Neoliberalism in Africa, Apocalyptic Failures and Business as Usual Practices

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We are not blinded by the moral reparation of national independence; nor are we fed by it. The wealth of the imperial countries is our wealth too.... So when we hear the head of a European state declare with his hand on his heart that he must come to the aid of the poor underdeveloped peoples, we do not tremble with gratitude. Quite the contrary; we say to ourselves: "It's a just reparation which will be paid to us."... This help should be the ratification of a double realization: the realization by the colonized peoples that it is their due, and the realization by the capitalist powers that in fact they must pay.

(Fanon 1963: 102-103).

I have been asked to speak about Neoliberal theory and its impact on Africa, especially its political implications. Given the time constraints I cannot go into the explanation of why neoliberalism replaced Keynesianism in the late 1970s and early 1980s as the hegemonic economic paradigm in the US and Europe. I will merely start medias res and give some definitions of neoliberal theory and its typical policies, then I will go on to discuss its impact on Africa in the last two decades.

Neoliberal theory is the elaboration of a simple assumption: all human activity is always already a commodity and the best way (leading to the greatest satisfaction possible) is to organize these activities through a market. Some activities are already recognized as commodities (waged labor), but the theorists of neoliberalism argue that much activity that had previously been considered "inalienable"-like child-bearing, love making, health care
decisions concerning organ transplants, learning and research, voting, and artistic work are really actions that are (in a hidden way) and should be considered as of income-bearing activities. The True, the Good, the Just, the Beautiful and every other capitalized ideal become, in the neoliberal gaze, the many veiled form of the Commodity. That is why opponents of neoliberalism have justly summarized their position in the slogan, "This World is Not for Sale!"

Neoliberal policies are ones that apply the basic assumption of neoliberal theory to the social realm. A typical example of such policies are the user-fees clauses of World Bank Structural Adjustment Programs (SAPs) that require governments to charge fees for the use of health care, education and water "services" to the citizenry. Similar neoliberal policies now have familiar acronyms like TRIPS (Trade Related Intellectual Property Rights) and GATS (General Agreement on Trade in Services) for they put the products of mental activities and the human behaviors that could be qualified as "services" into the framework of commodities and require that they be offered on a market open to all (with the emphasis on all) bidders. So literally every spoken sentence could be copyrighted and every caress could be bid for.

The logical conclusion of these policies is to apply commodity logic even in fields where moral or psychological "prejudices" have so far barred its application (Posner 1992). The Nobel Prize winning economist, Gary S. Becker, is the epitome of a neoliberal economist and he summarizes his approach as "the combined assumptions of maximizing behavior, market equilibrium and stable preferences, used relentlessly and unflinchingly" (Becker 1976: 5). Hence an ideal neoliberal program would transfer almost all social decision making onto individual "consumers" with a variety of "budget constraints" competing on the market for a variety of products and services open to all bidders.

1. In this talk I will show why African political economy has been more debilitated by the introduction of neoliberal policies compared to the rest of the Third World. Their policies
have constituted a literal apocalypse in the last twenty years in Africa. I will also reflect on
the political meaning of these consequences for a movement that is in opposition to
neoliberalism.

Since the early 1980s there has been a continuous attempt by the World Bank, the
IMF and increasingly the G7 to introduce neoliberal programs to "solve" the problems of the
African economy. From the recommendations of the Berg Report in the early 1980s, to the
Structural Adjustment Programs of the mid-1980s to the mid-1990s, to the Heavily Indebted
Poor Country (HIPC) and Poverty Reduction Strategy Papers initiatives of the late 1990s and
the early 21st century each of the neoliberal "solutions" have failed and failed again.

These failures have left African countries and peoples with an apocalyptic situation in
terms of the indices of the quality of life (from falling longevity, collapse of wages to
increasing illiteracy). For example, Sub-Saharan Africa has suffered a decline in longevity
since the late 1980s similar to the one suffered by Russia. As the editors of African Agenda
point out:

The most basic index of well-being is life itself--how many years a human can
expect to live. Yet while other regions' life expectancy is steadily improving
[with some notable exceptions-CGC], Africa's is now going backwards:
*Life expectancy declined in no fewer than 31 African countries between
*The average sub-Saharan African can expect to live 14 years less than
someone in the next-poorest region, South Asia—and 30 years less than
someone in the industrialized world.
*In Zimbabwe and Uganda the impact of deaths attributed to AIDS has
reduced average life expectancy in 1998 to below what it was in 1960.

Indeed, whatever one's view about the causal connection between HIV infection and
AIDS, if one grants that there is a social correlation between them then there is truly an
apocalyptic situation in that swath of Africa (almost from the Cape to Cairo) between South

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Africa and Ethiopia where there are the following percentage of people, age 15-49, infected with HIV: Botswana 36%; Swaziland 25%, Zimbabwe 25%; Lesotho 24%; Zambia 20%; South Africa 20%; Namibia 20%; Malawi 16%; Kenya 14%; Mozambique 13%; Burundi 11%; Rwanda 11%; Ethiopia 11%; Uganda 8%; Tanzania 8% (Philips 2000: A3). In effect, agencies like the World Bank are literally writing much of Africa out of existence along with hundreds of millions of Africans. (Indeed, while appearing to be concerned about the plague, the World Bank is attempting to monopolize the International funds earmarked for AIDS in Africa.)

Even in terms of the purely economic variables that charted the official problem--debt--and the official solution--increased exports and inflow foreign direct investments--these neoliberal policies have been resounding failures. SAPs were supposed to lead to a reduction of debt by structurally adjusting African economies so that they would export more and attract more foreign investment. A few statistics can clarify the failure to accomplish these goals. Instead of decreasing the debt burden, the era of SAPs had led to a 400% increase in debt (to $230 billion) since 1980, so that as of 1996 sub-Saharan Africa had a higher debt as percentage of GNP than any other major Third World region with Sub-Saharan Africa's at 73% while Middle East and North Africa's 36%, East Asia and Pacific's 36%, Latin American and Caribbean's 34% and South Asia's 30% (Fischer 2001) (African Agenda 2000).

The era of SAPs has also witnessed a decline in the share of exports or African countries. This has been especially pronounced in the 1990s when there has been a dramatic increase in world exports from about 3.5 trillion in 1990 to 6.5 trillion US dollars in 2000 (about 85%). Although there was a nominal increase in exports of about (35%) the share of exports from African countries fell dramatically from 2.35% in 1990 to 1.78% in 2000 (UNCTAD- on-line 2002: Table 1.1).

Another yardstick of failure is in foreign direct investment (FDI). Although there was
a increase from $4 per capita of FDI which flowed into Africa in 1990 to $11 per capita in 2000 this should be put into a historical context for FDI literally exploded in this decade. In developed countries the FDI which flowed inward went from $196 per capita to $1,126 while even the world per capita FDI inward flow leaped from $41 to $210 in this decade. That is, while developed countries and world FDI per capita inflow increased by five times, the African inward FDI increased less than three times and the absolute amount remained the lowest for all regions on the planet (UNCF AD- on-line 2002: Table 4.4).

1. If African economies performed so poorly, in such an unprecedented period of increase in trade and FDI, then one can only declare that its ruling economic policy is to blame, especially when this policy was to get its legitimacy from its claim to reduce debt, increase FDI and export shares. Notwithstanding these failures, the neoliberalism policies are still being recommended, demanded and imposed on African governments. Why? in order to effectively stop this banal insistence on apocalyptic failures we must first understand what is the force behind it.

2. The explanation for this continuing insistence on failed policies have been many. One of the most interesting and provocative was Susan George's, for example, in her co-authored book, *Faith and Credit*, in the mid-1990s where she ironically argued for a sort of theological one. Neoliberalism had become a secular religious doctrine for the officials of the IMF, the World Bank and the G7 (George and Sabelli 1994). Consequently, its actual empirical success or failure had become irrelevant, even though millions of people were suffering. From this perspective, Margaret Thatcher's "There Is No Alternative" (or TINA) was similar to the exclusionary commandments of the monotheistic religions. So the World Bank and IMF become something like the Vatican of the neoliberal church.

Since the Enlightenment, however, a healthy skepticism to religious explanations of behavior has grown, for these explanations tend to take the viewpoint of the believers as
definitive. We no longer take the word of the Pope as explanatory of the behavior of the Catholic Church, for example. This skepticism also applies even to the ironic use of such explanations. Can we take the "faith " of Wolfensohn to neoliberal fundamentals, however earnestly believed, as explaining the path of the World Bank?

This is especially true if we recognize that "failure" itself is ambiguous. There are failures and failures. Some kinds of failures are simply irrelevant to the problems they are meant to solve. For example, one's car does not start and the mechanic believes it has to do with the electronic anti-theft device. S/he replaces the devise at great expense, but still no motion. It is only after looking at the battery and discovering that the leads are corroded that s/he sees that the source of the problem and that the previous efforts were failures because they were irrelevant to solving the real problem.

On the other side, there are failures that actually aggravate the problem. The failures of neoliberalism have been of the latter kind. For example, at the very start of the AIDS pandemic in the early 1980s the World Bank and IMF SAPs called for reduction of government funding in public health initiatives and the introduction of fee-based system of health care in societies that were suffering a dramatic fall in their wages and/or prices for their food crops. The neoliberal model of public health as a collection of individual decisions concerning one's own health translated onto a health-care providing market inevitably led to a virulent AIDS-genic environment. The macro disease-vector of SAPs created the foundation of the epidemic. This is not just a failure, it is an aggravated failure.

A similar point can be made concerning the impact of neoliberal policies on food export prices. One of the main imperatives of neoliberal policies in agriculture is to shift production from subsistence crops or crops for domestic market consumption to export crops. One of the favorites in Africa was cocoa. Within a short time many governments throughout Africa were being urged to incentivize cocoa production for the world market. At first there
was a slight rise in prices in the early 1980s but between 1986 and 1993 the price of African cocoa collapsed about 60% according to the UNCTAD Trade and Development Report (quoted in African Agenda 2000: 24). Undoubtedly, there are many reasons why prices fluctuate, but there is no doubt that the increased number of farmers incentivized in the period before 1986 to turn to cocoa farming inevitably glutted the market and drove the price down precipitously. This should have not been surprising, since such a result would have been an elementary conclusion from anyone versed in introductory economics.

3. In this presentation I argue that the apocalyptic failure of neoliberalism in Africa is actually planned and reminiscent of the paleo-liberal strategy of the British state in the famines in Ireland and India and the Clearances of the Scottish Highlands in the 19th century. (Perhaps a position George takes in her later Swiftian satire, The Lugano Report (George 1999)). These policies were seen as ways to transform societies and peoples resistant to being productive of capital (even though they were very productive of life). In other words, the object of neoliberal policies is to commodify the natural resources, labor and social organization of Africa and make it directly productive for the interests of the former colonial powers. Such transformations, of course, are driven by the Four Horsemen of the Apocalypse spreading starvation, war, plague and death. When we hear talk of irenic "market forces" we must recognize the violence that creates and sustains these markets.

4. We can see this devastation in terms of the institutions of the land and the mind in Africa. One of the key elements of neoliberal policies is to turn communal land given over to subsistence into "private" property at whatever cost. This "Great Transformation" or "New Enclosure" has been essential for all previous cycles of capitalist development and, if there was to be growth and consistent profitability in Africa, communalism and subsistence agriculture must be ended with prejudice (Federici 1992). It so happens, however, that Africa is the region of the planet that subsistence agriculture and communal property had its most
extensive roots, and since the end of direct colonialism, has even expanded. Therefore, neoliberalism systematically applied with the force of the state behind it would have its gravest consequences in the invaluable "entitlement" rights to food in a regime where these rights were justified on the access to land through communal times (Sen 1981). *It would inevitably produce a crisis of social reproduction whose causes one must trace in the often invisible struggles of women and unwaged indigenous peoples resisting the total imposition of the commodity form on their lives (since such an imposition would drive them out of existence)* (Caffentzis 1999)

It is here that the neoliberal theory of the rational individual choosing to maximize his/her utility has its most problematic consequences. Robert Bates has made his career out of applying the essence of neoliberal theory to African "peasants" in the face of those who have claimed that African have values that are somehow anthropological curiosities. There is not doubt that African rural farmers are prudent and resourceful in their efforts. But, *contra* Bates, prudence and resourcefulness does not make one a *homo economicus*, embracing the laws of the market as if emanating from the gods only to be thwarted by governmental policies (Bates 1983: 107-133). On the contrary, it would be unreasonable for African farmers not to resist having to pay rent on lands which they consider their own, or having to repay loans which they did not contract, or having to settle for wages not even sufficient for subsistence (Caffentzis 1995: 17). In fact, given their situation, it is quite rational for African farmers (especially women) to show a preference for communal networks of production, far from being sentimental throwbacks to pre-modern modes of production, they are often the only guarantees they have of subsistence. In other words, they constitute a real use-value wealth that is not easily turned into exchange value.

5. Neoliberalism's consequences for the institutions of the mind in Africa can be seen in the devastation of the post-colonial university systems which were literally created *ab novo*
after the departure of the colonialists. The neoliberal policies of the World Bank, for example, have consistently attacked the access of the higher education of the working class youth of Africa by demanding that universities slash subsidies to students and dramatically increase tuition fees. For the neoliberal vision of education is one which sees it as a commodity like any other and therefore should be paid by the consumer (Alchian 1977). It has resulted in a policy of academic exterminism in the context of Africa that was fought against by students up and down the continent between 1985 and today in hundreds of strikes, demonstrations and riots (Federici and Caffentzis 2000).

By insisting on allowing funding only for basic education and demanding dramatic defunding of universities two results inevitably have followed. First, the quantity and quality of teachers in the primary and secondary schools, who are taught in the tertiary level, is threatened. As I pointed out a decade ago:

If the student-teacher ratio at the primary level is to be kept constant and the number of primary students is to increase by 5% a year, and if 5% of primary school teachers leave every year (due to retirement, sickness, or alternative employment) then the rate of yearly influx of teachers from the tertiary level must be 10%. A mathematical simulation, using standard figures found in Africa, shows that tertiary enrollment rates of 1% cannot even keep a semblence of pace. In effect by advising the reduction of funding for higher education, the World Bank is subverting its own alleged objective: the expansion and improvement of primary education (Caffentzis 2000a: 11).

Second, the defunding of indigenous and autonomous research and development in the natural and social sciences has meant that scientists, in order to carry on their work, have to become hired hands in research projects determined by the interests of multinational pharmaceutical companies or private European or North American foundations (like the Rockefeller Foundation). As a consequence, the national universities are no longer in a position to protect the indigenous knowledge of the environment, the body and mind in
different countries of Africa, since their personnel often cannot get any funding from their own state to do the research vital for the people of the land (Caffentzis 2000b).

6. The theft of land and knowledge that is the aim of neoliberal policies has been proceeding quite effectively under the aegis of neoliberal policies, but it has been challenged from the youths seizing control of the oil rigs on the Niger Delta to the hundreds of university student strikes and demonstrations against Structural Adjustment in the cities across the African continent. This is an anti-globalization struggle coming from the "grass roots" that has been going on since the mid-1980s, long before the "Battle of Seattle " in 1999 and the subsequent demonstrations in Washington, Prague, Quebec and Genoa. Its story shows us that the movement against neoliberal globalization is no the expression of a small minority of well-to-do Europeans and America but rather has its driving force in a life-and-death struggle against the apocalyptic consequences of business-as-usual practices.

7. This explanation of the banal insistence on apocalyptic consequences puts the question of negotiations in a crisis. How can one negotiate with those who knowingly have incorporated the death of millions as an element in their strategy and deny their obvious complicity? Theirs is clearly a strategy of "terror from above" and poses a deep ethical problem. The representatives of the G6B must take into account age-old adage, "One cannot negotiate with terrorists," simply because genuine negotiations involve the recognition of the autonomy of the other after the end of the negotiation. But according to this analysis, the officials of the World Bank, the IMF and the G7 are those who bargain on the basis of terror and do not recognize the right of others to live outside the commodified logic of neoliberalism. This puts the ones who call for negotiations with the World Bank, IMF and G7 in an ethical predicament. It is this dilemma that had led to the Seattle tactic of attempting to blockade the illegitimate meetings of those conspiring to carry on their devastating campaigns against the peoples and the environment of the planet. It expressed the
determination not to let the decisions of these gatherings to be given the tacit approval of social silence. At the very least, the protesters can say, "Not in my name!" and have put a good faith effort, supported by natural law theory, to stop a crime that is taking place before. But since the escalation of the state repression last year in Gothenburg and Genoa and the subsequent post-September 11 change in the legal environment, the blockade tactic has been put into crisis (Federici and Caffentzis 2001).

8. The illegitimacy of these gatherings, however, remain. This is especially true of the G7. It is important to note that the governments of the G7 comprise most of those that met in 1885 in Berlin to divide Africa up for colonial domination without instigating conflict among the colonizers. That is not the end of the similarity for, in effect, the G7 gatherings since the mid 1970s have been annual traveling Berlin Conferences meant to divide up the planet (without provoking war between the 21st-century colonizers). The G7 is as illegitimate now as its Berlin predecessor was in 1885. One wonders what would have happened to the "Scramble for Africa" if there was a firm effort at the 1885 Berlin Conference or at the 1889 Anti-Slavery Conference in Brussels (which led to the enslavement of millions of Congolese) by the already growing anti-imperialist movement to stop the meetings from taking place.

We have gathered in Calgary to oppose this illegitimate gathering and pose other demands and alternatives for the future of the G6B. In the light of the apocalyptic consequences of neoliberalism in Africa supported and impelled by the G7, these demands cannot be more of the same business-as-usual.

It is not my place, of course, to speak for Africa or Africans. I can merely put forth two related demands that have emanated from Africa that have widespread support there—the end of the debt and the payment of reparations for the thefts of colonialism—which might be able to mark a medical change in history.

The international debt of African countries has been used to impose the neoliberal
policies on African people, consequently, the elimination of the debt will not only make it possible for African governments to stop the extraction of enormous amounts of social surplus to pay off the interest on debt that has often been contracted to merely pay off interest on previously contracted debt! The elimination of the debt will also liberate Africans from the whip that has been used to impose neoliberal, structural adjustment policies on them with the threat that refusal will lead to their removal from the world economy.

This demand has been voiced in many ways and by many organizations in the last decade. It has had an impact on the IMF, the World Bank and the G7, of course. The HIPC initiative and the new Bush Administration turn to "grants" instead of "loans" has been the most obvious reaction to the struggles that have put forward these demands. But these have been reforms in order to be able to continue business-as-usual and put off the day of reckoning.

9. The demand for reparations for the theft of life, liberty and property during colonialism (which, by the way, is not an ancient phenomenon since most of the countries of Africa were "decolonized" between 1960 and 1975) is increasingly being voiced in Africa as well. This demand, of course, is an even more demanding not only in terms of the financial exchanges involved, but also in its political meaning. From its perspective the true debtors at the beginning of the 21st century are not the African nations and peoples but those corporations and nations which profited from colonialism. It therefore puts the conceptual basis of the Jubilee 2000 campaign into question. But even more importantly, with the help of history, it stands neoliberalism on its head. That is, in response to neoliberalism's claim that every human activity and product is commodifiable, then surely the unrecompensed labor, land and lost opportunities of Africans under the various colonial regimes constitute a commodifiable package that, compounded, would mean that the major (and some minor) countries of the EU, at least ought to be bankrupt if they paid. In other words, the reparations
demand says, "OK, if you want to start counting, then don't start in 1960, but in 1500." Thus, the reparations demand totalizes the premises of neoliberalism and ultimately destroys them.

The demand for reparations has not yet had consequences in the policy reforms of the World Bank, the IMF and the G7. This is not surprising, for the consequences of even an informal apology would make the German government's reparations to the survivors of the death camps appear modest. But the radical character of the demand's perspective and the inevitable claims that "There Is No Possibility" (TINPOT) should not deter us from putting the demand for reparations the first on our agenda.

10. The reparations demand is important because it makes it clear that the anti-globalization movement is not going to be appeased by the nugatory reforms of the neoliberal reforms nor by the apocalyptic rhetoric of the "war against terrorism." There is a real apocalypse with activated "weapons of mass destruction" going on right now that make the exploit of shoe bombers and suicide pilots, however horrendous, trivial in comparison.

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**Bibliography**


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NOTES

1 A thorough investigation of the “failures” of Structural Adjustment Programs in a variety of countries (including Bangladesh, Ecuador, El Salvador, Ghana, Hungary, Mexico, the Philippines, Uganda, and Zimbabwe) see (SAPRIN 2002). The latest UNCTD Report has expanded the “too many SAP-induced competitors on the same market” explanation from agriculture to manufacturing and services (UNCTD 2002).

2 I noted a decade ago, “It is frequently forgotten that ‘successful’ capitalist development has often been based on famine, plague and war, even outside the Americas. The experience of Ireland and the famine of 1846-7, for example, should also be considered as an example of a ‘successful’, demographic transition and as much a model for ‘success’ as East Asia in the 1970s. Indeed, the experience of a famine-led demographic transition in Ireland and in the Scottish Highlands increasingly appears to be the model of ‘transition’ envisaged by the World Bank for Africa. (Unfortunately, the study of a work like Joel Mokyr’s *Why Ireland Starved* should be required reading for any student of the World Bank/IMF policies in contemporary Africa (Mokyr 1983))” (Caffentzis 1995: 32-33). For India’s “famine-led” development see the remarkable (Davis 2001) and for an overview of the Clearances in Scotland see (Smout 1969: 332-337).

3 This narrative establishes a direct conflict between the workers (urban and rural) of Africa and the agencies of neoliberalisation. There is another level of functionality of SAPs that has been frequently mentioned by “Third Worldist” critics. SAPs are used to get control over the governments of post-colonial states that had, for a short period of time, a nominal economic independence.

Certainly between 1960 and 1975 dozens of new currencies and development strategies were created in Africa that were not immediately in control of the colonial masters. This posed a challenge to the US and the European powers to control the world financial system and the ability to use money (via debt and the constraints of the international money market). One of the main consequences of the SAPs is to impose a sort of “gold standard”
on the Third World without gold! For a discussion of the recolonization process on the nation state level engendered by neoliberalism see (Bello 1994) and (Bracking 1999). It should be pointed out, however, that the debt crisis of the early 1980s tested the nation state form of the post-colonial period and found it lacking. After all, the formation of a debtors' cartel could have been possible in 1982, before the "case-by-case" approach of the IMF and World Bank divided and conquered the, for the most part, already willing national ruling classes of the Third World (and the Soviet bloc).

4 It should be remembered that much of the farming of Africa and much of the rest of the Third World is done within the city limits. Approximately one billion people get some of their food from urban gardens according to FAO.

5 It is true that the current diplomatic atmosphere would require the Jews to reconcile their differences with the Nazis if the genocide of the Jews had taken place in Africa, in order to achieve a "negotiated settlement" and "stability." The examples of Sierra Leone, Mozambique and Angola in the last decade are horrific examples of how, if you are African, you can be forced to share government with the most flagrant violators of human rights.