Nepad, Governance and African Economics:
Is Thabo Mbeki Breaking or Shining the Chains of Global Apartheid?

by Patrick Bond[1]

1. Introduction

By all accounts, achieving good governance--of corporations, public enterprises, state institutions and civil-society organisations--requires a nurturing context, both locally and internationally, and strong leadership from elected officials. Is South Africa blessed by having experienced its political liberation during a period of economic `globalisation'? And in this context, is Thabo Mbeki capable of leading South Africa's business community, bureaucracy and civil society towards good governance? And what of Africa?

This essay considers Mbeki's analysis of globalisation, his strategies and concrete demands for global-scale and continental socio-economic progress, and his preferred alliances. These topics arise because of his stated intention, in the October 2001 *New Partnership for Africa's Development* (*Nepad*), to establish a `new framework of interaction with the rest of the world, including the industrialised countries and multilateral organisations'--one that is sufficiently `radical' to lift African GDP growth to 7% per annum.[2]

Whether for good or ill, it will become clear--both in excerpts from his speeches considered below and from the *New Partnership for African Development* (*Nepad*)--that Mbeki's approach is consistent with the broader problem of *compradorism*, i.e., when local elites serve the interests of foreign elites even where that conflicts with broader local interests. As Mbeki himself warned, `Our own intelligentsia faces the challenge, perhaps to overcome the class limitations which [Walter] Rodney speaks of, and ensure that it does not become an obstacle to the further development of our own revolution.'[3] In this essay, I will arrive at the pessimistic conclusion that the challenge has already been lost, judging by *Nepad* and related international reform efforts. Mbeki and his main allies have already succumbed to the *class* (not necessarily personalistic) limitations of post-Independence African nationalism, namely acting in close collaboration with hostile international forces whose interests stand directly opposed to Mbeki's South African and African constituencies.

In addition to Rodney, this premonition was recorded explicitly by Frantz Fanon, in his chapter on `The Pitfalls of National Consciousness,' in *The Wretched of the Earth*:

> The national middle class discovers its historic mission: that of intermediary. Seen through its eyes, its mission has nothing to do with transforming the nation; it consists, prosaically, of being the transmission line between the nation and a capitalism, rampant though camouflaged, which today puts on the mask of neocolonialism. The national bourgeoisie will be quite content with the role of the Western bourgeoisie's business agent, and it will play its part without any complexes in a most dignified manner. But this same lucrative role, this cheap-Jack's function, this meanness of outlook and this absence of all ambition symbolise the incapability of the middle class to fulfill its historic role of bourgeoisie. Here, the dynamic, pioneer aspect, the characteristics of the inventor and of the discoverer of new worlds which are found in all national bourgeoisies are lamentably absent. In the colonial countries, the spirit of indulgence is dominant at the core of the bourgeoisie; and this is because the national bourgeoisie identifies itself with the Western bourgeoisie, from whom it has learnt its lessons...
>
> In its beginnings, the national bourgeoisie of the colonial country identifies itself with the decadence of the bourgeoisie of the West. We need not think that it is jumping ahead; it is in fact beginning at the end. It is already senile before it has come to know the petulance, the fearlessness, or the will to succeed of youth.[4]

But Mbeki and his internationally-oriented cabinet colleagues--especially finance minister Trevor Manuel, trade and industry minister Alec Erwin and their staffs--would no doubt object. They locate not only their own (national) ambition but also the continent's potential transformation not in lucrative personal accomplishments or Western-style bourgeois decadence, but rather in the further integration of Africa into a world economy, they would also concede, that is itself in need of better regulation and fairer economic rules. The project, therefore, is to reform interstate relations and the embryonic world-state system. As *Nepad* explains,

> While globalisation has increased the cost of Africa's ability to compete, we hold that the advantages of an effectively managed integration present the best prospects for future economic prosperity and poverty reduction... The case for the role of national authorities and private institutions in guiding the globalisation agenda along a sustainable path and, therefore, one in which its benefits are more equally spread, remains strong... Africa, impoverished by slavery, corruption and economic mismanagement is taking off in a difficult situation. However, if her enormous natural and human resources are properly harnessed and utilised, it could lead to equitable and sustainable growth of the continent as well as enhance its rapid integration into the world economy.[5]

But to the contrary, the evidence thus far is that `equitable and sustainable growth' and Africa's `rapid integration into the world economy' are mutually exclusive. Although Africa's *share* of world trade declined during the 1980s-90s, the *volume* of exports increased, while the *value* of sub-Saharan exports was cut in half relative to the value of imports from the North.[6] Such marginalisation occurred not because of *lack* of integration, but because of *too much*, of the wrong sort. For while integrating more rapidly into the world economy via `export-led growth,' as demanded by Washington, Africa's ability to grow--either equitably and sustainably, or even inequitably--actually declined, in comparison to the period prior to structural adjustment.

Thus, I argue below, the reform strategy will fail, although not because of Pretoria's lack of positionality and international credibility to carry out *Nepad* and win vague endorsements from global elites. After all, since 1994, extremely talented politicians and officials from Pretoria have presided over the board of governors of the IMF and World Bank, the Non-Aligned Movement, the United Nations Conference on Trade and Development, the Commonwealth, the Organisation of African Unity, the Southern African Development Community, the World Commission on Dams and a host of other important international and continental bodies.

Instead, the failure is already emanating from the very project of global-reformism itself, namely, its underlying philosophy and incorrect analysis (Section 2), ineffectual practical strategies (Section 3), uncreative and inappropriate demands (Section 4) and counterproductive alliances (Section 5). Instead of leading the world, Mbeki and his Pretoria colleagues run a different danger: treading a well-known, dusty path: a post-colonial, neoliberal cul-de-sac of predictable direction and duration. Moreover, notwithstanding mixed rhetorical signals, Mbeki and *Nepad* for all effective purposes exclude (indeed, most often reject) alliances with international social, labour and environmental movements who, in their struggles for socio-environmental and economic justice, *are the main agents of progressive global change*.

Thus South Africa's post-apartheid government leadership will not achieve its own limited objectives, much less the further-reaching transformation required under current excruciating global conditions, and in the process will continue alienating the poor and working-class base of Mbeki's African National Congress (ANC). In concluding that Thabo Mbeki *cannot* establish a new framework of interaction with the rest of the world, but can instead merely front for a slightly modified residual version of `global apartheid,' more hopeful analyses, strategies, demands, and alliances necessarily arise as alternatives.

2. Analysing the `globalisation of apartheid'

According to economists Jonathan Michie and Vishnu Padayachee, `In the South African context, globalisation has become a synonym for inaction, even paralysis, in domestic economic policy formulation and implementation.'[7] Mbeki lectured the ANC's July 2000 National General Council that globalisation `impacts on the sovereignty of small states such as ours... The globalisation of the economy resulting among other things in rapid movements of huge volumes of capital across the globe, objectively also has the effect of limiting the possibility of states to take unilateral decisions.'[8] He then proceeded to take this defeatist approach into Africa.

The limits of sovereignty. It is quite evident that economic globalisation--by which is generally meant free flows of trade, finance and direct investment, under conditions of overwhelming transnational corporate power, underpinned by a system of global embryonic-state institutions based mainly in Washington--*simply doesn't work for South Africa, or Africa*. Aiming at a different conclusion, *Nepad* confirms the scepticism, and the threatening tone, that Africans should exhibit when engaging global elites:

> The continued marginalisation of Africa from the globalisation process and the social exclusion of the vast majority of its peoples constitute a serious threat to global stability... In the absence of fair and just global rules, globalisation has increased the ability of the strong to advance their interests to the detriment of the weak, especially in the areas of trade, finance and technology... Africa's inability to harness the process of globalisation is a result of structural impediments to growth and development in the form of resource outflows and unfavourable terms of trade... The increasing polarisation of wealth and poverty is one of a number of processes that have accompanied globalisation, and which threaten its sustainability... The closing years of the last century saw a major financial collapse in much of the developing world, which not only threatened the stability of the global financial system, but also the global economy as a whole.[9]

Several follow-up questions arise. How serious a `threat to global stability,' really, is African marginalisation? *Nepad* dare not admit it, but weak governments have very few threats to make against the strong.[10] The more profound hazards for Western prosperity--most likely associated with US financial and trade-deficit crises, Japanese depression, geopolitical tensions, dire environmental damage or debilitating oil shortages--go unremarked upon in *Nepad*.

In mentioning `major financial collapse in much of the developing world,' *Nepad* fails to more forcefully hint that there will be additional crises like those suffered by East Asia, Russia, Latin America and South Africa during 1997-99--where currency values fell by a third in most cases and repayment of foreign debt became onerous. The 2000-01 Turkish and Argentine meltdowns suggest that the problem was not limited to `the closing years of the last century,' and might be far more persistent if globalisation continues its trajectory. In Argentina's case, as well as Russia in 1998, the only feasible answer was to default on tens of billions of dollars worth of unrepayable foreign debt coming due. Here we have the kind of `threat' that might make sense for *Nepad* to foment.[11]

In that same spirit, there are other questions that bear asking. If `fair and just global rules' are impossible to establish, as they appear to be under prevailing power relations and rising US belligerence, then is it not time to question the imperatives of globalisation? Moreover, if the rules were not fair and just--e.g., in the Uruguay Round of the General Agreement on Tariffs and Trade (1993) and subsequent trade agreements, and in relation to international flows of financial capital, including debt repayments under Washington's Highly

Indebted Poor Countries (HIPC) initiative--then why did South Africa's post-apartheid rulers join Gatt in 1994, sign on to various subsequent free-trade agreements with the European Union and United States in 1998-2000, lift the country's main defense against financial capital (the financial rand) in March 1995, and repeatedly promote HIPC? Indeed, the systematic unfairness applied to Africa also applies to South Africa, Mbeki has learned since 1994.

Homegrown lessons. South Africa exists within an extremely unfavourable balance of global forces; to point this out had, by the turn of the 21st century, become pedestrian. Mbeki forthrightly complains about the unfairness of the international system. Amongst intellectuals gathering at a gala African Renaissance event in late 1999, for example, Mbeki's brilliant, wide-ranging speech tackled

> the problem we are facing even as we stand here, of arriving at the point when we can conclude the bilateral agreement between our country and the European Union. Stripped of all pretence, what has raised the question whether the agreement can be signed today or not, is the reality that many among the developed countries of the North have lost all sense of the noble idea of human solidarity. What seems to predominate is the question, in its narrowest and most naked meaning--what is in it for me! What is in it for me!--and all this with absolutely no apology and no sense of shame.[12]

`What is in it for me!' The scorn with which Mbeki dismisses not only trade *realpolitik* but also the very foundation of Adam Smith's invisible hand as optimal allocator of resources, is noteworthy. He invokes, periodically, deeply ethical contentions, as in this moving address (as head of the Non-Aligned Movement) to the Group of 77's April 2000 South Summit in Havana:

> All of us present in this hall represent counties that can pride themselves on the continued existence of a strong spirit of communal, human solidarity among many of our people. The atomisation of the family and the individual, driven by the development and entrenchment of the capitalist system, has not reached the structural permanence it has attained in the developed countries of the North.[13]

And again, in July 2000 just after Germany had won the 2006 soccer World Cup by one vote, he told his party's National General Council: `As the ANC, we therefore understand very well what is meant by what one writer has described as the globalisation of apartheid.'[14]

It is with such phraseology that Mbeki accomplishes a dual elision: on the one hand a displacement of the South's problems from the (untouchable) economic to the moral-political terrain, which in turn evokes calls for reform (not dismantling) of existing economic systems and institutions; but on the other, as noted above, a relentless campaign to persuade his constituents that `There Is No Alternative' to globalisation. For here, with Mbeki addressing the July 2000 ANC National General Council meeting in Port Elizabeth, we locate a striking difference in Mbeki's rhetorics regarding racial apartheid--which the ANC always insisted should be `abolished' not reformed--and global apartheid:

> Let me now mention that big, and some think, ugly word--globalisation. This is one of the contemporary phenomena we will have to ensure we understand. We will have to understand this because whether we like it or not, we are part of the world economy. It would neither be possible nor desirable that we cut ourselves off from that world economy so that the process of globalisation becomes a matter irrelevant to our country and people.[15]

For Mbeki, the most important practical difference between racial and global apartheid seems to be the contemporary lack of a distinct `enemy':

> [T]here is nobody in the world who formed a secret committee to conspire to impose globalisation on

> an unsuspecting humanity. The process of globalisation is an objective outcome of the development of the productive forces that create wealth, including their continuous improvement and expansion through the impact on them of advances in science, technology and engineering.[16]

Technological determinism. Thus even though, *symptomatically* perhaps, power relations are skewed, the driving force of globalisation boils down, in Mbeki's neutral story, to little more than technological determinism. It may be that this is partly a function of the deep desire Mbeki obviously feels to solve socio-economic problems with a technical fix. The most poignant globalisation reference Mbeki makes is to `telemedicine' (i.e., interventions by specialists at a great geographical distance). As he put it in the May 2000 speech to a corporate San Francisco audience, up the road from Silicon Valley:

> Few amongst us will disagree when we assert that a global society presents us with the opportunities to collapse both time and space, so that a village heath worker in Uganda could perform some of the most difficult medical procedures with the assistance of a surgeon sitting in her office in San Francisco. To be able to do this, it requires of the people in a poor country such as Uganda to have access to education, to have access to satellite technology, and for the doctor and nurse in Uganda to be up to speed with the latest telemedicine technology.[17]

But telemedicine also requires something else that Uganda has a very hard time acquiring, given the fluctuating prices of its main agro-exports and the extreme burden of foreign debt repayment: hard currency. This vital barrier is obviously the main constraint behind the integration of Africa into the New Economy, yet paradoxically it also offers neoliberal policy advocates a rationale--even an imperative--for intensifying further Africa's self-defeating, export-oriented development strategy.

Nevertheless, technology is still asserted as the underlying material force. According to *Nepad*,

> The current economic revolution has, in part, been made possible by advances in information and communications technology (ICT), which have reduced the cost of and increased the speed of communications across the globe, abolishing pre-existing barriers of time and space, and affecting all areas of social and economic life... It has made possible the integration of national systems of production and finance, and is reflected in an exponential growth in the scale of cross-border flows of goods, services and capital... We readily admit that globalisation is a product of scientific and technological advances, many of which have been market-driven... While no corner of the world has escaped the effects of globalisation, the contributions of the various regions and nations have differed markedly. The locomotive for these major advances is the highly industrialised nations.[18]

The technology-centric `admission' is fundamentally apolitical, and disguises the reality of dramatic changes in class relations, especially the resurgent power of US and EU capital in relation to working classes there and across the world (as reflected in state-corporate `partnerships' and the decline of the social wage during the Reagan, Thatcher and Kohl administrations). Ironically, in contrast, a far more insightful explanation of globalisation came from the ruling party of South Africa in October 1998, at a time when it needed to engage in leftwing rhetoric so as to pull its political Alliance (with trade unions and communists) together in preparation for a forthcoming national election:

> The present crisis is, in fact, a global capitalist crisis, rooted in a classical crisis of overaccumulation and declining profitability. Declining profitability has been a general feature of the most developed economies over the last 25 years. It is precisely declining profitability in the most advanced economies that has spurred the last quarter of a century of intensified globalization. These trends have resulted in

> the greatly increased dominance (and exponential growth in the sheer quantity) of speculative finance capital, ranging uncontrolled over the globe in pursuit of higher returns.[19]

If this assessment is valid, then in addition to technological change--which *facilitated* but did not cause or catalyse globalisation--the more fundamental factors would include

- profound changes in the incentive structure of investments, especially the decline in manufacturing profits during the late 1960s and, consequently, the geographical search for new markets and cheaper inputs, and a switch by many major firms of productive reinvestment into financial assets;
- institutional factors associated with financial sector deregulation, concentration and centralisation, which permitted banks and other financiers to escape national boundaries and search out far-flung borrowers;
- the decaying power of nation-states and increased power of the Bretton Woods Institutions and trade agencies; and
- shortened investor time horizons.

All of these factors can, and should be, reversed. None are inevitable. Tellingly, none are even mentioned in *Nepad*. South Africa's own experiences also reflect fatalistic acceptance, not the spirit of self-reliance, empowerment and struggle against injustice.

3. Drawing out the strategic implications

The analysis suggests that *Nepad*'s public reading of globalisation is blinkered and unrealistic. Yet it may well be the case, firstly, that Mbeki recognises these contradictions privately, and secondly, that deep down he has maintained progressive, humanistic values, but because of the balance of forces he dares not reveal his more fundamental analysis (such as, for example, that which informed the 1998 ANC Alliance statement, above). There may be something to this, but if so, we would expect a nuanced, sophisticated and effective strategy. South Africa's own experience is instructive, and again quite depressing, both in relation to lessons learned and actions taken to combat the excesses of global apartheid.

Decline, unemployment and polarisation economics. For post-apartheid South Africa, the mood of liberation shifted quickly to despair during three periods of powerful international financial discipline, currency crashes and capital flight, in early 1996, mid-1998 and 2000-01. The prime culprits in making South Africa so vulnerable were, firstly, the government's March 1995 decision, under intense pressure from local and international financiers, to discard the `financial rand' exchange control mechanism, and secondly the permissions granted from 1999-2001 to allow the largest South African firms to relocate (or delist entirely) their financial headquarters from Johannesburg to London. As *Business Day* and the *Mail and Guardian* documented in late 2001, consequent profit and dividend outflows by Anglo American Corporation, DeBeers, Old Mutual, South African Breweries, Didata and Gencor/Billiton were mainly behind the currency's crash from 6 to the US$ to a low of 13,8, over 24 months. Anglo, in particular, did everything possible to externalise assets.[20]

Earlier, the finrand's liberalisation had the effect of attracting enormous speculative financial flows, which in turn fled rapidly as conditions changed and the investor-herd turned. All efforts to reverse flows failed in 1996, including the announcement of partial privatisation of the telephone company Telkom, and the adoption--without consultation and at the risk of ongoing, intensive political turmoil amongst Mbeki's Alliance partners--of the misnomered *Growth, Employment and Redistribution* (*Gear*) programme. All of the programme's targets failed from year one, with the exception of extremely low annual budget deficits and inflation rates, by recent historical standards. Although widely acclaimed by South African capital, *Gear* did not change capitalist minds, and net disinvestment continued.

Reserve Bank governor Tito Mboweni occasionally lambasted specific New York, London and Johannesburg banks for their role in rand speculation, and he tightened currency exchange regulations accordingly during late 2001. So too did Manuel, in his 2001 budget, restrict the former 15% international-investment allowance that major financial institutions had enjoyed, in order to pay for the profit and dividend outflows. In late 2001, he also restricted Investec Bank's international listing so as to minimise profit/dividend outflows. But these actions amounted to shutting the barn door after the horse had fled. Both kinds of financial liberalisations, on top of *Gear*'s failures, had done enormous damage; the slight tightening of exchange controls during 2001 was not sufficiently strong to halt the currency rot, or reverse the country's seemingly inexorable slide into neoliberal stagnation.

The country's allegedly `sound' economic fundamentals had deteriorated markedly during the late 1990s. Growing foreign imports amplified local deindustrialisation and job loss, while trade with Africa became extremely biased, contributing to geopolitical tensions and economic refugees from neighbouring lands (and resulting world-class xenophobia by South African workers). Notwithstanding the battered currency, the consequent rapid rise in exports did not trickle through the rest of the economy. There was, moreover, a net outflow of international direct investment from South Africa during the first five years of democracy, while the uneven dribs and drabs of incoming foreign investment were largely of the merger/acquisition variety rather than for new fixed-investment (`greenfield') projects.

Simultaneously, economic advice poured in from international financial centres, based upon persistent demands not only for macroeconomic policies conducive to South Africa's increased global vulnerability, but also for social policies and even political outcomes that weakened the state, the working-class, the poor and the environment. The country's per capita living standards sunk to record lows last seen during the early 1960s, while the world's worst inequality intensified. By 1998, real interest rates had reached their highest-ever levels, and the Johannesburg Stock Exchange crashed further than ever before in its history. And developmental reflections of the alleged `sound economic fundamentals' during late 1990s were unprecedented municipal bankruptcies (which forced cuts in water and electricity to the poorest citizens), exacerbated apartheid geographical segregation; and fewer people formally employed in relation to those desiring a job than at any other time in the country's recorded history.

Meanwhile, because Washington's grip on international economic power remained relatively undisturbed during the late 1990s notwithstanding the arc of emerging market crises, other disappointments were still ahead. Massive debt relief promised at the 1999 G-8 meeting in Cologne did not materialise. The guru of `Post-Washington Consensus' theory within the World Bank, chief economist Joseph Stiglitz, was fired in late 1999, and was followed by an angry Ravi Kanbur in June 2000 due to Summers' censorious interference in the drafting of a World Bank poverty report. A `Free Trade' deal between Pretoria and the European Union was negotiated, and renegotiated again and again when southern European countries protested at SA exporters' use of the names port, sherry, ouzo and grappa.[21] Another `Free Trade' deal (like Europe's, catalysed and nurtured by lobbyists of large corporations) between Africa and the United States likewise went through numerous palpitations, and eventually included ridiculous riders such as the requirement that clothing exports from Africa to the US would have to include vast components of US-sourced textiles. After the debacle at the Seattle World Trade Organisation ministerial summit in December 1999, the November 2001 Doha summit resulted in numerous new liberalisation obligations, with only a minor concession in the form of access to medicines which had already been won in practice by international HIV-Aids treatment activists.

Mbeki could have learned from such homegrown and international problems, in considering how to implement an Africa-wide plan that also entailed reform of global economic institutions and processes. His ambitious lobbying schedule of world leaders during 2000-01 suggests he had all the access he required. However, what he said and wrote during this period confirms that instead of identifying how to uproot the causes of worsening global apartheid, Mbeki preferred to work on the symptoms.

Mbeki's self-mandate. The world was becoming an increasingly brutal place when Thabo Mbeki assumed the South African presidency in May 1999, as testified to by rising levels of mass-popular protest, both at Northern meetings of the global elites[22] and in numerous Southern settings, from Argentina to Zimbabwe, where structural adjustment generated intense pain.[23] Taking advantage of the new militant grassroots mood while speaking to Washington elites at Georgetown in May 2000, Mbeki quoted from Shelley (`O wild West Wind, thou breath of Autumn's being'):

> It may be that the protesters who besieged the negotiators at Seattle were, in their way, our own West Wind. What they said, if they spoke for the pestilence-stricken multitudes, yellow, and black, and pale, and hectic red, was indeed that since Winter was already upon these multitudes, Spring was not far behind.[24]

Mbeki's great self-confidence was combined with a unique noblesse oblige, namely that Pretoria could help bridge the gap between the world's rich and poor. Alec Erwin, for instance, openly expressed the government's grandest ambitions to his parliamentary colleagues, (ironically) just prior to the Seattle round of the World Trade Organisation:

> We will soon have to give leadership not just to the process of the development of our own economies [in the developing world] but to the equitable development of the world economy. The political capacity to do this and the will to do it in the G-7 is weakening despite the power of the social democrats.[25]

In the wake of defeating apartheid, the ANC--in particular--must dramatically expand its objectives, Mbeki told the Port Elizabeth gathering in July 2000:

> When we decided to address the critical question of the ANC as an agent of change, the central subject of this National General Council, we sought to examine ourselves as an agent of change to end the apartheid legacy in our own country. We also sought to examine the question of what contribution we could make to the struggle to end apartheid globally.[26]

The series of trips to the world's political and economic centres during 2000-01 followed the late 1990s' `African Renaissance' branding exercise, which Mbeki endowed with poignant poetics. The contentless form was somewhat remedied in the secretive *Millennium Africa Recovery Plan,* whose powerpoint skeleton was unveiled to select elites in 2000, during Mbeki's meetings with Bill Clinton in May, the Okinawa G-8 meeting 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 and was immediately ratified during a special South African visit by World Bank president James Wolfensohn `at an undisclosed location,' due presumably to fears of the disruptive protests which had soured a Johannesburg trip by new IMF czar Horst Koehler a few months earlier.

By this stage, Mbeki managed to sign on as partners two additional rulers from the crucial North and West of the continent: Abdelaziz Bouteflika and Olusegun Obasanjo from Nigeria. Unfortunately, both continued to face mass protests and widespread civil/military/religious/ethnic 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 reparations was not found in *Nepad*.

But that incident aside, 2001 was a successful year for selling *Nepad*. Another pro-Western ruler with a deplorable recent human rights record, Tanzania's Benjamin Mkapa, joined the New Africa leadership group in January at the World Economic Forum in Davos, Switzerland. There, Mbeki gave the world's leading capitalists and state elites a briefing, which was very poorly-attended. A few days later, an effort was made in Mali to sell West Africans to the plan, alongside Wolfensohn and Koehler. The July 2001 meeting of the African Union in Lusaka provided the opportunity for a continent-wide leadership endorsement, once Mbeki's plan was merged with an infrastructure-heavy initiative--the `Omega Plan'--offered by the neoliberal Senegalese president, Abdoulaye Wade, to become the *New African Initiative*. A few days later, the Genoa G-8 summit offered soothing encouragement, as 300,000 protesters gathered outside the conference accusing the world's main political leaders of running a destructive, elitist club.

Likewise, Mbeki's October visits to Japan and Brussels confirmed his elite popularity, perhaps because there was no apparent demand for formal monetary commitments. The same month, enthusiastic endorsements of *Nepad* were published in the *Financial Times* by Johannesburg capital and Washington multilateral banks: the heir to Anglo American/DeBeers Jonathan Oppenheimer and South Africa's main international think-tank intellectual Greg Mills, and the highest-ranking Africa officials at the IMF and World Bank, Gondal Gondwe and Callisto Madavo.[27] Finally, *Nepad* was publicly launched in Abuja, Nigeria, by several African heads of state on October 23, 2001.

Optimism of the will, and the intellect. `There are already signs of progress and hope,' *Nepad* asserts. `Democratic regimes that are committed to the protection of human rights, people-centred development and market-oriented economies are on the increase.'[28] The discursive strategy is to convince readers of the (untenable) neoliberal conflation of free markets and free societies, which typically came unstuck in Africa during the 1990s through IMF Riots. To this end, *Nepad*'s core elements include more privatisation, especially of infrastructure (no matter its failure, especially in South Africa); more insertion of Africa into the world economy (in spite of fast-declining terms of trade); 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 information and communications technology (hopelessly unrealistic considering the lack of simple reliable electricity across the continent); 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).

To sum up the ideological partnership Mbeki proposed, consider the way that the 1980s-90s neoliberal recolonisation of African economic policy is explained in *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.[29]

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 and the environment?
- What if the structural adjustment programmes of the 1980s-90s were the result not of independent Africans searching honestly for `solutions,' but instead mainly reflected the dramatic shift in power relations at both global scale (where financial and commercial circuits of capital were in ascendance) and within individual African states, away from lobbies favouring somewhat pro-poor social policies and (at least half-hearted) industrial development, towards cliques whose strategies served the interests of acquisitive, overconsumptive local elites, Washington financiers, and transnational corporations?
- 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 generating massive 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?
- What if `inadequate attention to the provision of social services' is not anywhere correlated to the inability of countries to `achieve sustainable higher growth,' but rather serves as a nice-sounding justification for `adjustment with a human face,' as UNICEF coined the compromise that *Nepad* apparently seeks?

If these hypotheses are reasonable, and if the implication is to proceed no further with structural adjustment--human face or not--then a central task of *Nepad* was posed: to slip around such arguments without reference to their relevance. In doing so, *Nepad* fit into the globalisers' modified neoliberal project, by which it was even more vigorously asserted, ever more incongruously, that integration into global markets solves poverty. It is time to turn from Mbeki's analysis and strategic process to the specific content of his vision.

4. Making demands

In Havana, Mbeki argued for reforming global apartheid on at least five fronts:

> a) the alleviation of the debt burden carried by many of our countries, including its cancellation;

> b) an effective mechanism to ensure a substantial increase in capital flows into the developing economies as this is a prerequisite for development;
> c) the reversal of the trend resulting in a sharp drop in official development assistance;
> d) the opening of the markets of the developed countries to our products, including agricultural products; and
> e) the transfer of technology.[30]

We can consider these one by one, with the issue of technology transfer exemplified by the crucial challenge of HIV/Aids treatment.

Debt debacle. It is arguable that Mbeki's approach to the first, debt relief, has already done incalculable damage, mainly by virtue of his failure to endorse the Jubilee movement's campaign against `odious debt,' including apartheid debt. Numerous vitriolic debates between civil society and Pretoria have occurred on this issue since 1996, and do not bear repeating in full here. Suffice to say, Jubilee critics argue, had Mbeki and his predecessor Nelson Mandela been truly serious about the debt issue, they would not have

> a) agreed to repay the apartheid foreign debt to commercial banks when it was last rescheduled in October 1993;
> b) claimed, repeatedly, that there *is no* foreign debt owed by the South African government (by ignoring roughly US$25 billion parastatal and private sector debt, for which the South African state inherited repayment and guarantor responsibilities);
> c) negated the possibility of demanding reparations for previous foreign credits to the apartheid regime; and
> d) endorsed, repeatedly, the Highly Indebted Poor Countries initiative of the G-8, IMF and World Bank, which proved such a distraction from the cause of debt cancellation.[31]

By October 2001, this latter point was more widely recognised, so *Nepad* contains the argument that HIPC `still leaves many countries within its scope with very high debt burdens... In addition, there are countries not included in the HIPC that also require debt relief to release resources for poverty reduction.' (Presumably Nigeria is the main country in mind, since post-apartheid South Africa has always aimed to avoid lowering its credit rating by questioning debt repayment.)

Yet rather than attempting to challenge HIPC forthrightly, the *Nepad* strategy is to:

> support existing poverty reduction initiatives at the multilateral level, such as the Comprehensive Development Framework of the World Bank and the Poverty Reduction Strategy approach linked to the HIPC debt relief initiative... Countries would engage with existing debt relief mechanisms--the HIPC and the Paris Club--before seeking recourse through the *New Partnership for Africa's Development*.[32]

Only later will *Nepad* `establish a forum in which African countries may share experiences and mobilise for the improvement of debt relief strategies' with the aim of ending `the process of reform and qualification in the HIPC process.'[33] The idea of sharing experiences and mobilising to improve `debt relief strategies' is portentous. But HIPC is already widely derided--especially in the Jubilee South movement--as `a cruel hoax.'[34] Along with the World Bank and IMF Comprehensive Development Frameworks and the Poverty Reduction Strategy Programmes, HIPC deals are fundamentally committed to maintaining existing power relations and the neoliberal economic philosophy because they entail only very slight adjustments to debt loads, and in return require lowest-income countries to further liberalise.[35] *Nepad* takes the African debate on HIPC backwards. Its proposed course of action--namely, prioritising HIPC and the Paris Club where structural adjustment loans are negotiated--will initially cement African debt-peonage. When Africa is further weakened by further slides down the HIPC slope, as more wretched countries sign up, only then will experiences be shared and the programme's neoliberal conditions (perhaps) be contested. At the very time that Argentina was forced to default, a much more profound questioning of the ethics of foreign debt repayment would have been welcome.

Reversing capital flows. Regarding the second issue, inflows of capital, there are two kinds worth considering: financial and foreign direct investment. It hardly needs arguing that `hot-money' speculative inflows to emerging markets such as South Africa do not by any stretch qualify as `a prerequisite for development.'

Nor do the vast majority of foreign loans granted to Third World governments over the past thirty years, including concessional (0,75% interest rate) loans through the World Bank's International Development Association and African Development Bank. Those loans serve as the leverage for gaining neoliberal conditions from borrowers. Repayment of even concessional hard-currency loans is extremely expensive once a country's currency collapses, as happens regularly to Africa. Yet *Nepad* calls for more such loans in one of its mandates to signatories:

> Work with the African Development Bank and other development finance institutions on the continent to mobilise sustainable financing especially through multilateral processes, institutions and donor governments, with a view to securing grant and concessional finance to mitigate medium term risks.[36]

Even if attracting further financial flows of the hot-money and multilateral types is a questionable objective, the second kind of potential capital inflow--plant, equipment and machinery through foreign direct investment--is typically understood as an essential ingredient in any Washington-approved development strategy. But after having done all in his power to attract foreign direct investment (FDI), not even Mbeki has succeeded. Good governance and political stability are not the key factors, he has learned, otherwise oil-rich Angola and Nigeria would not be the main beneficiaries of FDI inflows. At Georgetown in May 2000, Mbeki complained of

> the many heroic efforts the governments and peoples of Africa have made and are making to correct past wrongs, encompassing... the sustained effort in many countries to introduce new economic and social policies consistent with many elements of the so-called Washington Consensus.[37]

Specifically, he told a San Francisco corporate audience,

> Notwithstanding some specific problems in some developing countries and especially African countries, there are many among these countries that have and continue to have stability and are at peace with themselves, countries that have responded positively, even under very difficult circumstances, to the prescriptions of both the prospective investors as well as the multi-lateral institutions. Many of these countries have created the necessary climate conducive to investment, for example by liberalising their trade, privatising state-owned enterprises, reforming their tax system and generally adhering to the prescribed injunctions, all done in an attempt to attract the necessary investments. The response from the developed countries, to these attempts by especially many African countries to stay within the confines of the rules, has been to treat the African continent as one country, and therefore, to punish a country on the one end of the continent for the deeds of another on the other end. In our own country, we have been assured that our economic fundamentals are correct and sound. We have developed a stable and effective financial and fiscal system. We have reduced tariffs to levels that are comparable to the advanced industrial countries. We have reformed agriculture to make it the least subsidised of all the major agricultural trading nations. We have restructured our

> public sector through privatisation, strategic partners and regulation. We have an equitable and sophisticated system of labour relations that is continually adjusting to new developments. We play an active role in all multilateral agencies in the world. Yet, the flow of investment into South Africa has not met our expectations while the levels of poverty and unemployment remain high.[38]

Nepad's main solution to the foreign investment drought appears to be the promotion of a foreign stake (Public-Private Partnerships) in privatised infrastructure: `Establish and nurture PPPs as well as grant concessions towards the construction, development and maintenance of ports, roads, railways and maritime transportation... With the assistance of sector-specialised agencies, put in place policy and legislative frameworks to encourage competition.'[39]

The lack of justification for this initiative--aside from Africa's capital shortage--is extremely unsatisfying, given that most infrastructure is of a `natural monopoly' type, for which competition is unsuitable. Such natural monopolies include roads and railroads, telephone land lines (including optic-fibre), water and sewage reticulation systems, electricity transmission, ports and the like. *Nepad* cannot make a case for competition in these areas; there is, in contrast, an extremely strong case, based on `public-good' and `merit-good' features of infrastructure, for *state* control and non-profit operation. In particular, privatisation of infrastructure usually prevents cross-subsidisation to enhance affordability for poor consumers, as South Africa has learned from price increases, `cherry-picking' of poor customers and massive service cut-offs as privatisation proceeds in telecommunications, water/sanitation, electricity and roads/transport/rail/air.[40]

The more important financing challenges for Africa are establishing scrupulous, publicly-owned development finance institutions and tough financial-sector regulations, including effective exchange controls, that would allow for the circulation and reinvestment of the continent's existing financial resources, too many of which are frittered away in debt repayments, speculative projects, luxury real estate development, and capital flight via African branches of foreign banks (typically headquartered in London and Paris) and by corrupt, *comprador* local banks. *Nepad* offers little or nothing to help Africa become more self-reliant in financing using such strategies, which were the basis of, for example, Korea's success. One reason is that active state intermediation in financial markets remains out of favour in Washington.

Reforming the international financial institutions. Is there, as Mbeki seeks, an `effective mechanism' to reverse the problem of scarce capital inflows? The standard mechanism to date has been the `seal of approval' of the World Bank and IMF, yet huge controversies surrounded the late 1990s--and ongoing--imposition of Washington-Consensus macroeconomic policy, dictated top-down, justified by Washington's need to rebuild the `confidence' of international investors (via enormous bailouts paid for through huge cuts in living standards). Would reforming the international financial institutions constitute a viable strategy for changing investment patterns?

The chair of the IMF and World Bank during 2000, Trevor Manuel, described his reform agenda mainly in terms of democratising the Bretton Woods Institutions, by which is meant expanding developing country inputs to the board, rather than director voting according to the present formula of ownership. As he explained in an interview with the Institute for Global Dialogue in mid-1999,

> The power relations in these institutions need to change. This is a `Catch 22' situation. Their Articles of Association go back to 1944, when the first shares were allocated. Voting is based on the amount of shares a country holds. The biggest problem that confronts us in relation to the Bretton Woods Institutions is that you need an 85% vote to effect any change. With the US holding about 17% of all

> shares, no reform can take place without its agreement. Therefore, the kinds of reforms we are hoping for are not going to happen unless the world takes a very different approach to these institutions.[41]

The `kinds of reforms we are hoping for' in global financial markets have never been publicly spelled out in convincing detail. Mbeki has not addressed the institutions in detail, nor does *Nepad*. From South Africa's standpoint, what would a reformed World Bank and IMF look like? One answer might be surmised by considering that, as Manuel put it, `Our relationship with the World Bank is generally structured around the reservoir of knowledge in the Bank,'[42] and that the Bank itself considers its South African operations as the key pilot in its reinvention as `Knowledge Bank.'[43] Yet virtually without exception, development knowledge shared with post-apartheid South Africa--e.g., missions and policy support in fields such as water, land reform, housing, public works, healthcare, and macroeconomics, as shown in Chapter 3--was excessively neoliberal in orientation, and failed to deliver the goods.

As a result, the ANC has had quite a schizophrenic relationship with the Bretton Woods Institutions, and in the wake of the April 16, 2000 protests in Washington, this degenerated into defensiveness. `It is very fashionable for people to say that the macroeconomic policy of the country was dictated by the International Monetary Fund or the World Bank,' complained ANC general-secretary, Kgalema Motlanthe, in a *Mail and Guardian* newspaper interview shortly after the mid-April Washington, DC protests against the two.[44] The verb `dictate' insinuates unwillingness, and so may be a red herring. In reality, Pretoria and Washington have constructed a revolving door, as witnessed not only by Manuel's job as chair of the Bretton Woods Institutions during 2000 (and persistent rumours he was going to take a permanent job there), but that of other bureaucrats who move seamlessly between the World Bank, Department of Finance and the Johannesburg banks.

Residual suspicions of nefarious Bank and IMF involvement in South Africa are worth noting in part because of their history. A National Reparations Conference opened by Archbishop Njongonkulu Ndungane in May 2000 resolved to demand the World Bank and IMF repay black South Africans for apartheid loans. From 1951-67, the Bank lent Pretoria more than $200 million, about half of which went to support electricity generation in dirty coal-fired plants. Yet black townships and rural areas were denied electricity due to apartheid. As late as 1966, the Bank granted $20 million in apartheid loans even after Albert Luthuli and the Rev. Martin Luther King called for anti-apartheid financial sanctions, and the United Nations General Assembly explicitly requested the Bank to stop (it replied to the UN, refusing).[45]

In 1986, the Bank again busted sanctions by indirectly lending to Pretoria, via the Lesotho Highlands Water Project, using a special London trust fund account to accomplish the stunt. The IMF continued its apartheid lending into the early 1980s, including $2 billion in loans after the Soweto uprising began hurting Pretoria's credit rating. After the IMF was prohibited from lending by the US Congress in 1983, it continued to give the apartheid state economic advice: to adopt neoliberal policies during the late 1980s and early 1990s, including privatisation, extremely high interest rates, export-oriented strategies and the unpopular Value Added Tax.

But, claims Motlanthe, things changed. `We're not accountable to the IMF or World Bank, as we have not borrowed from them.'[46] This is incorrect, for in December 1993, an $850 million IMF loan was signed by the interim government, known as the Transitional Executive Council (TEC), purportedly for `drought relief' (18 months after the drought ended). That loan bound Pretoria to cutting government deficit spending (from 6.8% to 6% of GDP in 1994) and reducing wages. The conditions were kept secret until a *Business Day* leak in March 1994. That newspaper's top financial journalist concluded that `The *Reconstruction and Development*

Programme and the TEC statement of policies to the IMF are arguably the two most important clues on future economic policy... The ANC, in signing the statement of policies to the IMF, committed itself to promoting wage restraint.'[47] The progressive sections of the RDP were subsequently ditched in practice.[48] Motlanthe was also not told, apparently, about a $46 million World Bank loan to promote exports in 1997, nor of tens of millions of dollars invested in South Africa by the Bank's private sector subsidiary, the International Finance Corporation.[49]

Aid fatigue. Third, regarding foreign aid, Mbeki calls for `more and better managed aid so as to deal with the basic needs that will have to precede any form of development in certain areas.'[50] One problem is that Mbeki did very little in practice to dissuade Clinton and other international leaders of the classically neoliberal trend known as `trade, not aid' (the 1990s value of North-South aid fell by a third).[51]

But what lessons does South Africa itself have to offer? Were foreign donors encouraged, under post-apartheid rule, to turn aid pledges into real programmes; sustainably provide for basic needs; promote civil society; and support good aid-management (e.g., monitoring and evaluation, and regular collective consultations with government)? There is a strong case that the Mandela and Mbeki governments were disastrous models in all these respects.

As one example, donor pledges of nearly $5 billion were made to Pretoria between 1994 and 1999. But just as government failed to disburse much of its own domestic-sourced development funding (80% annual *RDP*-related budget `rollovers' were typical in the early years, but even during the late 1990s, inability to spend poverty relief funding became a national scandal), the record of South Africa's largest donor (the European Union) was also appalling. Thus in making the case for more aid internationally, Mbeki has not yet provided a convincing case that such aid won't exacerbate well-known problems of bureaucratic capture and non-sustainability.

Trade rules. Fourth, Mbeki wants to correct what he calls the `rules and regulations that make the world trading system unbalanced and biased against the very countries that need a fair trading system so that these countries, which represent the majority of humanity, benefit from international rules of trade.'[52] Even if the South African economy is on the margins of world trade, Pretoria won a high profile in global circuits for at least three institutional reasons: Alec Erwin's 1996-2000 presidency of the UN Conference on Trade and Development; his controversial role in the 1999 WTO Summit in Seattle; and his subsequent attempt to bring together both a new middle-income bloc and African countries to restart WTO negotiations. The latter two functions--particularly Erwin's distaste for the Seattle social-movement protesters and his near-refusal to join the Africa bloc of trade ministers protesting abominable treatment by US trade negotiator Charlene Barchefsky--have been addressed by other experts.[53]

Throughout, Erwin argued for less Northern protectionism for `dinosaur industries' like manufacturing and agriculture, but he has done so meekly: `In addressing the challenge of trade and development in Unctad IX, we were attempting to break with a conception of contestation by stressing partnership.'[54]

The effectiveness of the stress on `partnership' was made explicit not only in the `What is in it for me!' attitude of the EU during Free Trade negotiations, as remarked upon above, but in 1998-1999, when US vice president Al Gore lobbied Erwin, health minister Nkosazana Dlamini-Zuma and Mbeki himself, to roll back the 1997 *Medicines Act*, which promoted the parallel import and generic production of anti-retroviral drugs essential in fighting HIV/Aids. The transnational pharmaceutical corporations threatened a constitutional lawsuit against the *Act*, which they actively pursued for a month in March 2001 before international protest forced them to withdraw. This life-and-death case of technology transfer--blocked by corporations whose billions of dollars in profits overrode access to drugs that would save millions of lives--is instructive about the nature of alliances.

Blocking access to drugs. It was not Erwin's philosophy of a fair and just trade partnership that persuaded the US leader to halt his campaign against HIV+ Africans. A vibrant `Treatment Action Campaign' of grassroots militants emerged in South Africa during 1999, embarked on protests at US consulates in Johannesburg and Cape Town, and began networking with the Philadelphia, New York and Paris chapters of the advocacy group ACT UP (Aids Coalition to Unleash Power). Gore was confronted repeatedly and aggressively by protests in Tennessee, New Hampshire, California and Pennsylvania at the very outset of his presidential election campaign in mid-1999. Numerous newspapers carried front-page stories on Gore's quandary. Within weeks, the vice president's own cost-benefit analysis began to reveal the danger of siding with the pharmaceutical firms, whose millions in campaign contributions would not offset sustained damage to the politician's image. In a September 1999 meeting with Mbeki in New York, Gore conceded the validity of the SA *Medicines Act*. With Thailand, Brazil and India also taking strong non-partnership positions by establishing generic production facilities, and with tens of thousands of protesters in the streets, President Clinton agreed at the Seattle WTO summit not to push for harder-line patent protection for US pharmaceutical companies.[55]

The South African government then failed to take advantage of the space won by the activists, as Mbeki searched for excuses--such as a controversial investigation into whether HIV is indeed associated with Aids, the alleged toxicity of anti-retrovirals and (artificial) fiscal constraints (which did not prevent Mbeki authorising tens of billions of rands worth of arms expenditures)--to *not* implement the parallel importation or generic production options. By the time *Nepad* was launched, Mbeki's HIV/Aids policies were routinely described as `genocidal' in the local and international press, and Mbeki seemed to amplify his extraordinary image as South Africa's `undertaker-in-chief' in December 2001 by authorising the Constitutional Court appeal of a hostile court judgement that required the state to begin widescale anti-retroviral mother-to-child-transmission treatment. Nelson Mandela had demanded the same of Mbeki, very publicly at the July 2000 Durban international Aids conference, but notwithstanding *Nepad*'s brief mentions of a `high priority given to tackling HIV/Aids' and leadership in a `campaign for increased international financial support for the struggle against HIV/Aids,'[56] Mbeki continued to make arguments and policy that classified him as an Aids-dissident.

But even if in retrospect it was pyrrhic, the joint struggle by the South African government and the activists over Gore and the pharmaceutical corporations was instructive. In short, the David-v-Goliath battle against pharmaceutical companies--and the White House--was won. Yet Mbeki quickly grabbed defeat from the jaws of victory, and the broader war against Aids took a quick turn for the worse.

In sum, progress on any of the five key issues Mbeki listed in Havana depends on who he is in partnership with. At one point in his May 2000 US trip, speaking to an African-American congregation at the venerable Ebenezer Church in Atlanta, Mbeki invoked the forces of social progress:

> In a world where no country can insulate itself from other parts of the same world, our success is highly dependent on your concrete support. This global solidarity between ourselves was part of the vocabulary of the civil rights movement, and some of us will remember that Dr King was one of the first world leaders to call for a boycott of South Africa as part of the struggle for democracy. This kind of solidarity amongst those who work for the same objectives, has been the hallmark of our own movement and struggle for democracy. We are therefore saying that we should continue with this

> struggle of working together and striving for social and economic justice for the poor, for countries of the South, and come with practical ways of assisting Africa to pull herself out of the quagmire of poverty. I can assure you that you will find many amongst Africans who are ready to work in honest partnership with yourselves.[57]

But with whom in the world does Thabo Mbeki really have an honest partnership, and with whom is he building genuine solidarity? Notwithstanding the eloquence of his Atlanta speech, the answers are not obvious.[58] Is there scope for an honest partnership with the world's progressive social movements?

5. Towards--or against--`global solidarity'?

One problem immediately arises and must be openly confronted. In controversies surrounding Africa's relation to imperialism, as witnessed in numerous campaigns by South African labour and social-justice movements, Mbeki and the ANC repeatedly unveiled repressive tendencies: against millions of anti-privatisation strikers in the trade union movements, against thousands of community residents in Soweto suffering from unaffordable services because of privatisation pressure, and against leading opponents of Mbeki's Aids policies, who during 2000 were reportedly labeled by Mbeki as `infiltrators' of the trade union movement and agents of pharmaceutical corporations and the CIA.[59]

Thus on the eve of the 29-30 August 2001 anti-privatisation stayaway, as insults flew between leaders of the ANC and the SACP/Cosatu, The front page of *Business Day* carried the following report:

> Cabinet ministers were subsequently dispatched to influential radio and television programmes first to `clarify' government positions, but also to `show Cosatu members they are being urged to committing suicide', according to an official involved in the spin-doctoring offensive. Also part of the strategy--championed by Trade and Industry Minister Alec Erwin, Transport Minister Dullah Omar and Public Enterprises Minister Jeff Radebe--was to seek to caution Cosatu members against the possible hijacking of their strike by outside elements such as those protesting at World Bank and International Monetary Fund meetings.[60]

Bizarre as it sounded at first blush, the same newspaper demonstrated the valid underlying rationale for Pretoria's hijack-phobia on the following day:

> SA needs to cut import tariffs aggressively, privatise faster and more extensively, promote small business effectively and change labour laws to achieve far faster growth and job creation. This is according to a World Bank report that will soon be released publicly and has been circulating in government.[61]

Empowerment? Under such circumstances, what kind of role did *Nepad* envisage for civil society, aside from `asking the African peoples to take up the challenge of mobilising in support of the implementation of this initiative by setting up, at all levels, structures for organisation, mobilisation and action'?[62] *Nepad* contains no concrete actions to be taken by the African peoples, no offer of organisational resources, and no civil-society implementation plan. The document itself was available to African civil society only through internet websites (very obscurely). There were no leadership-catalysed discussions of *Nepad* within civil-society organisations in South Africa itself--which is perhaps explained by the fact that Mbeki's Alliance partners in the trade unions and the SA Communist Party firmly opposed central neoliberal *Nepad* economic and infrastructure provisions via mass protests and stayaways, simultaneous to Mbeki's attempt to sell these in international and a few continental venues.

Instead, the spirit of grassroots partnerships envisaged is captured in the vague mandate to `Promote community and user involvement in infrastructure construction, maintenance and management, especially in poor urban and rural areas, in collaboration with the *New Partnership for Africa's Development* Governance Initiatives.'[63] This is, in principle, a useful strategy. But in practice, it has had the effect of placing financial and technical obligations that are the responsibility of the state in most civilised societies, onto the shoulders of Africa's most impoverished communities.

In South Africa, for instance, the effect of requiring a greater role for communities in administering full cost-recovery rural water schemes, was to leave most of them broken due to lack of community affordability. More than 43,000 children die of diarrhoea each year in South Africa as a function, mainly, of inadequate water and sanitation, which in turn is mainly an affordability problem. Similarly, the disconnection of (existing free) water supplies due to unaffordability occurred at the epicentre of the 2000-01 cholera epidemic, which affected more than 200,000 low-income people, killing more than 200.

The philosophy of user responsibility for maintenance and management--and expenses thereof--already prevails in many African settings, notwithstanding the extreme levels of poverty, mainly because of policy-makers' and programme managers' neoliberal ideological commitment to full cost-recovery. As the World Bank recently expressed its mandate to governments which aim to supply rural African villages in desperate need of water and sanitation supplies, `Promote increased capital cost recovery from users. An upfront cash contribution based on their willingness-to-pay is required from users to demonstrate demand and develop community capacity to administer funds and tariffs. Ensure 100% recovery of operation and maintenance costs.'[64]

A subsequent World Bank initiative--the Kampala Statement on urban water in February 2001--was similarly naive (or disingenuous) about the politics of water privatisation `reform': `Labour can also be a powerful ally in explaining the benefits of the reform to the general public. It is essential therefore that the utility workers themselves understand and appreciate the need for the reform.' The Kampala Statement's bottom line: `an increased role of the private sector in water/sanitation services delivery has been a dominant feature of the reform processes of African countries as it has been recognised as a viable alternative to public service delivery and financial autonomy.'[65] Finding an alternative to what the state ordinarily has a responsibility to provide the citizenry, is at the core of Washington's--and *Nepad*'s--notion of civil society empowerment.

What is revealed by these demands of African societies--made by both Mbeki and his Washington partners--is not only the counterproductive and illusory establishment of alliances and partnerships with the forces promoting global apartheid, but also the contradictory character of Mbeki's rhetoric concerning international social change. Notwithstanding the practical hostility Mbeki often shows when dealing with civil-society opposition to his neoliberal policies, he often makes rhetorical gestures to the enormously important role of social-change activists. And as in Mbeki's own speeches, there is a high degree of empowerment rhetoric in *Nepad*:

> The *New Partnership for Africa's Development* seeks to build on and celebrate the achievements of the past, as well as reflect on the lessons learned through painful experience, so as to establish a partnership that is both credible and capable of implementation. In doing so, the challenge is for the peoples and governments of Africa to understand that development is a process of empowerment and

> self-reliance. Accordingly, Africans must not be wards of benevolent guardians; rather they must be the architects of their own sustained upliftment.[66]

This is inspiring rhetoric. But *Nepad*, in reality, shuns `self-reliance' and the self-upliftment of Africans. To illustrate, none of the social-justice `achievements' that cut against the grain of then-prevailing features of globalisation--especially mass civil-society protests that threw off the yokes of slavery, colonialism and apartheid--are specifically mentioned in *Nepad*. And *Nepad* asks readers to `reflect'--but only in an extremely blinkered way, so as to avoid a more thorough-going analysis and set of policy options. Thus none of the anti-imperialist ideas of the most progressive architects and analysts of 20th century African political and socio-economic liberation--e.g., Ake, Amin, Biko, Cabral, Fanon, First, Kadalie, Lumumba, Machel, Mamdani, Mkandawire, Nabudere, Nkrumah, Nyerere, Odinga, Onimode, Rodney, Sankara, Shivji--are considered worthy of reference, much less engagement and endorsement.[67]

Yet the radical rhetoric of self-reliance characterised some of Mbeki's discourses during 2000-01, as if to substitute for the top-down, elite-centred, non-consultative nature of *Nepad*. For example, to one audience of social-democratic activists in mid-2000, Mbeki was resolute in his commitment to nurture challenges from the grassroots:

> All of us, but most certainly those of us who come from Africa, are very conscious of the importance that all tyrants attach to the demobilisation of the masses of the people. At all times, these tyrants seek to incite, bribe or intimidate the people into a state of quiescence and submissiveness. As the movement all of us present here represent, surely our task must be to encourage these masses, where they are oppressed, to rebellion, to assert the vision fundamental to all progressive movements that--the people shall govern![68]

Aside from not being implemented, one problem is that this kind of support--Mbeki generously citing demonstrators for raising consciousness--is not, in fact, mutual. For consciousness-raising is only a small fraction of the concrete challenge that many of the leading social-justice movement organisations have set for themselves: the essence of that challenge is to *shut down* the WTO, World Bank and IMF. Mbeki's approach is the precise opposite: to gain greater admittance. What, then, is the nature of the growing conflict over Africa's and South Africa's relations with the world economy, between leaders and progressive activists?

Voluntarism and activism. To understand how far the ANC government has gone to downgrade alliances with the Left, consider a 1996 ANC discussion document, which concluded with these lines:

> The democratic movement must resist the illusion that a democratic South Africa can be insulated from the processes which characterise world development. It must resist the thinking that this gives South Africa a possibility to elaborate solutions which are in discord with the rest of the world, but which can be sustained by virtue of a voluntarist South African experiment of a special type, a world of anti-Apartheid campaigners, who, out of loyalty to us, would support and sustain such voluntarism.[69]

The 1997 *Medicines Act* was, activists insist, precisely such a `voluntarist experiment.' It was, indeed, *only* sustained by virtue of appeal, by local activists, to `a world of anti-Apartheid campaigners' who `out of loyalty,' militantly demonstrated in favour of the Act.

This is where, finally, the argument comes to a head. So far, we have taken seriously the extent to which Mbeki says he *wants* to change the world, even if the analysis is wanting, the rhetoric often confuses listeners, the strategy is dubious and the tactics ineffective. Central to this problem, is who Mbeki most comfortably allies with. The social forces represented in the Aids-treatment example are emblematic of the challenge, for they evoke enormous potential for real solidarity, *for changing the balance of forces*.

This dilemma appears to be the case across Africa, notwithstanding optimistic *Nepad* rhetoric:

> The present initiative is an expression of the commitment of Africa's leaders to translate the deep popular will into action... The political leaders of the continent appeal to all the peoples of Africa, in all their diversity, to become aware of the seriousness of the situation and the need to mobilise themselves in order to put an end to further marginalisation of the continent and ensure its development by bridging the gap with the developed countries.[70]

Some readers will find the hypocrisy in this passage breathtaking. Africans falling further into poverty as a result of leadership *compradorism* and globalisation may be less aware of the need to `become aware of the seriousness of the situation,' as much as do those elite rulers who generally live in luxury, at great distance from the masses. And when Africans in progressive civil society organisations express `the need to mobilise themselves,' they are nearly invariably met with repression from ruling elites.

Moreover, *Nepad* could--but tellingly doesn't--document `the deep popular will' to build a new Africa. That ambition certainly does exist in various civil society initiatives, most of which stand in explicit opposition to *Nepad*. Across the continent, varied grassroots organisations--community-based groups, HIV/Aids support organisations, traditional and ethnic-based movements, progressive churches, women's and youth clubs, environmental groups and many others--have joined trade unionists and radical intellectuals in diverse struggles against neoliberalism, for democracy and humanity. Many of the strongest expressions of popular will exist in South Africa, and involve Mbeki's Alliance partners who fundamentally reject the same policies of alleged `macroeconomic stability' (fiscal and monetary austerity) and privatisation which *Nepad* promotes.

The same deep philosophical rejection of *Nepad* and promotion of a genuine human-rights culture exists across Africa. In the political sphere, this led in 2001 to mass demonstrations against unfree, unfair elections held in Tanzania, Zambia and Zimbabwe. In the economic sphere, trade unions regularly protest structural adjustment, and are joined by diverse citizen's movements. For example, Jubilee Africa branches motivate strongly for full debt repudiation, cancellation and reparations across the continent, and fundamentally reject Washington's debt relief strategies. African initiatives are also evident in the grassroots campaign for the return of Nigerian dictator Sani Abacha's billions in looted funds in Swiss and London banks. Early success helped to break open bank secrecy, following similar campaigns over fifteen years waged by citizens' groups and governments in the Philippines and Haiti in relation to the Marcos and Duvallier hoards.

In addition, specific World Bank projects in Africa have come under attack by progressive local and international groups, including the Chad-Cameroon pipeline, the Lesotho Highlands Water Project, Namibia's Epupa Dam and Uganda's Bujagali Dam, as well as various Bank attempts to commercialise national water management and privatise urban water/sanitation systems. Other growing campaigns that link African and international civil society organisations include the environmental debt that the industrial North owes the South, and the campaign to ban `conflict-diamond' trade that contributes to civil war in Sierra Leone, Liberia and Angola.

Across Africa, such solidarity is being discussed in relation to concrete and potential linkages between social-justice movements of the North and South. An `African People's Consensus' campaign was catalysed by Jubilee anti-debt, other church, labour, NGO and community groups in Lusaka in May 1999 and then taken forward at a major Dakar gathering in December 2000 that for the first time linked progressive grassroots and shopfloor activists from English, French and Portuguese-speaking areas of Africa. And likewise, while Thabo Mbeki was gathering international elite support for *Nepad* and only later checking in on African capitals, a `Southern African People's Solidarity Network' headquartered in Cape Town held regular workshops across the region to generate analysis, establish positions and coordinate campaigns against neoliberalism and political repression.

Generally these African networks of social-justice movements push for what might be termed economic `deglobalisation' by their nation-states (e.g., more exchange controls, protection of vital infant industries, debt repudiation), and for greater regional cooperation and mobility of people across Africa's artificial colonial-era borders, with the aim of reorienting domestic political economies away from the financial and trade circuitry which has been so disempowering these past two decades. Ultimately a `rights-based' philosophy is emerging that stresses decommodification and destratification in the material sphere, women's rights, and social-environmental harmony. The largest deficits are in the spheres of democracy and basic needs, particularly in relation to rural women, and particularly in areas whose production basis should be easy to expand--rural water/sanitation and small-scale irrigation systems, electricity, public works--without debilitating import requirements. By stressing private sector participation in the supply of infrastructure and services, *Nepad* moves in the opposite direction from Africa's leading popular forces.

Serious (non-reformist) reform. The radical strategy is multifaceted, but at the end of the day is not merely destructive or protectionist, as Erwin and Manuel repeatedly posit. Recall the first great reformer of the IMF and World Bank: a key co-founder, John Maynard Keynes. When Keynes failed to persuade the dominant US negotiators of the need for a more politically-neutral institution at the 1944 Bretton Woods and 1946 Savannah conferences, he was despondent. As one account has it, `Keynes had argued so bitterly at Savannah with US Treasury Secretary Fred Vinson and was so distressed by the course on which the Bank seemed to be set that his friends blamed the meeting for the heart attack he suffered on the train back to Washington, and for a second, a month later, which killed him at the age of 63.'[71]

It may be useful to conclude, as a result, with the kind of changes to the world economy for which Keynes once firmly argued. For these words are--if one only added `political solidarity' to the list of globalisation goods--perfectly consonant with the radical strategy noted above:

> I sympathise with those who would minimise, rather than with those who would maximise, economic entanglement among nations. Ideas, knowledge, science, hospitality, travel--these are the things which should of their nature be international. But let goods be homespun whenever it is reasonably and conveniently possible and, above all, let finance be primarily national.[72]

Keynes was not only perhaps a more active, successful and visionary shaper of global circumstances than Mbeki--albeit from a stronger power base in Britain, yet also ultimately a subservient and frustrating base. But in that 1933 maxim he also captured the essence of a bumper-sticker slogan that is often heard in the contemporary international social justice movement: *`The Globalisation of People, not of Capital!'* It is that slogan which says so much more about analysis, strategy, demands and alliances than can Thabo Mbeki, and in turn hints more profoundly about why his initiatives, including *Nepad*, have become `an obstacle to the further development of our own revolution,' and to global-scale and continental socio-economic progress. In sum, if international capital and its various institutional foundations, including the Bretton Woods Institutions and WTO, represent the `chains' of global apartheid, it is evident in what we have seen above, unfortunately, that Mbeki's project can be reduced to shining, not breaking those chains.

Notes

1. The author is associate professor at the Wits University Graduate School of Public and Development Management, and an associate of the Alternative Information and Development Centre (http://www.aidc.org.za). Previous versions of this analysis--which was originally given as the August 2000 Inaugural Frantz Fanon Memorial Lecture at the University of Durban-Westville--have appeared in *The Review of African Political Economy*, *Politikon* and my book *Against Global Apartheid: South Africa meets the World Bank, IMF and International Finance* (Cape Town, University of Cape Town Press, 2001). Further detailed arguments and documentation of the problems caused by globalisation and neoliberalism in South Africa are available in three other recent books: *Unsustainable South Africa: Environment, Development and Social Protest* (Pietermaritzburg, University of Natal Press and Trenton, Africa World Press, 2002), *Cities of Gold, Townships of Coal: Essays on South Africa's New Urban Crises* (Trenton, Africa World Press, 2000), and *Elite Transition: From Apartheid to Neoliberalism in South Africa* (London, Pluto Press and Pietermaritzburg, University of Natal Press). In relation to Mbeki's uneven relationship with its northern neighbour, see Bond and Masimba Manyanya, *Zimbabwe's Plunge: Exhausted Nationalism, Neoliberalism and the Struggle for Social Justice*, Chapter Four (Pietermaritzburg, University of Natal Press, Harare, Weaver Press, London, Zed Press and Trenton, Africa World Press, 2002).
2. *New Partnership for Africa's Development*, 23 October 2001, http://www.mapstrategy.com, pa.40,70.
3. Mbeki, T. (2000), `Ou Sont Ils, en ce Moment--Where are They Now?,' Second Oliver Tambo Lecture of the National Institute for Economic Policy, Johannesburg, 11 August.
4. Fanon, F. (1963)[1961], *The Wretched of the Earth*, New York, Grove Press, pp.152-153.
5. *Nepad*, pa.28,40,52.
6. Toussaint, E. (2001), `Debt in Sub-Saharan Africa on the Eve of the Third Millennium,' Unpublished paper, Committee for the Abolition of Third World Debt, Brussels.
7. Michie, J. and Padayachee, V. (1997), `The South African Policy Debate Resumes,' in J.Michie and V.Padayachee (Eds), *The Political Economy of South Africa's Transition*, London, The Dryden Press, p.229.
8. Mbeki, T. (2000), `Keynote Address to the National General Council,' Port Elizabeth, 12 July.
9. *Nepad*, pa.2,33,34,35,36.
10. Fake-threats such as counterproductive radical-Islamic terrorism (which strengthened not weakened the forces of reaction in the United States) are no substitute for the potential threat of a united Africa which acts in its self-interest.

Perhaps the best example, to date, was the denial of consensus by the Organisation of African Unity at the December 1999 World Trade Organisation summit in Seattle. In contrast, trade minister Erwin was notably peeved at the failure of Seattle to establish a new WTO round, and only joined the OAU caucus statement at the last moment, grudgingly, and demanding edits. He then actively pursued a new round during 2000-01 in meetings with both intransigent and weak African trade ministers. And according to press reports which went unrefuted, he worked very hard to split the African delegation in November 2001 at Doha to prevent another Seattle debacle (*Mail and Guardian*, 9 November 2001).

11. However, to do so would in turn require two other corollaries: collective repudiation of African and Third World debt so as to again `threaten the stability of the global financial system' and thereby gain leverage for genuine debt-cancellation negotiations; and prohibition on the use of developing country funds to be invested in the IMF/World Bank (e.g., South Africa's 1% share) to bale out Western investors, as ordinarily transpires in the case of a Third World financial crisis. Tellingly, *Nepad* does not mention that although poverty increased dramatically in the wake of the 1997-99 emerging markets crisis, foreign investors (especially New York and London financiers) generally recovered their funds, and new US investors in debt-ravaged Asian firms were able to pick up assets at fire-sale prices.
12. Mbeki, T. (1999), `Speech at the Launch of the African Renaissance Institute,' Pretoria, 11 October.
13. Mbeki, T. (2000), `Address at the Opening of the South Summit,' Havana, 12 April.
14. Mbeki, `Keynote Address.'
15. Mbeki, `Keynote Address.'
16. Mbeki, `Keynote Address.'
17. Mbeki, T. (2000), `Address by President Thabo Mbeki to the Commonwealth Club, World Affairs Council and US/SA Business Council Conference,' San Francisco, 24 May.

18. *Nepad*, pa.29,39,31.

Corrections are in order. In reality, while there has been rapid growth in world trade since the US-led, international recession of the early 1980s, the level of globalisation (measured by trade as a percentage of national output) is still in the range it was in 1913, long before the ICT revolution. More importantly, world economic growth slowed dramatically during the two-decade period of the alleged economic revolution, compared to the prior two decades, and the lowest-income countries' economies were worst affected (http://www.cepr.net). Moreover, the fastest-growing economies during the 1980s-90s were not those of the highly industrialised West or Japan, but the Newly Industrialising Countries of East Asia. As for the trajectory of the West's alleged economic `locomotive,' it was certainly possible by October 2001 to remark upon the New Economy's train smash--but to do so would spoil *Nepad*'s techno-driven story.

19. ANC Alliance (1998), `The Global Economic Crisis and its Implications for South Africa,' ANC Alliance Discussion Document, Johannesburg, reprinted in *The African Communist*, Fourth Quarter 1998.

20. See especially the reporting by Mungo Soggett, *Mail and Guardian*, 6 and 13 December 2001.

21. Though it was never pointed out publicly, the dispute mainly reflected the Orwellian power of the ad man to brainwash European consumers, for while no one challenged the right of South African producers to fill the content of their bottles with wine and spirits, they simply were prohibited from use of what were formerly generic marketing namebrands (not geographic markers) on the outside of the bottle.

22. In 1999, these occurred in London (June), Cologne (July) and Seattle (1999). In 2000, massive demonstrations against corporate globalisation and the Bretton Woods Institutions were held in Davos (January), Washington (April), Windsor (July), Okinawa (July), Melbourne (September), Prague (October), and Nice (November). During 2001, the main protest sites were Gothenburg (March), Quebec City (April), London (May), Genoa (July) and Brussels (December).

23. Millions of people protested neoliberalism and corporate domination across the South. These included an indigenous people's uprising against austerity policies in Ecuador; anti-privatisation protests in Cochabamba, Bolivia which later became nation-wide in scope; a congregation of thousands of angry students, unemployed workers, environmentalists and displaced rural people in Chiang Mai, Thailand; a strike by twenty million Indian workers against the IMF and Bank; anti-IMF demonstrations in Port-au-Prince, Haiti; a two-day general strike in Paraguay; a combined protest by Nigeria's trade unions allied with Lagos residents against an IMF-mandated oil price increase; South Korean mass worker demonstrations against IMF-mandated austerity policies; a Brazilian plebiscite of six million people on whether the society should accept an IMF austerity programme; repeated protests by Turks whose economy was battered by speculators and then the IMF; and the full-fledged popular overthrow of the Argentine government in December 2001 following numerous mass demonstrations over an 18-month period. South Africa, too, witnessed mass protests by the Congress of South African Trade Unions against neoliberalism in May 2000 and August 2001, anti-neoliberalism/racism demonstrations at the World Conference Against Racism in September 2001, and repeated smaller-scale protests against localised forms of neoliberalism (such as water and electricity cutoffs and evictions) in Soweto, Chatsworth, Tafelsig and many sites inbetween. For details, see Bond, *Against Global Apartheid*, Chapters 8-12, and documentation by the World Development Movement: http://www.wdm.org.uk/cambriefs/DEBT/unrest.htm, and at *GreenLeft Weekly* newspaper.

24. Mbeki, T. (2000), `Lecture of the President of South Africa, Thabo Mbeki, at Georgetown University,' Washington, 23 May.

25. Erwin, A. (1999), `Address to Parliament on the Challenges of Globalisation at the `Millennium' Debate Occasion,' Cape Town, 19 November.

26. Mbeki, `Keynote Address.'

27. Mills, J. and J.Oppenheimer (2001), `Partnerships only way to break cycle of poverty,' *Financial Times*, 1 October; Gondwe, G. and C. Madavo (2001), `New swipe at fighting poverty,'*Financial Times*, 7 October.

28. *Nepad*, pa.7.

29. South African Department of Foreign Affairs (2001), `New Partnership for Africa's Development,' Pretoria, 23 October 2001.

30. Mbeki, `Address at the Opening of the South Summit.'

31. http://www.aidc.org.za

32. *Nepad*, pa.118,149.

33. *Nepad*, pa.150.

34. http://www.jubileesouth.net

35. In the main Southern African pilot HIPC, Mozambique's conditionality requirements included quintupling cost-recovery charges (user fees) at public health clinics, privatisation of urban and rural water supply systems, and the simultaneous liberalisation and privatisation of its largest agro-industry, cashew-nut processing, which destroyed the industry. President Chissano publicly complained about the low levels of debt cancellation and the pressure he was under to inappropriately liberalise the economy by the Bretton Woods Institutions.

36. *Nepad*, pa.106.

Indeed, financing is one of *Nepad*'s Achilles Heels, because existing institutions and processes are so destructive. The African Development Bank (AfDB), for example, is an example of a failed institution. The World Bank's own internal assessments of African lending (e.g. the Wappenhans Report) are shocking, with a majority of projects considered failures. There is no logic to the AfDB and World Bank process of lending in hard currency for developmental goods and services--e.g., rural education--whose components are nearly entirely based on locally-sourced inputs (not requiring hard currency repayment). Many donor agencies, especially US AID, suffer from the same problem, of lending in extremely expensive hard currency--repayable with high effective interest rates as the value of African currencies falls--for projects with few foreign inputs. The hard currency is then utilised, in part, for import of luxury goods by African elites. If countries attempt to put on luxury goods import taxes (as did Zimbabwe in 1998), the International Monetary Fund and World Trade Organisation force the countries to remove them.

A more appropriate self-mandate in relation to foreign financiers is readily available in the ANC's 1994 *Reconstruction and Development Programme* (RDP):

[Southern African countries] were pressured into implementing [IMF and World Bank] programmes with adverse effects on employment and standards of living... The *RDP* must use foreign debt financing only for those elements of the programme that can potentially increase our capacity for earning foreign exchange. Relationships with international financial institutions such as the World Bank and International Monetary Fund must be conducted in such a way as to protect the integrity of domestic policy formulation and promote the interests of the South African population and the economy. Above all, we must pursue policies that enhance national self-sufficiency and enable us to reduce dependence on international financial institutions. (African National Congress (1994), *The Reconstruction and Development Programme*, Johannesburg, Umanyano Publications, s.1.4.17,6.5.16)

37. Mbeki, `Lecture of the President of South Africa, Thabo Mbeki, at Georgetown University.'

38. Mbeki, `Address by President Thabo Mbeki to the Commonwealth Club, World Affairs Council and US/SA Business Council Conference.'

39. *Nepad*, pa.115,106.

40. The case against infrastructure privatisation has been very strongly made in South Africa in recent years, because of the failure of a variety of privatised enterprises:

• telecommunications, where the cost of local phone calls skyrocketed as cross-subsidisation from long-distance (especially international) calls was phased out, and where at least half a million phone accounts were closed due to unaffordability;

• water and sanitation, where in 2001 unacceptable problems emerged in key pilot projects run by the world's biggest water companies (e.g., Nkonkobe municipality sued to cancel its disadvantageous long-term contract with Suez due to overpricing and underservicing, including ongoing use of the 19th-century `bucket system' of sanitation, Dolphin Coast where Sauer demanded--and won--a renegotiation of its contract in order to raise tariffs because profits were insufficient, and Nelspruit where Biwater was sharply criticised for failing to extend services and cutting off services to low-income residents);

• electricity, where the drive towards cost-reflective pricing (`corporatisation,' to be followed by privatisation) led Eskom to charge higher rates in Soweto than Sandton for more than average consumption, and where cut-offs of electricity to hundreds of thousands of low-income customers are occurring without reference to public-good issues such as environment, public health or gender equity;

• in the area of transport, toll roads which local residents could not afford, and private kombi-taxi transport (dangerous due to profit pressures), an increasingly corporatised rail service (which shut down many unprofitable but socially useful feeder routes), and air transport (the national airline's disastrous mismanagement and subsequent need for renationalisation in November 2001).

41. *Global Dialogue*, 4, 2, p.15.

42. *Global Dialogue*, 4, 2, p.15.

43. This is confirmed in World Bank (1999), *South Africa--Country Assistance Strategy*, Washington, DC.

44. *Mail and Guardian*, 5 May 2000.

45. Caufield, C. (1997), *Masters of Illusion: The World Bank and the Poverty of Nations*, London, Macmillan, p.206.

46. *Mail and Guardian*, 5 May 2000.

47. *Business Day*, 30 May 1994.

48. Bond, *Elite Transition*, Chapter 3.

49. These include stakes in Dominos Pizza (which subsequently went bankrupt), in for-profit healthcare, in housing securities to make high-income people's homes more affordable, and in infrastructure privatisation, none of which fight poverty (and all of which add a US dollar liability to South Africa's stressed current account).

50. Mbeki, `Address by President Thabo Mbeki to the Commonwealth Club, World Affairs Council and US/SA Business Council Conference.'

51. *Financial Times*, 11 November 1998.
52. Mbeki, `Address to the Commonwealth Club, World Affairs Council and US/SA Business Council Conference.'
53. See, e.g., Tandon, Y. (1999), `A Blip or a Turnaround?,' *Journal on Social Change and Development*, 49, December; Keet, D. (2000), `South Africa's Role in the WTO,' Alternative Information and Development Centre Occasional Paper, Cape Town.
54. Erwin, A. (2000), `Opening Address to the Tenth Session of Unctad,' Bangkok, 12 February.
55. The firms reacted with promises of cheaper, though not free, drugs, which in turn were spurned by activists as too little, too late. When faced with the prospect of local production, drug companies changed the subject by announcing offers of free medicine, which subsequently did not materialise.
56. *Nepad*, pa.49,127.
57. Mbeki, T. (2000), `Address at the Ebenezer Baptist Church,' Atlanta, 26 May.
58. To illustrate, under Mbeki's influence, post-apartheid foreign policy examples of areas where solidarity was *not* extended to democrats include the Indonesian and East Timorese people suffering under Suharto (recipient of a 1997 Cape of Good Hope medal), Nigerian opposition activists who in 1995 were denied a visa to meet in Johannesburg, the Burmese people (given the junta-controlled `Myanmar's' unusual diplomatic relations with Pretoria), and victims of murderous central African regimes which were SA arms recipients. The National Conventional Arms Control Committee reported that from 1996-98, undemocratic regimes like Colombia, Algeria and Peru purchased more than R300 million rand worth of arms from South Africa (Batchelor, P. [1999], `South Africa: An Irresponsible Arms Trader?,' in *Global Dialogue*, 4, 2, p.17).
59. A more general level of paranoia was revealed in an extraordinary May 2001 attack by Mbeki's close ally Steve Tshwete on three top ANC leaders (based in business) who were incorrectly alleged to have plans to overthrow Mbeki.
60. *Business Day*, 27 August 2001.
61. *Business Day*, 28 August 2001.
62. *Nepad*, pa.56.
63. *Nepad*, pa.106.
64. World Bank (2000), *Sourcebook on Community Driven Development in the Africa Region--Community Action Programs*, Washington, Appendix 2.
65. Water Utilities Partnership (2001), `Kampala Statement,' World Bank, Washington, DC, 14 March.
66. *Nepad*, pa.27.
67. We know from Mbeki's August 2000 Oliver Tambo lecture that he is well acquainted with the ideas of radical Africans. His failure to invoke these in *Nepad* is revealing.
68. Mbeki, T. (2000), `Vox Populi--Is it Real?: Speech at the IUSY Festival,' Stockholm, 28 July.
69. ANC (1996), `The State and Social Transformation,' Discussion document reprinted in *African Communist*, 4.
70. *Nepad*, pa.53,55.
71. Caufield, *Masters of Illusion*, p.47.
72. Keynes, J.M. (1933), `National Self-Sufficiency,' *Yale Review*, 22, 4, p.769.