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ISTANBUL AYDIN UNIVERSITY

INSTITUTE OF SOCIAL SCIENCES

AFRICA IN THE NEOLIBERAL AGE: BETWEEN DEVELOPMENT AND IMF/WORLD BANK ECONOMIC POLICIES

M.A. THESIS

GASTON BERYU YUNDZE

DEPARTMENT OF POLITICAL SCIENCE AND INTERNATIONAL RELATIONS

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THESIS SUPERVISOR: Assist Prof. Dr. Özüm Sezin UZUN

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İSTANBUL AYDIN ÜNİVERSİTESİ
SOSYAL BİLİMLER ENSTİTÜSÜ MÜDÜRLÜĞÜ

Yüksek Lisans Tez Onay Belgesi

Enstitümüz Siyaset Bilimi ve Uluslararası İlişkiler Ana Bilim Dalı Siyaset Bilimi ve Uluslararası İlişkiler İngilizce Tezli Yüksek Lisans Programı **Y1312.110041** numaralı öğrencisi **Gaston BERYL YUNDZE**'nin **"AFRICA IN THE NEOLIBERAL AGE: BETWEEN DEVELOPMENT AND IMF/WORLD BANK POLICIES"** adlı tez çalışması Enstitümüz Yönetim Kurulunun 30.09.2016 tarih ve 2016/20 sayılı kararıyla oluşturulan jüri tarafından oybirliği.. ile Tezli Yüksek Lisans tezi olarak kabul...edilmiştir.

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DECLARATION

I hereby declare that all information in this thesis document has been obtained and presented in accordance with academic rules and ethical conduct. I also declare that, as required by these rules and conduct, I have fully cited and referenced all material and results, which are not original of this thesis. (…/…/2016)

Gaston Beryu Yundze

Signature

To all Africans who seek Justice

FOREWARD

When I first got to Turkey in 2013, I was surprised at how little most of the people new about Africa. Even those who knew anything about the continent understood it from the perspective of war, poverty, disease and hunger; probably gotten from movies and UNICEF adverts. This pushed me to try to understand why the continent is continuously depicted in such a way and why its efforts to move from such images is slow. While searching for possible reasons, I came across IMF and World Bank activities in Africa and immediately understood where the greater problem laid. I then decided to contribute to the literature through this work, with the hope that the world will shift its focus from the continent's plagues that are most often exaggerated, to the causes of the problems.

The success of this research piece is owed to a number of people whom I appreciate very much. Firstly, I would like to thank my supervisor Assist Prof. Dr. Özüm Sezin Uzun who was ready to guide me through my work at a very short notice. I appreciate the undivided attention she gave to my thesis and the time she put in to read every line and advise me accordingly.

I would also like to thank Prof. Dr. Celal Nazım Irem who started the journey with me and gave me the necessary tools I needed to get through with my work.

Above all I would love to express my profound gratitude to my family and friends for their unflinching support and love shown me all through my years in this course. I want to acknowledge most especially my sister, Marie-Claire Yundze who was always around to encourage me in every step I took. I remain grateful.

October 2016 **Gaston Beryu YUNDZE**

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ABBREVIATIONS

ANC	**:**African National Congress
APPER	**:**African Priority Program for Economic Recovery
CEPR	**:**Center for Economic and Policy Research
CDF	**:**Comprehensive Development Framework
COSATU	**:**Confederation of South African Trade Unions
CNN	**:**Cable News Network
ECA	**:**United Nations Economic Commission for Africa
GDP	**:**Gross Domestic Product
GEAR	**:**Growth Employment and Redistribution
IMF	**:**International Monetary Fund
HIPC initiative	**:**Highly Indebted Poor Countries initiative
LPA	**:**Lagos Plan of Action
MERG	**:**Microsoft Research Group
NEPAD	**:**New Partnership for Africa's Development
NGO	**:**Non-governmental Organisations
OAU	**:**Organisation of African Unity
OECD	**:**Organisation for Economic Cooperation and Development
PAMSCARD	**:**Program of Action to mitigate the Social Cost of Adjustment
PRSP	**:** Poverty Reduction Strategy Papers
RDP	**:**Reconstruction Development Program
SACP	**:** South African Communist Party
SAP	**:**Structural Adjustment Programmes
UNDP	**:**United Nations Development Program
UNECA	**:**United Nations Economic Commission for Africa
UNICEF	**:**United Nations International Children's Emergency Fund

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AFRİKA NEOLİBERAL ÇAĞDA: GELİŞİMİ İLE IMF/ DÜNYA BANKASI EKONOMİ POLİTİKALARI ARASINDA

ÖZET

Bu tezde, neo-liberalizmin Afrika'ya etkileri araştırılmış ve IMF ve Dünya Bankası'nın Afrika ülkelerine uygulamakta oldukları neoliberal politikaların değişmediği taktirde zararlı etkilerinin devam edeceği savunulmuştur. Kredilerin önkoşulu olan bu politikalar, kamu iktisadi teşebbüslerin özelleştirilmesini, ulusal paraların devalüasyonunu, tarife ve vergi gibi ticari engellerin kaldırılmasını ve özellikle kamunun sosyal hizmetler harcamalarında kısıtlamayı içermektedir. Bu tez, söz konusu neo-liberal politikalarla zengin ve fakirler arasındaki uçurumun daha fazla derinleştirdiğini ve Afrika kıtasındaki fakirliği çıkmaza soktuğunu savunmaktadır. Aynı zamanda fakirliği azaltma stratejilerinin uygulanmasının ve borçları hafifletme girişimlerinin, verimli yapısal uyarlama politikalarına katkı sağlayacağı öngörülmesine rağmen, mevcut durumda herhangi bir değişiklik yaratmadığı savunulmaktadır.

Anahtar Kelimeler: *Afrika, neoliberalizm, IMF, Dünya Bankası, Yapısal Uyarlama Politikaları (SAP)*

AFRICA IN THE NEOLIBERAL AGE: BETWEEN DEVELOPMENT AND IMF/WORLD BANK ECONOMIC POLICIES

ABSTRACT

This thesis looks at the impacts of neoliberalism on Africa and argues that the neoliberal policies imposed on African countries by the IMF and World Bank will continue to be detrimental to these countries if changes are not made. These policies that come as conditions to loans include: the privatization of state owned enterprises, the devaluation of local currencies, the abolition of trade barriers like tariffs and taxes and the reduction in government spending especially on social affairs. The thesis argues that these policies have widened the gap between the rich and the poor and at the same time worsened the poverty situation in the continent. It also argues that the introduction of the poverty reduction strategies and debt relief initiatives are only intended to ensure the effective implementation of the structural adjustment policies and not to create change in the current situation of the poor.

Keywords: *Africa, neoliberalism, IMF, World Bank, Structural adjustment Programmes (SAPs)*

1. INTRODUCTION

A strong economy is the number one determinant of a country's strength. If this strength can be overpowered by any given force, then the force takes along the sovereignty of the given country. Neoliberalism since the 1980s has dominated African economies with the numerous conditionalities that accompany their loans. In the early 1980s, the IMF and World Bank without taking into consideration the different realities in African countries, extended the free market agenda it had begun in other parts of the world to this continent whose population still depended on their governments for jobs and basic social service. These international financial houses set a number of conditions for any country that needed loans. These policies included the privatisation of state enterprises, the lifting of price controls, subsidies and any other distortions of market forces; liberalisation of currency controls and currency devaluation; higher interest rates and deregulation of local finance; removal of import barriers (trade tariffs and quotas); and an emphasis on promotion of exports above all other economic priorities, government budget cuts and increases in user fees for public services (Bond and Dor 2003, Przeworski and Vreeland 2000, Rakner 2003, Cheru 2001). These demands according to the promoters are intended to generate economic growth and better the living standards of the people. But after years of implementation, reports show that these policies have for the most part resulted in more misery and poverty in the continent (Ferguson 2006, Ingwe, Ikeji, and Ojong 2010, Lebaron & Ayers 2013). This is evident in the fact that the two banks have been adjusting their policies to include social programmes which were initially seen as "bad for business". The banks have over the years introduced the Poverty Reduction Strategy Papers (PRSP) and the Heavily Indebted Poor Countries Initiative (HIPC) to mitigate the situation. With all these efforts, nothing much seems to have changed given that poverty reports in the continent show an ever increasing percentage in the number of people living in poverty. According to most observers, there has been no change so far because the loan conditions imposed by these international monetary bodies are hard to meet up with and as such, countries are unable to carry out development and job creation (Babb 2008, Easterly 2005). In this regard, these loan conditionalities imposed on these African countries have been widely held to have been responsible for the two ‘lost decades’ of the 1980s and 1990s, in which per capita income levels fell dramatically in countries across Africa (Hilary 2010). Other observers like Harvey (2005), claim that where ever the neoliberal policies have been implemented, it has caused a massive shift of wealth not just to the top 1%, but to the top tenth of the top 1%. This calculation gives a picture of how such a market system could affect African economies given that this region is considered the ‘poorest’ in the world. According to most critics, the results have not been far from what Harvey describes. There has been mass unemployment, increase in poverty, increase in pandemics and more faming, while a few elite class has gotten richer (Harrison 2005, Ferguson 2006, Przeworski and Vreeland 2000).

Despite criticisms and the negative results produced by the structural adjustment policies, the IMF and World bank are still bent on continuing the free market agenda. This they have been doing by employing the services of non-governmental organisations to carry development projects that were formally provided by states. This strategy however, ignores the fact that states in Africa are more centralized and will need to approve any project before its implementation thus leading to corruption and the weakening of such projects. Although the banks have made democracy, good governance and corruption free governments as conditions for loans (Easterly 2005), African governments can be seen to have learnt how to play their way around this and get the much needed funding. This they do by organising elections where the incumbent always comes out victorious. In addition, studies have shown that more foreign direct investment go to countries with huge mineral resources, thereby debunking the neoliberal argument that good governance and democracy attract investments. These inconsistencies in the neoliberal discourse is the interest of this thesis because according to reports, the IMF and World Bank economic approach has proven not workable for the continent for the past three decades. However, these monetary institutions still insist on implementing these policies by clinging to loans. Thus, this thesis will argue that by hanging on to the loans, the IMF and World Bank only want to maintain the control they have gained over African governments and to also to continue to force these countries to pay high interest rates on the loans. For this reason, this paper will suggest that these neoliberal economic policies are not suitable for the continent's progress and should be completely overhauled and new policies brought in. Ii concludes that if alternatives to neoliberalism are not found soon, African nations are bound to experience poverty and suffering for many years to come.

1.2. Research Questions

This piece of research intends to contribute to the existing knowledge on the dangers of IMF/World Bank policies as the major economic policies in Africa and to propose possibly and realistic solutions that could help the continent get rid of poverty and underdevelopment. It also intends to divert the emphasis laid on poverty in the continent to the real causes and issues that have been ignored over the years and are still being ignored today, so that the problems can be targeted from the roots. In order to do this, the paper will pose the following questions to guide the progress of the work.

- Is the neoliberal economic policy suitable for Africa?
- Why has it not worked this far?
- Why is most of Africa still "underdeveloped" given the numerous development programs imposed on the countries by the IMF and World Bank?
- Why are the IMF and World Bank persistent on implementing these policies?
- What is the way forward?

1.3 Hypothesis

The speeches of the nationalist leaders in Africa, like Kwame Nkrumah and Patrice Lumumba indicate the enthusiasm with which Africans kicked off the early years of independence. They echoed hope and a promising future under 'black rule'. However, this spirit was soon killed by the politics of the Cold War and eventually neo-colonialism according to most scholars. This murdered dream can be seen in the fact that, more than fifty years after most of the countries got their independence, the economic situation of the continent is still very much the same as it was in the 1960s, except that it has grown worse in certain aspect. Notwithstanding some countries have progressed remarkably. Within these fifty years, most of the continent was consumed by civil wars that resulted in alarming poverty heights, disease and underdevelopment. In the middle of this chaos, the IMF and World Bank came with the Structural Adjustment Programmes and Poverty Reduction Strategies Papers as solutions but it has only helped to enrich a few elite classes and worsened the situation of the poor. These policies remain the prevalent economic model in the continent. Its demands that governments privatise state enterprises, remove price controls and subsidies, liberate and devalue currencies, remove import barriers promote exports above all other economic priorities and cut government spending on public services has only led to poor health services and poor education, underdevelopment and an increase in poverty. At this point it can only be said that neoliberalism and the IMF/World Bank policies have brought more negative results than positive to Africa and as such, this thesis argues that:

- IMF/World Bank Policies are not the economic policies that can eradicate poverty from Africa and needs a complete overhaul.
- However, adjustments like the Heavily Indebted Poor Countries initiative and Good Governance, alongside African solutions can quicken development.

1.4 Methodology

Given that much has been written about the subject of this thesis, the authour found it convenient to use the qualitative research methods, particularly the documentary analysis to answer the questions posed. This method involves analyzing primary and secondary data that comes from journals, books, scholarly and news articles, audio and visual media sources as well as reports and communiques from the major players like the IMF and World Bank. Secondary documents are those written by people who have made reports and analysis by reading primary sources. The World Bank and IMF which are the key sponsors of neoliberalism publish annual reports that allow other scholars to analyses and compare with statistics from government reports and other reports from organizations and persons on the situation in the various countries. As such this method was chosen because it provides much material to examine the subject and see the focus of most scholars thus aiding the author to build the hypothesis of this study.

1.5 Scope and Limitation

This work will study the impacts of the IMF and World Bank Economic policies on Sub-Saharan Africa with an insight on how these policies are stagnating development instead of the growth that is claimed by these donor agencies. In that light, the paper will review some of the literature that has been written on this topic with an inclination on the pointers that try to prove how these policies are detrimental to the continent. The paper will date back to the colonial days then through decolonisation and extend up to the present; 2016. The author believes that the core of the neoliberal problem in Africa can only be understood from the inception of western norms in the continent through colonisation. This norms and ways in the authors opinion distorted any imagination of an Africa without a western orientation. This thus leads to the main aim of the paper which is to identify the underlying issues that neoliberals have ignored in their application of development policies. The work will dwell solely on Sub-Saharan Africa although it will be referred to as Africa. The paper will only make a few references to neoliberalism outside Africa but for the purpose of understanding, the arguments here will center entirely on Sub-Saharan Africa because.

1.6 Organization of the Study

This paper will be divided into five chapters with subsections to expand and clarify the arguments. It will include the introduction, literature review, methodology, results and conclusion.

Chapter one will be the introduction and gives a picture of the foundation on which the study is built. It also explains the hypothesis of the study and poses the questions that will be answered in the preceding chapters.

Chapter two covers the relevant literature that others have written on this subject and is divided into the conceptual framework and the theoretical framework. The literature will be grouped into ideas that will shape the argument of this thesis.

Chapter three discusses the methodology used in this paper as well as expand on the argument of the thesis. It discusses the dilemma of African countries between developing their countries and the IMF and World Bank Policies.

Chapter four will carry a case study of Ghana and South Africa.

Chapter five will end the discussion with the conclusion and recommendations as to what can be done in place of neoliberalism.

2. DYNAMICS OF NEOLIBERALISM IN AFRICA

A mass literature has been written in relation to the implementation of neoliberal policies in Africa. This literature usually comes from two camps; those in favour, largely driven by the World Bank and the IMF reports and those against filled by scholars, civil society, and even governments. Much of the literature is in criticism to the free market system that many term "egoistic" and void of concern for the poor. However, the fact that the IMF and World Bank keep 'adjusting' their policies to what they call "better ones" is indication that the criticisms are having an effect. The critical literature is often in comparison to the other parts of the world in terms of application and outcomes. This chapter will review the relevant literature and try to analyse and fit in the missing points that tackles these policies in Africa. It will be divided into the conceptual framework and the theoretical framework. The conceptual will discuss the broad debate on the IMF and World Bank policies in Africa, while the theoretical framework will look at neoliberalism in Africa as explained by some international relations theories, basically Marxism and neoliberalism itself. It will begin with the conceptual and then to the theoretical. But first, the paper will throw light on what neoliberalism actually means.

2.1 What is Neoliberalism?

The term neoliberalism in contemporary times is used to mean a number of things ranging from economic, political, social to cultural issues. The most widely used refers to a set of economic policies involving the elimination of trade barriers like tariffs, the devaluation of currency, the reduction in government spending on social services and privatization (Ferguson 2009, Kihika 2009, Ranker 2003). Similar to this usage, Harvey (2005) describes the concept as a political economic practice which suggests that human lives can be made better by "liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade". This view however is increasingly shifting to refer to a set of widely used IMF and World Bank policies that have been blamed for enriching a few and impoverishing masses around the world. In this regard, Porter and Craig (2004), defines neoliberalism as a set of policies genetically oriented to protecting existing property rights and providing for their expansion. By implication, property rights can only go to those that own property, thus maintaining the status quo by making the rich richer and the poor poorer. This shifting definition projects neoliberalism as a kind of 'survival of the fittest' where those with no assets have to put in more effort for the reward of capital. This is perhaps why some definitions link the term with capitalism. Ferguson (2009) for instance describes the term as a "sloppy synonym' for capitalism and the inequalities it represents" (pg. 171). In his view, neoliberalism is like an outside force that sets itself at the core of other nations' affairs. However, some scholars still define the term from a rather positive angle. Babb (2008) and Henisz et al. (2005) view the term as an economic practice that has brought prosperity to nations across the globe. In their view, those developing countries that implemented the structural adjustment programs properly saw a reduction in their financial debts and a speedy take-off in their export productions in the mid of the 1980. As such, they refer to it as a solution for struggling economies.

In yet another direction, Campbell and Pedersen (2001) refers to the concept as a period. They describe it as the period from the 1980s characterised by the free market ideology of reduced state intervention in market affairs, state decentralisation and market deregulation (pg. 1). In like manner, other authors like Ferguson (2006), Lentin and Titley (2011), Wells, Stayton and Scott (2002) and Goodings (2016) have all made reference to a "neoliberal age" alluding to what Campbell and Pedersen calls "a political project concerned with institutional changes". These descriptions also tie the concept to a period beginning in the 1980. Away from this meaning, Ferguson (2009) explains that this concept is often used to refer to "a broad global cultural formation", which Comaroff and Comaroff (2000) calls a "meta-culture". This in their sense refers to the globalization of other cultures that has gradually become a norm in other societies. For instance, Chinese restaurants that can now be found in most parts of the world or American music that is listened and emulated by others around the world. This definition is often associated with the term globalization. In the middle of these multiple definitions, Gilbert (2016) tips in that in all these descriptions of neoliberalism, “there are obviously a range of positions on and approaches to the core issues of economic policy, public sector governance and market management”. To him, “each of these in turn is potentially compatible with a range of opinions and approaches to social policy, cultural practice and public administration, while nonetheless retaining a high degree of internal consistency and expressing a strong set of connecting themes” (Pp 7).

2.2. A Shift in the Concept of Free Market and Africa’s Position in the Neoliberal World

Neoliberal policies were first extensively applied in Latin America, then Britain, USA and other parts of Europe before reaching African countries. In these countries, it was implemented with the will of the leader like Ronald Reagan in the US and Margaret Thatcher in Britain (Martinez and Garcia,1996). As Ferguson (2009) has noted, neoliberalism in Africa represents a “fundamentally different situation” from what it is in Europe and North America. Firstly, these policies were imposed as a condition to loans from the IMF and World Bank as well as other western donors. Along the way, these policies were adjusted to include social projects, which the promoters were initially very much against. This shift echoes the usual rhetoric in discussing world matters, where Africa most often gets a different view in matters of development, civilization, economy, technology and a host of other issues. It is usually treated with less attention than other parts of the world or with a different approach possibly because of the negative image that has been painted of it over the years through the media and books. Generally, the continent is treated in comparison to the other parts of the world in an attempt to clarify what the rest of the world is not. It has been made in such a way that Africa is synonymous to every possible negativity. As Ferguson (2006) views it, “Western societies historically have found in "Africa" a radical other for their own constructions of civilization, enlightenment, progress, development, modernity, and, indeed, history”. In other words, they have made themselves the judges of what civilization is and who and where is qualified for it without taking into consideration what the experiences of the people means to them. This comparison often leaves the continent isolated from the global discuss or treated with a childlike approach such as imposing the structural adjustment policies which according to Ferguson (2009) was a mistake based on simple confusion.

Harrison (2005) looks closely at the definition of neoliberalism which seems to have shifted from the original concept that dealt with free markets to include governance and social development agendas in Africa's case. As he observes, "What was once seen as a clear categorization for a menu of policies—most importantly devaluation, cutting back public expenditure, the removal of price controls and the restriction of money supply—has now been lost in a profusion of policy interventions by international organisations, and the emergence of complex and diverse experiences with 'adjustment' in sub-Saharan Africa". These changes in policy mimics the "us versus the other" which in this case the other is Africa which needs to play a particular role that pleases the other group at a given time to be able to fit in their way of doing things. To add, Kihika (2009) doubts how the re-conceptualisation of neoliberalism in the context of Africa to include a humanitarian face can be effective, given that it was exclusively founded as a "pro-wealthy and built with a blind eye or a total disregard for issues of societal diversity and status quo". This new social direction as she argues can't be trusted to yield anything better because all the efforts and changes are meant for the sustenance of neoliberalism and not actually for the good of the people.

From media coverages to movies and books, Africa has for centuries been painted as hopeless as possible. Its best major qualifiers are poverty, disease, war-torn, famine, droughts and any other adjectives that can describe the term 'worst'. This classification perfectly puts the continent into what Ferguson (2006) calls "the global ghetto". According to him, Africa is understood in relentlessly negative terms. His use of the word "relentless" throws light on how references to Africa without these images is definitely not describing Africa. He further paints a clearer picture of this view by explaining that "Africa is inevitably characterized by reference to a series of lacks, failures, problems, and crises". Its states are "weak," "poorly consolidated," "failed," and "dysfunctional"; its economies, "underdeveloped," "collapsing;' and increasingly "marginal" to the world. Its people appear as victims many times over. They are either victims of poverty, of war, and above all of AIDS -all the modern plagues that seem to have a kind of perverse affinity for the African continent" (Pp 8). This depiction definitely affects the assessment of the west in making decisions that concern the continent. In like manner, Owusu (2003) observes that, the movement from SAPs to poverty reduction policies according to the neoliberal propagandists, was meant to target the poverty caused by war and disease in the continent. Nevertheless, these plagues have for sure ravaged the continent over the years but if we are to go by these barbarizing characteristics widely used by scholars, by now every African could have been killed by one plague or the other but on the contrary the continent has the second largest population in the world. The actuality is that these adjectives to a greater extend does not represent the continent and rather some groups like the IMF and World Bank are exploiting it to their own advantage by imposing their policies as a remedy. Thus, viewing the continent as “the Heart of Darkness” as described by Joseph Conrad may be disadvantageous to the people in it but beneficial to outsiders with an agenda like neoliberalism. This classification resurrects the biblical story that has been interpreted to position black Africans at the bottom of all races in order of ‘importance’. Found in the book of Genesis in the Bible, the story about Noah who cursed his first son Ham for laughing and making fun of him when he got drunk (Genesis 9: 27). According to the story, after the flood, Noah divided the world to his three sons and Africa went to the cursed one, Ham. The reference to Ham’s son Canaan becoming a servant of his father’s brothers Shem and Japheth was evoked in the middle ages to prove that Africans were inferior to the other races and had to work for them. This view seems not to have changed in the neoliberal age.

Furthermore, Harrison (2007) explains that neoliberalism has reduced development policies in Africa into “a series of neoliberal problematics” including poverty reduction, good governance and so on. Harrison’s point goes back to tell how necessary it is for these monetary organisations to group the continent’s issues into “problems” they can provide solutions to and as such rank Africa at the bottom of every global concern. To this end, this thesis couldn’t agree more with Ferguson (2006) who is concerned that such negative characterization “risk ignoring the social, political, and institutional specificity of Africa and reinventing Africa as a twenty-first-century "dark continent".” From all indication, it is not only a risk that Africa will be viewed in that way but in actuality, it occupies the bottom position in the neoliberal world. This view played out in a 2015 CNN interview with an American army general who categorically stated that Sub-Saharan Africa was the last in the American agenda. In November 2015 after terrorists attacked the French city of Paris, the American army general, James Marks was asked on CNN why much attention was paid to the Paris attacks which killed only 17 people as opposed to 2000 killed in terrorist attacks in Nigeria. He blatantly replied that the United States (US) had the capacity to "root out" the terrorist group Boko Haram but "black West Africa" was not the priority of US" (YouTube 2015). He added that if it were happening elsewhere in "white Africa" (north Africa) the US would have acted. This gives a picture of how the rest of the world especially those with the power to effectuate change see Africa. According to Ferguson (2006), in the neoliberal agenda, Africa is treated as a place of disillusionment, racial and even referred to as "black Africa" or "tropical Africa", reinforcing the stereotypes constructed by the slave masters and colonialists. With this view, the idea of "us versus them" usually play a big role in the flow of investments. The stereotypes may hold back many investors or attract those that believe in continues exploitation, thus leaving the continent behind any other in the global world.

2.3 Africa as the Periphery and Market Destination

The Berg report (a World Bank report on Africa's economic situation) noted that economic growth implied using a country's scarce resources labour, capital, natural resources, administrative and managerial capacity efficiently. As a result, the World Bank advised African countries to concentrate more on the production of raw materials or primary goods. According to Harrison (2005) this idea reasserted Africa as a source of raw material thereby limiting its chances of investments in other areas. Ferguson (2006) parodies this idea by indicating that the "worldwide capitalist restructuring" as he calls it, has only treated Africa as a "provider" of raw material as has been before and thus has alienated it from the global economy. In essence, this image sends the continent down the colonial road again and proves that nothing changes even with a new system. With such characterisation, the balance of payment is obstructed. This is in the sense that, African raw materials are bought for cheaper prices (usually determined by the buyer), and then processed to be sold back in the continent at very high rates. To worsen matters, the banks encouraged devaluation of currencies, which meant that international trade in this part of the world will be calculated in standard foreign currencies like dollars or Euros, which exchange rates are of no advantage to Africans. Harrison (2005) gives a typical neoliberal cycle in Africa under the IMF and World Bank policies.

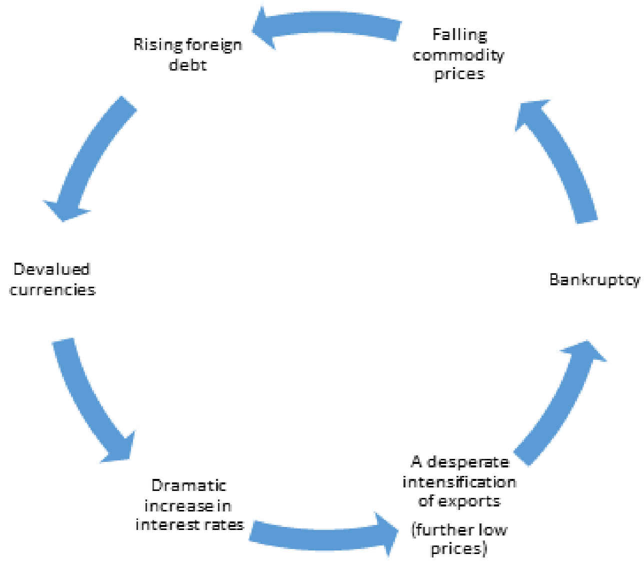

Figure 2.1: Describes the trade cycle in Africa

Harrison adds that the situation is usually worst when a country has a single major export because when prices fall, the economy crashes.

Furthermore, neoliberalism like colonialism seems to only bring the market to Africa and not vice versa. This is to say that, foreign companies come to buy primary goods from Africa and still bring them to Africa when they are finished. This makes Africa a market destination and not otherwise because Africans are hardly going abroad in search of markets. This one-way trade route only helps to stagnate the continent economically because African goods are bought at cheaper rates as indicated above, while foreign goods sell at higher prices. To measure the effects of such trade on the people, a recent World Bank report noted that increased trade did not affect income levels and as such did not change the status of the poor. For instance, in the case of Uganda, the bank noted that its debt remains higher than 200% of the debt to exports ratio (World Bank 2016). UN studies of the world's poorest nations have shown that those countries which opened their economies to free markets and foreign investment during the 1990s experienced significant increases in poverty. Conversely, those countries which managed their economies more closely in line with national circumstances succeeded in reducing poverty levels (Hilary 2010). According to the World Bank's own trade restrictiveness index, Africa is now more open to agricultural trade than any other region in the world, including Europe and North America (Hilary 2010). In this regard, Amin (2001) argues that neoliberal objectives have remained pretty much the same as those of the colonialist which include the control of the expansion of markets, the looting of the earth's natural resources, and the super-exploitation of the labor reserves in the periphery. He however notes that this new format is pursued in a rather new and different way from direct colonization as did the imperialist but is rather what Harris and Lauderdale (2002) has called imperialism without "overt colonies".

2.4 Africa's Imagined Progress

It is very uncommon in the global community to hear anything positive about Africa, such that each time it comes up, it is given a "special status." In recent years, media and scholarly coverage as well as IMF/World Bank progress reports on Africa have been shifting focus towards growth. However, the reaction to the rare positive things said about the continent still evoke its position in the neoliberal world. There has been a recent slogan in the media and scholarly debates that "Africa is growing" which still does not give a clear representation of the continent according to some observers. Note be taken here that this growth propaganda comes mostly from western media and scholars. Headers like "Africa's Time is now", "Africa the next China", "Africa's fastest Growing Economies" can be found on the pages or of leading western media outlets giving the impression that the continent is on its way to self-sufficiency, meanwhile the reality on ground gives the opposite picture. The World Bank (2016) reports that six of the world's 13 fastest growing economies are in Africa, but at the same time announces that poverty has increased tremendously. In opposition to the growth hype, Aii Mufuruki, (TED Talks Africa) argues that such language is "fooling" Africans to think that they are moving economically when the reality is that business is booming for a few elite class (YouTube 2015). According to him, Africa's growth is blown out of proportion. He cites China's economic growth which dropped from 18% to 8% and was seen as recession while everybody hailed Africa's 6% growth rate. This goes back to the point that the rest of the world sees Africa as a monolith and treats it as such, because only a few countries like Mozambique, Rwanda, Ethiopia and Tanzania are actually experiencing this growth. In actual sense, living conditions in these countries are pretty much the same as other African countries and the majority live under poverty lines. On the contrary, Grieve Chelwa (Africa is a Country, 2015) agrees that Africa is growing but however points out that this growth relies on external factors. According to him, Africa depends on the world for industrialised good and a collapse of an economy like China can slow Africa's growth greatly. This in other words is to say that Africa's 'rising' rhetoric is problematic because East Asia and Western nation only got the high economic levels they now experience through wide industrialization while the neoliberals still encourage African nations to depend on raw materials. More so, prices of these goods are hardly ever stable in the international market and thus risking the stability of these economies.

2.5 Africa and Globalization

Ever since the advent of the Trans-Atlantic slave trade, the west has always found a way to deepen their influence in the African continent. When slavery was abolished, it was followed by a heated European scramble for the second largest continent. The scramble ushered in western influence into nearly all parts of the continent. The partitioning of the continent amongst Europeans brought in European cultures and religions as the norm in these societie. Since then, Africans have been towing a western style of life from politics, to social life, to education, etc. In the economic realm, Ali Mazrui has argued that, by choosing to follow the profit driven economic style of the west instead of the grasping the business skills, Africans have borrowed "the shadow, not the substance" of a Western capitalist economy" (Hecht and Simone 1994: I07). In other words, Africans are living a life of another people which is only disadvantageous to them because those without capital cannot make profits. In a similar way, Kihika (2009) and Ferguson (2006) has likened this view to the concept of globalization, arguing that it is an export of the west that is dominating other societies and cultures. The IMF describes globalization in economic terms as "characterized, in particular, by an intensification of cross-border trade and increased financial and foreign direct investment flows, promoted by rapid liberalization and advances in information technologies" (IMF,2001). Ferguson on his part tries to simplify it as "a world where ever increasing proportions of people lived in cities, drove cars, and watched television; a world where such emblems of an expanding US. culture as the English language, pop music, blue jeans, and McDonald's seemed to be expanding across the globe" (2006). The second definition conforms with the argument made by critics that globalization is an export of the west. Kihika (2009), supports this point by noting that what the world actually refers to today as globalization is the experience of one part of the world (the west) which is being exported to other parts of the globe, ignoring the "unique socio-historical circumstances" of these other regions. However, the United Nations Development Program (UNDP) in its 1997 report points out that aim of globalization is to "liberalize national and global markets in the belief that free flows of trade, finance, and information will produce the best outcome for growth and human welfare" (UNDP 1997 pg 82). But the report itself notes that this 'aim' has not been the case because the interest of poor countries and poor people has often been neglected in the process. In the IMF's description of the term, which suggests that cross border trade is driven by "advanced technology", it can be argued that, if a global phenomenon like neoliberalism is in Africa, then it is driven by other things and not necessarily technology because the continent is still very much lacking in technology according to the world Bank 2015 report.

To add, Ferguson (2006) notes that globalization has not brought "a global consumer culture within the reach of most Africans" but has rather brought a sense of a luxury which the majority of Africans cannot meet up with. In his view, globalization has only exposed Africans to the western life style but at the same time has taken the chances of them being part of this life by leaving them just with promises of economic growth for all which never seems to come. In a similar way, the UNDP human development report parallels this view suggesting that capital from the 'global rich' which is usually large, has come to dominate domestic producers and slowly sends them out of the market (UNDP 1997). More So, the IMF (2001) shares this view, pointing out that although globalization has helped increase growth and wealth in recent years, it has not done so for all continents and all countries. In the bank's view, these inequalities have held back development and worsened poverty in developing countries, especially in Africa. This view gives weight to the analysis done by the Center for Economic and Policy Research (CEPR) in Washington D.C, suggesting that globalization has failed the world in many dimensions (CEPR 2001, pp 2-3). The research arranged countries into five groups, from the lowest to the highest income countries and compared human development between the years 1960-1980 and 1980-2000 (the latter being the years of globalization). According to their findings, there was a significant fall in economic growth rates across the five groups within the years of globalization (1980-2000). In addition, the GDP growth rate of the poorest countries fell from 1.9% in the period 1960-1980 down to 0.5% between 1980-2000. With the exception of the highest income countries, life expectancy in the other four groups was put at between 44 and 53 within the years of globalization. The report also indicated that education enrollment also hit its lowest within this period of globalization (CEPR 2001). This calculation may have been looked at from a general angle given that the methodology grouped countries instead of treating them separately, but at the same time it gives a picture of the globalization trend, signaling that changes needs to be made to the economic system that comes with globalisation.

2.6 Neoliberalism as The Reverse of *The Wealth Of Nations*

Adam Smith in his 1776 book *An Inquiry into the Nature and Causes of the Wealth of Nations* outlined how a nation's wealth would trickle down from the haves to the have nots. He advocated for the abolition of government intervention in economic matters, no restrictions on manufacturing, no barriers to commerce and no tariffs. These ideas championed the liberal debates of those years up until the 1930s when most governments turned to the ideas of John Keynes who saw governments as the main drivers of development (Martinez and Garcia,1996). The new liberals borrowed from Smith's ideas and reformed it into their own. Though Adam Smith's intention was to achieve wealth for all, capitalism that now promotes these ideas can be said to be working mostly for the rich, helping them to grow richer. Even though most neoliberal ideas are drawn from Smith, Morrell and Larder (2011) argues that the idea of "prices and resource use" determined by the "invisible hand of the market" is entirely the creation of the neoliberals. To them it was embedded into the liberal discourse through the oral tradition in Cambridge and Harvard universities in relation to the fear of some traders who thought that foreign trade was too risky for their capital. Contrary to this view, Adam Smith advocated that labour should equal pay and as such if the same labour is put in the production of a manufactured good and an agricultural good, both should get equal pay and hence equality (Smith 1776). This became the reverse with the neoliberal market system where in the case of foreign trade, periphery destinations get lower prices for raw materials while imported manufactured goods into these regions sale for higher prices. This shift in ideology rather brings in wealth inequality between developing countries and richer countries. This goes against equality suggested by Adam Smith.

Secondly, Morrell and Larder (2011) further argues that Adam Smith was never opposed to all 'government regulation" as the neoliberals suggest. In the same way as the market price, this idea has been taken out of context by neoliberals to fit their interest. The IMF and World Bank in the Structural Adjustment Programmes (SAPs) demands that African governments completely hands off intervention in market matters as well as cut down or remove social spending. Although they claim their ideas come from *The Wealth of Nations*, this is however in opposition to Smith's idea who favoured regulation in the banking system, regulation and controls of communication and local government services, the creation of partially publicly-funded national education for labourers' children (Morrell and Larder 2011). He also advocated for government regulation quantity measurements in the daily markets and government regulation of 'quality stamping' of certain products. Furthermore, he encouraged government investment in larger-scale projects like bridges, roads, harbours, street lighting, pavements, town refuse and safety, which according to him could be too expensive for private capital, but which could improve commercial facilities and also personal benefits (Morrell and Larder 2011). In addition, he even suggested that governments should be fund treatments of diseases like leprosy. The SAPs on the contrary are against all of these government responsibilities put forward by Adam Smith and according to most people this has not played out well. Kihika (2009) for instance explains that the introduction of development projects by international financial institutions in response to the unworkability of the concept, has been the realisation that their new ideas are just idealistic. These ideas possibly remain idealistic because the promoters of the concept have shifted from what Adam Smith originally intended.

2.7 Neoliberalism Empowering Non-Governmental Organisations (NGO) against State Governments

In a bit to shift economic power to the private sector as the neoliberal gospel stipulates, the IMF and World Bank has been encouraging and sponsoring non-governmental organisations (NGOs) to carry out development projects in African countries. According to most scholars, NGOs now execute most of the IMF and World Bank poverty reduction projects especially in the domains of human rights, good governance and job creation (Harrison 2005, Ferguson 2006, kihika 2009). They even take charge of social amenities formerly provided by governments, like water, electricity and health care to name a few. To explain this phenomenon, Bond and Dor (2003) notes that there has been growing concern in the way the World Bank and IMF has used the poverty reduction strategy papers (PRSP) to "both directly and indirectly, co-opt NGOs to 'monitor' their own governments" on their behalf. This monitoring comes as the banks and western nation continue to blame Africa's underdevelopment on corruption and bad governance and think that Africa governments should be alienated from development matters. To amplify this view, Ferguson (2006) notes that the coming of NGOs has rendered governments "nongovernmental" and instead empowered the civil society. This is to say that, African states under neoliberalism has rather become overseers than the major actors in development. However, the IMF and World Bank may not necessarily be alienating the states in favour of NGOs for the reasons they advance like corruption because Bond and Dor (2003) hints that these agencies only focus on corruption in the public sector and ignores the private sector which also has a high degree of corruption. NGOs started gaining grounds as tools for the banks in Africa in the early 1990s but as early as 1994 they had gone from 6% involvement in World Bank projects to 40% (Harrison 2005). From 1994 to 1997 this average rose from 40%–50%, and has been rising over the years according to Harrison. Correspondingly, government involvement in projects carried out in their states has been declining. Nevertheless, Kihika (2009) points out that although the objective of the various development agencies is to reduce poverty and foster development for marginal populations, the effectiveness of their mission has ultimately been dependent on the underlying framework of neoliberalism. In other words, NGO have actually been tools that the IMF and World Bank uses to pave the way for the smooth lay down of the Structural Adjustment Programmes. However, in the midst of these criticism, Ferguson (2009), indicates that it will be hard to properly analyse the work of these civil society organisations if they are continuously seen as imperial tools of the IMF and World Bank undermining the sovereignty of African nations. This he explains that it is because NGOs are actually doing some good work, citing the Bill Gates foundation in east Africa that has been helping in the fight against the spread of Aids. In all, the initial motive of the IMF and World Bank in Africa was to boost economic growth and speed up development but rather there has been an alarm of growing poverty which calls for new policies that could actualise the development goals.

2.8 Other Nations in Search for Alternatives

Neoliberal policies seem to have produced similar results in most developing countries where they have been applied, thus forcing most of these nations to seek for alternatives. Most reports show a rise in poverty and a widening wealth gap between the rich and the poor in the countries under IMF/World Bank policies. This is evident by the numerous resistances that took place across Latin America in the 1990s leading to a switch in policy by some nations in the region (Harris 2002). According to Harris, these resistances were provoked by the privatization of public enterprises that led to cutbacks in workers, the changing of agricultural laws, falling wages and rising prices of basic commodities as well as rampant unemployment. Amongst these resistances were those staged by the Zapatista Army of National Liberation in Mexico, the Confederation of Indigenous Nationalities of Ecuador and the Landless Movement in Brazil that fought for land that was being taken over by privatization. They also were fighting for the protection of local producers who were losing the market to multilateral companies with huge capitals (Harris 2002). Karliner (1997) adds that these national resistance groups that share the same interest have been forming cross-border coalitions for the same cause. One of these inter-nation organization is the World Social Forum which brought together most of the resistant groups in Latin America and the Caribbeans. According to Cooper (2002), one of the major purpose of this organization was to provide a "viable alternative or alternatives" to neoliberal policies and create a new organization that would replace the IMF and World Bank. However, according to Harris, this alliance has not been able to come up with a comprehensive alternative but its members have been pushing for such changes in their countries (2002, pp 144).

Furthermore, Petras (1997) sees the resistances to neoliberalism in Latin America as an alternative in itself. To him, these resistances like the Landless Movement in Brazil are forcing governments to change policy while at the same time empowering opposition parties that stand against neoliberalism. He argues that by using the military to suppress the petroleum workers' strike in 1995, Brazilian president Fernando Cardoso only showed how weak the regime was at mediating social forces. On the other hand, he portrays the efforts of the Landless Workers' Movement as a brave one that rather unified people. The group fought to bring rural populations together to 'recapture' land that was occupied by multilateral companies. He further explains that earlier resistances had weakened the neoliberal regimes financially. Firstly, he claims that the prolonged process of privatization which in part was delayed by the resistances had deprived the neoliberal regimes of a potential source of income and valuable assets to attract overseas loans. More so, the people, including the middle class had lost faith in the unending series of neoliberal "adjustments," introduced by their governments with the promise that it was the "final one" but which never solved their problems (Petras 1997, pp 89). Adding to the point earlier made by karliner (1997) on the force of the cooperation amongst these resistant groups in Latin America, Petras notes that the activities of these alliances assumed increasing importance. For instance, he explained that the land occupations and peasant co-ops of Brazil and Paraguay and the coca farmers in Bolivia formed coalitions with cooperative forms of production and allied with urban working-class organizations to limit the rate of privatization. However, he notes that these alternatives are just momentary and these countries have to move pass the stage of "defensive struggles" to transforming the entire system. To this, he proposed the national-statist capitalism practiced in Asia and the welfare capitalism used in Scandinavia which he sees as good enough replacements for neoliberalism.

Furthermore, according to Corrales (2011), Latin America in the 2000s have been looking for alternatives to neoliberalism given its failure in the region. He notes that Venezuela, Ecuador, Argentina and Bolivia have been able to reverse the key neoliberal reforms of the 1990s (pg 1). Corrales like Petras also sees alternatives to neoliberalism in the form of the political behavior of the people. According to him, by the 2000s there was a huge shift of power to the opposition in Latin America, especially to those that were against neoliberalism. As he notes, there was the rise of "anti-incumbent" in the region. This is in contrast to Africa where the incumbents are largely the favourites (explained in detail in chapter three). In the area of policy, Corrales explains that most of the new governments focused on greater investments in social policy and vigilance against fiscal deficits and debt. For example, Hugo Chavez in Venezuela reversed most of the neoliberal policies by enhancing the power of the executive branch, financing cooperatives rather than privately-owned business, introducing fiscal profligacy, restrictions on businesses, price and exchange rate controls (Corrales 2011, pp 47). He goes further to claim that such changes achieved faster poverty and inequality-alleviation outcomes faster than the neoliberal policies. Going by this argument, if the free market economy was first tested in Latin America and they are already looking for alternatives, it will be but logical that other parts of the world especially Africa should also join in. But the question that arises is why the IMF and World Bank who acknowledge the drawbacks brought about by their policies cannot accept other alternatives given that they could improve the lives of the people. Their refusal only suggest that they have other agendas rather than boosting African economies as they claim.

2.9 General Criticisms of Neoliberalism in Africa

One of the leading critics of neoliberalism is Noam Chomsky who suggest that neoliberalism by definition is not liberal but a set of policies aimed at enriching the rich (YouTube, 2014). In his view, neoliberals created the third world ideology to establish the difference between the rich and the poor and thus use it to control others. In his view, Europe and America were built with the help of strong centralized states that played a huge role in managing and expanding markets. But with capital acquired in a way that clearly stands against neoliberal policies, these nations are now pushing for free markets in other areas of the world to multiply their capital. Logically, in the neoliberal system, only those with capital can survive, meaning that those who do not have will definitely remain “under dogs”. Profit seeking in most cases have always gone alongside exploitation and unless regulated by a superior power, the exploitation will definitely have no limits. In this sense, taking out government control as suggested by neoliberals can also be interpreted as a validation of exploitation especially in the peripheries of the world. This has somehow proven to be true as reports both from critics and neoliberal proponents suggest that the wealth gap has grown wide over the years of World Bank IMF policy implementation (world Bank 2016, Desai 2003, Hilary 2010, Harvey 2005, Przeworski and Vreeland 2000). To add, Chomsky further argues that the reason why neoliberal policies are tied to democracy is to influence the behavior of governments and allow the free flow of currency and the free market. By this, he implies that democracy is just another tool for neoliberal expansion. In his words: “privatization undercuts democracy”, which in other words could mean that the private individuals who buy state assets are created by the state itself. This takes the argument back to the suggestion made above that neoliberal policies in a way encourages exploitation because if as Chomsky argues, democracy is put to influence the behavior of governments, then those with capital could influence democracy to have governments that abide by their policies.

In addition, many critics especially Africanists argue that neoliberalism has only brought a massive increase in social and economic inequality, huge marginalization of the poor, an unbalanced world economy and great wealth for the wealthy (Mkandawire 1994, Owusu 2003, Harvey 2005, Caffentzis, 2002). The poor social conditions as Konings (2011) says is blamed mostly on the removal of state expenditures on health and education. These critics see neoliberalism as nothing but an agenda of the rich to get richer because this system so far has only made the rich richer and the poor worse off. According to Mbaku, even though neoliberal policies come with the demand for human rights, it has not prevented the removal of social welfare services and basic human rights in Sub-Saharan Africa (2004 pp 16). Moreover, Bond and Dor (2003) notes that the World Bank and IMF economists prior to the introduction of the adjustment programmes did not make an attempt to determine how state agencies in Africa could supply services that enhanced ‘public goods’ (and merit goods) like water supply, public health and even environmental protection. Rather they were considered as products that could generate profit. This to them has only resulted in more misery for the poor.

2.10 Theoretical Framework

2.10.1 Marxist argument

Apart from neoliberalism itself as a theory of international relations which explains the IMF and World Bank activities, another theory that principally describes this economic system is Marxism. The ideas of Karl Marx and Friedrich Engels that centered around class conflict notably between the bourgeoisie and the proletariat, was later expanded by the Marxist offspring theories to explain international relations. These theories include the *World System Theory, Gramscianism, Critical Theory* and *Neo Marxism.* This international perspective gives a deeper explanation to how capitalism divides the world to maintain control over it. Marxism describes the economic world system as divided into the core, the semi periphery and the periphery. According to Marx and Engels in the *Communist Manifesto* (1848), “the history of all hitherto existing societies is the history of class”. This according to them comes about as a result of the spread of capitalism. Thus, the push for a free market around the world by the IMF/World Bank and other western countries has knowingly or unknowingly divided the world into classes.

Karl Marx lived in an age when class mattered a lot and that to him was done on purpose by the bourgeoisie (the rich) to continuously exploit the proletariat (the labourers). To him capitalism constantly widened the gap between the two. As the bourgeoisie class that owned the production grow richer, the proletariat that provided the labour got poorer. This idea has been expanded by Lenin and Wallerstein in the realm of international relations to include core, semi periphery and periphery (Hobden and Jones,2008, pp 232). The core representing the bourgeoisie and mainly developed countries and the periphery representing the proletariat which are developing countries providing the labour and raw materials. These Marxist suggest that the world political system has been structured in an economic manner where the core countries only exploit the periphery countries to further enrich themselves and the surplus capital is transferred to the semi-periphery countries that possess some levels of technical know-how. Semi-periphery countries include those that are moving towards first world status and have facilities to attract secondary and tertiary investments. As Wallerstein puts it, “the three zones of the world economy are linked together in an exploitative relationship in which wealth is drained away from the periphery to the center” (Hobden and Jones,2008, pp 232). Wallerstein's view is manifested in the IMF and World Bank’s advice that African countries, should concentrate on raising capital from natural resources and agricultural products thus ignoring the potentials of these nations to produce any other thing. This however, forces these countries to depend solely on these raw materials and so remain a destination for raw material. The exploitation is shown here in that prices for African raw materials are determined by the buyers who are mostly core countries and who use this to their advantage to exploit the periphery (Harrison 2005).

Furthermore, Marx viewed colonialism and capitalism as “necessary” for the attainment of socialism in the international system (Buecker,2003). To some Marxist, this would introduce the needed facilities like health, education and production capacity and wipe out state boundaries in the periphery thus making way for socialism. Marxism in this view seems to support the IMF and World Bank social projects in Africa, but Lenin (1917) who is also a Marxist strongly contradicts this observation by connoting that colonialism is a “catastrophe”. The English Marxist, Bill Warren rather argues alongside Marx’s point, suggesting that through colonialism, capitalism is bringing rapid development to the periphery and building an urban working class (Hobden and Jones,2008, pp 236). However, in a different way, neoliberalism through the PRSP is creating grounds for the complete implementation of the SAPs which are everything the Marxist disagree with. Linklater (2009) in criticizing Karl Marx’s view on colonialism raises a major defect of the neoliberal market system. He argues that Marxist did not consider the consequences of nationalism in their view on colonialism because the nationals at some point will cut short the process of colonialism as most did in the 1960s-90s. The spirit of nationalism may have been suppressed through the debts that gives the neoliberals power, but as happened in the 1960s, these African countries could still rise up to overturn the suppression and assume self-determination, as shown in their resistances to the implementation of the SAPs.

More so, in a capitalist world, economy is the core of every relation. As noted by Karl Marx, “the mode of production of material life conditions the social, political and intellectual life process in general” (Hobden and Jones,2008, pp 229). The mode of production in Marx’s statement is the market model, which in this case is the free market system of the IMF and World Bank, accompanied by their conditionalities that dictates the social and political life of Africans and other under their policies. The adjustment papers stipulate that states must be democratic and apply good governance as well as have visionary development projects to earn loans from the monetary institutions. The mode of production for African countries under neoliberalism is widely affected with these conditionalities in the sense that, the balance of trade is not ensured as the periphery countries are made to serve as markets for the core countries who offer less for their products and demand much in return for their manufactured goods. Hence there is bound to be a huge wealth gap between the two blocs and consequently international class division.

2.10.2 Neoliberal argument

The term neoliberalism and IMF/World Bank policies are usually used to mean the same thing most times. This is much so because the banks' policies were drawn up with the neoliberal ideas of free markets and lesser state involvement in economic and development issues. As such the banks used loans to impose these policies on developing countries (Pzreworski and Vreeland 2000). As the debt of these developing countries grew, the World Bank, IMF and the US government came together and adopted a number of policies in what today is known as the 'Washington Consensus', which in their view was a cure to underdevelopment and a means to have these countries pay their debts (Taylor 2009). The ideas ensued the neoliberal argument of minimal government restrictions on the market, growth of export services and reduction in government's public spending. The new liberalism shifted from the old liberalism that dwelled much on civil and political liberty to center on economic liberalism. This economic liberalism especially that of the 1980s saw the adjustments of economic policies around the world, especially in the developing world, to be the only means to realise uniform development across the globe (Eduah 2014). The introduction of the Structural Adjustment programs (SAPs) was to initiate the 'trickle down' market system that will eventually eradicate poverty around the world though it has attracted much criticism than appreciation (Chomsky 2014, Harvey 2005, Konings 2011). This theory and its policies came in opposition to the Keynesian ideology that saw the state as the main driver of development. Some scholars have argued that neoliberals ignore the fact that developed countries grow under the guidance of strong states (Chomsky 2014, Ferguson 2006). However, neoliberalism remains anti-government and argues that if barriers on imports and exports are removed and government control over businesses and industry relaxed or taken out and currencies devalued, the system will evolve by itself to benefit everyone. In their view privatizing government corporations will lead to quality production and lower prices, hence, higher living standards for all. As a political theory, neoliberalism can be thought as a policy which intends to deinstitutionalize old economic dynamo.

The one thing that neoliberals leave out in their argument is the role of the state in protecting local companies from foreign competition through taxes, and the motivations governments grants to its citizens in the form of farm or craft aid to boost a country's production. Eduah (2014) points out that the US government subvented its cotton sector in the 1970s that lead to huge production and consequently a fall in the international market price. This fall in prices consequently handicapped developing countries which could not stand competition. Ignoring this vital role played by governments in protecting its borders economically only means wiping off state boundaries which could lead to political instability. Dependency theorists have earlier viewed the neoliberal approach as a potential coup on state sovereignty (Kelly 2008:72). According to Kelly, dependency theorists see the state as the center of development and that which promotes a country's reputation internationally and protects the national interest and sovereignty. This theory was manifested in the Latin American revolution where the likes of Hugo Chavez and the Institutional Revolutionary Party (PRI), reversed neoliberal policies in Venezuela and Mexico respectively.

Africa seems to be the only region that has not developed an economic theory of its own such as the Keynesian theory in the west or the developmentalist theories in Asia. However, this void has been largely filled by neoliberalism. East Asia that has recently produced some of the world's strongest economies relied on the developmentalist model which also stand in contrast to neoliberalism. According to this paradigm, (i) economic decisions are made by politically independent technically skilled officials, while politicians are charged with laws that protect these persons from consequences of the policies that they make. (ii) the state ensures continuing growth by promoting close cooperation between the state and the private sector and also (iii) oversee the distribution of national wealth by providing education (Kelly 2008:71). This theory suggests that politics and economic growth should be separated and unlike neoliberalism sees democracy as costly and something which divides people (Kelly 2008:71). Contrary to this view, neoliberals think that the state promotes laziness by providing social services like healthcare and education to those who cannot afford it. According to them every individual should be responsible for his/her own self. Earnings should only come as a result of hard work.

Furthermore, Corrales (2011) notes that in the neoliberal opinion, the most serious economic problems of this era are inflation and unsustainable macroeconomic environments, lack of competitiveness, inefficient public spending, financial crises, poverty, and corruption that result from state interventions which in turn distort incentives and induce unsustainable economic activities. According to Hettne (1995), all of these issues mentioned by Corrales are caused by “the welfare state” that grants health care services, pension and other benefits to its citizens. He also blames it on the “state power structure which includes the bureaucratic state that centralizes decision making and also “nation-based labour unions” that advocate for wage increases. In his view, the activities of these state machinery slows down the market. This is a global thinking but each region has its specificities which the neoliberals did not consider before implementing solutions especially in Africa. In this part of the world, these economic problems have not just increased over the years of IMF and World Bank solutions but has further widened the gap between the rich and the poor (Harvey 2005). Instead of advising Africans to stable their currencies which could be backed up by their natural resources, the banks forced them to devalue their currencies as a remedy to inflation. The result has been increased poverty and eventually corruption, thus calling for effective changes that will benefit everyone. To further this view, Eduah (2014) notes that before the banks moved from Structural Adjustment Programmes to Poverty Reduction Strategy Papers, they conducted an investigation in Sub-Saharan Africa and discovered that what the region needed was not less governance but better governance. Thus, as time passes by, the banks discover that their policies are not yielding the intended results and as such make adjustments. However, these adjustments are still a long way from speeding development and healing poverty.

2.11 Lapses and Gaps in the Literature

The argument has so far been about how bad the IMF/World Bank policies have not worked for Africa while on the other hand, those in support of the system blame Africans for not taking advantage of the economic policies. But the truth remains that the negative effects of neoliberalism highly out-do the advantages especially when considering reports of rising poverty sometimes coming from the banks themselves. Those against the IMF/World Bank policies mostly dwell on the obvious things that the neoliberals ignored about Africa but they really do not get to the root of the matter which in the opinion of this thesis include the difference in cultures and the different ways in which various groups of humans perceive things. Neoliberals asserted that the market was the same everywhere leaving out the fact that markets are influenced by the behavior of the people. Not everybody reasons in the same direction even when the point is viewed to be in the interest of everyone.

The literature also fails to look at the possibility that the IMF and World Bank could have an underlying agenda besides development. The west and international monetary institutions fail to realize that the leadership in Africa they are dealing with is made up of the older and “colonial” generation that views the world differently from the younger ones who will eventually take over. This younger generation takes note of the failures and will definitely rise against them and take over, but the regret will be Africa’s because much time and resources will have been wasted by then. That is why this paper will argue in the next chapter that Africa needs a complete switch from the free market economic system of the IMF and World Bank to a community based development mechanism overseen by governments.

3. BETWEEN DEVELOPMENT AND IMF/WORLD BANK ECONOMIC POLICIES

3.1 Research Methodology

The aims and objectives of this piece of research is to contribute to the existing knowledge on the dangers of IMF/World Bank economic policies in Africa and also to direct the emphasis that has been laid on African poverty as the cause of underdevelopment, to some causes like cultural difference which is usually ignored. The work will also suggest points that could help improve the situation in place of neoliberal policies. To achieve this, this chapter will explore the methodology used to arrive the conclusions in this work. It will also discuss Africa's dilemma between development and IMF/World Bank policies. As earlier stated, the qualitative research methods and particularly the documentary analysis will be used here to answer the questions that this dissertation poses. By documentary analysis, this thesis will use reports from IMF and World Bank as well as other official reports and statements from governments to back up the hypothesis. The research will also use secondary sources such as journals, books, authorized or official documents, magazines and scholarly articles. Documentary analysis was chosen for this research piece because most of the guide lines that drives the establishment of neoliberalism in Africa are outlined in a series of documents that can be easily accessed online and those that are used in this thesis follow the criteria of a good document which Mogalakwe (2009) outlines as: authenticity, credibility, representation and meaning. Also, most of the literature carries a lot of information on various events that took place around the world in opposition or in support of neoliberalism. In the researcher's view, interviews or questionnaires could not have given better answers because most of experts' approaches have been documented and are available. The arguments here will be supported by points and statistics from such documents.

3.2. Limitations

The literature that this research covers, spans back to the early years of decolonization through the 1960s and 70s up till date. This is to have a clear understanding of the differences under the “independent” rule of African leaders and the years under outside influence (neoliberalism). Although the heading of this work talks about Africa, the work will mainly focus on Sub-Saharan Africa excluding North Arab Africa which comprises of Egypt, Tunisia, Algeria, Morocco and Libya. The exclusion is because their experiences with western countries and international financial institutions are different from the other parts of the continent that this thesis focuses on. Also because most of the literature that talks about neoliberalism in Africa is concentrated on Sub-Saharan Africa. Libya for instance did not experience neoliberalism under Muammar Gadhafi because his country never borrowed money from the World Bank or IMF. As a result, putting it on the same scale with other African countries may end up with a false conclusion. The next sections will examine the activities of the banks in the continent and how their policies are affecting life in these countries.

3.3 Historical Background

3.3.1 Decolonisation of Africa

By 1900, all of Africa was under western colonisation except Ethiopia and Liberia, though Ethiopia was briefly controlled by Italy from 1936 to 1941. The major actors included Britain, France, Belgium, Spain, Portugal, Germany and Italy who decided on the partition at the Berlin Conference of 1884-85. Britain and France together occupied a third of the continent including German territories that were seized after World War 1. The imperialists introduced different methods of governance in their various colonies which can be said to have played a major role in the demand for sovereignty by the African populace. Unlike the other colonial authorities who governed the people directly, Britain introduced the ‘indirect rule’ that used local governments to administer the people. However, these local chiefs never had autonomy and only ruled with directives from the colonial administrators and those who did not comply were dethroned and sent on exile (Kiwanuka 1970). This was a tactic to keep the people under check and as such, as Horowitz (1970) has noted, decolonisation came to them and the world as a huge surprise. In Talton's view, decolonisation was the most 'radical change in history' (2006). Although the British system gave the people a chance to maintain their traditional institutions, it also faced stiff resistance and rebellion in its colonies like other European powers before finally granting independence.

Circumstances that lead to independence in Africa vary from country to country but the major turning point for most was the Second World War. According to Cooper (2008), indigenous people were recruited to fight alongside their colonial masters in the various fronts and they came back with a different perspective and political experience. Most of these ex-combatants alongside the few African scholars took the lead to call for independence in their territories. The growth of nationalism and Pan-Africanism was fueled by the discontent of the Africans against the colonial masters who mostly were opening up settlements for Europeans and taking over native land as was the case in Kenya and Algeria (Connelly 2002, Kiwanuka 1970). The struggle was also inspired by the 'Atlantic Charter' of 1941 that expressed "the rights of all peoples to choose the form of government under which they live" (Atlantic Charter 1941). With the support of the United States which ensured that this charter not only ended with Eastern European countries but also apply to every other part of the world under foreign occupation, by 1947 Asian countries began to gain independence thus inspiring Africans to push for theirs. By 1960, the quest for self-rule by Africans was rife in every corner of the continent prompting the famous speech by the then British Prime Minister Harold Macmillan who said "The wind of change is blowing through this continent and, whether we like it or not, this growth of national consciousness is a political fact. We must all accept it as a fact, and our national policies must take account of it." This wind of change came forcefully that it led to bloodshed and protracted wars in some colonies while others simply negotiated their way to independence as was the case in much of French Africa and British west Africa.

3.3.2 Decolonisation in British and French Africa

Decolonisation happened very unexpectedly but the English and French quickly adjusted to this though in various ways. The British started feeling the heat of nationalism in west Africa not long after the war as the few elite class started pushing for participation in administration. By 1943, Africans were already serving in the administrative councils in some British colonies like Nigeria and Ghana (Gold Coast). According to O'Sullivan (2006) in the years immediately preceding the Second World War, British colonial policy started reacting "more perceptibly to the political, social and economic demands emanating from Africa". This reaction was not even as the British gave west Africans more responsibility in governments than those in the East. This is shown by the fact that Ghana was liberated by 1957, followed by Nigeria and other west African colonies in 1960 while the Eastern and Southern African colonies were still struggling for independence. Kenya and Zimbabwe for instance had a long drawn violent battle with the English before achieving independence in 1963 and 1980 respectively. The Mau Mau rebellion in Kenya posed a huge challenge to the British (Kiwanuka 1970). This was more so because these eastern colonies had large british settlements who were opposed to the liberation of the colonies thus resulting to confrontations. The British however welcomed decolonisation more than any other colonial power. By 1980, the last of British colonies Zimbabwe was granted independence.

Like Britain, France started liberating its Sub-Saharan colonies in 1960 beginning with Cameroon on the First of January 1960. Nevertheless, France had a different approach to carrying out this process. The French leader at the time, Charles de Gaulle who came to power in 1959 proposed a condominium with the African colonies that ended in what Koutonin (2014) calls "the colonial pact" that has soon after lead to the community of French speaking countries, 'La Francophonie'. This pact did not actually free French African colonies from French rule but gave them political autonomy while economic and military dealings remained largely in the hands of the French (Koutonin 2014). The French however did not encounter a lot of resistance but witnessed the "bloodiest" of all the independence fights in the war with Algeria (Jacques 2006). This was because like Kenya and other East African British territories, Algeria was a French settler colony and considered by the French as an extension of France. This view strengthened Algerian nationalism and kept the war going until De Gaulle signed out independence to the country in 1962, making it the last of French North African territories. France granted Morocco and Tunisia independence in 1956.

3.3.3 Post Decolonisation Challenges for African Countries

Historian Frantz Fanon (1961) describes decolonisation as 'false' because of the way it was carried out and how quickly the colonisers were back in African affairs. Like him, many other writers think African independence was just a fulfillment of what was happening at the time across the world. As described by Talton (2006), the British only felt the need to comply with the promises they made to Africans before the war, one of which was independence. When the colonizers first arrived, they signed colonisation deals with the coastal tribes but later extended into the hinterlands, overcoming resistances and establishing control over the lands. Although these indigenous people were then united under a common colonial master, they remained as separate tribes and communities. As a result, decolonisation left countries with artificial borders, ethnic divide, and arm disputes between the factions, (Bond and Dor 2003). Added to these complexities, the new born nations also inherited economies that were based on primary product exports and western styled governments that lacked competent Africans to run them (Bond and Dor 2003). These issues plunged most of the continent into civil war soon after independence and still remain a major hold back to nationhood and development today.

As the case could be, Africa was granted self-rule 'unfortunately' at a time the world was experiencing the Cold War, thus putting them in a difficult position as they were forced to side with one faction or the other. New to self-rule, Africans had to make a choice between the socialist East and the capitalist West. This posed a great challenge to them because they had to deal with foreign intervention once more. Many African nationalists like Patrice Lumumba, Kwame Nkrumah, Julius Nyerere and others shared a vision of an independent Africa in control of their economies and lives but their dreams were short lived as the politics of the cold war either overthrew them or killed them, hence killing alongside the independence dream. According to Talton (2011), aid packages from the warring blocs came with conditionalities of continued allegiance and left these fragile nations with no choice as they needed the funds for the development of their economies and eventually their countries. The cold war in other words brought back the colonisers shortly after they signed out autonomy to Africans and even introduced new actors like the USA and the former USSR, Hence, neo-colonialism which held back the free expression of sovereignty.

However, this imperialist come back was not effectuated all over Africa as the North became more autonomous and leaned towards the Arab World. Circumstances between sub-Saharan Africa and the north has never been the same. The amount of influence in the west exerted in the south has not gone North giving them enough space to independently develop their economies and build their countries. For instance, Libya under Muammar Gaddafi was economically independent from the IMF and World Bank and thus was able to improve the lives of the people. However, the independence the North enjoyed led to the growth of dictators as can be seen in the 'Arab Spring' that ousted the leaders of Egypt, Libya and Tunisia. On the contrary, while the North enjoyed absolute independence, Sub-Saharan countries were experiencing numerous coups emanating from the cold war struggles. Talton (2011), insinuates that Nkwame Nkrumah of Ghana was overthrown because the US manipulated cocoa prices that played hard on the Ghanaian economy, leading to economic hardship and his overthrow. Even if African countries are independent today, they are still tied to the western model of doing everything. As O'Sullivan (2006) explains, "British thinking focused on securing their continued influence by ensuring that it was they who shaped the colonies' political and economic futures".

Furthermore, the Cold War politics only helped to root out Africa's best, replacing them with those who served themselves and the western interest. A recent article on BBC detailed how the US meddled in African affairs leading to the overthrow and deaths of nationalist leaders who fought for complete detachment from the west. According to the article, the US president Dwight D. Eisenhower ordered the killing of Patrice Lumumba in 1961 over concerns that he was turning Eastward and may be another Cuba (BBC 2016). The article added that former colonial master Belgium in 2002 admitted a role in Lumumba's death. The same article reported that a declassified US government document showed that the US was involved in the overthrow of Ghana's first president Kwame Nkrumah in 1966. A statement from one of these document described Nkrumah's fall as "fortuitous windfall. Nkrumah was doing more to undermine our interests than any other black African" (BBC 2016). In yet another dimension, this articles indicates how the US backed opposition leaders in Chad and Angola with arms and military trainings to topple the pro East legitimate leaders.

3.4 General Overview of Neoliberalism

As the name suggests, neoliberalism is the "new" form of liberalism that started in the 1700s up till The Great Depression in the 1930s (Martinez and Garcia,1996). Liberalism also known as the 'laissez-faire' economy, preached freedom of the market and protection of property rights from any state intervention (Duncan 2014). This concept was first introduced by Scottish Economist Adam Smith when he released his book "The Wealth of Nations" in 1776 (Martinez and Garcia,1996). He advocated for the abolition of government intervention in economic matters, limited or no restrictions to manufacturing and removal of trade barriers and tariffs. To him, this was the best way to stimulate economic growth and employment. This theory became very popular mostly in Europe and America and was extensively implemented by governments in the 18th and 19th centuries. However, in the face of 1930 economic shutdown, economist Maynard Keynes came up with a counter policy to liberalism suggesting the essence of government involvement in the economy. Keynes philosophy was welcomed by most governments as a solution to the then crisis until the 1980s when Ronald Reagan (US President 1981-89) and Margaret Thatcher (British Prime Minister 1979-1990) came to reinforce the newly revived liberal ideas around the world.

The first test of neoliberalism according to Harvey (2005) was in Chile after the military leader Augusto Pinochet took over power from democratically elected Salvador Allende in a US backed coup. The US, afraid that Salvador will turn communist, brought in Pinochet who completely transformed the economic strategy and applied the neoliberal policies with an "iron fist". He freed the market of all restrains by brutally suppressing labour unions and by relaxing import and export laws. He privatized state corporations and opened up natural resources for exploitation. More So, he shut down all social amenities like health centers for the poor and government subsidised schools. Though this landed his country in heavy debt and stagnation in development, the US and Britain fully took over the campaign to promote these policies across the globe. Ronald Reagan and Margaret Thatcher extensively applied these policies in their countries and beyond in the 1980s such that it became part of the US foreign policy to promote these ideas (Harvey,2005). Today, the policy is championed by the IMF and World Bank and extends it to other part of the world like Africa through development loans handed to countries (Babb 2008). These banks impose these neoliberal policies in the countries that owe them especially in third world countries. There has been lots of criticisms and demonstrations against these policies with the most popular being the G-8 summit in Seattle (USA) in 1999 and in the Italian town of Genoa in 2001 that was met with heavy military force. The policies are blamed for increasing poverty around the world and enriching just a few.

3.5. How Neoliberalism Came to Africa

As the cold war dwindled to an end, the new economic format that was taking over in most parts of the world was extended to Africa. With African countries struggling to stabilize their economies affected by the global economic crisis of the 1970s, Western nations and international financial institutions shifted from aid to granting loans to these nations however with very stiff conditionalities (Babb 2008). Spearheaded by the IMF and the World Bank, African nations were given development loans with the condition to limit government intervention in market issues, eradicate government subventions on food and cut government spending as well as deregulate local markets (Peet, 1999). These conditions were packaged under the Structural Adjustment Programmes (SAPs) which was mandatory for all the nations that demanded for loans. The SAP also required that the receiving governments devalue their local currencies, introduce convertible monetary system and lift barriers on trade and capital movements. In other words, African countries were to completely separate state from trade and make markets free from any restrictions. This according to the propagators would regulate private consumption through higher market prices, thereby directing incomes to private investments that will then stimulate general economic growth (Kihika 2009). The introduction of the SAPs in 1981 started the neoliberal activities in the continent. However, the SAP has undergone adjustments over the years owing to criticism that has blamed the policies for widespread poverty. Kihika (2009) notes that the banks introduced the Heavily Indebted Poor Countries Initiative (HIPC) in 1996, followed by the Poverty Reduction Strategy Papers (PRSP) in 1999 and then the Multilateral Debt Relief Initiative (MDR) in 2005, all in response to the criticisms. Nevertheless, these subsequent programmes as Harrison (2010) indicate, are meant to ensure the full implementation of the Structural Adjustment Programmes. This is ensured by various commissions put in place by the banks in every debtor country.

3.6 Comparing Africa Before and Under Neoliberalism

To better understand the argument of this thesis, it will make sense to have an idea of the Africa before the introduction of neoliberalism in the continent. As seen from the history of decolonisation above, most African nations gained independence in the 1960s chiefly championed by nationalist who saw a better future in their hands than with the colonialist. Some countries like Kenya, Algeria, Angola and Zimbabwe had to pull a war for their independence while others, mostly in French West Africa simply negotiated for their freedom. Notwithstanding the circumstances through which they achieved independence, they were all excited about improving their countries in every aspect. The new states inherited mostly the European styled economies but depended largely on the export of natural resources and agricultural products (Ingwe, Ikeji and Ojong, 2010). Most of these countries were able to maintain a stable economic growth rate of 4.5% for a decade or more which was satisfactory at the time. Cameroon for instance had an average annual growth rate of 7% in the 1960s and 70s. This was way higher than most Asian countries back then but this percentage drastically dropped in the 80s due to change in leadership that brought in neoliberal policies (Konings 2011). The determination to build better economies by these new born nations was challenged by a lack of trained staff, infrastructure and industry (Ferguson 2006). The lack in industries to process the raw materials, indicated that they were not in control of the prices of their goods, which for the most part were primary. Hence, a change in market prices was certain to affect their economies. Nevertheless, these nations put in place programs to improve their economic and social status. Education and social provisions were top on the agenda. Nationals were sponsored abroad in training programmes that could improve the economic and political situation they faced (Ferguson 2006).

One interesting factor with the leaders at the time was their determination to build their nations without the help of any ‘foreigners’. The case of the Kenyan leader Jomo Kenyatta who declared that his government will not be pro-west or east as concerns the cold war: “We shall pursue the task of national building in friendship with the rest of the world. ... We shall remain free and whoever wants friendship with us must be a real friend”. But this was short lived as the prices for African commodities started falling in the world markets barely a decade after independence (Harrison 2005). This forced the baby nations to accept support from the disputing blocks in the Cold War thereby changing the direction of development. The table below show the downward movement of African economies from independence till the implementation of the IMF/World Bank strategy programmes.

Table 3.1: Compares Overall GDP of African Countries Under African Leaders And Africa Under Neoliberalism

AVERAGE ANNUAL GDP GROWTH IN AFRICA, (Per cent)

1965–1999	1965–1969	1970–1979	1980–1989	1990–1999	1990–1994	1995-1999
Africa	4.5	4.2	2.5	2.3	0.9	3.5
Sub-Saharan Africa	2.4	4.0	2.1	2.4	0.8	3.9
Including South Africa	4.2	3.3	1.7	2.0	0.4	3.2

Excluding Nigeria	3.5	3.9	2.5	2.3	0.3	4.2

Source: United Nations Conference on Trade and Development, "Economic Development in Africa: Performance, Prospects and Policy Issues, 2001.

Table 3.2: Compares Investments Between the Rule of African Leaders And That Under Neoliberalism

INVESTMENT AND SAVINGS IN AFRICA, (Per cent of GDP)

1975–1999	**1975–1979**	**1980–1984**	**1985–1989**	**1990–1994**	**1995–1999**	**1980–1989**	**1990–1999**
Africa							
Investment:	26.1	23.6	20.2	18.7	19.6	21.9	19.1
Savings:	23.9	22.5	19.1	17.3	17.6	20.8	17.5
Sub Saharan Africa							
Investment:	23.1	17.7	16.0	17.4	19.1	16.9	18.2
Savings:	19.3	13.6	13.7	13.8	15.3	13.6	14.5
Sub Saharan Africa (with							

South Africa)							
Investment:	22.2	19.5	15.7	15.5	18.0	17.6	16.7
Savings:	20.6	17.6	16.5	15.3	16.5	17.1	15.9
Sub-Saharan Africa (excluding Nigeria)							
Investment:	21.0	17.4	16.3	16.7	18.9	16.8	17.8
Savings:	15.8	11.2	13.0	11.6	13.1	12.1	12.3

Source: United Nations Conference on Trade and Development, "Economıc Development in Afrıca: Performance, Prospects and Policy Issues, 2001.

3.7 How the Cold War Politics Diverted Development Efforts in Africa

According to Talton (2011) the fear of a Soviet influence in Africa brought the west back to the continent a few years after they signed out independence to their former colonies. This return that now included the USA suddenly turned the continent into an "arena of political struggle" between the two superpowers as the eastern bloc also introduced aid packages and came in strongly to secure support. With this aid in place, Talton explains that these superpowers pressured African governments to support their agendas and even initiated and funded coups against democratically elected governments. Some who were against these agendas were even killed. In the Congo (DRC), for example, Joseph Mobutu took a strong anti-communist position and was subsequently rewarded by Western powers. First he masterminded the removal and murder of the country's independence leader Patrice Lumumba and went ahead to turn national assets and funds into his, since he had the western backing (Talton 2011). This shows how the cold War politics did not encourage the development of effective state institutions and good governance in Africa but rather promoted corruption and looting of national wealth. Talton adds that the United States and the Soviet Union in a number of occasions supported political regimes and leaders that had no interest in developing such institutions, so that they could continue implementing their own agendas.

The major difference between the economic practices of the 1960s and the policies under neoliberalism is the role of governments. The African governments in the early years of independence played the role of a provider. Governments acted as providers of public facilities and social needs of the people. Education and health above all were highly subsidized as opposed to the neoliberal policy of withdrawing these subsidies. Most importantly, aid conditions from the cold war blocks were not as stiff as neoliberal conditions today. There were no checks and balances as to how these funds were utilized. The private sector as well was strictly under government control as most of the big agricultural corporations were government owned. In other words, employment was highly government's responsibility. Summarily, the cold war politics however did not help Africa's progress because the lack of accountability led to embezzlement and laziness on the part of the government's. States became so reliant on aid that they abandoned their development programmes coupled with the prevalence of coup d'états (Talton 2011). Hence, they had no choice but to embrace neoliberalism with the financial packages that accompanied it as the cold war came to an end.

Neoliberalism was introduced in Africa by the end of the Cold War which left a huge economic and political vacuum. Economic and political in that, much financial and political support that came from the two battling blocks during the war, went along with the war. Consequently, these countries had to get an alternative to continue with development. According to Konings (2011), neoliberalism became the only option for African nations but came with a lot of "economic conditionality" championed by the IMF, World Bank and western countries (pp 2). Since the late 1970s this system has been the dominant economic model in this region. This is very much so because of the imposition of Structural Adjustment Programmes (SAPs) by these donor agencies and western countries which usually grant credit only to governments that implement these policies "correctly" (Easterly 2005, Pzreworski and Vreeland 2000, Konings, 2011, pp 2). These credits have amounted to multiple debts over the years and has trapped majority of the African countries in this system. Most of them now fall under the heavily indebted poor countries category of these financial organisations. This indicates that, as long as these countries owe these donors, they are obliged to follow their policies whatever the effects may be. Konings (2011) goes further to mention that the IMF and World Bank has a tremendous influence in Africa than anywhere else in the world. Hence, Africa is prone to a high rate of the draining effects of neoliberalism.

3.8 Neoliberalism and Development in Africa

In 1981, the World Bank came up with a report known as the 'Berg Report' to address the concerns raised by its African governors over the economic situation in the continent. The paper titled "Accelerated Growth in Sub-Saharan Africa", noted that the economic situation in the region was grim and needed a swift response. It pointed out that sub-Saharan Africa made up two-third of the world's poorest countries and low income countries and its ever growing external debt rose from $6 billion to $32 billion between 1970 and 1979 (pp 3). Coupled with the economic constraints, the report added that the region was home to disease and natural disaster which kept life expectancy low. The report blamed this economic situation on underdeveloped human resources, the economic disruption that accompanied decolonization, climate and geographic factors that affected development, the focus on postcolonial political consolidation, less attention given to production, a rapidly growing population, slow growth in African exports and the unstable international market (Berg report pp 4). To this, the report proposed adjustments to the existing policies which included giving the private sector more responsibility, improving government policy making, decentralizing cooperatives, intensifying market farming, expansion of education and above all foreign aid. This last proposal set the grounds for the introduction of policies that have come to be the dominant economic ideology in the continent. The IMF and world Bank used this platform to lay out conditions for loans from them. This conditions include: privatization, devaluation of currency, good governance, free trade, strict monetary policies (higher interest rates) and democratization (Przeworski and Vreeland 2000, Edua 2014). Any country going in for IMF/World Bank loans especially in the developing world is expected to take up these policies under the supervision of the banks.

The focus of this thesis is to show that IMF and World Bank policies have not helped the situation from what it was 35 years ago before the adjustment programmes and that the policies should be overturned with a look back at what happened before the introduction of the policies. The specific objectives of these donor agencies according to Easterly (2003) were to help countries reduce their current account deficit to more manageable proportions, and to strengthen their balance of payments while maintaining their growth and developmental momentum. Overall the major reason of what the two banks call Structural Adjustment Loans was to maintain growth and to facilitate balance of payments adjustment (Easterly 2003, pp 2). The question to be asked here is if these objectives have been met in the last 35 years and if yes how have they impacted the lives of the people. Reports on the continent still tell that the conditions are not very different from the description found in the Berg report. Africa still has more than two-third of the poorest countries in the world and the World Bank even indicates that the number of people living in poverty has doubled (World Bank 2016). In the eyes of most, the continent's situation has worsened than it was in the 60s and 70s. Countries' GDPs are at their lowest, health care systems are broken, unemployment is skyrocketing, while the wealth gap grows even larger (Ferguson 2006, Harrison 2005, Konings 2011, Owusu 2003, Desai 2003, Rakner 2003). Privatization for instance led to thousands losing their jobs and eventually poverty (Eduah 2014, Desai 2003). Though the assumption may not be entirely true given that infrastructural development and education has risen in the continent, it still shades light on how far the continent needs to go and how it chooses to go.

Most critics have blamed the slow development on conditions attached to the loans, suggesting that the conditions are too challenging and demanding to fulfill (Babb 2008, Caffentzis 2002, Mkandawire 1994). Apart from criticisms the policies also met with resistances from across the continent. Konings (2011) writes that African leaders show their dissatisfaction with the policies by delaying or manipulating the reforms given to them by the neoliberal agencies, in order to avoid public anger. Even at that, as Bond (2005) has noted, the civil society has been mounting pressure on the governments that have embraced the demands of these donor agencies. He explains that these civil society organisations mastermind rallies and petitions usually in collaboration with opposition parties to denounce these reforms in their countries. Even the general public of most of the countries have not hesitated to show their discontent when ever the opportunity shows up. In the early 1990s there were mass demonstrations across Africa against the IMF in what was popularly known as "bread riots" or "IMF" riots (Ferguson 2006, Konings 2011). These people were against the economic reforms forced on them by these foreign agencies and also against their leaders who accepted the reforms. The demonstrations were a result of the retrenchment in jobs, falling wages and removal of government social support (Desai 2003, Ferguson 2006). Many found themselves jobless and the only way out was to voice their anguish. Ferguson narrates his encounter with some mine protesters in Zambia in the popular 1986 "Copper belt riots". According to him, the uprisings were joint by a number of respectable people in some cases including the police. The protesters looted shops and property claiming that they were recovering what belonged to them. Some even printed T-shirts in the townships reading, "Looters Association of Zambia". As Ferguson further explains, these protesters did not see any problem in looting but blamed the rise in prices for causing hardship (Ferguson 2006 pp 56). This scenario exemplifies the crisis level caused by the SAP in the continent and thus gives critics reason to dismiss the policies as a solution for Africa's problems.

More so, some African presidents were very vocal about the implementation of the IMF/World Bank policies and their loan conditions. Former president of the Republic of Burkina Faso Thomas Sankara openly criticised the policies and called on other African leaders to do same. Sankara who came to power through a military coup was president from 1983-1987 when he was assassinated. He is known for his speech during an OAU (Organisation of African Unity, now African Union) meeting in Addis Adeba in July 1987 calling on African leaders to denounce the payment of foreign debts. He blamed the IMF and World Bank for the economic crisis in Africa and called for a collective boycott of these policies. In his words "Colonizers are those who indebted Africa through their brothers and cousins who were the lenders. We had no connections with this debt. Therefore we cannot pay for it. Debt is neo-colonialism, in which colonizers transformed themselves into 'technical assistants'.

We should better say 'technical assassins' (News Rescue.com, 2014). He made references to the terrible conditions that the neoliberal policies put the masses in South Africa which is one of the breathing grounds of neoliberalism. In his country, Sankara set aside the neoliberal reforms that were introduced by the previous leaders and initiated new economic policies that improved agriculture and industry in his country (youtube 2013). This was short lived because he was soon replaced by his childhood friend Blaise Compaore who immediately reinstated the reforms as soon as he took over office. The neoliberal rule is so brutal that some scholars have qualified it with "egotism, ruthlessness, greed and coldness" (Philoguy 2011). Like Thomas Sakara in Burkina Faso, other African heads of state that are opposed to these policies suffer the similar treatments from the IMF/World Bank and their western allies. The latest were the Sanction metted on Zimbabwe by these agencies that has for over eight years now deepened the plight of the people of this country.

However, though the World Bank admits that poverty is rising in Africa, it still blames it on the non-conformity of African countries with the conditionalities (World Bank 2016). The bank notes that countries that have effectively applied the policies have experienced economic prosperity. In its view, other important aspects like life expectancy and education have improved in the continent though the challenges still remain high. Comparing the adult literacy rates in 2015 to that since 1995, the bank indicated that there has been an increase of 4% in this domain and at the same time the gender gap in schooling has lessened. Furthermore, the bank explains that child mortality rate has reduced and newborns are now expected to live six years longer. Infant malnutrition has also dropped from 45% to 39% within these years. The bank contradicts the adult literacy statistics by stating that though school enlistment has improved, the quality of education still remains low and that two in five adults are still illiterate in the continent. Paradoxically, the report mentions that human welfare for the poor people in richer countries remains deplorable especially when considering incomes (World Bank 2016, pp 87-92). Though the World bank and IMF are making progress in various areas the question still remains as to why their policies have taken so long to achieve little and why they still continue to grant loans given that poverty is rising in the continent. The following sections will try to answer this questions first by looking at some of the conditionalities and their effects. Then later look at the general outcomes of the policies in the continent.

3.9 Privatization

Privatization of state corporations is one of the major conditions imposed by the IMF and World Bank on countries seeking loans from them. In line with the free market ideology, neoliberals in the Washington Consensus felt that economic growth can be more effective in private hands than under government control and thus called for the transfer of state controlled assets to private hands. They claimed that the alteration would depoliticize economic decisions, enhance the private sector and also end the mismanagement and corruption endemic in enterprises controlled by politicians (Konings 2011). It is estimated that 2300 state owned enterprises were privatised in Sub-Saharan Africa between 1991 and 2001 (Nellis 2005, pp 7). Privatisation like most other changes brings negative and positive results but for many, this move has been one of the major causes of increased poverty under neoliberalism (Harrison 2005, Ferguson 2006, Eduah 2014, Desai 2003). In Harrison's view, this process "connotes a social process in which the labours of many are captured and 'privatised' by an elite class by virtue of their possession of economic and political property (2005 pp 1314). In other words, privatization does not only take on corporation but also exploits labour of the workers as well. However, Nellis (2005) remarks that African governments unlike elsewhere still hold huge shares of the privatised enterprises which to him is stagnating the exercise of free market that could have led to economic growth. While remarking on the effectiveness of privatization, Nellis gives an example of the Guinean national water company that was privatised in 1989 and since then brought impressive changes to the sector, although government still held on to the assets. According to him, water connections increased from 12,000 to 23,000 within seven years of private ownership and the percentage of metered private customers rose from 5 to 93%, and to 100% for government customers. In addition, the percentage of the population with access to water rose from 38 to 47% and the quality of water was improved (2005 pp 4). This at first sight may seem very impressive when the role of the population in this transformation is not yet considered. But like the story continues, the cost was later put on the people by tripling the consumption prices and as a result many could not pay. Nellis proceeds that the levies were later subsidised by the state with funds from the World Bank, only then could many get continuous flow of water. Contrary to this scenario, the case in South Africa for instance was not same because the government 'fully privatised' the national water company (Desai 2003). In the case of nonpayment of bills there was massive disconnection of water meters that led to confrontations between the people and officials. Desai puts the numbers at 10 million water and electricity disconnections between 1994 and 2002. There probably could have been a case of confrontations in Guinea had the government not subsidised given that Guinea is one of the poorest countries in Africa and in the world. This raises the question as to the suitability of privatization as an economic policy in Africa.

Conventional wisdom has it that an investor will only go to where conditions are favourable for business. Given options, investors will likely go to where facilities like energy, transportation and infrastructure already exist. Rather in Africa these facilities are not well developed and thus the economies depend mostly on primary products. This implies that inventors coming to Africa will try to cover the costs that may be incurred because of the absence of these facilities and as such inflate prices. This has been the case so far as seen in the example of Guinea and South Africa above. More so, the few national corporations present in these countries has been a major source of employment and a provider of basic services like electricity and water (Konings 2011). Ferguson (2006) argues that the neoliberal idea that deregulation and privatization would be a cure for Africa's economic stagnation was a "dangerous and destructive illusion". To him the structural-adjustment era has seen the lowest rates of economic growth ever recorded in Africa (actually negative, in many cases), along with increasing inequality and marginalization" rather than the economic recovery projected (Pg,11). Criticism on privatization reveals that prior to imposing this conditionality, neoliberals did not consider the balance between increased cost of living and employment. Since privatization began many have lost jobs to retrenchment thus increasing the number of the unemployed (Desai 2003, Kihika 2009, Harvey 2005, Owusu 2003). It is worth noting here that most of these state enterprises were highly subsidised by the states and provided housing and other facilities to its workers. One of the immediate effects of privatization has been homelessness and misery as was the case in Ghana in the early days of privatization (Eduah 2014). The fact that the privatization discourse, does not account for the laid off workers (who are in most cases unskilled) but leaves them to the magic of economic growth, leaves a question mark as to its effectiveness in alleviating poverty in Africa.

In another dimension, one major issue that neoliberals are quick to point as the cause of liberal political failure in Africa is the multiplicity of ethnic groups. However, critics blame them for introducing a system that did not take this issue into consideration. On the other hand, this divide turns out to work for autocrats as they now fully adopt regional politics or 'divide and rule policies'. Neoliberalism puts money in the hands of these politicians who are then able to suppress opposition and favour those they choose. Konings (2011) identifies this manipulation in the privatization sector, where these leaders will intentionally not privatize government corporations to any member of a hostile ethnic group or a foreign enterprise that will stand in the way of their interest. In the end, these public assets are usually sold for far less than their value as politicians care mostly about their kickbacks from potential buyers (Mkandawire 1994). According to Bennell (1997), the period from 1980 to 1987 witnessed some 227 privatisation transactions, while 657 occurred between 1988 and 1995, and over 300 in 1994-1995 alone. Given that these parastatals were a major source of employment; many were left stranded as the new owners did adjustments in their newly acquired companies.

Furthermore, the process of privatization in Africa has not only produced negative results. Ariyo and Jerome (1999), notes that privatization has improved railways, communication, industry and other sectors in the continent since its inception. Nellis (2005) on his part insist that the privatized firms "have done quite well, almost certainly far better than they would have, had they remained under government ownership" (pp 19). He posits that privatization in Mozambique and Tanzania improved the financial performance of the divested firms. Also, privatizations in Côte d'Ivoire contributed positively to economic welfare, with an annual net welfare benefits equivalent to about 25 percent of pre-divestiture sales. In addition, 235 of the 254 firms privatized in Zambia since 1991, have all achieved positive results considering the "very poor financial state of these enterprises prior to divestiture, and the dismal business environment prevailing in the country throughout the 1990s" (Nellis 2005 pp 20). It is easy to single out the successes but the general overview usually gives a different picture. The promise of privatization was to improve the general economic situation but as Przeworski and Vreeland (2000) see it, growth under IMF programs has been lower regardless of the conditions under which countries participated. This statement throws more light on the Zambian argument that most of the country's problems have been caused by neoliberalism (Ferguson 2006). Nellis (2005) even mentions that Zambians have been considering overturning privatization. This goes against his argument that privatization can increase growth if correctly implemented. Everything being equal, privatization in Africa has so far only proven to benefit a few compared to Asian countries where the positive impacts of privatization can physically be recognized judging from the speed of development.

3.10 Democracy and Good Governance

The question as to whether democracy leads to good governance or economic growth is hard to answer looking at the trends in African countries. However, neoliberals very much believe that it is the best system that can grant the freedoms needed to drive market growth. Countries in Africa have experienced military rule, dictatorships, kingdoms and now democracy, which de facto has become a modern model for governing. Nevertheless, the continent is still one of the less developed regions in the world which raises questions as to why the push for democracy in this part of the world. Its promotion has become an important part of the goals of powerful states, donors, and international institutions (Nelson and Wallace 2005). The United States for instance spends more than $700 million annually on the spread of this ideology (Knack 2004). But what is the purpose of regime change if it is not a direct cause of economic growth? Or is the presence of democracy a guarantee for good governance? This paper argues here that democracy like other neoliberal conditionalities is just a means to advance the market ideology because if economic growth was measured by regime type then dictatorships and Aristocrats have also proven to be up to the task.

The end of the Cold War in the early 1990s ushered a new wave of multipartism across the continent leading to democratic elections. Even at this, most of the world's longest serving heads of states are in Africa although these countries have had democratic elections for over two decades now. The presidents of Uganda, Cameroon, Angola, Zimbabwe and Equatorial Guinea for instance have been in power for more than 30 years and the IMF and World Banks continue to operate projects in these countries while expecting different results. This goes back to the question of democracy versus good governance because not even the loan conditionalities has forced them to perform better. What seems to matter to most African governments as Cheru (2001) puts it, is the badly needed cash flow from these institutions. In a report on human rights and poverty reduction in some African countries, Cheru quotes one African finance minister interviewed for this report saying: "We do not want to second-guess the Fund. We prefer to pre-empt them by giving them what they want before they start lecturing us about this and that. By so doing, we send a clear message that we know what we are doing--i.e. we believe in structural adjustment…" (Cheru 2001). This is a clear message that instead of good governance, the loans are promoting corruption. The bigger worry comes in when these donor agencies allegedly know about the petty games of these African governments but play along. Ferguson (2006) observes that, many elections on the continent "have been little more than elaborately staged ceremonies through which authoritarian leaders have sought to ratify their rule." As could be the case, international observers most of which are sponsored by the World Bank and IMF usually pronounce these elections "free" and "fair", thus validating the reign of these despots. The question that comes to mind is what exactly is democracy if it doesn't bring change? This exposes the vulnerability of the neoliberal system as some African leaders take advantage of it to continue benefiting from the loans. Out of the eight presidential elections that took place in 2015 and three so far in 2016, only Tanzania, Nigeria and Zambia have seen a change of presidents (National Democratic Institute 2016). Not surprising is the fact that the new heads of states have either been former presidents or government ministers. In the case of Burkina Faso, there was a change only after the president who had ruled since 1986 was forced to resign (Aljazeera 2014). It may be argued that it is not the fault of the IMF and World Bank that the elections bring little or no change in the continent but a closer look at events such as elections will put part of the blame on these institutions for the continuous dealings with long serving presidents. This collaboration puts lots of money in their hands for their political sustainability.

Even though the IMF and World Banks are checking corruption in African countries as part of good governance, it is likely that they have preferences on who they want to punish. Bond and Dor (2003) makes reference to a popular case of an official in Lesotho who was accused of corruption and removed from office but the World Bank opposed his removal and promised sanctions on the country is the official was not reinstated to his position. This gives an onlooker the doubt as to what corruption is, and what the goals of these monetary agencies is in this country. Corruption however cannot be entirely seen as the set-back to Africa’s development as China and South Korea still managed to experience tremendous growth notwithstanding reports of alarming corruption. Notwithstanding, corruption plays a major part in under development. Besides that, capital borrowed from western countries and international finance institutions most times end in the hands of the African elite because the implementation of the neoliberal reforms will hardly benefit them as a community.

In addition, capital flow in the continent has not proven to follow democracy and good governance. Since business is all about making the most gains, investors only select areas that are conducive for them. However, the fact that free market policies are applied in all of sub-Saharan Africa, capital is seen to be flowing mostly to oil and mineral rich countries. A study on investment patterns in developing countries, conducted by the Organization for Economic Cooperation and Development (OECD) showed that the first five highest recipients of foreign investment between 1994/1996 were conflict ridden countries like Angola, Zaire (Democratic Republic of Congo) and Equatorial Guinean (Ferguson 2006). Even a 2002 World Bank study result proved that investments do not usually follow good governance. The bank reported that Angola, for instance, actually had one of Africa's better rates of GDP growth during the war-torn 1980s, while Sudan registered an 8.1 percent annual GDP growth rate at the time it had “one of the most brutal and intractable wars in recent memory” according to Ferguson (2006). The growth record was the best in the continent in the 1990s.

Furthermore, democracy in Africa in a way has also given leaders the chance to identify those against them and punish them. If democracy was described as comprising of only elections, then it will make sense to continue pushing for it in Africa. But as Nelson and Wallace (2005) notes, democracy involves the respect for human rights and freedoms. In promoting democracy in Africa, neoliberals tend to level African societies with those in the west comprising of large modern urban areas, professional middle class organisations, organised civil society, etc (Konings 2011). Liberal political agendas have failed in Africa because neoliberals have undermined the power of ethno-regional identity. Konings argues that these identities are ignored because they simply don't fit into the neoliberal values and stand as an obstacle to its execution. Contrary to the values of democracy like freedoms, the push for it in Africa has encouraged the growth of these ethno-regional organisations as well as regional politics in that people tend to support those closer to them. Here this paper has not completely pushed out the benefits of democracy but is trying to consider its aim and how it has been used in the continent. In line with the misplaced usage of democracy, Ranker (2003) remarks on the neutralization of liberal ideas by the implementation of neoliberal policies including democracy. Liberal democracy in Ranker's view, encourages the rights of workers. But neoliberalism is strongly against worker's unions and this gives leaders a chance to crack down on those who stand against them thus conflicting the neoliberal ideas. He gives the example of the democratically elected Zambian leader, himself a former union leader, who was able to neutralize union power when he commenced the execution of neoliberal economic policies thus limiting the rights of the people to demand for better wages and better working conditions. Such actions had earlier been anticipated by the former head of the U.S. Government's foreign aid programs, Brian Atwood, who upon resigning his post warned that "the increasing gap between the rich and the poor in many countries threatened democratization throughout the world and would likely lead to more "failed states" and wars in these countries" (Harris and Lauderdale 2002). Such actions by the Zambian leader who is simply following the neoliberal rules could lead to a deep crisis.

3.11 Corruption as a Colonial Legacy

Colonialism was founded on absolute exploitation. Europeans had no interest in the continent apart from using it as a source of raw materials for the multiple industries that were opening up in their various countries. In this regard they trained some Africans to serve as a liaison between them and the natives. Independence was later handed to these people, some of whom are still in control of their countries today. These new leaders simple took over the position of the Europeans exploiting their own citizens directly for their profits. The Ghanaian novelist Armah Kwei (1968) commented of his country that independence was just a change of dancers while the rhythm stayed the same. Since the colonialists left, it has been hard for Africans to completely do away with this ill because its passes from hand to hand when an opportunity for change is given. This argument can be supported by the fact that the source of income in most African countries is pretty much the same as was in the colonial years. Africa is still a destination for raw materials with markets out of the continent and the leaders who are mostly of the colonial era still do things in a colonial styled way, making corruption a normalcy in most of the continent. The coming of neoliberalism only helped to strengthen the exploitation through its policies that are based on a similar colonial pattern.

3.12 Pressure and Transformation of Saps; Signs of Policy Failure

The adoption of SAPs by Western nations and international financial houses as a precondition for loans sparked a lot of criticism from within the World bank itself and outside. The president of the Bank, James Wolfensohn appointed in 1995 was very much against the implementation of SAPs in ‘poor’ countries, arguing that “development is not about adjustment”. To him, development was rather about “putting all the component parts in place together and in harmony” (Owusu, 2003). To this, he urged the bank to come up with a “more balanced development” framework that would cover the social, political, environmental, and cultural aspects of society and does not only focus on macroeconomic stability. In effect, the Comprehensive Development Framework (CDF) was introduced to replace the SAPs, thereby further implanting the influence of neoliberalism in Africa.

In line with Wolfensohn’s arguments, the United Nations Economic Commission for Africa (ECA) also dismissed SAPs as a possible solution for Africa’s “underdevelopment”. It clearly stated that “SAPs are not appropriate for Africa”. In the commission’s view, SAPs focused only on the economic part of the crisis leaving out the social which constituted the bulk of the problem. It also argued that SAPs above all were based on short term solutions and as such will raise the social cost (a view Wolfensohn also addressed in his meeting with the World Bank Governors) (Owusu 2003). The ECA came up with a publication: *The African Alternative*

Framework to structural Adjustment Programmes for Socio-economic Recovery and Transformation (AAF-SAP) in 1989 detailing some changes to the SAPs. The World Bank responded with a report termed: *Sub-Saharan Africa-From Crisis to sustainable Growth: A long term Perspective study*. According to Owusu, this study included good governance as one of the requirements for growth as well as included other social elements but the bank never altered the SAPs and it remained so for over 10 years. Although AAF-SAP recognized the need for adjustment in African economies, it insisted that SAPs were not appropriate for Africa. (Owusu 2003).

Nevertheless, as the pressure and criticisms persisted, the IMF and World Bank introduced a series of Ad hoc debt reduction programmes in the late 1980s to cut debts and allow these countries to improve on their social conditions (Konings 2011). These programmes which Konings say were reluctantly introduced by the banks were followed by the Highly Indebted Poor Countries (HIPC) Initiative in 1996, with the same purpose of reducing debts and improving social conditions. Under this programmes, debt reduction however was and is still only possible given a good progress report on the implementation of the SAPs, usually with a minimum of at least three years of satisfactory compliance (Konings 2011, Owusu 2003). Out of 39 countries under the program, 36 were African countries (IMF 2016) indicating how deep the SAPs are rooted in the continent. Later in 1999, the banks saw the need of changing the rhetoric to a contextualised topic, by introducing the Poverty Reduction Strategy Programmes (PRSP) as a further conditionality to benefit from debt reduction or loans (Harrison 2010, pp 41). This new programme required that countries come up with long term perspectives and priorities for macroeconomic and social policies. This further brought about the Millennium Development Goals (MDG) and visionary goals which were long term development programs set by the countries that signed up for it. Since then, the banks have been closely following up these initiatives and publishing annual reports. Nevertheless, most countries have not met up with the proxy millennium goals envisaged (World Bank 2016).

If the popular saying that "he who controls the economy has the power" has never been proven right, then it is somehow working in Africa. From an entirely economic agenda, neoliberals have evolved into controllers of the behavior of African governments. They blame the failure of the SAPs on corruption and inefficient governance but fail to see the conflict between their policies and the environment in which these policies are being implemented. However, these conditions are still not able to balance the negative effects of neoliberal policies in the continent as the banks themselves are confirming the increase in poverty rates even though a few advancements have been made. This thesis at this point will try to look at some of the essential parts of the African society that the neoliberals ignored and are still ignoring and thus argue that the IMF/World Bank and other donors are rather interested in the control of the continent rather than in its development.

3.13 Neglect of The Traditional Context of African Societies

Prior to colonisation, Africans had their own forms of markets and wealth indicators. Most of the kingdoms and tribes had developed and expanded trade across neighboring regions (Wallerstein 2005). Trade items for the most part included salt, metals, gold and horses. Nevertheless, a good number of the populace lived on farming (Berg Report 1981). As it is today, wealth among the Fulani nomads who span across west and east Africa for example is determined by the number of animal a person has. Ngugi Wa Thiong'o in his drama piece *I will Marry when I want* demonstrates the importance of land to the ‘African man’ through his lead character Kiguunda who vows to die than to lose his one and half acres of land passed to him by his ancestors. Like Ngugi’s character, most Africans are still very much attached to land. Here, it is but logical to assume that in the absence of money as a means of exchange or an indicator of wealth, land and property were used in most African societies as a determinants of wealth. Settles (1996) argues that the European colonisers broke this tradition by introducing cash crop agriculture which to him “arrested the natural development of the African economic system” (pp 3). Neoliberals in introducing the adjustment programmes, ignored this part of the African life as well as assumed that market structures everywhere were the same just like the imperialists did. Colonizers did not transform African wealth into usability but rather imposed cash crop farming because it was beneficial to them. This as such did not change the status of Africans because wealth was transformed into cash without a direct effect on those who had wealth. In introducing the SAPs, capital was the major item that could bring benefits to the lay African but which the majority only had in the form of land and animals. As Andreasson (2005) sees it, the problem of poverty or underdevelopment in Africa and other third world countries is an "amalgamation of past ills and present mistakes, and the results of unchallenged assumptions that are contrived by the world's social minorities without consideration of social majorities, that are generally objects (if not passive ones) of development strategies". This view is also supported by Harrison (2005) in his observation that neoliberalism fails to engage with the many social and historical processes and relations which actually constitute in large part the most pressing development issues. This is to say that, if there was a liaison between African wealth and neoliberal market capital, many could afford the demands of the policies and thus save the poverty rise.

Secondly, neoliberalism did not only come with the economic aspect but also with the promulgation of a number of rights ranging from human rights to animal rights. Regarding animal rights, the World Bank came up with funded programs to support what they called "wild life preservation" (Ferguson 2006). Many African countries, if not all, signed up for this program leaving out the fact that hunting has been a part of life here from time immemorial. Laws were enacted against hunting animals in the wild and "shoot to kill" policies were put in place against those who violated these policies. In countries like Zambia and Zimbabwe as Ferguson (2006) exemplifies, forests and savannahs owned by non-Africans are guarded by Africans who readily kill other natives, whom all their lives have depended on hunting. He adds that wild life preservation does not only stop natives from hunting but also takes over the lands in which the animals are found. If we follow the logic that historically in African societies wealth was determined by land and livestock, then neoliberalism has only helped to deepen the poverty crisis it claims to fight. This is in the sense that by stripping people of the rights to hunt, it will render the number of people dependent on it miserable because at the same the system does not provide alternatives for them. Still, if the SAPs provided a training program that could integrate the people slowly into the market system, it could help rather than the imposition of policies that has no direct impact on the people (trickle down economy).

In addition, neoliberals sidelined the role of traditional institutions in the implementation of SAPs. Unlike European nations and the USA that fought major wars to unite their nations into central states, Africa was partitioned into states by the colonialists without taking into consideration the ethnicity or jurisdiction of the people. Although most of these states have operated for over 50 years, the traditional institutions still remain strong. According to Lutz and Linder (2004) the traditional structures that survived colonization “remain very important in organizing the life of the people at the local level despite modern state structures”. Most people in Africa identify more with their tribes than as members of a larger “nation state” (Konings 2011). As such, traditional authority remains vital in the continent. Lutz and Linder (2004) further argues that as time passes by, many people are beginning to realize that traditional structures are often more legitimate than the modern state. This institution sees into the problems of local people especially in land related disputes, since they are considered the custodians of the land (importance of land in Africa). Contrary to this view, the inception of neoliberalism did not take this group into account and as such missed out on the opportunity to impact the people directly. These traditional institutions remain close to the people and play a vital role in regulating their societies. The bureaucracy and corruption involved with the central administration prevents the trickle down of state resources to rural areas and thus allows the rise in poverty. Empowering these groups could hasten development in the nations where their influence can still be felt.

Furthermore, Africa from all indications is a late comer into modernity which involves industrialization, technology, modern infrastructure and other western ways of life that are considered modern. As a result, they seem to tarry behind everyone including other third world regions like Latin America and Asia which has of recent produced some of the best, advanced and modern economies in the world, with the likes of China, India, Brazil, etc (Bond and Dor 2003). From historical descriptions, it is said that most of Africa had a completely different way of life from other regions that no one can easily tell which developmental path the continent could have taken or where it could have been today in terms of modernity it colonization never happened. However, Africans were only introduced to the western lifestyle when the Europeans colonised the continent and imposed their style on them. Introducing this western way of life in Africa was not meant to benefit the African but to serve the colonial masters. The French described the Africans as “subjects”, which means that they were only taught how to serve the “master”. In this regard, it can be argued that Africans were not well equipped with modernity when they gained independence and had a lot to do to catch up with the rest of the world. In like manner, neoliberalism overlooked the state of Africa in modernity and directly imposed its economic policies thereby "taking the continent decades back" as Harrison (2005) puts it. To deepen the problem, the social projects that IMF/World Bank have introduced to 'correct' the mistakes made by the SAPs are still executed in a way that further aggravates the problem. In this light, Kihika (2006) argues that, using foreign sponsored agents like NGOs to provide social facilities in the continent is like using "old methods to solve new problems." because Africa's poverty has been caused by the lack of certain amenities owing to negligence from the past. Reviewing neoliberal policies to take into consideration the social state of the people will be a good start. However, not necessarily providing for the people but putting in place policies that ease the creation of jobs rather than market structure that drain the people.

3.14 Ignoring African Proposals

When Structural Adjustment Programmes (SAPs) were first introduced in Africa, the World Bank and IMF received lots of criticisms including that of the Organisation of African Unity (OAU). African leaders criticized the SAPs for ignoring the social aspects in the continent and concentrating only on development. In search for solutions, the OAU met in Nigeria and came up with what they called the 'Lagos Plan of Action' (LPA) in 1980 (Owusu 2003). According to Owusu, African leaders in this meeting blamed the continent's failure on exogenous factors like colonialism and neocolonialism, and even asked for reparations from western nations. The plan carried suggestions on how development could be implemented to include everyone. In response to this plan, the world Bank came up with a report (Berg Report) in 1981, blaming African leaders for their failure to fix their own issues. In this report, the Bank proposed several Structural Adjustment Programs (SAPs) aimed at achieving stabilization and economic growth through the devaluation of currencies, the deregulation of markets (including agricultural markets), the reduction of state bureaucracies, and the privatization of state and parastatal industries (Berg Report 1981). As the finger pointing continued, the Lagos Plan of Action (LPA) was losing its place since it lacked financing and the obvious solution was to turn to western donors. But things had changed this time because most international finance institutions as well as western governments had made the SAPs a prerequisite for borrowing (Przeworski and Vreeland 2000, Ferguson 2006, Owusu 2003). This forced most of these African countries that "badly" needed the cash to go in for the SAPs. According to Jespersen (1992), by 1989, 36 Sub-Saharan African countries had already initiated about 241 adjustment programs leaving behind the LPA.

However, the OAU did not stop at the Lagos Plan. In 1986 it initiated another program known as the African Priority Program for Economic Recovery (APPER). This time around they shared the blame for their struggling economies and solicited for shared responsibility with the west (Owusu 2003). To boost the initiative, the paper was endorsed by the United Nations General assembly, pledging international support under the United Nations Programme of Action for African Economic Recovery and Development (UN-PAAERD). The UN's plea for greater balance of payment, higher prices for Agricultural products and reduction of debts did not alter the decision of the developed nations and financial institutions as they maintained the SAPs as a condition for loans. Moreover, the financial incentives that came with the implementation of SAPs made them irresistible to African regimes that were starved of resources (Owusu 2003). Harrison (2005) points out that while the OAU negotiations were ongoing, African leaders were busy signing up for the SAPs, which indicated that they knew they had lost the battle and didn't want to miss out on the funding opportunities. The World Bank and IMF in ignoring these African proposals did not only harm their own policies but also ignored the voice of the masses because the African leaders understood the problems of the people more than the foreign institutions. Even if the African leaders were not to be trusted by the banks, they could at least adjust their policies to fit in some of the proposals. But according to Hilary (2010), "internal evaluations and external studies alike have found that neither the IMF nor the World Bank has reduced the number of structural conditions as they were supposed to have done, and that both institutions continue to impose economic policy conditions in highly sensitive areas without reference to the will of the peoples concerned". The only proposal the banks accepted is the New Partnership for Africa's Development (NEPAD), which incarnates the SAPs and lays blame of underdevelopment on Africans. But like the SAPs, it has been criticized for not meeting up with its goals.

3.15 Neoliberalism from Within Africa: The New Partnership for Africa's Development (NEPAD)

NEPAD was initiated in 2001 by African heads of states spearheaded by the former president of South Africa Thabo Mbeki, former Nigerian President Olusegun Obasanjo and former Senegalese President Abdoulaye Wade. This was a development initiative aimed at promoting faster economic growth and sustainable development, with the goal of eliminating widespread poverty in the continent and to stop the "marginalization of Africa in the globalization process" (African Development Bank 2016). It has been referred to by critics as the 'neoliberal apartheid' for its ideas, while others see it as the panacea for Africa's "backwardness" since it is a product of Africans themselves. According to Owusu (2003), this was "probably the most influential initiative" to come from African leaders since 1989. Its ideas were mostly taken from the IMF and World Bank Strategy papers but had the slogan: African solutions to African problems (Bond and Dor, 2003). According to Owusu, NEPAD was a product of the defunct World Bank's Comprehensive Development Framework (CDF) that had the same agenda as NEPAD. Like CDF, NEPAD was built to move the continent from a "dependent" position to an independent one. Ironically, the said African initiative required an annual inflow of about $64 billion, much of which was expected to come from external sources and private capital. In Bond and Dor's view, NEPAD is only a reincarnation of the neoliberal policies that the continent is struggling to move away from. It encourages the same method of funding projects which is through more debt and only calls for debt sustainability rather than debt cancellation that reflects the continent's demands shown through opposition to the SAPs over the years (2003).

However, according to Owusu (2003) NEPAD generated a lot of excitement in the international community. The document received high recognition from major world leaders, international financial institutions and the private sector. Support came in from Italy, Germany, France, Britain as well as from the UN Secretary General Kofi Annan, the Managing Director of IMF, Horst Kohler, the Director General of World Trade Organisation, Mike Moore, the World Bank's president Wolfensohn and from the International Finance Corporation. Furthermore, the Corporate Council on Africa, which represents over 80% of all US private direct investment in Africa, also declared its support for NEPAD. Some African leaders were even invited to the 2002 G8 summit in Canada, and offered a chance to address the summit though this honour is traditionally reserved for leaders of the member states. This huge support prompts questions as to why the previous proposals were ignored. What made NEPAD different? Was it the message that reflected the SAPs? This questions leads this thesis to argue below that the neoliberal agenda is more concerned at establishing control over African nations than promoting development.

3.16 Neoliberalism as a Coup on African Sovereignty

As seen above, the objectives of the structural adjustment programmes was to stimulate economic growth and sustainable development in Africa. There are reports of improvements in economic growth rates of some countries in the early 1980s, for instance Ghana (Easterly 2005, Eduah 2014). However, the overwhelming reports detail the increase in poverty, unemployment, underdevelopment and mass suffering (World Bank 2016, Harvey 2005, Caffentzis 2002, Przeworski and Vreeland 2000, Desai 2003). Added to these reports, demonstrations have been staged around the globe in opposition to these policies giving weight to the criticisms (Konings 2011, Ferguson 2006). Civil society organisations, international organisations and even governments have called for the abolition of the conditionalities attached to the IMF and World Bank loans, but these institutions have remained adamant (Owusu 2003, Harrison 2005). The World Bank and IMF has however considered some social policies along the way like the poverty reduction strategies and the indebted poor countries initiative, but this adjustment have only been made to ease the implementation of the SAPs. The fact that these institutions insist on pursuing the SAPs in a continent where poverty seems to have grown during its implementation indicates that there may be ulterior motives to the adjustment programmes. This thesis argues here as others have suggested that this motive is to keep control over African states. One of the major conditions of the SAPs for instance is to remove government control over the economy. This is actually not a bad idea if state government economic policies involving lengthy paperwork and bottlenecks is considered. But when the interest of the local producers against foreign investors or workers against exploitative bosses is taken into account, the role of the government is seen as vital. Nevertheless, the manner in which the banks have chosen to assert this control hints that their motive not only lies in pushing economic growth. Loans from these institutions have been used as a means to impose their agendas on governments. For years now African leaders and advocates has been demanding for the cancellation of the loans by the banks and G8 countries. The calls are in response to the heavy interest rates these countries have paid but the debts are never ending. Each time the banks heed to the calls, they only manage to bring in another condition that these countries have to undergo. Bond and Dor (2003) posits that these monetary organisations have gradually and permanently been using this conditionalities to bypass the governments and take over its responsibilities through NGOs. These loans are never ending as the interest rates keep rising while further loans lead to more conditions.

Furthermore, the actual processes through which Africa is governed can only be understood if we explore the degree to which these transnational organisations have influence over African countries. The case of Ghana where the IMF forced its government to overturn a parliamentary decision even when the government's evaluation found that IMF staff lacked the necessary background knowledge of the affected sector (Hilary 2010, CorpWatch 2005). According to the online news site CorpWatch, the Ghanaian parliament decided to raise import tariffs on poultry from 20% to 40%. This decision according to the news site was meant to protect the local producers who were "losing the market to the very cheap EU and American imported chicken". The IMF immediately called on the Ghanaian government to reverse the decision, which it did. The IMF argued that the decision will affect the poverty reduction program ongoing in the country (CorpWatch 2005). As the news site stated, "...poultry farmers in Ghana did not know the power of the IMF" and that "although it is an unelected body, it can overrule judicial processes in their country." This situation goes back to the argument this thesis has made earlier on democracy, arguing that even neoliberals who promote democracy do not respect it. Normally, parliament represents the voice of the people and any force that could revoke its decision would definitely have the biggest influence over the country. This conforms with Ferguson's argument that most African countries have largely become "non-governmental" (2006). They now performing minor roles in providing basic services. Paradoxically, most African states remain very centralized and yet these international organisations manage to establish so much control over them. Besides that, the IMF and World Bank has over 100,000 experts in Africa pursuing their agenda, including countries where they are not lending (Bond and Dor Pg,28). This shows the extent of the sphere of influence of these institutions.

More so, the neoliberal agendas have slowly turned into social programs which has forced governments to rely on internationally funded multilateral organisations for the provision of most social services. This move is in other words what Kihika (2009) calls depoliticizing poverty. In her view, neoliberalism is stripping African states as administrators of essential social provisions. She adds that this takeover by international organisations is in actual fact "a political maneuver towards worldwide capitalist governance, where the global economy or market forces are put as being in charge of people's lives". Gradually, neoliberals have re-introduced the provision of social facilities which they prohibited governments under their conditionalities from providing. In the same way, Bond and Dor (2003) has argued that the World Bank and IMF in making the poverty reduction strategy papers a requirement for debt relief and further lending, has extended their sphere of influence well beyond economic matters and into every aspect of social policy. Social projects like healthcare, education. portable water in most African countries are now provided by NGOs (Kihika 2009). Ferguson (2006) in a similar view describes foreign aid as "the greatest weapon of mass destruction ever invented". But it can be said to be worse than a weapon of mass destruction if requirements such as the World Bank and IMF conditionalities are involved because these conditions doesn't only take away the power of the states to carry out certain projects but puts them under a life time trap of debt. If we consider here Easterly's explanation that IMF/World Bank adjustment loans were intended to end after a period of several years of adjustment (3 to 5 years), we get more proof that the extension of these debts is a way to maintain further control over these countries. If not, why will loans be repeated if the first ones did not achieve the intended results. Ghana and Cote d'Ivoire for instance received 26 adjustments loans between 1980 and 1999 (Easterly 2005). Malawi, Senegal and Togo also received multiple times within this period. However, most, if not all of these countries still have high numbers of people living in poverty considering that the purpose of the loans was to revive the economy.

Furthermore, Harrison (2005) points out that the word social in the poverty reduction projects of the IMF and World bank in itself is problematic. To him, this word continuous to depict the continent as an end in need, not just in economic terms but humanitarian lines too. He sees the description of the projects as "projects to expand and universalise free-market social relations" as problematic in that, the word 'social' takes out the economic undertone and introduces a friend of the people, thus killing the initial motive of the free market which is profit. He continues that the short history of neoliberalism in Africa has been one of an "expanding and increasingly social remit and the development of a cluster of agencies that advocate the neoliberal agenda—largely external but also based within African states themselves, and especially presidencies, ministries of finance, and central banks" (Harrison 2005). Analytically, the World Bank and IMF are using the social projects that they initially encouraged governments to withdraw from, to penetrate African governments and societies. However, they are doing it by appealing to the emotions of the people through social projects which normally are the duties of the state.

In a similar way, the adjustment of the SAPs goes to prove Ferguson's point that western societies and their agents like the World Bank always want to differentiate Africa from them and the rest of the world by adding clauses and taking it out of the normal. In the case of the structural adjustments in Africa, they only turned existing social programmes into their own and made it look like they were giving assistance. It is true most of the facilities to enable the flow of the free market are lacking but at the same time it doesn't need these agencies to force them on the people without considering the context and reality in these societies. Doing so has only proven further that the system is not suitable for the continent. Bond and Dor writes that these PRSP programs in most African countries were or are actually adapted by these banks because they already existed, citing Uganda and Tanzania as an example (2003:28). In this sense, the banks only come in to assert control as donors however "owning" the programs. This fact that these programs existed is prove that if the IMF/World Bank loans were given on a payable rate rather than attached with strict conditionalities, these countries could actually provide these services as they had begun.

In addition, just as colonialists introduced development and social reforms in their colonies to ease their rule, the social agenda of the neoliberals in recent years can also be seen as an effort to ease the flow of control they have established over African nations. Through African governments and NGOs for the most part, these international monetary institutions have effectuated development projects in the areas of infrastructure, education and health. They have also reinforced the need for human rights and other social services. A view from the outside may seem like these financial institutions are trying to help the continent but in reality they are paving the way for the swift implementation of the free market agenda. Kihika (2009) in a similar way has argued that, though these social projects are aimed at alleviating poverty and providing social welfare facilities, "they are specifically implemented from an economic standpoint". From this view, neoliberals can then be compared to the imperialists who only constructed roads from plantations to seaports, to serve their interest. As such, it can then be argued here that the IMF and World Bank social programs are very much motivated by their economic and political agenda. Analytically, the building of roads will create mobility of goods and services, the provision of healthcare will ensure a healthy labour market, education will create a link between businesses as well as orientation towards the market and their political influence will ensure that the SAPs are fully implemented. This analysis may seem one sided but it is trying to understand how a system that advocated for the removal of social and basic services under the government has become the provider itself. The logic plays out that, by doing this things, the banks are only ensuring a means through which they can maintain control.

3.17 Neo-Colonialism Facilitating Neoliberalism

The agendas of the IMF and World Bank in Africa is also facilitated by the influence the former colonial masters still have over their sometime colonies. Since the years of slavery, the West has always been involved in Africa in one way or another. During the OAU meeting in 1981 in Nigeria, African leaders in the LPA blamed the misfortune of the continent on the West and asked for reparations. To this, the West countered by accusing them of mismanagement and laziness. Both may not be far from the truth as subsequent discussions from both sides regarding the implementation of the SAPs, acknowledged a part in the continent's distress. Most of the issues admitted were visible ones like colonialism and neocolonialism but "behind the scenes" agreements between Western nations and African countries continue to take precedence. Until 2014, many people did not know the financial arrangements between France and its former colonies in Africa. An article titled "*14 African Countries Forced by France to Pay Colonial Tax for the Benefits of Slavery and Colonization"* revealed that France was still extremely involved in the affairs of its former colonies in Africa. The article reported that France kept a pact with its former African territories known as "the Colonial Pact". This pact according to the article obliges these 14 countries to deposit 65% of their foreign reserves (formerly 85%) in the French Central Bank and also maintain the FCFA as the currency (Silicon Africa 2014). Also the paper says the pact gave priority to French companies in case of any national contracts as well as priority to French goods. This aided the neoliberal agenda in that, demands like currency devaluation were easily executed since France still has much control over the FCFA. France simply ordered the devaluation even though it no longer uses the currency (Silicon Africa 2014). In addition, with the clause to first offer contracts to French companies, these companies could charge higher for their services but still be hired though at the expense of the people. As such the free market system only helps to concretise this exploitation since the absence of government control in the market legitimizes the transactions. French intervention in the Ivorian crisis in 2003 is said to have been sparked by the shift of public contracts from France to China. These colonial relations and neoliberalism can be seen as all playing against the African interest.

This chapter has explored the many ways in which neoliberal policies have failed Africa and argued that the World Bank and IMF has other interests in the continent rather than the economic growth and development they claim. The banks in this case are acting like "self-proclaimed foster fathers" to Africa, insisting on driving development and accelerating economic growth on their own terms even at a time they are admitting to the rise of poverty and misery in the region. The question remains why they want to be part of the development and growth process after they have provided the funds that will be paid back with huge interests. The next chapter will look closely at the cases of Ghana and South Africa to see to what extend the neoliberal policies have affected the lives of Africans and thus conclude as to whether these policies are suitable for the continent's progress.

4. A CASE STUDY OF GHANA AND SOUTH AFRICA

Ghana and South Africa have been highly held by the IMF and World Bank as testimonies to the workability of their policies. This is so because these nations like a few more in Africa experienced growth when they adopted these policies. Ghana for instance, was under acute economic crisis and debt by the time it signed up for the structural adjustment Programmes. Its industrial sector was at the verge of collapse and prices of its major exports like cocoa and gold were at their lows. However, its revenue rose from 5.3% in 1983 to 14.4% by 1986, owing to the implementation of the SAPs in 1983 (Eduah 2014). South Africa on the other hand had a vibrant economy but over 90% of its population was under poverty lines due to the practice of apartheid. When the black majority took over power in 1994, they had to come up with an "effective" strategy that would improve the lives of the relegated millions. This new government led by Nelson Mandela chose to follow the neoliberal policies which nevertheless improved the economy as well as the lives of a few elites, but at the same time widened the wealth gap such that it is one of the largest in the world (Narsiah 2003). This gap is so because unlike in Zimbabwe where the government redistributed land to the indigenes, the wealth of white South Africans acquired over the years of apartheid was retained and consequently increased. Also, these neoliberal policies were again reinforced by Mandela's successor Thabo Mbeki (1999-2008) who is seen as a die-hard supporter of the neoliberalism. He believed in these policies that he even initiated the New Partnership for Africa's Development (NEPAD) as the development model for Africa, which many consider to be the African version of neoliberalism. Notwithstanding the faith these nations put in neoliberal policies and the successes they have achieved, the negative outcomes seem to outweigh the positive. This section will look at the positive and negative outcomes of the IMF/World Bank policies in these two nations and attempt to show that even the success stories of the banks are not convincing enough to recommend neoliberalism as a good economic policy for Africa.

4.1 Ghana and Neoliberal Policies

Ghana was the first Sub-Saharan country to gain independence from the British in 1957. The build up to independence was filled with messages of hope and progress especially from its first leader Kwame Nkrumah. By 1966 the country was already experiencing a serious economic slowdown that lead to the overthrow of Nkrumah. The military coup was succeeded by a series of other coups that only helped to further degenerate the economic situation (Eduah 2014). However, after independence, Nkrumah became rather pro-East (in the cold war) and shifting away from the western ideologies which the British had implanted in the territory over the colonial years. He was thus seen as a threat to the west and some even hold that the west engineered the coup that toppled him. His successors nonetheless turned the country westward and with the end of the Cold War started seeking for assistance from them. The Structural Adjustment Programmes (SAPs) were then introduced in Ghana in 1983 after an acute economic downturn, owing mainly to the fall in the prices of major exports like cocoa and bauxite. Before the adoption of the SAPs, Eduah notes that in the 1970s under the rule of General Ignatius Acheampong, the country's production of cocoa dropped to levels that has never been experienced since independence (2014, pp 15). Production of other major exports like gold, bauxite, timber, diamond and manganese also dropped. Gold for example fell from 7million ounces in the 1960s to 280 000 ounces by 1983. As a result of these failures, Ghana's foreign debt kept increasing while food supply sharply declined. Also the industrial and mining sectors deteriorated due to neglect, causing employment to drop to very low rates. Wages for government workers for instance fell by 74%. By 1981, inflation in the country stood at 116% and approximately 2/3 of Ghanaians were living in deep poverty (Eduah 2014:16). Faced with this situation, president Jerry Rawlings who also came to power through a military coup in 1981, turned to the IMF and World Bank for financial help and was advised to adopt the SAPs. The loans granted to the country were expected to reset the country's economic policies and institutions to regenerate growth. By adopting the SAPs, the country had to transfer state corporations or investments to private hands and create regional and national programs for investments as well as downsize government spending. In this regard, the country implemented the SAPs in four major sectors that included: trade, mining, education and health (Britwum et al. 2001). Reforming these sectors brought some visible improvements in the Ghanaian economy but at the same time worsened the situation for most. The next sections will examine how it worked out to be so.

4.2 Outcomes of The Implementation of Structural Adjustment Programmes in Ghana

As mentioned above, the application of the adjustment programs in Ghana meant a complete shift from the old ways of doing things. State corporations were now in the hands of private owners, most businesses were liberated especially in the mining sector and subventions in the educational and health sectors were withdrawn. Under the (1) trade reform policy, the Ghanaian government removed trade restrictions and price control on the quantity of goods and services that could be imported into Ghana, relaxed its exchange rate with other foreign currencies in the market, limited taxes on imports and removed export licenses, and instituted duty free on imports like machinery. (2) In the mining domain, state mining facilities were privatized, legislative changes that could draw foreign investment were put in place, financial institutions were given the liberty to make profits without government supervision, government gave support to institutions that promoted mining and environmental laws were fixed. (3) In the education sector, to revamp the education standards that had declined massively, the government introduced local languages as the language of instruction in primary schools until the fourth year where English took over, the system of education was shifted from theory to a more practical approach, the school year was increased from 33 weeks to 40 weeks for the basic and secondary levels, non-formal education programs were introduced for adult dropouts, government subsidies for food and housing in universities were withdrawn and communities, stakeholders and government itself were charged with providing education. (4) In the health sector, fees were introduced at government health facilities, feeding cost at hospitals were gradually reduced and finally removed, district and regional health services were improved, unskilled staff was cut down, new technical staff were placed at the district level and drug management was enhanced to ensure availability

(Britwum et al. 2001). According to Eduah, Ghana's economic growth took off speedily after these initiatives and the mining sector especially was booming. However, this growth lead to increased poverty for the masses as many lost their lands to mining. Also rural exodus doubled, thus bringing more misery to the already miserable.

Nevertheless, the implementation of SAPs brought remarkable improvement to Ghana's economy and recorded a number of successes in other areas too. Policy changes especially in the trade and mining sectors opened the country to the flow of cash as exports grow and investments doubled. In trade for instance, manufactured exports rose from 3.5 million USD in 1986 to 14.7 million USD in 1991 accounting for more than 4% of the country's economy. Between 1995 and 1997 alone, contributions from this sector to the national economy rose from 1.8% to 5.4% although it fluctuated there after due to activities in the world market (Britwum et al. 2001:21). In the mining sector, foreign direct investment increased and the production of gold reached 2,382,339 in 1998 up from 342,904 in 1980. The production of other major minerals like bauxite, manganese and diamond also rose by 70% each (Aryee 2001). From 1990 to 2002, the state collected 618.8 billion cedes (Ghanaian currency) in royalties and 168.9 billion Ghanaian cedes in company income tax or the tax that must be paid by a company based on the amount of profit it generated. On the average, the industrial sector was contributing 12.1% to the country's revenue. As a result of this growth, the sector employed 21,000 people per year between 1994 and 1998 alone. The successes in the economy allowed the government to carry out some improvements in other sectors like health and education. In health, the government established what it called 'Program of Actions to Mitigate the Social Cost of Adjustment' (PAMSCARD). This program allowed hospitals to keep larger shares of their income for the running of the facilities. The government as well exempted some groups from hospital charges which included children below five years, elderly people over 70, pregnant women, psychiatric patients and disabled people amongst others (Eduah 2014). On a general scale, the adjustment programmes brought great improvement to the Ghanaian economy but did not solve the problem of poverty which was it major goal. Its implementation rather brought in new problems for the poor and only improved or changed the lives of a few.

However, as much as the neoliberal policies in Ghana brought prosperity to its economy, it also came along with a degree of uneasiness for most Ghanaians. The workability of the policies ended with the few who had the opportunity to use the market and the others were at the mercy of the social packages. As many have argued, the failure of the SAPs in general brought more misery to the poor and Ghana was no different. In expanding the mines for instance, Britwum et al. (2001) notes that over 300,000 people lost their homes and others their farmlands in the Tarkwa region of the country between 1990 and 1998 (Tarkwa is the largest mining region in Ghana and one of the largest in the World). This situation further brought the social problems that usually come with displacement like housing, urban congestion and unemployment for most who are usually unskilled. As was the case in the Tarkwa situation, the youth were not qualified for compensation and thus were subjected to more misery. In addition to the displacement of people, Britwum et al. adds that 70% of surface land in Tarkwa has been moved by surface mining. This in turn has caused environmental problem for the region. Explosives used in the mines polluted the water which resulted to silicosis and tuberculosis, eye diseases such as acute conjunctivitis, diseases of the skin and silicosis and tuberculosis (Britwum 2001:39-40). Destroying land surfaces did not only cause environmental problems but also disrupted agricultural produce. All of this to the disadvantage of the poor as the mine owners and senior mine workers made fortunes off the mines.

Furthermore, the progress made in trade was not uniform or consistent in Ghana. Although the SAPs put in place directives that could generate growth in the sector, much was still lacking. The cost of trade at the international level was slowing down business and there were not enough funds for this since SAPs demanded the withdrawal of subsidies. Infrastructure was also not sufficient to meet the expected figures of exports. Coupled with this, there was shortage in technical know-how and this slowed advancement (Britwum 2001). This instability led to loss of jobs and further social problems. Similarly, the removal of subsidies from the health sector made it harder for the poor to get treatment. The fees introduced in the hospitals and clinics were heavy for the majority of the population especially the poor. It is estimated that hospital expenses per person during this period was 12.44USD as against 4-5USD in running a household per person. Coupled with this, the health care standards dropped far beyond the standards before SAPs and gave way to lots of laissez faire from the workers who preferred to operate their private clinics rather than being at work (Britwum 2001). In a similar way, the implementation of the SAPs saw many people lose their jobs. Clendinning estimates that over 300 000 people in the public sector were laid off and about 50 000 more in the manufacturing industry lost their jobs between 1987 and 1993 (2007:62).

Nevertheless, these negative effects of the SAPs pushed the IMF and World bank to bring in some adjustments like the Poverty Reduction Strategy Papers (PRSP). In the case of Ghana, PRSP were introduced in 2000 as a response to lots of criticisms to the structural adjustment programs. Criticisms came from civil society organisations and the international community as well. Although Ghana had registered some successes with the SAPs, poverty was still far from over. The negative effect of SAPs had displaced people and increased their misery in the urban centers and elsewhere. The social cost of the SAPs in the country like in other areas of Africa was growing and the Ghanaian government was seeking solutions. On the other hand, the IMF and World Bank were blaming Africa governments (Ghana included) for their "weakness" in carrying out the process and was calling for better governance. At this level the Ghanaian government drafted the first PRSP and sent to the world Bank but it was rejected because it did not show "enough participation of the Ghanaian people" (Eduah 2014). With this rejection, President Rawlings set up the 'National Development Planning Commission' that came up with the second PRSP draft for the period 2003-2005 and later with that of 2006-2009. These later ones were absorbed by the banks because it had civil society participation (Britwum et al., 2001). The PRSP centered very much around governance and included clauses like the promotion of accountability from state departments and a more efficient public administration, the establishment of the rule of law and a capable judiciary, and transparency. Since the SAPs rebuffed any government involvement in economic issues, the World Bank in PRSP talked of an "effective state" which is expected to be strong, efficient, capable and successful in producing the intended result. That is what was expected of Ghana as it took in the strategy papers. The adoption of PRSP in Ghana were intended to stabilize the economy, improve development and also attract more investments. It was also expected to generate more employment, produce programs for the poor, develop social programs and promote good governance (Eduah 2014). However, the poverty situation seems to have improved with a move from 51% in 1991 to 24.2% in 2016 according to the United Nations International Children's Emergency Fund (UNICEF 2016). But on the other hand the World Bank (2016) reports an increase in the number of people living in poverty.

4.3 Gaps in The Implementation of Saps in Ghana

Considering the successes of SAPs in Ghana as seen above, one could only expect that the last thing the country will need is poverty reduction strategies. After implementing the SAPs, the country experienced fast economic rejuvenation that was expected to eradicate poverty. But much did not change as only a few elite class felt the economic growth. With such a situation, a number of doubts is cast over the position of SAPs. (i) was it the SAPs that improved the economy or a willing and determined leader? (ii) Was the failure of the SAPs due to lack of good governance or the policies were harsh for the economic state of the country? Credit is usually given to the adjustment programmes for the successes but Ghana's case has proven that a development oriented government can do better. President Jerry Rawlings who brought the SAPs to Ghana had earlier succeeded in a coup d'état in 1979 but handed power to a civilian who in his opinion would right the corruption that was perpetuated by the military governments before then. He later in 1981 staged another coup against this same civilian leader Hilla Limann on the grounds of mismanagement. This shows that Rawlings was a leader who was willing to better his country even before the SAPs. Thus, the SAPs alongside the loans only assisted as a means and not the cause. This situation can be viewed in contrast to other countries like the Democratic Republic of Congo, Benin and Niger which also applied the SAPs but remain far behind in development. A close look at the SAPs indicate that, its implementation is expected to trigger an immediate economic take off but it fails to consider the environment and the people where ever it is applied. Ghana's failure in export production for instance show that the move to industrial production was not triggered by economic need like it happened in Europe and Asia but was rather imposed on the people who for centuries had lived an agrarian styled life. Thus, industrialization was bound to face problems because will was not started with the will of the people. Hence, the fact that Ghana is still fighting poverty after 33 years of SAPs is proof that neoliberal policies are really not the best for the country and the continent of Africa as a whole.

Furthermore, one of the critics of the SAPs is the United Nations International Children's Emergency Fund (UNICEF) which in a study called 'Adjustment with a Human Face' indicated that SAPs have the ability to multiply the number of people actually living in poverty, including children (UNECA 1989). This was not far from Ghana's case as its government in 2003 announced that out of the 10 regions of the country, 5 had 40% of their citizens living in poverty stricken conditions in 1999. The results were even worse when income standards were considered as it revealed that 69% to 88% of people especially in the Savannah regions of the north live under the poverty lines (Eduah 2014). Worthy to mention here is that in 2016 Ghana is still under economic bailout by the IMF and World Banks which show that the SAPs only helped to further indebt the country than save it from poverty.

This thesis is trying to locate Africa's position between development and neoliberal policies and Ghana's case gives a clear indication that the SAPs and PRSP are just an option and not the only way as neoliberals claim. Ghana's case has shown that with the right institutions and available resources, Africa can grow and prosper on its own. It took a good and willing leadership to oversee the transformation of the Ghanaian economy but these efforts were set back by the SAPs themselves because they did not consider the reality in Africa which is that Africans cultures and societies are very much built on social lines and that the environment is not set for open markets yet. With all the successes that the country registered with the SAPs, it is expected that poverty should be a thing of the past but the country still has a 24% rate of poverty as of 2016. A survey in 1990 showed that half of the country lived under poverty lines. It also conforms with the argument this thesis has earlier raised that neoliberal policies are designed to benefit just the big business owners, politicians and other elite classes. One thing that has stood out from the study of Ghana is that neoliberal policies no matter how much they succeed, only help to widen inequalities in the various societies. It has highly worsened the situation of the poor in Ghana.

4.4 South Africa and Neoliberal Policies

In most discussions on Sub-Saharan Africa, South Africa is usually excluded, mainly because of its apartheid history that separates the experiences of the people from those in other African countries and also because of its level of development which is seen as more advanced than any other African state comparatively. However, when it comes to neoliberalism, the results are no different from the other parts of the continent. The poor here live in similar conditions as those in other African countries. The roots of poverty in this country can be traced back to the practice of apartheid which was a system that segregated blacks and whites for close to half a century. Initiated in 1949, the system separated residential areas for blacks, whites, coloured and Asians; mostly Indians. It also separated education, health facilities and transport, and banned interracial marriages and political parties (Baker 2010). This separation weighed so much on the African population because the laws also prevented them from advancing economically. Most of the land and minerals were owned by the white minority and they controlled the entire economy. Blacks were only given minimal jobs and thus remained economically inferior. However, due to pressure from the international community and internal demonstrations, the ban on the African National Congress (ANC) and other political parties was lifted in 1990 and the apartheid bill was abrogated in 1991 leading to the first ever general elections in 1994. Nelson Mandela of the ANC won the election and became the first black president. Baker (2010) notes that Mandela's election came with a lot of expectation and hope for social justice and the ANC had a bigger challenge of building an economic system that will level the economic inequalities in the country.

South Africa's transition to democracy in 1994 was also seen by most as a move to neoliberalism. Satgar (2012) presupposes that at the time of transition from apartheid to democracy, the country had only two choices which were to continue the struggle to realise a non-racial country or to yield to the pressure of neoliberalism. He concludes that the latter option was inevitable because of its heavy presence within the white capitalist faction. In this regard, the ANC despite their tense liberation struggles, chose to reconcile with the white minority that led the apartheid system for years. By so doing, the white bourgeoisie had to keep their capital and eventually run the economy. Thus, the adoption of neoliberal economic policies only helped to build the capital for those who already had. This generated a new name for neoliberalism known as the 'neoliberal apartheid', because the injustices of apartheid continued. The ugly face of neoliberalism was seen in 2015 when jobless South Africans attacked, looted and killed foreigners, blaming them for taking over their jobs and leaving them unemployed.

Some scholars hold that before the ANC's accession to power in 1994, the World Bank and IMF had already convinced the party's leadership to shift from their predominantly socialist agenda to neoliberalism. Narsiah (2002) claims that the banks offered training to some of the party members in their headquarters in Washington. He adds that prior to this training, the banks also had had several missions in the country targeting the ANC (2002 pp 30). Nevertheless, another school of thought argues that the ANC had no choice since its socialist agenda could not progress with the huge budget deficit it was about to inherit (Gelb 1998, quoted in Narsiah 2002). But others along the line think that the ANC had the ability to cleanse the country of racism but not the policy and strategies to put the economy in order especially with the wealth disparity between whites and black. However, in the early 1990s, the ANC contracted a number of renowned economic policy groups to draw up an economic policy for the post-apartheid South Africa. A merger of the groups was known as the Macroeconomic Research Group (MERG) which came up with a rather Keynesian style policy that was rejected by the ANC in 1993 (Narsiah 2002). Instead, the ANC and its allies; the South African Communist Party (SACP) and the Confederation of South African Trade Unions (COSATU), came up with the Reconstruction and Development Program (RDP) which was used as the party's election proclamation in 1994 and later applied as the country's economic policy. According to Narsiah, this policy did not succeed because most members of the government were already into the neoliberal policies and thus frustrated the RDP by not releasing funds (2002 pp 31). The RDP Narsiah notes, was especially opposed by the then deputy President Thabo Mbeki who later became president in 1999 and extensively applied the neoliberal policies. In 1996, the ANC came up with the National Growth and Development Strategy which derived much from neoliberalism. Finally, in the same year, the ANC adopted the Growth Employment and Redistribution (GEAR) as its new policy, marking the complete shift to neoliberal orthodoxy.

4.5 Outcomes of the Implementation of the Structural Adjustment Programmes (SAPs) in South Africa

According to Mindry (2008), the GEAR shifted government responsibility from a "provider" of services to an "insurer". This shift meant that basic services like electricity and water provided and controlled by the state will hence be run as private businesses as stipulated by privatisation under neoliberalism. South Africa's case show that the poor especially the black population that was highly marginalised before 1994, were never considered before the country shifted to neoliberalism. In 2002, Statistics SA put unemployment at 29.5% up from 26.4%, in 1996 though others like Norwegian Development Agency reported that it was between 32% and 45% (Desai 2003 pp17). The interesting thing about this survey is that half of this unemployed people had never had jobs before and others lost the jobs to retrenchment. Yet, these unemployed and other poor people had to start paying for housing, electricity and water which was provided for free or partly free before this time (Cornish-Jenkins 2016). According to Desai, between 1994 and 2002, over 10 million people had their lights and water supplies disconnected and some other two million evicted from their homes for nonpayment of rents. He further explains that in some areas like the eThekwini Unicity (a municipality in the South African city of Durban), the council has been relocating people from their homes in poor neighbourhoods and sending them to government constructed houses known as 'poor houses', after which their houses are sold for profit. He adds that the water cuts in this townships led to a cholera outbreak in 2000 that infected 83,624 and killed 176 people (Desai 2003:17).

Furthermore, neoliberalism has been referred to as the economic apartheid, which gives the feeling that apartheid did not actually end but only changed form. Statistics SA in 2011 arranged poverty and unemployment statistics into races and it showed that 94.2% of South Africans living in poverty were Africans and the number had been increasing since 2006 (Cornish-Jenkins 2016). Note be taken here that Africans make up 79.2% of the country's entire population. The statistics further shows that 46.35% of Africans were unemployed by 2011 and in this number 73% have never been employed compared to 10.3 of whites (Cornish-Jenkins 2016). Cornish goes further to explain that this level of unemployment has increased the number of black people living in poverty because the majority doesn't own land and in case of unemployment they cannot turn to other alternatives like subsistence farming. Even those who try to escape poverty through education still were below whites in earnings. As reported by Statistics SA, the average annual income for a white household by 2011 was six times higher than that of a black household (Cornish-

Jenkins 2016). Neoliberalism has thus only made the country the most unequal country in the world in terms of income.

In addition, the killing of 34 miners in the Marikana mine in South Africa in 2012 lead to comparisons with the 1960 killings of 69 black protesters by white police in the town of Sharpeville. CNN even described it as the "deadliest attacks since the end of apartheid in 1994" (CNN 2015). The miners were demonstrating for a raise in their incomes from 3000 South African Rand (equivalence of 200.73USD) according to one of the strike leaders interviewed on CNN. The reaction of the police and the London based company evoked the neoliberal disdain for unionism. The company's response was that these workers were supposed to be at work rather than on the streets demonstrating (Al Jazeera, 2012). Going by the neoliberal doctrine of "trickle down", it can only be understood here that those with capital will make more profits while those at the base stay on the same level. Fresh from apartheid, neoliberal policies in South Africa without redistribution meant that the status-quo was maintained economically. Under the apartheid regime, the black population in South Africa was settled on 13% of the land even though they made up 87% of the population at the time (South African History Online, 2016). According to South Africa History Online, the 13% was arid and in poor conditions from over-grazing. This means that even subsistence farming was made difficult for these populations, thus leaving them permanently poor. As the site further explains, keeping the Africans in this portion of land was a strategy of the apartheid government to have continuous supply of cheap labour. The Marikana mine incident echoes a similar setting where the poor workers are expected to agree with a particular wage even if it's against them. Thus, applying neoliberal policies in such a setting only meant further class divide because everyone maintained their status except for a few black elite class.

Furthermore, prior to the end of apartheid, the ANC preached redistribution and nationalism because they envisaged the need for equality in terms of wealth. Soon after freedom the party rather adopted a system that operates in the form of "survival of the fittest". Logically, without the resources needed like land and technical know-how, it would be a difficult task to change status for the newly integrated black population. Also, to make it in the market, the black newcomers needed enough resources to meet up with competition from the whites that had been controlling capital for years. As such, with no support to these people, those with capital still had the choice to choose the people they would love to employ and this selective employment only ushered in classism to replace apartheid. However, as time went by, the South African government introduced some social schemes in response to the people. In what Ferguson (2009) terms ‘pro poor’ neoliberalism, the ANC ally, the Congress of South African Trade Unions (COSATU) proposed a project to the government to grant every South Africa 100 Rand every month (equivalence of ($16) under a project known as Basic Income Grant (BIG). As Ferguson explains, this distribution method in COSATU’s view was supposed to be balanced through tax payments by those with money. This according to the advocates was a way to redistribute wealth and at the same time invest in human capital. They also argued that giving out cash was preferable because it was more effective than any other assistance since the average person was “too poor” to participate in the neoliberal market (Ferguson 2009).

Nevertheless, one thing that stands out with South Africa’s case has been the reaction to neoliberalism. As Desai (2002) explains, the disconnection of water and electricity led to the growth of ‘community movements’ that also protested the non-distribution of land. These groups that are spread around the country organised and restore water and electricity that was disconnected and also reinstated residents that had been evicted from their houses by banks. Desai notes that “these metropolitan militants have come to constitute the post 1994 social force by challenging the prevailing political economy” (2002 pp 25). In Johannesburg for example, these community groups disconnected the mayor’s electricity and occupied offices in banks as well as debt collection centers (Desai 2002). These groups deliberately also create instability and disorder in the country to get government’s attention. One of such was seen in 2015 when South Africans targeted African immigrants, killing and looting from them and accusing them of stealing their jobs (Al Jazeera, 2015). This unfortunate incident could be seen as the effects of the policies that have not given a chance to the commoners in the country. Another well-known resistance was that of the mine workers in 2012 that led to the killing of 34 miners by police (CNN, 2015). These people were protesting against low wages and asking for better working conditions. In 2002 even the youth wing of ANC, marched on the streets demanding for jobs and business oriented trainings (Desai 2002). The World Economic Forum in 2002 was also marred by protests against neoliberal policies.

4.6 Analysis On Ghana and South Africa as a Reflection of Africa

The cases of Ghana and South Africa may not be closely related in terms of the circumstances in which they adopted neoliberalism and the way their citizens have reacted to the implementation of the policies, but the outcomes are very similar as seen above. Ghana may as well not tell the whole story of other Sub-Saharan African countries, but it is very much representative of these countries in all dimensions, starting from colonisation to heavy debts with the IMF and World Bank and to poverty levels. Ghana like many African countries, suffered from a number of coup d'états that only helped to shatter the country economically. But subsequent leaders like Rawlings have tried to make it better mostly with external loans. On the contrary, South Africa's ANC opted for neoliberal policies without having to borrow from the banks as others. This is to say that; neoliberalism was not brought to them as conditions for loans but was rather a choice. In all cases the end result is gross inequality, which indicates that the system does not stand a full chance as a cure to poverty in Africa. South Africa it should be noted is amongst the top three economies in the continent but its poor can be compared to those in Togo which ranks 40 in economic strength in Africa (Statistics Times 2015). According to a 2016 World Bank report, the number of people living in poverty has increased dramatically although poverty has been reduced in the continent. This highlights the inequalities the bank's policies in Africa have created over the years and as the report notes, these inequalities are very much prevalent in the southern part of the continent with South Africa carrying the bulk. The World Bank blames the rise in the number of poor people on the increase in population but evidences like those seen above point to the conditionalities tied to the development packages and the policies themselves that gives an upper hand to capital.

The neoliberal policies cannot be completely pushed out as unsuccessful because they have worked for African countries such as Ghana and South Africa. The fact that these policies helped boost the economies of these countries and generated money for social projects and development, is an indication that they could work well in the absence of the strict conditionalities that accompany the IMF and World Bank loans. However, at a time when the World Bank itself is reporting huge increases in poverty numbers around the continent, the puzzle remains whether these neoliberal policies will ever lead to even distribution of wealth. The protests and public disturbances in South Africa indicates that a lot of people are disgruntled with the system that has not offered them opportunities. To highlight the inequalities in South Africa, Desai makes a comparison between the earnings of the municipal manager in the city of Durban who makes 800,000 South African Rand annually, plus a performance bonus of 500,000, to the average worker earning 1900 a month. He estimates that an average city dweller will have to work for at least 40 years to be able to make what this official makes in a year (2012 pp24). This case may seem isolated but it is the format that drives neoliberalism in the continent and around the world as seen in the cases of Ghana and South Africa. Eduah (2014), also alludes to the difference in the wages of the mine workers in Ghana and their bosses, noting that the bigger share goes to the mines owners, politicians and the administrators in the mines while the average worker gets almost nothing. Wealth distribution is very essential for the growth of a nation but this does not seem to be a part of the neoliberal argument. From the cases of Ghana and South Africa, it is shown that if wages are higher, many more people could afford health care, education and other basic needs but neoliberalism seems only to reward those with capital, hence the rise in poverty. The next chapter will try to propose possible alternatives that could better the situation and drive equality in the continent.

5. CONCLUSION

This thesis has argued that neoliberal policies are not the proper policies for African economies and cannot serve in reducing poverty and providing development. This is because these policies were drawn up without taking into consideration the social aspects of the African societies. The policies also ignored the fact that capital was limited in these countries and that the economies were dependent on primary production. In chapter two, the paper compares Africa before neoliberalism and Africa under neoliberalism and discovers that economic growth was faster in the early years of independence than it is now. This chapter also looked at what others have said about the policies and discovered that many have criticized than appreciate the policies. Some of the critics even suggested that the negative results of the policies have only added up to the negative picture painted of the continent over the years. In chapter three, the paper made some arguments to prove that these policies were not working for Africa. The thesis suggested in this chapter that neoliberalism was a coup on African sovereignty as its proponents are bent on implementing the Structural Adjustment Programmes even at a time when the World Bank is reporting an increase in poverty all over the continent. This chapter also raises the concern that these policies have continuously ignored the context of the African 'state' that involves traditional institutions. Neoliberalism was introduced from a rather western perspective that ignored the fact that African states still have active traditional institutions that have a lot of influence over their people. In these countries, notwithstanding being under the state, these traditional Fondoms and Kingdoms remain closer to the people and could drive development more that the centralized state if the banks included them at the level of implementation. This is to say that both the policies and the implementation are problematic. Chapter four looked at the cases of Ghana and South Africa as a reflection of Africa and discovered that poverty and unemployment has risen over the years, and that the wealth gap between the rich and the poor has also grown wider due to these IMF/World Bank policies. Chapter three and four also expanded on the resistances that have taken place across the continent against these policies. These resistances showed the discontent of the people towards policies like privatization that led to massive unemployment in the various countries. More so, the purpose of the thesis was to contribute to the existing literature. This was done by analysing the banks conditionalities and their effects in the various chapter. However, the thesis does not completely deny the fact that some of these policies could be good for development but it argues that they cannot work under the conditionalities imposed on these countries and also with the stakes of implementation in place. In this light, this thesis notes here that, neoliberalism if unchecked, will catalyse crisis after crisis.

To do this, the paper recommends the following points:

- Development Aid should be directed to the local communities which in turn should be given the freedom to develop their communities under the supervision of the central governments. This could be called the bottom-to-top approach
- Foreign donors should take out debt conditionalities to allow states implement policies that are coming from the people rather than those imposed by loans.
- The executive branch of the government should be able to intervene in every matter of development to check the private sector while at the same time other branches of the government should check the executive for good governance.
- As a first step, the industrial countries could support Africa's efforts by allowing the continent's exports free access to their markets, which would enable the heavily indebted countries in particular to better integrate with the global trading system. The abolition of trade barriers, according to some studies, could yield income flows that are three times the amount of the external aid provided to the developing countries.
- Governments should encourage communities and tribes commercialize African cultures in the form of music, film and craft. Many people are so attached to their culture and could gain employment by practicing what they know best.

- The youth should be encouraged to join politics so that they can change the status quo. Most African countries have been run by a small elite class since they achieved independence.
- Community based industrialization should be encouraged in order to move the continent from the periphery status to production. This local based production will stir competition and consequently lead to mass industrialization.
- Education should be linked to production. School curriculums should be adjusted to include craft and creativity.

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