their 30,000 acre game ranch or ‘conservation area’ [as] this is the only way you will interview the celebrity activist.10

The West refuses to engage with Africa on how the continent’s uneven incorporation into the world economy has been constructed historically, how responsibility for that
Africa and globalisation

can be addressed, and how Africans themselves can build local agendas for national and regional development without the interference of donors and the G8. Achieving that for African leaders would involve a rethink of what development means in the context of modernity, including an acknowledgement that there are many different possible modernisations.

There has been a preoccupation with Africa’s perceived weak state capacity as the reason for the continent lagging behind others - and this is a smoke screen for persistent western intervention. The doctrine of good governance - a feature of the 2006 UK DFID paper on eliminating world poverty - continues the standard pathologising of African politics. There has been little effort to understand some of the difficulties faced by African states - their inherited political structures and boundaries, the continual outside intervention in democratic initiatives when they have not accorded with western interests, and the collusion between western business and local elites in perpetrating undemocratic regimes. Yet there have always been struggles to deepen democratic practice - recent examples are Togo and Ghana; and despite the violence after the Kenyan elections, there are signs that politicians are finding new solutions to the state’s historical problems. There have also been intense struggles in Nigeria for political liberalisation, and contested although badly flawed Presidential and Municipal elections in Egypt. In this latter case it is noteworthy that major donors seem to forgive Hosni Mubarak his electoral excesses as long as he maintains law and order, helps police Gaza and cracks down on islamist opposition.

In reality, ‘good-enough governance’ is a label that can be conveniently attached to any state that is in a subordinate relationship with the west. Development, in the age of neoliberal globalisation, has come to mean a dependent relationship. Attempts by African states to control national resources, to promote alternative development, to empower resistance to globalisation, are thwarted: donor assistance is only forthcoming if you toe the line. Globalisation in Africa means: have a civil society but make sure you control it; have electoral politics but ensure no radical politician takes power; have improved transparency around mineral and oil wealth but do not allow indigenous people control over resource access.

Analysts have been unable to expose why Africa was in crisis, other than to heap blame on poor capacity, war, poor education and the need for more trade. But these are not explanations of crisis, only a shopping list for future palliative care. And the
intention of the solutions on offer is to ensure continued flow of African resources to the west, and the retention of African people in Africa (here poverty reduction becomes a trope for control and subordination of African populations).

Advocates for neoliberal globalisation as a panacea for African poverty continue the mantra that the poor are victims of exclusion rather than potential agents of social change. The active subordination or exclusion of workers and peasants from markets, production, and certainly from international economic relationships, is ignored. Neoliberal hegemony ensures that the crucial issues of money and power are avoided.

**African collusion and resistance**

Some African politicians have colluded with neoliberalism; and one example of this is the African ‘innovation’ in the form of the New Economic Partnership for African Development (NEPAD). There are many dimensions to NEPAD, but I want to mention here just one, the policy in relation to food security. Here NEPAD is promoting an attempt to replicate the high value agricultures in South Africa, flowers in Kenya and green beans in Senegal. What is being promoted here is in fact contract production systems. These are commodity chains driven by consumers, not the producers, where the retailer exerts power and where islands of capitalist agriculture exacerbate inequality while defending small business elites and usually coercive labour regimes. This strategy for agricultural modernisation is located in a rigid desire to commoditise; to apply tenure regimes that are driven by donors rather than local impulses. And they are structured around an idea of simple social differentiation rather than the complex class formations that local histories have produced.

Existing African capitalism has strong informal sectors, and vibrant petty commodity agriculture that can reproduce itself on the back of remittances; there is also a fragmentation of labour, and extensive poverty makes it very difficult for most to reproduce themselves or accumulate enough capital to secure a farming base. This precariousness must be recognised in any policy recommendation. But NEPAD’s agricultural strategies do not recognise complexity. They just want access to western capital.

This is a far cry from the African alternatives offered in the Organisation for
Africa and globalisation

African Unity's Lagos Plan of Action in 1980, or the Alternative Framework 1989. Africa and its ‘problems’ are now defined by the west and internalised by many African leaders. Jean Paul Sartre’s comments in his introduction to Fanon’s *Wretched of the Earth* still holds true for many of these leaders. Noting how Europeans made their subjects complicit in imperial projects in the 1960s he writes: ‘The European elite undertook to manufacture a native elite. They picked out promising adolescents; they branded them, as with a red hot iron, with the principles of western culture; they stuffed their mouths full with high sounding phrases that stuck to the teeth’.13

But there is opposition, both to this process of branding and to the intervention of imperial powers in the modernisation of Africa. Often labelled as lawless, African resistance to commoditisation is challenging the actions of concessionaires, protagonists for land tenure reform and corporate access to crude oil. Resistance has become particularly difficult in the post 9/11 world, however, where opposition struggles are often seen as supporting ‘terror’.

Nigeria is a case in point. It is the fifth largest importer of oil into the US, supplying up to 10 per cent of its oil imports, and its significance is increasing. Oil revenue accounts for 99 per cent of all Nigerian export revenue, and 75 per cent of oil production is located in the Niger Delta Region. But the wealth produced by the oil has mainly benefited multinational oil companies and the ruling elite. The Niger Delta has one of the highest levels of youth unemployment in Nigeria, and the poorest access to resources of health, water and power. It is not surprising therefore that the Niger Delta is a major source of opposition. And it is not surprising either that the US is worried about losing Nigeria’s oil. Resistance to dispossession of oil wealth from within the oil-producing areas has been intense, and it has involved militias, youth organisation, criminal elements and informal struggles. These struggles are often characterised as lawless and violent, but it should be noted that the non-violent movements of the 1990s were met with violent repression - including the execution of the Ogoni Nine in 1995, and the suppression of the Ijaw Youth Council in 1998-9.

In the west, most struggles against globalisation are represented as taking place in the capitalist heartlands - targeting the institutions and politicians that further the cause of neoliberalism. These struggles have helped shape agendas in the heart of ‘empire’. But these struggles are themselves premised upon national and local
struggles from below in the Global South. In Africa people are daily confronted by the new colonisation, by accumulation by dispossession.

Resistance to commoditisation and dispossession is often strongest among indigenous peoples. These struggles have often focused around land - against concessions in the Nigerian Delta and mining in Western Ghana; against settler land rights in Kenya, Zimbabwe, South Africa and Namibia, and against market-led land reform in Egypt and Algeria. People in Africa are everywhere seeking to safeguard their assets, and to preserve local wealth and family relationships in struggles against the dispossession that globalisation generates. Here one of the most significant themes that confront globalisation is the communal ownership of resources, which denies the idea that private property rights are universal or desirable.

Local resistance to globalisation has often been structured around the integration into the market of basic household production and social reproduction. This goes beyond a preoccupation with commoditisation and emergence of wage labour, and points to the significance of resistance to international capital in daily life - in informal sectors, domestic petty commodity production, parallel trade, bartering and smuggling. The ‘market’, an abstracted concept, is confronted by - amongst other things - local social cohesion, and those defending themselves from the threat to that cohesion posed by the commercialisation of self provisioning activity in African social formations. Social relationships within the family and communities interact to provide a bulwark against globalisation. Everyday struggles, the negotiation of life itself, and struggles over access to resources within communities - these are often a main source of resistance and counter hegemonic activity.

Notes


5. Important to note too that India is not to be left behind here. In April 2008 India revealed a new strategy of ‘resource diplomacy’ in Africa. It hosted its first summit with African leaders, offering £2.5bn in credit and millions in financial assistance. See Guardian 9.4.08 and Financial Times 9.4.08.


