

CHAPTER ONE

GENERAL INTRODUCTION:

BACKGROUND AND METHODOLOGY

1.1 Background: The issue at stake and the purpose of the study

The issue of Africa's economic development¹ has always attracted the attention of scholars and policymakers. Many explanations have been given and continue to be given as to what constitutes the root-cause of the Africa's development impasse. These include: geographical isolation and weather shocks (Smith, 1965, pp. 20-21; Landes, 1998; Bloom & Sachs, 1998; Sachs, 2005); the colonial experience which has robbed Africans of their self-confidence (Mudimbe, 1988; NEPAD, 2001: §§ 21-22); the African cultural mentalities which are not conducive to development (Chabal & Deloz, 1999; Nyang, 1994; Kabou, 1991; Manguellé, 1990); high ethnic and linguistic fragmentation (Easterly & Levine, 1998), the lack of sufficient financial aid to kick-start the development process (UNCTD, 2006; Sachs, 2005; Cassen, 1986); the international environment which is not always conducive to the development of poor countries (Adebayo, 1985; Amin, 1974, 1985; Eyoh, 1996; Rodney, 1972); ill-informed development policies (World Bank, 1981; Edozie, 2004); and bad governments and socio-political instability (Ake, 1996; Bayart, 1993; Van de Walle, 2001; Bratton & Van de Walle, 1997; Sandbrook, 1986; Ayittey, 2005). A question is even asked whether the issue of Africa's development has ever been taken seriously (Ake, 1996; Keita, 2004, p.156).

The purpose of this research is not to discuss these explanations. Rather I should like to appraise the cultural foundations of African strategies of economic development and see whether the neglect of the African value system may not have led to Africa's development impasse. In an attempt to answer this question I will investigate what has been the case with the Lagos Plan of Action (LPA) and the New Partnership for Africa's Development (NEPAD).

¹Although I talk of Africa in general, I am concerned with Sub-Saharan Africa, excluding South Africa. Sub-Saharan Africa consists of countries presenting almost the same cultural, social, political, and economic characteristics different from those of Northern Africa, and those in South Africa with its multicultural wealth.

1.2 Cultural values in relation to economic development

The interest in cultural beliefs and values as a catalyst accelerating or hampering development goes back to Max Weber (1971) who argued that Western capitalism was tied to a particular institutional matrix and certain cultural values (spirit). On the other hand, the modernisation theorists, in the 1960s, used Emil Durkheim's thought to claim that some forms of cultural practices are rather obstacles to economic development in so far as they represent non-rational, collective, traditional ways of life which are not suitable to capitalist development. By the same token, Etounga Manguellé, in his celebrated *L'Afrique a-t-elle besoin d'un programme d'ajustement culturel?* (1990), argues that Africa needs a programme of cultural adjustment that would transform African mentalities to one which is consistent with values in the rest of the world. However, it is not clear what those universal values he is referring to, are. In her *Et si l'Afrique refusait le développement?* Axelle Kabou (1991) is also convinced that, although they never appear on the long list of the official causes of underdevelopment, African cultures and mentalities are the main obstacles to development.

A considerable number of scholars are reconsidering culture as an important variable for economic development (Harrison & Huntington, 2000; Porter, 2000; Huntington, 1998; Inglehart, 1997; Landes, 1998; Swank, 1996; Granato, et al., 1996, Franke, et al. 1991). In particular, the debate is continuing, and centres on whether the economic miracle of Asia may not be predicated on the Asian cultural values, especially the Confucian values (Cf. Morishima, 1982; Sen, 1987; Ling & Shih, 1998).

Nevertheless, there is also a moderate argument that culture may not be a sufficient condition to explain economic development (see Sen, 2004; Chang, 2008; Ryh-Song Yeh & Lawrence, 1995). This reservation may equally be explained by the fact that economists, particularly those with a positivistic spirit, do not often take into consideration cultural endowments in their analyses (Ruttan, 1988), because they believe that the society of the market and economic development is nothing but the product of individual choices and preferences. More precisely, neoclassical economics, which has been the dominant economic paradigm since the 1980s, is done in a way that would make one believe that people live in a culture-free context.

The link between cultural values and economic development in Africa needs to be explored and investigated for two major reasons. The first reason is that the theories of economic development which have fuelled plans of development in Africa and which apparently have been successful in some parts of the world have failed in Africa. One may hypothesise that African cultural beliefs and values have been the missing link in this economic development process since not enough attention has been paid to the cultural component in the African development policymaking and planning. Instead, what has attracted the attention of African economists and development policymakers is the advice that appropriate policies of economic development effectively implemented achieve the same results, irrespective of the culture in which they are applied. The experience of development plans based on theories of economic development generally acknowledged as universally applicable seems to prove that this axiomatic affirmation cannot be taken as a universal law in economic development (cf. Katie, 2005; Mehmet, 1995).

The second reason that motivates the investigation of the link between cultural values and economic development as far as Africa is concerned is the fact that economic development seems to have been successful where it has been a validation or a substantiation of people's beliefs and values. According to Messay Kabebe,

The depiction of development in terms of mere satisfaction of needs rather than validation of beliefs largely explains the underdevelopment of Africa. By not being a program of corroboration of beliefs, development fails to be animated by a competitive, insatiable, and creative spirit (Kabebe, 1999).

In connection with economic development as the substantiation of a people's beliefs and values, Michael McPherson (cited by Samuels, 1990, see also Throsby, 2001) argues that economics itself is part of a cultural milieu. The cultural milieu, in large measure, endows economic goods and activities with meaning and presents people with the matrix of constraints and opportunities within which they develop themselves.

1.3 To what extent have cultural values been neglected in development plans: LPA and NEPAD?

If I propose to consider LPA and NEPAD, it is not because there have not been other development plans in the history of Africa's development.² It is rather because these two are historically pivotal in Africa's search for sustained economic development.

1.3.1 The Lagos Plan of Action (1980)

The Lagos Plan of Action (LPA) was the first landmark and expression of African economic self-consciousness. Viewed from epistemological and historical perspectives, the deeper meaning of this economic *Magna Charta* of Africa is that economic dependency is a consequence of mental dependency (cf. Kebede, 2004, p. 123; Mudimbe, 1988). Thus in order to gain access to mental independence leading to economic independence, the LPA policymakers undertook to face three major tasks, namely: to challenge the conventional wisdom of inherited theories of development and economic growth; to analyse the impact of imitative life-styles and borrowed foreign concepts and ideologies on Africa's social and economic transformation; and to make African authorities accept the need for a fundamental change (Adedeji, 1985, p.14).

Historically, LPA is a culmination of an effort of four years initiated by the Economic Commission of Africa (ECA). This effort consisted in reviewing the achievements of economic development paradigms that Africa has followed since the period of independence in the 1960s. The period reviewed covered 1960 to 1975. According to Adedeji (2002), it was noticed that the economic performance was obviously in decline. Thus, in 1976, ECA proposed a *Revised Framework of Principles for the Implementation of the New International Order in Africa*. This framework contained four fundamental principles which it was believed would lead to an auto-centric economic development in Africa, namely: self-reliance, self-sustainment, democratisation of the development process, and a just distribution of the fruits of

²I can mention among others: The Monrovia Strategy in 1979, Africa's Priority Programme for Economic Recovery 1986-1990 (APPER) in 1985; United Nations Programme of Action for Africa's Economic Recovery and Development (UN-PAAERD) in 1986; The African Alternative Framework to Structural Adjustment Programme for Socio-Economic Recovery and Transformation (AAF-SAP) in 1989; The African Charter of Popular Participation for Development (ACPPD) in 1990; The United Nations New Agenda for the Development of Africa (UN-NADAF) in 1991; and the Cairo Agenda for Action (1995).

development. The uniqueness of LPA was its emphasis on collective self-reliance, self-sustaining development, and economic growth (OAU, 1980, p.4). The reason for this emphasis was for Africans to move away from external dependence (Adedeji, 1985, p.13).

As it will be shown later (Chapter 2), LPA was based on the dependency theory which originated in Latin America. Latin America has its own cultural and historical context. Although the dependency theory was an excellent tool for showing how Africans are victims of economic imperialism, one may wonder whether it gave any adequate advice on how to extricate themselves from such conditions (Apter & Rosberg, 1994, p.39). The dependency theory in Africa seems to have been like a seedling transplanted in a new environment without considering its pedological and the climatic conditions.

1.3.2 The New Partnership for Africa's Development (2001)

NEPAD seems to be a response to the “crisis of initiative” resulting from the failure of LPA (Diagne, 2004). It is defined as a pledge by African leaders to eradicate poverty and place their countries on a path of sustainable (economic) growth and development (NEPAD, 2001, §1).

NEPAD seems to respond to two major issues relating to the economic development of poor countries, namely: the effectiveness of development aid and the market economy as a solution to Africa's underdevelopment. Concerning the effectiveness of development aid, the World Bank published a report *Assessing Aid* (1998) which provided a new impetus to the macroeconomic effectiveness of aid. This report argues that aid effectiveness depends on specific circumstances in recipient countries, particularly, sound economic policies and good governance. NEPAD promised to meet this conditionality, and in return, achieve a massive aid inflow for Africa to escape from economic stagnation and poverty.

However, the problem is that a country may receive development aid and become aid dependent. And this dependency may have negative effects on economic growth in return. Furthermore, large aid flows may not be used productively due to limited absorptive capacity of the beneficiary (Lensik & White, 2001). Thus, the point is that Africa's economic development might require more than financial means.

Secondly, NEPAD is an expression of the present market-economy based on the assumption that the freedom to pursue one's own interest promotes collective welfare. This economic perspective has its long history in western historical and philosophical developments, especially David Hume and Adam Smith (Rostow, 1990; cf. Khalil, 2001, p. 422). The question is whether its success in some places implies its success in Africa.

With regard to the first response, NEPAD is accused of being dependent on aid. But the problem is not only material dependence, but also philosophic dependence. Between 1970 and 1993, Africa shifted from trade dependence to aid dependence (World Bank, 2000, p.19). This shift is even deeper: it is the Africans' continual shift from being to having in their value system (Ntibagirirwa, 2003). Instead of digging deeper to see what their own beliefs and values can offer, Africans seem to satisfy themselves with whatever is available to them.

With regard to the second response, the problem is that economic neo-liberalism has not been successful in Africa. The Structural Adjustment Programme, which was one of the ways³ through which neo-liberalism came into Africa, had negative effects. Its focus on macroeconomic stability had damaging impact on local manufacturing (Carnody, 2001; Satamar, 1993). It undermined those institutions (the state for instance, see World Bank, 1993) that provide the socio-economic environment for the free market to prosper (Stein & Nafziger, 1991; Ntibagirirwa, 2004). These negative effects are often used to critique neo-liberalism for its failure in underdeveloped countries, as well as any development that may be based on it.

The concern of this research is more than these economic aspects. Economic development must have its deep roots in the beliefs and values that structure the ontological make-up of a given people.

³ Other ways include political restructuring (political reforms), economic stabilisation, and social reform through the empowerment of the civil society.

1.4 An overview of theories of economic development that informed Africa's economic development

The two development plans just reviewed were informed by the prevailing theories of economic development. Basically, two theories of development can be identified. The first is the dependency theory which flourished in the late 1960s/1970s and inspired the Lagos Plan of Action in the 1980s. The second is the neoclassical theory which experienced a resurgence in the 1980s, and which is also referred to as an “economic counter-revolution”, maybe vis-à-vis the influence of structuralism and the dependency theory which were developed in Latin America.

1.4.1 Dependency theory

The dependency theory was already implied in the Economic Commission of Latin America (ECLA) under the supervision of Raúl Prebisch in the 1950s, but André Gunder Frank is said to have played a leading role in its formulation in 1962. As will be seen later, the proponents of the dependency theory reacted against two major theories of economic development which prevailed in Latin America, namely the structuralism represented by Arthur Lewis (1954, 1955) and the linear process proposed by Walter Rostow (1960).

1.4.1.1 Dependency theory as a response to structuralism

The basic argument of the structuralist theory was that structural aspects of the domestic and international economy threaten the economic growth of developing countries, and that economic growth in developing countries can be achieved through an internal expansion of the local economy thanks to the state's promotion of import-substitution-industrialisation (ISI). In effect, the structural problem that was pointed out was that the terms of trade worked against the producers of primary products. Whatever income they earned from these primary goods was used to import the consumer goods from the industrialised countries. Since consumer goods are higher in value than primary goods, it followed that the income increased for the industrialised countries while it decreased in the non-industrialised countries. This resulted in asymmetric trade relationships. Thus, the import-substitution-industrialisation was thought to

be a solution to the problem of asymmetric trade, and at the same time, a means of countering the negative effects of unemployment especially in the agricultural sector.

The champion of this theory was Arthur Lewis (1955). Lewis argued that the traditional overpopulated rural sector is characterised by marginal labour productivity and can, thus, be withdrawn from the agricultural sector without any loss of output. On the contrary, the modern, urban setting is characterised by a high productivity. Thus, for Lewis, the best path to economic growth is to utilise the surplus rural labour in the industrialised sector, which would be, in turn, the recipient of capital input from the developed countries. This would mean that the export of primary goods would continue and the earnings would be re-invested in the national industrialisation to produce the consumer goods which were hitherto imported.

This economic outlook was successful for a while and even gained much respectability, especially among the nationalist leaders of the Third World countries. Most of the newly African independent countries in the late 1950s and the early 1960s adopted it in their economic policies (e.g. Ghana, Libya). However, the brief economic expansion structuralism yielded turned into economic stagnation. As a result, many countries of Latin America were plagued by economic problems (such as currency devaluation, inflation, unemployment, declining terms of trade, heavy indebtedness to lending countries and institutions), and socio-political instability as the popular regimes collapsed and were replaced by repressive military and authoritarian regimes. The Latin American economists and policymakers who had hoped that structuralism would yield economic growth and social welfare were disappointed (see So, 1990).

The dependency proponents blamed the Economic Commission of Latin America (ECLA) for having been too timid in pushing forward radical measures such as land reforms and other structural changes such as social transformation (see Blomström & Hettne, 1984). In implementing structuralism in a “softer” way, the ECLA had assumed that various aspects of underdevelopment would automatically disappear in the process of industrialisation. Thus, the dependency theory emerged as a more radical economic perspective. Using the same economic assumptions as those of structuralism, its proponents suggested national and collective economic self-reliance.

1.4.1.2 Dependency theory as a response to Rostow's linear process

The dependency theory was also a response to the linear process of economic development proposed by Walter Rostow (1960), as well as the modernisation theory he represented. Rostow argued that the transition from underdevelopment to development is a linear process which consists of five stages: the traditional society; the preconditions of take-off; the take-off; the stage of maturity; and finally the stage of higher consumption. He argued that some developing countries were still in the traditional stage, some others in the stage of preconditions. For them to achieve a self-sustained economic growth that could lead to the stage of take-off; they had to follow the historical trajectory of developed countries.

Rostow's argument was an echo of the works of Emil Durkheim and Max Weber (see Taylor, 2001/2002, p. 3). According to Durkheim, the world is divided into modern and traditional societies. Traditional societies are backward-looking and do not have the dynamism required for economic success. Their socio-political organisations are based on religious authority, metaphysical cosmology and a form of social structures based on inheritance (Durkheim cited in Taylor, 2001/2002, p.4). Thus, Rostow argued that traditional societies are economically characterised by rural life and agricultural production. In contrast to this, modern societies emerged from traditional formations through a development process which includes the decline of the magic, the rise of reason, the secularisation of the society, and a system of reward based on merit. All these gave rise to science and technology, innovation and efficiency, as well as a capitalist work ethic which stimulated economic progress (cf. Weber, 1971).

Rostow's point is that underdevelopment is explained by the persistence of traditional beliefs and institutions. Thus, for economic development to occur, traditional values and institutions have to be substituted by imported structures and beliefs consistent with economic growth. Furthermore, like other modernists, Rostow argued that the linkages (through cultural exchange, technology transfer, and foreign aid) between the economically underdeveloped countries and the developed countries would be beneficial.

The proponents of the dependency theory rejected Rostow's theory on the ground that developed countries and underdeveloped ones are economically different because they have different contexts and histories (Frank, 1975; Cardoso & Faletto, 1979). The developed countries did not experience colonial rule and never had to integrate themselves into an

economy dominated by competitors (Taylor, 2001/2002, p. 6). Thus, it was believed that economic underdevelopment is externally induced and that economic development is impossible given the existing structural relationship between developed countries and their ex-colonies. The relationship pointed to is the fact that economically developed countries obtain raw materials from developing countries at a low price, and sell back the finished products to developing countries at a high price.⁴ This generates permanent poverty in developing countries. Thus, economic sovereignty needed to be promoted; and the suggested path to achieve it was self-reliance.

The assumptions of national and collective self-reliance that underlie the dependency theory seem to have inspired the Lagos Plan of Action especially in the sense that African policymakers seemed to have realised that there is a kind of preferable economic development of which the developing countries are capable, but which their dependence prevents them from achieving (cf. Leys, 1996, pp.112 & 113). The issue is what should ultimately underlie an economic development that is self-reliant in Africa.

1.4.2 Neoclassical economic theory: Economic counter-revolution

The neoclassical theory goes back to Adam Smith's philosophical reflection on how the wealth of a nation could be created and increased. Smith argued that human behaviour is guided by self-interest and that the freedom to pursue it leads to collective interest (see Smith, 1965, p.14).⁵

Accordingly, the neo-liberal development economists and policymakers argued that the route to a successful economic development is the market economy. They dismissed the structuralists' appeal to state intervention to deal with structural obstructions in the economic development of developing countries, and the dependency theory as unrealistic. They went as far as claiming that the dependency theorists had little knowledge of neoclassical economic theory, and argued that economic underdevelopment was rather a consequence of both poor

⁴ The export of primary goods continued under the economic policies of structuralism.

⁵ I am aware that Adam Smith wrote first *The Theory of Moral Sentiments* in which he developed the concept of sympathy. For Smith, the motive to satisfy self-interest and the interests of others stems from the same human tendency to sympathise with self and with the beneficiary (see Khalil, 2001). However, in the economic discourse of neo-liberalism, it seems that the emphasis is laid on self-interest.

economic policies and also the excessive state intervention in the economy. Thus the solution to economic underdevelopment was thought to be an efficient market economy achieved by eliminating market restrictions and by the limitation of state intervention. This was concretised by the promotion of free trade and the elimination of state regulations which affect the market.

With this overview of these theories, one cannot but ask what makes them what they are? Can they claim any universal applicability?

1.5 Development theories in relation to African development plans

As already noted, the LPA seems to have relied on the dependency theory and its assumptions of national and collective self-reliance after realising that the previous development theories did not help. NEPAD seems to have relied on the neo-classical economic theory and its underlying concept of self-interest. It must be realised that none of the theories of economic development used to lead development plans in Africa came from Africa. The dependency theory is the outcome of the philosophical and cultural background of Latin America. It is true that Latin America shared with Africa certain historical features such as the colonial experience, and certain economic features such as economic underdevelopment and asymmetric economic relationships with the developed countries. Nevertheless, Latin America and Africa differ in two major connected respects and these are: their respective philosophical and cultural backgrounds. Thus, the question is to what extent an African plan of economic development premised on a philosophical basis that is not African can yield the economic development which Africans desire to achieve.

The same question obtains in the case of NEPAD which is based on the neo-classical theory of economic development. The neo-classical theory is a by-product of the philosophical and the cultural experience of the Western world. Unlike Latin America, the Western world has fewer features to share with Africa. Even if one were to grant that the neo-classical theory of economic development uses mathematical methods believed to be universal (Rosenberg, 1992; Yonay, 1998; Hodgson, 2001), one could still wonder whether this gives it the credentials to be universally applicable, irrespective of the cultural beliefs and values of a particular society.

1.6 The problem

The general path to get Africa out of the underdevelopment trap has been through development plans, but practically none of them has succeeded. If one considers the two major development plans, LPA and NEPAD that were supposed to propel Africa's economic development, it is obvious that the former has ceased to be the reference framework for Africa's economic development, while the latter, after ten years of experience, leaves one with certain reservations. One common feature of the two development plans is that they have used borrowed theories of economic development without sufficiently being sensitive to the African cultural dimension. Thus, the problem at the centre of this research is whether the neglect of the cultural beliefs and values that structure the ontological make-up of Africans might not be the reason why Africa is in a development impasse.

Accordingly, two main theses will be developed. The first thesis is that African plans of development seem to be based on theories of economic development that, in essence, are incompatible with the African value system⁶. In effect, as it has already been said, both LPA and NEPAD used borrow theories of economic development. These theories grew out of their respective contexts with their particular value systems, and therefore specific philosophical bases. The question of whether and/or how they can take root in the African value system has hardly been taken into account. It was taken for granted that, since these theories are being used elsewhere, they could also be used in Africa.

The second thesis is that the architects of African plans of development seem to have relied on the belief that, because modern economics is based on methods (such as mathematical methods) that are universal, therefore theories of economic development resulting from them could be universally applied irrespective of the cultural and historical context. However, such belief ignores the fact that theories of economic development all have their own philosophical, historico-cultural backgrounds. In effect, economics and economic development are not only

⁶ I deliberately use African value system in the singular because Sub-Saharan Africans seem to share a common metaphysical backbone. This metaphysical backbone can be perceived in various aspects such the holistic concept of reality, the communal concept of human life and the tendency to explain natural phenomena in terms metaphysico-religious causality. The Bantu people who occupy a major region of Sub-Saharan Africa (mostly around the equator and south of the equator) share also the metaphysical concept of being which is referred to as "ntu": mu-ntu (human being), ki-ntu (non rational being), ku-ntu (modal being), and ha-ntu (spatial and temporal being) (see chapter 3, section 3.3.1 below).

part of a cultural milieu, but they are also a substantiation of beliefs and values of a given people at a particular time.

1.7 Research objectives

This research has three main objectives. The first objective is to critically assess the LPA and NEPAD against the backdrop of the theories of economic development and their cultural assumptions on which the two development plans are respectively based.

The second objective is to investigate the relationship between African cultural values and economic development and the extent to which the neglect of this aspect in Africa's economic policymaking and development planning could jeopardise development plans.

The third objective is to propose philosophical premises that could guide future development theory in Africa. In this connection, the question of African philosophy has not yet been taken seriously in facing the impasse of Africa's economic development. Thus, I intend to revisit the African value system and its ontology and retrieve the Bantu people's double concept of the human person as *umuntu-w'-ubuntu* / *umuntu-mu-Bantu* in order to ground the future of Africa's economic development on an African foundation.

1.8 Methodological assumptions

I will approach the issue of the role of cultural values in Africa's development from a philosophical perspective. Accordingly, the quantitative methods which development economists often use will not be central to my research process. Yet this does not mean that, where necessary, a reference to quantitative data such as development indicators and the like will not be referred to in the reflection process.

Philosophy is a human science classified among the social sciences (Gryn timer, 1990, pp. 112-114). One may grant that, effectively, philosophy is a social science like anthropology, psychology, sociology, and political sciences. However, it cannot be confused with them. According to Demeterio (1996), both philosophy and the social sciences focus not only on the human beings, but also on their internal world (ideas, thoughts, and emotions) as well as their

social world of inter-subjectivity. Nevertheless, although the object of enquiry is the same, the methods of enquiry of the social sciences are different from those of philosophy. The methods of the social sciences are observation-experimentation, empirical processing, quantification of data and subsequent conclusion. The approach tends to be predominantly descriptive. The methods of philosophy are examination, analysis, and classification of ideas, reflection and insight. The philosophical approach tends to be predominantly interpretive, qualitative and prescriptive.

However, Demeterio's distinction between philosophy and the social sciences in terms of methods does not seem to be clear since interpretative, qualitative and prescriptive approaches can be found in the social sciences to a large extent. What makes the distinction between philosophy and the social sciences clear is the search for the answer to the question "why". The question "why", leading to the first causes, as Plato puts it, makes philosophy a science whose major characteristic is to critique. Gryn timer (1990) argues that philosophy is a science whose vocation is creativity based on the response to the question of the why of things. The depth of the question "why" makes philosophy the mother or queen of sciences not because it engenders them, but because it is a second order science. It ranks higher as a judge of other sciences and studies the principles on which they are based. Thus one talks of the philosophy of social sciences, the philosophy of history, and the philosophy of economics. This research will deal with the philosophy of economic development. Since it is a philosophical consideration of the issue of Africa's economic development, the research method will be a critique.

The two development plans (Lagos Plan of Action and the New Partnership for Africa's development) which will be the focus of this research did not emerge from a vacuum. They are based on the development theories which were available in the history of development economics. Thus, I excavate these development theories and retrieve their cultural foundations and then subject them to a critical assessment in order to understand why the African plans of development which they inspired have not achieved Africa's economic development.

Furthermore, the two plans of development themselves will be investigated and critically assessed. In this critical assessment, besides the cultural context and the eventual influences that were at stake, two levels of questioning will be considered, namely, their coherence and compatibility with their respective development theories on the one hand, their coherence and compatibility with the African value system on the other. I will consider the question of how

these plans are articulated with their respective development theories and how they cohere with their respective development theories. How were they articulated within the African context? In their use of the development theories, did the two plans engage with or ignore the African value system?

The philosophical premises that are proposed to guide the future economic development of Africa will be informed by the capability approach to economic development elaborated by Amartya Sen. Sen (1999, 2003) defines (economic) development as expansion of people's freedoms or the ability of people to lead the lives they value and have reason to value.

Why use Sen's capability approach? As will be seen later, Sen's capability approach is increasingly used to assess economic development and the policies and methods devised to achieve it. Hitherto, economic development was assessed in terms of economic growth reflected in variables such as income, particularly the Gross Domestic Product (GDP) and/or Gross National Product (GNP), wealth, or simply utility. However, economic growth is not necessarily synonymous with economic development. Certain societies may achieve a high GDP or GNP, or even be wealthy without being economically developed. For Sen (1995, p.6), economic development cannot simply be assessed in terms of economic achievements or quantitative terms. By concentrating on achievements, such an assessment would ignore freedoms, and other aspects of development that are not reflected in quantitative terms.

Following Rawls' theory of justice as fairness (1971), certain economists and policymakers retained the idea of economic growth but suggested the idea of equitable distribution of primary goods. This gave rise to the idea of satisfying the "basic needs" of people and the assessment of economic development in terms of social indicators (see Adelman & Morris, 1973; Grant, 1978; Wells, 1983 among others). However, for Sen (1987, p.24), one cannot assess economic development simply in terms of commodity possession. Thus Sen points out that the distribution of primary goods or basic needs does not deal with the fundamental issue of the type of life that people value and are able to lead.

Against the above critique, Sen revisits Aristotle's examination of the functions of a human being and the understanding of human life in terms of activity, as well Marx's understanding of the success of human life in terms of fulfilling the needs of human activity (Sen, 2003, p.4;

1992, p.5). Thus Sen's starting point is the ability to function (hence, capability) and agency or ability to act.

The advantage of the capability approach is that its ultimate foundation is not culture, and therefore it could serve as a guide on how development could be achieved in any cultural context. In other words, Sen's starting point is not social anthropology but philosophical anthropology as the capability approach emphasises essentially human agency, the ability of people to lead the life they value, and the expansion of the real freedoms people enjoy as a basis for genuine participation that leads to sustainable development. Participation makes development inclusive of all actors, and nobody can be made a patient of development. Furthermore, participation makes possible what I will be referring to as the democratisation and inculturation of economic development thanks to the public debate and reflection, or simply public reasoning (Sen, 1999, p. 201).

1.9 Data gathering

This research is mainly non-empirical, but with an empirical component. From the non-empirical perspective, the method of data gathering and study will be a literature review. According to Mouton (2001, p.180), a literature review provides the researcher with a good understanding of issues and debates in the area one is working in, and also the current theoretical thinking and definitions, as well as previous studies and their results. There are many publications on theories of economic development that informed development in Africa, LPA, NEPAD, and on African development in general. Both African and non-African policymakers, economists, social and political scientists, and recently African philosophers have taken an interest in the problem of development in Africa. Thus, in this research the literature review will help to make sure that I am not repeating or duplicating reflections already expressed; to identify and to retrieve the theorising on Africa's economic development; interpret and evaluate explanations given as causes of Africa's underdevelopment and solutions proposed; and provide me with clues and suggestions about which avenue requires particular attention (cf. Mouton, 2001, pp. 86-7; Welman et al., 2005, p.39).

Furthermore, with the literature review as a method of collecting and mining data, this "study will be valued as part of the cumulative knowledge-building effort" (Rubin & Babbie, 2001, p.121) regarding the problem of economic development in Africa to which I intend to provide

a contribution. The issue of why Africa is not developed and how it can develop has yielded various explanatory hypotheses. Thus, the literature review could be structured according to those explanatory hypotheses.

Another important approach to my study of data which goes with the literature review will be the conceptual clarification. One cannot do a literature review without paying attention to conceptual questions that are tied up with the problem being studied. In fact, the archaeology of development theories itself as well as the assessment of development plans to which they give rise cannot be done without careful attention to, and clarification of, a host of concepts and conceptual questions which surround them. This research involves many concepts such as dependency, (neo) liberalism, capability, and agency. These are all technical terms which need sufficient clarification.

However, one may ask whether one can engage in the conceptual clarification without at the same time engaging in a conceptual analysis. As Mouton suggests, the conceptual analysis brings conceptual clarity; and a well-structured conceptual analysis makes conceptual categories clear and explicates theoretical linkages (Mouton, 2001, p.175). Nevertheless, conceptual analysis and conceptual clarification are two different things. According to John Wilson (1963), the conceptual analysis is a whole method on its own by which one is brought to “think with concepts”. Conceptual analysis is concerned with the “the actual and possible uses of words” and “the criteria or principles by which those uses are determined” (Wilson, 1963, pp. 10-11; Du Toit, 2003, pp.23ss). Instead, in the clarification of the concepts of this research, I shall engage myself in a task with which the conceptual analysis is not concerned, namely that of defining concepts in their link with facts and values, in as much as this is required by the objectives of this research.

Besides the literature study of official or formal documents, published works and reflections, I will to engage with some economists and policymakers who have played a role in the design of the two plans. This will be done through semi-structured interviews. The necessity of this link with policymakers and economists lies in the fact that ideas and even concepts in publications tend to be static, while ideas in people’s minds tend to be dynamic. The shift from LPA to NEPAD and many other plans between them is an obvious case.⁷ Since the circumstances of

⁷See footnote (2).

development planning are complex, there seems to be more than what is often stated in official documents and publications.

Furthermore, one needs to know how African economists and policymakers respond to the concern that African cultural values could have been the missing link between development plans and the economic development they purported to achieve. More precisely, it will be important to discuss with them whether adapting development policies to the African value system or adapting the African value system to development policies could advance the cause of economic development in Africa. In fact the objective being contemplated here is to bring African economists and policymakers into the enterprise of formulating a philosophy of economic development. My belief is that economists and policymakers, particularly the mainstream ones, may persist in viewing values as an alien issue in development economics (cf. Ben-Ner & Puternam, 1998), while a philosophical perspective on economic development which would not consider the practical issues reflected by economists and policymakers may risk ending up in a pure abstraction with little or no bearing on the economic reality.

The method of empirical data gathering, analysis and interpretation of the empirical component is described in Chapter Five.

1.10 Structure of chapters

The first chapter of this research consists of the background and various methodological aspects. These are the aim of the research, problem, objectives and research method.

The second chapter will deal with the Lagos Plan of Action and the New Partnership for Africa's Development in relation to their respective theories of economic development. In this articulation there is a double task to be done. The first task is to unearth the theories of economic development and the cultural assumptions underpinning them. The second task is to assess the two development plans against the backdrop of their respective theories of economic development and the cultural assumptions of these theories.

The third chapter will consider the African value system and its ontological foundation in order to appreciate its particularity which could lead to specific economic development in Africa. At this juncture I will revisit and discuss the Bantu conceptual framework, namely the double concept of the human person as *umuntu-w'-ubuntu* and *umuntu-mu-bantu*, in order to clear the ground for certain philosophical premises that will lead future development policymaking and planning in Africa.

The fourth chapter will focus on the universality of development theories in relation to the particularity of the African value system. African economists and policymakers imported available theories in development planning because these were being used elsewhere. But also, development theories were imposed on Africa's development planning from outside presumably because these were considered to be successful elsewhere. In this chapter therefore, two major issues will be addressed. The first is the question of whether the African value system was ignored or avoided in the economic development planning. Secondly, the specificity of the African context of development will be addressed by considering the concept of participation which makes possible the inculturation and democratisation of the development process.

The fifth chapter will consist of the methodological procedures of the empirical component: the criteria for choosing the interviewees, the interviewees chosen, the nature of questions asked, and the method of analysis of the interviews, the method used to test the reliability and the validity of the findings, and the ethical considerations that that will guide the research.

The sixth chapter will consist of the findings of the empirical research, that is, the outcome of interviews with economists and policymakers who played a role in the design of LPA and NEPAD. These findings will be compared with the earlier theoretical conclusions of the two preceding chapters.

The seventh chapter will consider how the African value system can be taken seriously in development theorising and planning. It will first outline Sen's capability approach to development, and secondly, based on this approach, some philosophical premises that could inspire the future development in Africa will be elaborated.

Finally, Chapter eight is the general conclusion. It will consist of the summary of the macro-argument, the implications of the findings, as well as the shortcomings of the research and the new areas it opens for further investigation.

1.11 Conclusion

So far this introductory chapter has provided a background of the research and the methodological aspects that give the broad orientation of the study. It discussed the research problem, the objectives, the methodological assumptions, as well as the empirical data gathering. It outlined the structure of the overall research, and presented briefly the purpose of each chapter.

The next chapter (Chapter Two) will consider the two strategies of Africa's development in relation to the respective theories of economic development that informed them. It argues that although the two plans of economic development were produced in Africa, their philosophical basis is not African.

2 CHAPTER TWO

LPA AND NEPAD IN RELATION TO THEIR RESPECTIVE THEORIES OF ECONOMIC DEVELOPMENT

2.1 Introduction

The essential theme of this chapter is that, although the Lagos Plan of Action (LPA) and the New Partnership for Africa's Development (NEPAD) were crafted in Africa, their philosophical roots do not originate from Africa. To get across this point, I will excavate the dependency and neo-liberal theories of economic development, and retrieve the cultural assumptions upon which they are premised. I will then assess LPA and NEPAD against the benchmark of these development theories that underpin them respectively.

LPA is said to be a classic dependency interpretation of Africa's economic development. Various scholars (Benachenhou, 1982; Shaw, 1984; Browne & Cummings, 1985; Owusu, 2006; Ikome, 2007) argue that, at the time when Africans were trying to redefine their identity as a part of the reaction to the legacy of the colonial and neo-colonial experience, the dependency theory was perceived as a persuasive tool that could help Africans to launch a collective self-reliant and self-sustaining economic development. Despite conflicting interpretations (see Pretorius & Patel, 2002; Fourie & Vickers, 2003; Matthews, 2004; Venter & Neuland, 2005), NEPAD relied on the neo-liberal theory of economic development. The architects of NEPAD believed that the integration into the global economy on the basis of the liberalisation of markets would lead to Africa's economic development.

The point to be investigated is whether LPA and NEPAD might not have used their respective theories of economic development without being aware of the underlying belief and value systems. In effect, the theories of economic development themselves could sometimes be catalysed by the historical and political circumstances to the extent that people do not easily appreciate the relevance of their own beliefs and values in economic development. Even if it were shown that the architects of these plans were indeed aware of the "cultural value" factor

in economic development, the question is still to what extent this factor has been taken seriously. There are two things that are at stake here. The first is that theories of economic development are deeply rooted in specific belief and value systems. To each value system is attached a particular ontological make-up which individuals acquire in such a system and which yields a kind of economic development that fits with it. The second is the issue of how what people believe and value can be validated in terms of their policies of economic development, that is, how a given perspective of economic development could be a reflection of what people believe and value.

Thus this chapter consists of five parts. The first part is this introduction. In the second part I outline the general context in which theories of economic development emerged and point out that, although the historical and political circumstances play a certain important role, it is what people believe and value that ultimately inform economic development. The third part deals with LPA in relation to the dependency theory. After clarifying the concept of “dependency”, I outline the cultural foundations of the dependency theory and assess LPA against this background. The fourth part deals with the neo-liberal theory in relation to NEPAD. I outline the features of the cultural system upon which neo-liberalism is based and assess NEPAD against this backdrop. The last part is the conclusion of the main arguments and a transition to Chapter Three.

2.2 The context of theories of economic development

Before launching into the analysis of the two theories of economic development, it is important to provide the general context in which the question of development and theories of economic development arose in Africa in particular, and in the Third World in general. According to Alvin So (1990), the issue of theories of economic development arose out of three major historical events.

The first event was the rise of the United States as a superpower after the Second World War. In the 1950s, the United States took over the responsibility of managing the affairs of the world as a whole and tended to impose their way of life, including their politico-economic ideology, which is mainly capitalist. In fact, this renders the reflection on certain theories of economic

development uneasy insofar as it becomes difficult to distinguish between objective American academic ideas and US foreign policy (see Manzo, 1991, p.11).

The second event was the spread of the communist movement under the Marxist ideology which tended to influence the political and economic ordering of most Third World countries. As a result, the economic thoughts that developed in most Third World countries tended to be associated with Marxism even when this was not really the case. Nevertheless, it can hardly be denied that the historical, structural and dialectical approaches peculiar to Marxism were widely used to identify the causes and provide cures for (under)development. Yet the issue is much more epistemological than ideological, since what is at stake is rather what tools may better serve an understanding of social phenomena.

Finally, there was the collapse of the colonial enterprise in the 1960s which gave birth to new nation-states in the South. These new nation-states were in search of perspectives of economic development that could help them to promote their economic development. They had a choice between forging their own perspectives and using the perspectives made available by their colonial metro-poles.

These three historical events catalysed development economics as an academic field and *praxis*. There was a strong tendency to promote the mainstream economic perspectives of the West as universally valid irrespective of the context where they are applied (Seers, 1980, p.6). The problem is (was) that, once one poses the principle of universality, one also has to be ready to confront the principle of particularity (which will be discussed in Chapter Four).

What one can infer from this dynamics is that historical and political circumstances play a certain role in approaches to economic development. As it will be argued, this role could be expressed in terms of catalyst in so far as it is the people's mindset and the deep seated beliefs and values which ultimately inform economic development. By mindset, I mean how people understand and define themselves. People impart to the world what they know themselves to be and tend to shape it accordingly. The economic development of a society is part of this ontological and epistemological interplay (cf. Malinda, 2006, p.7; Adesina, 2004). With this in mind, I will now discuss the dependency theory in relation to the Lagos Plan of Action.

2.3 The Dependency Theory in relation to the Lagos Plan of Action

2.3.1 The concept of dependency

The concept of “dependency” is very complex and has been understood differently even among the dependency theorists themselves. It is often pointed out that the concept of dependency is surrounded by a lack of precision and conceptual clarity (Lall, 1975; O’Brien, 1973). According to Duvall (1978, p.55), dependency theorists tend to avoid and even to reject any conceptual precision and measurement in so far as they are more concerned with describing social, political and economic processes in historical, structural and dialectical perspectives. As a consequence, the same conceptual ambiguity is found in arguments used to defend the dependency theory (Bath & James, 1976; Chilcote, 1974; Duvall, 1978). In fact, the dependency theorists themselves are surrounded with a cloud of confusion as they ask themselves whether dependency should be seen as a theory of economic development or simply as an approach. For instance, Samuel Valenzuela and Arturo Valenzuela (1978, p.546) argue that the dependency theory is primarily a historical model with no claim to “universal validity”. It pays less attention to the formulation of theoretical constructs and concentrates more on the historical phases which are an integral part of the framework.

Duvall (1978) tried to rescue the concept of dependency from its conceptual ambiguity and to clarify whether it is a theory of economic development or simply an approach. After attempting a conceptual clarification, Duvall suggests that dependency would qualify as a theory of economic development if a dialogue were established between *dependencia* theorists and rigorous empiricists (Duvall, 1978, pp. 68ff). The need for such a dialogue is perceivable in what Duvall sees as the meaning of dependency theory which requires not only an assessment of a social scientist (most dependency theorists are social scientists) but also that of economists.

Duvall understands dependency to mean three things. Firstly, the concept of dependency is used by a group of scholars who are concerned with a holistic descriptive analysis of historical processes or socio-structural transformation. Secondly, from the empirical view point, dependency refers to a property of countries. The trade dependency of a country is the extent to which that country is externally controlled in its trade by other countries. This may be the case when a country has no control on the pricing of the commodities it exports or imports. Finally,

dependency is a characteristic of the relationships between systems pursuing their separate goals. Here, dependency is equivalent to powerlessness as opposed to power (in Duvall 1978, pp. 60-61) as in the case of the people being exploited and those who exploit them.

What these three ways of understanding dependency share is the “conditioning” relationship between two or more countries in social, political, cultural or economic context. Since this research is concerned with economic development, dependency refers to the conditioning of one economy by another such that the former is a reflection of the latter (Duvall, 1978, p.62).

Dos Santos defines dependency in clearer terms:

...a situation in which the economy of certain countries is conditioned by the development and expansion of another economy to which the former is subjected. The relationship of interdependence between two or more economies assumes the form of dependence when some countries, the dominant ones, can expand and can be *self-starting*⁸ while other countries, the dependent ones, can do this only as a *reflection* of that expansion, which can have either a positive or a negative effect on their immediate development (Dos Santos, 1970, p. 231; see also Faletto & Cardoso, 1979, p.15).

This definition leads us to three major assumptions underpinning dependency. The first assumption is that dependency is an economic situation characteristic of less developed countries insofar as their development is a reflection of the expansion of the self-starting economy of the developed countries. The nature of this subordination is established by the second assumption. Dependency is an external economic condition imposed from outside as the surplus from the less developed countries flows to developed ones. This flow of the surplus leads to underdevelopment (Blomstrom & Hettne, 1984, pp.71ff). The third assumption is that the domestic cultural and institutional features are not the key variables accounting for the economic backwardness of developing countries, although these domestic structures are critical intervening factors.

⁸The italics are my own emphasis.

With this understanding of the concept of dependency, I will now review the nature of the dependency theory of economic development and its cultural assumptions. I will argue that, although Latin America is geographically and demographically heterogeneous, it has a certain cultural value system that characterises and distinguishes it from the rest of the world. It is this value system that underlies the dependency theory of economic development.

2.3.2 The Dependency Theory and the Latin American cultural identity

The point to be made is that the dependency theory is a product of the Latin American cultural value system. The dependency theory is a substantiation of this cultural value system.

2.3.2.1 The features of Latin American culture

The issue of cultural identity of Latin America has been at the centre of discussion among Latin American thinkers. It is central to the reflection of the works of major thinkers such the Mexican philosophers, Samuel Ramos (1943, 1962, 1984), Leopoldo Zea (1952, 1953, 1957, 1963, 1969, 1974, 1978, 1988), and the Peruvian thinker, Salazar Bondy (1965, 1968, 1972, 1986). The first two discuss Latin American cultural identity in relation to self-knowledge and nationalism, while Salazar Bondy discusses it in relation to the liberation from the condition of economic underdevelopment. The issue of Latin American cultural identity is still topical as can be seen in the reflections of thinkers such as Ofelia Schute (1993), Alfredo Mirande (1997), Mario Saenz (1999) and Jorge Garcia (1986, 2000) among others.

According to Ofelia Schutte (1993, pp.74-75), the issue of Latin American cultural identity arose from the need to give political meaning and unity to the newly constituted Latin American countries and to define the difference between North and South America, and between the United States of America (Anglo-saxon America) and Latin America. The affirmation of this difference often took an antagonistic character. In *Empire and Dissent*, Fred Rosen (2008) argued that what unifies Latin America is the culture of “resistance”. “Resistance” seems to be a powerful indication of self-characterisation of Latin America as it has been observed in the search of its own philosophy (the philosophy of liberation), theology (the theology of liberation), political governance, as well as its own economic models. In the words of Wood and Roberts (2005, p. 20), these are “regularities to be identified” across Latin America.

One may wonder how these thinkers deal with heterogeneity, as Latin America is not only a melting pot of races, but also a melting pot of cultures. Demographically, Latin America consists of three major groups which are totally different: Amerindians (indigenous people), Iberians (Portuguese mainly in Brazil, Spaniards in the rest of Latin America), and Africans who are the majority, particularly in the Caribbean countries. The intensive race mixture between Iberians and Amerindians produced the Mestizos who are the majority of the population in Mexico, Chile, Colombia, Ecuador, El Salvador, Honduras; the mixture between Africans and Iberians produced the Mulattos who are the majority in Cuba and a good percentage in Brazil and Colombia; the mixture of the Blacks and Amerindians produced the Zambos.

According to Gillin (1947), there is a multiplicity of cultures in Latin America; but these are but subcultures of a general culture, as can be found everywhere in the world. The cultures of Latin America are similar to trees that collectively constitute a forest. A forest has some general features that characterise or permeate all, or almost all, the trees. According to Schutte,

... the question of cultural identity [of Latin America] cannot be set apart from the question of difference. Difference is a fundamental factor making possible the conditions for identity. "One" is always an abstraction and departure from the rich manifold experience (Schutte, 1993, pp.14-15).

Various thinkers and social scientists (Zea, 1953, 1978; Saenz 1999; Nascimento, 2003, p.135) picture the cultural identity in Latin America in terms of *conciencia of mestizaje*⁹ or *mestizo* consciousness. *Mestizo* refers to the racial and cultural syncretism or synthesis as a result of racial miscegenation between Amerindians, Europeans, and Africans. According to Gillin (1947), the appellation "Latin American" culture is better suited to apply to the new culture that is neither that of the pure Whites (Portuguese and Spaniards), nor pure Amerindians (native Americans), nor Mestizos (mixed bloods). All of them have participated in the development and performance of the Latin American culture which is growing toward an

⁹ Although I will not discuss it in this dissertation, it is important to distinguish between two kinds of *mestizaje*, namely, *mestizaje* from below and *mestizaje* from above. According to Saenz (1999), *mestizaje* from above is a *mestizaje* that was imposed during the conquest and colonisation through "a forced physical miscegenation, imposition of ideas, ..." and which is promoted by Latin American intellectuals (pp. 94; 134). *Mestazaje* from below refers to the "appropriation of our reality and past"; it is a *mestizaje* "in which the living encounter between cultures becomes a questioning of the social and economic relations that have solidified, in many cases, ossified into an elitist Latin American identity" (Saenz, 1999, pp. 309-310).

integrated configuration. Garcia (1952) speaks of the (modern) culture of Latin America as the constructive and creative synthesis of Europe and America, of Spaniards and Indians, a spiritual symbiosis which is still in full evolution. For Zea (1953), the *conciencia of mestizaje* represents the national and the cultural consciousness of the Latin American peoples. For Schutte, Latin American cultural identity “is not derived from a fixed origin, but is a result of multiple configurations always in the process of reorganising and redefining themselves” (Schutte, 1993, p.15). Nascimento (2003, p.135) quotes Silvio Romero as saying: “All Brazilians are *mestizos*, if not in their blood, then surely in their ideas.”

What could be the characteristics of this racial/cultural syncretism that is central to the Latin American cultural identity? Gillin (1947, p.244, see also Gillin, 1955) outlines four major characteristics of the cultural identity of Latin America. Each of these characteristics is also emphasised by various Latin American scholars, yet without holding them together as Gillin did.

The first is *Iberian Catholicism*. Latin America is dominated by Roman Catholicism and many of its characteristics are those of the Iberian Catholicism. Thus José Brunner (1993) talks of the catholic substratum of Latin American culture and contrasts it to “puritanism” which plays a central role in individual motivation and performance. According to Brunner,

[this] Catholic substratum renews the exhausted deposits of symbols and desires capable of mobilizing radical (revolutionary) behaviours on the social and political plan (Brunner, 1993, p. 44).

Freyre is quoted in Nascimento (2003, p.139) as saying: “Catholicism is really the cement of our unity”. Such power of unity and mobilisation for socio-political action produced a kind of quasi-socialist Catholicism and its own theology, namely, liberation theology, which, has often been charged with being at odds with the orthodox (Vatican) theology.

The second feature is *humanism*. The Latin American culture is humanistic. Such a humanistic character can be seen from the fact that most Latin American thinkers focus much more on self-knowledge, self-consciousness, Latin American identity and authenticity, the cultural experience, as well as the human concrete experience in daily struggle and quest of freedom rather than on moral principles. This can be seen in such works as Zea’s *América como*

Consciencia (1953), *Latin American Mind* (1963), *Filosofia de la historia Americana* (1978), Ramos' *Profile of man and culture in Mexico* (1962), Salazar Bondy's *Existe una filosofia de nuestra America* (1968), Roig's *The actual function of Philosophy in Latin America* (1986), and *Identity: A Latin American Problem* (1988/9). Zea (1952) talks of the humanistic *consciencia de mestizaje*; while Schutte (1993, p.242) talks of "the development of a theory of a Latin American cultural identity that assumes a positive relationship with the whole cultural legacy of humanity". Latin American humanism is also central to Paulo Freire's *Pedagogy of the Oppressed* as well as Gutiérrez's *Theology of Liberation*. For Freire, the process of self-knowledge and self-consciousness (*conscientização*) is also a process of self-liberation and goes with the action (praxis) of naming and changing the world:

Human existence cannot be silent, nor can it be nourished by false words, but only true words, with which men transform the world. To exist, humanly, is to name the world, to change it (Freire, 1970, p.76).

Thirdly, from the intellectual point of view, the Latin American culture is characterised by *logic and dialectics rather than empiricism and pragmatics*. The word is valued more highly than the thing; the manipulation of symbols is more cultivated than the manipulation of natural forces and objects (see Schutte, 1993, ch 4). This may be the reason why most of Latin American thinkers lean towards Hegel and Marxism in their philosophical approaches. For instance, the ideas of the search and actualisation of freedom as well as the cultural and racial mixture or *mestizaje* which Zea develops in his *philosophy of American history* carry with them a profound Hegelian influence. Moreover, Marxism is said to be a tool of social analysis which is also often used in economic and socio-political analyses.

The fourth characteristic which Gillin treats separately from the above three¹⁰ is the *concept of the individual*. In the Latin American culture, the concept of the individual is said to be radically different from that of the Western culture, particularly, North America. According to Gillin (1955, p.491), while in North America the individuals are respected because they have right to be considered "just as good as others", in Latin America, individuals are valued because of the unique "inner quality" of worth they each possess. The individual is valued

¹⁰ While the first three characteristics are treated in his paper of 1947, the concept of the individual is treated in his paper of 1955. It is not clear why this concept is treated separately. Maybe one may take the view of William Davidson (1947, p.249) who says that the documentation used (by Gillin) was preliminary, because modern Latin American communities have not been subjected to anthropological study on a large scale.

precisely because one is not exactly “like” anyone else, that is, each individual is special and unique. This “inner quality” is said to be the “soul”.

As far as the origin of this concept is concerned, it is possible that the Christian view of the soul contributed to the conception of this “inner quality” at the time of conquest and after. But it is equally possible that indigenous concepts of the soul as manifested in Latin American beliefs and values are involved in the modern concept. Whatever maybe the origin, the Latin American concept of the soul has lost the purely religious connotation to embrace a largely secular meaning. One of its expressions is *la dignidad de la persona* which, according to Gillin, should not be confused with “the dignity of the person”. The “*dignidad de la persona* refers to the inner integrity or worth which every person has originally, and which that person is supposed to guard jealously” (Gillin, 1955, p.492). The following are the cultural characteristics of the *dignidad de la persona* as the inner integrity of every individual:

- Individuals are supposed to defend their respective inner integrity to the utmost of their ability, to the extent that a person who submits abjectly and without emotion to slurs upon her/him is regarded as far lower than one who merely breaks the laws established by the society;
- The concept of *macho*¹¹ is valued as a high ideal in Latin American culture: This concept corresponds in some way to an ideal male or social personality, but it transcends social position. According to Gillin, “the real *macho*” refers to people who are sure of themselves, cognisant of their own inner worth, and willing to bet everything on such self-confidence (see also Schutte, 1993, pp. 81- 8; Mirandé, 1997). However, Ramos criticised this concept as often leading people to live enclosed in themselves, indifferent to the collective interests of the society (Ramos, 1962, p. 65), and negating anything at all with no reason (1962, p.39). When the *machos* fail to hide their weaknesses and lack of self-esteem, they show off their bravery and power by, sometimes, resorting to violence (Ramos, 1962, p.61).

¹¹ The concept of “macho” has some connotation of gender discrimination (macho is a strong male). Machismo is nowadays associated with, and denounced, as a form of authoritarianism and even violence against women.

- Social relationships: those people with whom one is in personal, intimate relationships can be expected to have with that person a reciprocal appreciation of the soul. People who appreciate one another's soul can trust one another.
- Positive acceptance of social inequality: the Latin American premise of individual worth is involved in a cultural configuration that recognizes and accepts the social inequality. Each person realises that from the point of view of social structures, one is not equal with everyone else in terms of position or opportunity. Yet Latin Americans are conscious of the possibilities of mobility: people are aware that they are born into a certain social position which is one of the facts of life, but at the same time people are aware that they can improve their positions if they have the soul to do so.

Thus Davidson (1947, p. 250) argued that, in the Latin American culture, almost everyone is conscious of one's own status and does everything possible to keep others from underestimating it. In the same vein, the Chilean scholar, Schwartzmann (1950) argues that the fundamental characteristic of Latin Americans is the sentiment of inner value.

These are the features of the Latin American belief and value system. They underlie the Latin American search for a political, social and economic uniqueness. I shall now consider how the dependency theory is premised on this belief and value system.

2.3.3 The dependency theory as a product of the Latin American value system

In which way do the characteristics just outlined inform the dependency theory? Does the dependency theory reflect the four characteristics of the Latin American value system? It is not easy to ascertain how these characteristics of the Latin American belief and value system taken together or individually underlie the dependency theory; especially since most literature available explains dependency theory more in terms of structural and historical foundations than in cultural terms (Venezuela & Venezuela, 1978). Kapoor (2002, p.654) observed that, the dependency theorists have not really examined the whole politics of (and within) culture and are even unaware of the way in which culture frames their own analysis. According to Grosfoguel (2000, p.367), "most dependentistas analysis privileged the economic and political

aspects of social process at the expense of cultural and ideological determinations”. Yet Eschazabal (1998, p.33) talks of the dependentistas as

[the] many intellectuals and politicians who felt a need to rehabilitate Latin America by reaffirming and re-establishing once and for all its distinctive identity, and to create forms of [...] expression capable of articulating the uniqueness of its culture.

These forms of expression include those which are artistic, political and economic as “the basis on which many politicians and intellectuals founded their optimism about the future of Latin America” (Beane, 1978/1979, p. 200)

But how exactly do the four characteristics of the Latin American value system inform the dependency theory? This question cannot be answered adequately unless one refers to the very definition of the dependency theory. Earlier, I underlined Duvall’s and Dos Santos’ understanding of dependency as the conditioning of one economy by another to such an extent that the dominant one can expand and be self-starting, while the dependent one is only a reflection of that expansion.

First of all the dependency theory could be seen as the affirmation of the Latin American uniqueness. This affirmation of uniqueness consists of a refusal of the Latin American economy to be a simple reflection of the expansion of some self-starting economy. The Iberian Catholicism seems to have communicated its own dynamism in this process. Its capacity to produce a particular type of Catholicism (quasi-socialist Catholicism) and a particular theology (liberation theology) seems to have an impact on the dependency theory as a perspective of economic development that would fit with the Latin American uniqueness (see Healy, 2001, pp. 94-95, 112-114). The concepts such “option for the poor” and “the marginalised” central to Latin American catholic theology became “topics of investigation for the dependentistas like Fernando Cardozo” (Portes, 2005, pp. 30-31). Portes (2005, p.31) further argues that the concerns for such issues as marginality, structural and social injustices of the Latin American Catholic church were taken over by the dependentistas in advocating models of development that would reduce them.

The humanistic characteristic of the Latin American value system is best perceived in the interest attached to social sciences by the dependency theory. The major dependency theorists such as Cardoso, Dos Santos, Faletto, and even Gunder Frank to name but a few were social scientists, particularly sociologists. The implication of this interest was the focus on such phenomena as social groups and movement, the link between culture and political economy, power, poverty and inequality. This focus produced a host of concepts such as (socio-economic) marginalisation, option for the poor, internal colonialism, centre-periphery among others. The concept of dependency in the global economy originated from this focus. More precisely, Dos Santos (1970, p.180) argues that “the narrative that dominates the Latin American sociology [is] the dependency theory”. The common feature of all these concepts is the human condition in Latin America and how Latin Americans could be liberated from social, political or economic structures that undermine their freedom, self-esteem and culture (Portes, 2005, p.38).

The logical and dialectic characteristic of the Latin American value system is perceived in the explanation of social change. Social change is explained in a conflictual and dialectical way. The reality of “centre-periphery” in the global economy and how it should be responded to could be seen from this perspective. The conflictual and dialectical explanation is said to have led to the elaboration of the dependency theory as an alternative to the modernisation paradigm of development (Ward, 2005, p.275). This shift is observable in the reflections of the dependency theorists such as Sunkel (1964) and Cardoso and Faletto (1969).

According to Portes (2005, p.33), the shift from modernisation to conflictual and dialectical explanation of social change is not accidental. Latin Americans believe social life to be dialectical. Portes argues that, while the dominant theories of economics and political science (developed in the Western tradition) assert the primacy of the individual, sociology (in Latin America) asserts the primacy of the social context and social relations from which the individual emerges. This bears on the ways economic policies are envisaged in the dependency theory. Dependency theorists had to consider the social dimensions of wealth and its distribution mechanism (Ferraro, 1996).

Linked with the dialectical characteristic of the Latin American value system is the interest in Marxism as a tool of social analysis. Brunner (1988, pp.238-39) expresses it thus:

Beginning in 1970, the sociologist becomes an ideologist through the use of a new paradigm (Marxism) that allows him to break with “academic” sociology without abandoning the pretention of truth [...]. Thus, the interpretation and application of Marxist theory become the central object of sociological work [...]

According to Joseph Love (1990, p.143), “Marxism is usually viewed, implicitly or explicitly, as the primary tradition from which the dependency theory arose”. In responding to critics, Frank (1977) and Cardoso (1977) pledge their allegiance to Marxism and the dialectic analysis as a point of departure. Some orthodox Marxists have disputed the idea that dependency theory is Marxist (see Chilcote, 1982). Instead, they argue that the dependency theory has structuralist roots. This point will be considered later. One may note that this dispute leads to the point that dependentists were in search of ways of development that are peculiar to Latin American value system.

Finally, I consider the dependency theory in relation to the concept of the individual in the Latin American belief and value system. The way the dependency theory has been defended during its heyday seems to conform to the characteristics of the *dignidad de la persona*. When the dependency theorists advocated the de-linking from the world capitalist economy, they seemed to be expressing the fact that, in Latin America, “the individuals are valued because of the unique inner quality of worth they possess”. The rigour in social analysis as well as in the defence of the dependency theory itself echoes “the defence of one’s inner integrity to the utmost of one’s ability”, as well as the concept of the *macho* characteristic of people who are sure of themselves, cognisant of their inner worth (Schutte, 1993, p.81). As a result, the de-linking from the global economy was thought to give birth to an independent national and regional capitalism rather than the world capitalism advocated by the developed countries (Grosfoguel, 2000, p.355).

Taken collectively, the four features that underlie Latin American self-characterisation seem to have fuelled the dynamics of “resistance” of the dependency theorists against modernisation, structuralism and classical or orthodox Marxism respectively.

2.3.3.1 Dependency theory in relation to modernisation

Modernists argued that the less developed countries are economically underdeveloped because their traditional beliefs and values are not conducive to economic development (Rostow, 1960; Weber, 1956). For these countries to develop economically, they have to embrace the attitudes and beliefs of modernity. In other words, modernisation assumes that its own attitudes and beliefs are the necessary prerequisites for economic development of any society. But what are those attitudes and beliefs that are claimed to be universally valid for economic development of any society?

Central to the modernist discourse is the human reason and its power to overthrow all that is considered as traditional, that is, what is not achieved through the process of reasoning and scientific rationality.¹² According to Ashley (1989), modernisation is based on the figure of the reasoning individual who alone can achieve total knowledge of oneself and the world. This knowledge, in turn, gives the human being access to total autonomy, total power, and makes one the source of meaning of the world and maker of history. The ultimate dividend of this *weltanschauung* is a social system with the following characteristics: a degree of self-sustaining economy, a good measure of public participation in the polity, a diffusion of secular-rational norms in the culture, an increase in physical and social mobility, a system of reward based on merit, and finally, a corresponding transformation in personality to equip the individuals to function more efficiently (Lerner, 1964 quoted in Manzo, 1991, p.13).

Since the societies which happen to have the values and beliefs of modernity are mostly capitalist¹³, it follows that integrating less developed countries into the capitalist network will result in the progressive modernisation of these countries and will develop them economically.

The argument that the beliefs and values that underlie modernity lead to economic development is based on a double precedence, namely, functionalism and social Darwinism.

¹² This recalls August Comte's idea that the human mind develops through three stages: the religious stage in which the human being holds a religious view of the world and interprets all events and reality from a religious point of view; the metaphysical stage which is a stage in which human being tends to give an abstract and metaphysical explanation of reality; and finally the positive stage, the stage of positive science in which the scientific world view replaces religious and metaphysical explanation. The third stage is the stage of what is empirically observable in which knowledge relies on the empirical experience.

¹³ I am aware that there are many types of capitalism (market capitalism, state-led capitalism, corporate capitalism, social-democratic capitalism). The capitalism that is considered here is the market-led capitalism mostly represented by the United States of America and the United Kingdom.

Functionalists substantiate the claim that the individual is the ground for the potential social and economic progress through personal effort. They argue that the human society is like a biological organism. In the same way as the different parts of the biological organism perform different specific functions for the good of the whole body, so also each individual or each institution performs certain functions for the good of the whole society.

From the Darwinist point of view, it was believed that there is a natural order which everything follows. Evolutionary theory assumes that social change is unidirectional; that is, human society invariably moves along one same direction from a primitive to an advanced state. It imposes a value judgement insofar as the movement towards the final phase is good because it represents progress of humanity and civilization. Finally, it assumes that the rate of social change is slow, gradual and piecemeal: it is evolutionary and not revolutionary (So, 1990, p.19).

As far as the economic expression of modernisation, Rostow (1960) seems to be the economist who better translated it in economic terms. He argues that there are five stages that economic progress follows: the traditional stage, the stage of preconditions, and the stage of take off, the drive to maturity, and high mass consumption. Among the preconditions for take off, are the productive investments which can come from banks, capital markets, government bonds, stock-markets, foreign trade (foreign earnings from exports) and the direct foreign capital investment. In case the productive investment is deficient, the solution would be public aid to development in the form of capital, technology, and expertise.

The dependency theorists' response to modernisation can be better understood by distinguishing between two perspectives of dependency. The first perspective is that of the reformists whose objective is to reform the international economic system. The second perspective is that of the neo-marxists who argue that the only way to overcome dependence is through socialist revolution. For the time being, the first perspective will be considered, reserving the neo-Marxism for later analysis.

The reformists include Jaguaribe (1969), Sunkel (1969), Furtado (1971), Pinto (1972, 1973), Ferrer (1975), Fernando, Cardoso and Faletto (1979). Their common view is that nationalism is a way to increase the degree of national autonomy, and that reforming the capitalist system is the best way of resolving the problem of dependence. One can understand this argument as a

reaction to modernisation from two angles, namely the reaction to the modernisation as such on the one hand, and a reaction to Rostow's economic interpretation of the modernisation theory on the other hand.

The reformists argue that the modernisation theory is deficient because it offers an internal explanation of underdevelopment, and thus assumes that there is something wrong with traditional cultural beliefs and values. For dependency theorists, such an argument is a result of Western ethnocentrism that is self-congratulatory and self-uncritical (Brohman, 1995). Such an ethnocentrism places the "modern" world in a hierarchical opposition to other societies of the world which are thought to be traditional, that is, less cosmopolitan, less scientific, less secular, less rational, less individualist, and less democratic. They are defined solely in relation to the West as the foundational source of development (in Manzo, 1991, pp.9-10; cf. Schutte, 1993; Saenz, 1999).

The dependency theorists view modernisation theory as a continuation of the 19th Century Western attitude of looking at other societies as uncivilised, therefore to be conquered or assimilated. The societies which, hitherto, were seen as uncivilized become traditional, and therefore to be conquered if they are communist, or assimilated if they are not communist (Cardoso & Faletto, 1979). For the dependency theorists, by imposing its patterns of development, the West undermines the uniqueness as well as the potentialities of the so-called traditional societies or the less developed countries to the extent that they cannot develop unless they free themselves from these "wrong" perceptions. For the dependency theorists, economic development becomes synonymous with re-affirming the cultural identity, potential strengths and the local factors of development.

The reformists reacted also to Rostow's economic interpretation of modernisation. For Cardoso (1970), to assume that development is a linear trajectory is to ignore the nature of social change. At times, change can be a linear trajectory, while at other times it can be cyclical or even regressive. Change and development are not necessarily synonymous.

The point the reformists are making is important since it cannot simply be assumed that by filling in the presumed "missing" components as the modernists believed, the development will follow. There is no guarantee that the same beliefs and values that produced economic development in capitalist societies would produce economic development in less developed

societies (Lewis, 1955, p. 15). Earlier, Arthur Lewis who was one of the masterminds of the old-dependency theory had argued that people cannot assume deductively that things which are associated in a society they know must be relevant in all societies (Lewis, 1955, p.13). That the beliefs and values an individual incarnates in a society A yield its economic development does not mean that if these were transferred to society B they would necessarily produce the same outcome in society B (cf. Tetreault & Abel, 1986, p.45).

If one considers the reaction of the reformists, it seems that they were not disputing the fact that modernisation achieved economic development for capitalist societies. What they contended is that it cannot be deduced that following the same route will necessarily achieve economic development in Latin America or elsewhere in the world. This can be understood in the sense that modernisation was a product of the internal dynamics of a people. For a reformist, the dependency theory is a way of exploring how the local potential strengths and uniqueness can lead to a self-starting and self-reliant economic development.

I now turn to the dependency response to economic structuralism.

2.3.3.2 Dependency theory in relation to structuralism

In addition reformist group of dependency theorists reacted to the structuralism which is also referred to as the old-dependency theory (Love, 1990, p.144). Structuralists contended that the economic dependency is generated primarily by the expansionist tendency of capitalism and the structural characteristics of both the domestic and the international economy. They argued that the terms of the world trade worked against the producers of the primary commodities. This resulted in the income elasticity for import between the developed countries and the less developed ones. As T etreault and Abel (1986, p.13) pointed out, the increasing income in the developed countries was followed by the demand for imports of primary commodities from the less developed countries, while the income in the less developed countries was followed by a high number of import manufactured commodities from developed countries. Since manufactured goods are higher in value than the primary goods, the income increased for the industrialised countries while it decreased in the non-industrialised countries. This resulted in asymmetric trade relationships. The consequence is that it was impossible for the developing

countries to save for productive investment, and trade was no longer perceived as the engine of economic growth and development.

The structuralists suggested as a remedy some kind of state capitalism and advocated planning as a means of rationally allocating scarce resources. This resulted in the state's promotion of import-substitution industrialisation (ISI). Nevertheless the problem was how to respond to the issue of the labour shortage posed by the neoclassical economics. The response to this problem was given by Lewis (1954, 1955). For Lewis, the neoclassical economics does not give a clear picture of the condition of the developing countries and assumes that labour is short in supply everywhere. According to Lewis, the traditional overpopulated rural sector is characterised by marginal labour productivity and can, thus, be withdrawn from the agricultural sector without any loss of output. In contrast, the modern, urban setting is characterised by a high productivity. Thus, Lewis argues that the best path to economic growth and development is to utilise the surplus rural labour in the industrialised sector. Thus, it was argued that the process of industrialisation, far from suffering from labour supply, would absorb the mass of the rural population.

However, the reformists accused structuralism for having been too “soft” and wanted a more radical economic programme. According to Sunkel (1967, p.55), external dependence increased for various reasons. The vulnerability to fluctuation in foreign exchange led to the foreign exchange earnings becoming increasingly insufficient to sustain the development process. As a result, foreign debt kept increasing. Moreover, a large proportion of the industrial sector was owned by foreign corporations, and the profits of foreign exchange were repatriated instead of being reinvested. Dos Santos complained about this when he talked about the form of dependence which emerged after World War II (Dos Santos, 1970, p. 232). Some dependency theorists such as Cardoso, Fernando and Faletto saw this as part of the modernisation “ideology” which they aimed to do away with.

By accusing structuralism of being soft and not fully doing away with modernisation, the reformists wanted a totally independent path of economic development that responds to the identity and uniqueness of Latin Americans. I now turn to the dependency reaction to classical Marxism.

2.3.3.3 Dependency theory in relation to classical Marxism.

The dependency theorists also reacted to classical Marxism. This perspective includes dependentists such as Marini (1965, 1972), Torres-Rivas (1969, 1970), Dos Santos (1970, 1972), Frank (1970, 1975), Quijano (1971), Garcia (1972), Bambilra (1972), Aguilar (1973, 1974), and Braum (1973, 1984). These can be referred to as neo-Marxists. Like the reformist dependentists who reacted against the modernisation theory and structuralism, the view of those neo-Marxist dependentists who reacted against classical Marxism was geared to substantiating the dependency theory as an economic expression of Latin American cultural identity. The common point of the neo-Marxist dependentists is that reforming the national and international economy will not succeed in dealing with economic dependence. They argued that only a socialist revolution can overcome dependence. They rejected the idea of both structuralists and reformists that the national “bourgeoisie” have objective conditions for offering a nationalist or autonomous way out of underdevelopment (Frank, 1975, p. 15, Vasconi, 1971, pp.16-17).

In their reaction against orthodox Marxism, neo-Marxist dependentists argued that solidarity with the Soviet Union would lead them to further dependence. Instead of relying upon foreign aid of whatever kind and whatever provenance, developing countries should adopt a self-reliance model, that is, relying upon their own resources and planning their own paths of development so as to achieve independence and autonomous national development. Nevertheless, self-reliance does not mean a complete isolation from other countries. Rather, while avoiding the domination of developed countries, trade with other less developed countries on equally mutually beneficial terms should be encouraged.

Contrary to the reformists, the Latin American “neo-Marxist dependentists” used a dialectical method of analysis rather than social analysis. It is not clear whether they used this method as part of the intellectual heritage of the Latin American culture, or whether they used it as part of some Marxist background. Whatever the case may be, the use of the dialectical method neither undermined the humanistic characteristic of the Latin American culture nor betrayed its intellectual particularity which values logic and dialectics.

By rejecting orthodox Marxism and solidarity with the Soviet Union, the dependentists assumed that the impetus to economic development of the now developed countries is the result of their endogenous cultural and institutional transformation. Thus they rejected the idea that the economic change in the less developed countries depended primarily from exogenous stimuli (Valenzuela & Velenzuela, 1978, pp.538-9). Instead, they wanted to strengthen the fact that sustainable economic development is that which is based on the knowledge of local histories and experiences and not on any outside assumptions (Manzo, 1991).

So far, the argument is that the dependency theory is built on the value system characteristic of Latin American cultural identity. The question is to what extent a theory of economic development thus conceived can be replicated in another system of cultural values. If the dependency theory is an economic expression of the cultural identity whose characteristics I have outlined, to what extent can it be useful in a cultural value system other than that which generated it? It is with this question in mind that I will now consider how the dependency theory inspired the Lagos Plan of Action (LPA).

2.3.4 The Lagos Plan of Action in relation to the dependency theory

This section will establish that the LPA relied on the dependency theory of economic development, and therefore, that its philosophical basis does not originate from Africa. I have just established that the dependency theory grew out of the Latin American value system. I argued that the dependency theory makes a double claim. The first is that economic underdevelopment in less developed countries is explainable in terms of their dependence on the developed countries. The second claim is that the domestic cultural and institutional features are not the key variables accounting for the economic backwardness of developing countries. The solution suggested to this economic situation is to de-link from the world economy in order to build up an economic development that is self-reliant and self-sustaining.

As is obvious in the LPA document¹⁴, the reliance of LPA on the dependency theory can be perceived from two points of view. The first is the reading of Africa's historical experience in the world dynamics:

¹⁴ In the following, for the sake of precision, I will refer to different articles or paragraphs of the LPA document rather than the year of publication and page used in normal referencing.

[...]Africa was directly exploited during the colonial period and for the past two decades; this exploitation has been carried out through neo-colonialist external forces which seek to influence the economic policies and directions of African States (art. 6).

The second is the reading of Africa's situation in the global economy as thus expressed:

We view, with disquiet, the over-dependence of the economy of our continent on the export of basic raw materials and minerals. This phenomenon had made African economies highly susceptible to external developments and with detrimental effects on the interests of the continent (art.9).

The proposed way out was collective self-reliance and self-sustainment as is expressed in the LPA document:

Faced with this situation, and determined to undertake measures for the basic restructuring of the economic base of our continent, we resolve to adopt a far-reaching regional approach based primarily on collective self-reliance (art.1).

The LPA's reliance on the dependency theory has been acknowledged by its own architects, Adebayo Adedeji and other scholars. For Adedeji, LPA is a development strategy "combining contemporary *dependencia*, environmentalism, and human needs with indigenous and long standing values and priorities" (Adedeji, 1983, p.3). According to Timothy Shaw, although LPA is an African version of internationalist social democracy *à la Keynes*, its mix of nationalist, populist and continentalist strands embodies *dependencia* values (Shaw, 1983, 1984). Browne and Cummings (1987) compared the LPA and the Berg report of the World Bank on Africa¹⁵, and argued that LPA was a reaction to the excessive dependence of the African economies on the economic health of the West that was being exposed with starkness and which it was no longer possible to ignore. For Osei Prempeh,

¹⁵While the LPA was produced by United Nations Economic Commission for Africa (UN-ECA) on the demand of African ministers of planning, the Berg report was produced by the World Bank on the request of African ministers of finances. While the LPA is economically inward oriented, the Berg report is economically outward oriented. It is difficult to understand the dynamics of international relations that went on in this difference of vision among the ministers of the same continent and the World Bank. However, since the global economy was at stake, it is possible that the World Bank invited or rather influenced the African ministers of finance to embrace the kind of economic philosophy that was being developed within it (see Ajei, 2007).

[LPA] was framed around the need to question the neo-colonial nature of the economy by de-emphasizing its export orientation and to get Africa to start producing for its own internal needs... and to ensure a development process that was internally guaranteed and sustained (Prempeh, 2001, p. 573).

Taylor (2002, 2005) understands the rationale of LPA to be that of tackling the legacy of underdevelopment left by Africa's insertion into the global capitalist economic system. Owusu (2006) talks of the LPA being a classic dependency interpretation of African crisis as it exonerated African leaders and blamed the historical injustices suffered by the continent and the continued dependence on external forces for the crisis. Ikome (2007) argues that insofar as the dependency theory was the most popular interpretation of the Third World situation among less developed countries, it strongly influenced the formulation of the LPA as a collective self-reliance strategy. Ikome's point is strengthened by the fact that "much of the academic work on Africa in 1970s was rooted in dependency approaches which were the dominant paradigm in African studies" (Ravenhill, 1988, p.181).

For the architects of the LPA, the dependency theory served a double purpose. First it served as a method of social analysis that helped the less developed countries to locate their disadvantageous economic position in the global economy. Secondly it served as an approach on how they could extricate themselves from the economic situation they were facing.

As a method of social analysis, the dependency theory became a tool that helped the architects of the LPA to perceive that the cause of Africa's poor economic performance lay in the process by which Africa had been integrated into the world economy (Taylor, 2001/2002, p.6). Like most of other less developed countries, Africa was integrated in the world economy as a supplier of primary commodities and as a consumer of processed goods. According to Carderisi (2006, pp.156ff), such a disadvantageous economic situation of less developed (African) countries was not conjectural but structural. After World War II, the purpose of the World Bank was to help the war-battered economies and help poor countries particularly the formerly colonised to climb the economic ladder and ensure global economic prosperity. Everyone was expected to benefit from this process. Developed countries would have ready markets for what they already produced, while less developed countries would supply raw materials and eventually move into light industries as richer countries moved into more

sophisticated products. This is what is referred to as Ricardo's "principle of comparative advantage."

This principle of comparative advantage has two aspects that, in the end, justify the consideration of the dependency theory in the African political economy. Firstly the volume and patterns of demand of exports were determined by the market of developed countries. According to Asante (1992, p.40), the implication was that the economic strategies of less developed countries were based on foreign markets, whereas the developed countries based their strategies and plans on domestic markets and available resources (Asante, 1992, p.40). Secondly the purchasing of processed goods, of which the price was higher than the price of primary commodities, meant the continual run of foreign exchange reserves (Taylor, 2001/2002, p.6; Kay, 1975; Amin, 1976; Frank 1975; Wallestein, 1974, 1979; Cardoso & Faletto, 1979). Since foreign exchange was no longer sufficient, African countries depended on aid and/or borrowing of which the consequence was the debt burden.

Thus the dependency theory as a method of socio-economic analysis helped the architects of LPA to draw the conclusion that the international economic system is inherently skewed towards entrenching the interests of the developed countries while dooming the less developed countries through an inequitable commodity exchange, thus perpetuating dependency (Ikome, 2007; Fine & Yeo, 1997, p.432). It is from this perspective that much of the African poor economic performance was attributed to the economic dependence of African countries and their external orientation.

That the architects of LPA used the dependency theory as a method of social analysis to see what was wrong in international trade might not have been a problem in itself. The problem is that they might not have been clear about how a value system ultimately leads people to produce a kind of economic ordering that responds to who they are and what they value. It may be true that the architects of LPA were not interested in the question of how the dependency theory was arrived at, but rather how it could lead Africa to economic development irrespective of the underlying value system. Thus, Amin (1990), a leading African dependency champion sees LPA as an expression of the dependency theory, but laments that its failure lies in its lack of an alternative methodology consistent with the option of auto-centric development that is proper to Africa. He argues that LPA is defined solely in quantitative terms and remains at the level of the economists' argument (Amin, 1990, p.59).

Besides being a method of social analysis geared to understanding why the African economy performs poorly, the dependency theory was also used as an approach to inform how Africa could extricate itself from its situation of economic underdevelopment. According to Osei (1991), there were two competing options of development from which African policymakers had to choose. The first one was the capitalist development which promised some measure of economic growth, but at the cost of economic dependence. The second option was the socialist development which promised some measure of autonomy, but at the cost of economic poverty.

Thus, two approaches to economic development emerged. The first was the revolutionary approach to development with as proponents Julius Nyerere, Kwame Nkrumah (in his post-coup era), Jerry Rawlings, Franz Fanon, and certain African scholars who called themselves scientific socialists. Drawing on the experience and the reflections on the economic development in Latin America, its proponents argued that Africa's poverty and underdevelopment could not be understood without reference to the exploitation of the continent by the forces of colonialism and neo-colonialism or imperialism. They believed that Western political and economic expansionism was responsible for the present condition of economic depravity and poor performance. They argued that the key to Africa's development would be total decolonisation. For African countries to achieve authentic economic growth, they had to detach themselves totally from the powers of colonialism.

The second is the pragmatist approach to development defended by Leopold Senghor, Awolowo, Houphouet Boigny, Milton Obote and Jomo Kenyatta. The proponents of this approach argued that total decolonisation was neither possible nor a prudent move because of its potential socio-economic and political consequences. They suggested that African countries should cooperate with Western capitalist countries as well as Marxist countries in order to accelerate national development efforts by reforming their economies and political structures.

The architects of the LPA preferred the revolutionary path which advocated economic decolonisation with its values of autonomy, self-reliance, and self-sustaining, and were thus compelled to rely on the already established dependency theory (Osei, 1991, pp.84-88; Gyekye 1998; Ajei, 2007). The LPA document expressed it as follows:

The same determination that has virtually rid our continent of political domination is required for our economic liberation. Our success in exploiting our political unity should encourage us to exploit the strength inherent in our economic unity (...). To this end, certain basic guidelines must be borne in mind: (...) (iii) Africa must cultivate the virtue of self-reliance (...); (iv) as a consequence of the need for increased self-reliance, Africa must mobilise her entire human and material resources for her development (arts. 13&14).

However, there are two arguments that reject the LPA's reliance on the dependency theory. The first is that of Robert Cummings who questions the African authenticity of the plan. Cummings argument is as follows:

The LPA was constructed by Africans primarily with strong Western economic backgrounds and experiences. Their economic worldview and perspective regarding Africa and its attendant problems were not very different, in fact, from those of other Western-trained economists, financiers, and planners. As a result, the subsequent LPA did not receive the benefits of Africa's own local economic, socio-cultural histories and inputs. (Cummings, 1992, p. 33)

Cummings is right to question the African authenticity of LPA by pointing out the lack of an African basis for the plan. However, he seems to undermine its dependency interpretation by arguing that the architects of the LPA had a Western economic background and experiences. Nevertheless, what deprives the plan of "the benefits of Africa's economic, socio-cultural histories and inputs" is not the background Cummings points out, but rather the kind of analysis that led to the perception of Africa's unfair position in the global economy as well as the approach adopted towards extricating the continent from such position. Such analysis and approach gave the plan a dependency interpretation which, as already pointed out, was the dominant paradigm in African studies in the 1970s.

The second view is that of Ajei (2007) who argues that the LPA is a blend of ideas of the dependency theory and neo-liberalism. For instance, Ajei (2007) argued that the call for convergences of African economies indicates key tenets of neo-liberal perspective which was emerging at the time the plan was being drafted. Indeed the LPA was issued at the time when the neo-liberal wind started to be strongly felt. However LPA contained ideas which are totally

the opposite of what the neo-liberal theory of development preached: the sovereignty of the market and the withdrawal of the state in economic affairs. Furthermore, the convergence of African economies was geared to mutual support of African states so as to achieve national, regional and continental self-reliance rather than the free market defended by neo-liberalism. Finally, neo-liberalism meant free international trade at the time when African countries were suspicious of the over-dependence of the continent's economy, as is made clear in the article 9 of the document already mentioned.

Even if it were true that LPA made some concession to “free” international trade, such a concession is done in a way that does not betray its dependency interpretation. In the international trade, maximum priority is given first to that which fosters the intra-African cooperation (arts.70, 250), cooperation with other developing countries, and cooperation with developed countries having centrally planned economies:

Measures should be taken to diversify, both geographically and structurally, Africa's trade patterns. These include: (a) Systematic exploitation and exploration of trade and economic cooperation potentials with other developing regions and countries (...); (b) Promotion and expansion of trade and economic cooperation with the developed countries having centrally planned economies, taking into account Member States' due right to determine their own individual policies in this respect; (c) Measures to ensure control of foreign trade by national structures, whether this is effected by way of state intervention or private indigenous corporations, or a combination of both (art. 251).

So far, I have argued that the LPA is premised on the dependency theory which has its ultimate foundations in the Latin American cultural identity. Besides the fact that the LPA was prepared in Africa by Africans, its philosophical foundation is not African. This might have weakened its chance of success.

It is true that Latin America shares with Africa certain features such as the historical experience of colonialism, a disadvantaged position in the global economy, poverty, and even part of its population is African as a result of slavery. However, the unique and special individual of Latin America is not the African individual conceived of as ontologically part of the community as it will be seen later. Humanism could be seen as a common ground for Latin

America and Africa insofar as it contrasts with Western Puritanism, utilitarianism, pragmatism and easily accommodates, though differently, some version of socialism for both. However, as will be seen in Chapter Three, the Latin American humanism differs from the African type insofar as the latter is defined in terms of the human being's relation to nature and the structure of African society. Finally, Latin America has a nuanced anthropological heterogeneity which, as seen earlier, unfolded in *conciencia* of *mestizaje* or *mestizo* consciousness. Africa is, to a greater extent, anthropologically homogeneous.

I am quite aware of the economic, political, and the structural aspects explaining the failure of the LPA. In effect, many reasons have been given as to why the economic situation continued to worsen in spite of the adoption of the strategy of the LPA. These include the international economic environment (Rasheed & Sarr (1991), lack of support to the plan itself (Owusu, 2003; Browne & Cummings, 1985), conflict between the LPA and the interests of the global economy, natural disasters, and Afro-pessimism (Browne & Cummings, 1985; Bujra, 2005). All these explanations are real and understandable. However, the question is: Could the challenges of life be met if people did not refer to their roots beyond what a borrowed theory of development alone could offer?

Having dealt with the Lagos Plan of Action in relation to the dependency theory, I shall now turn to NEPAD in relation to the neo-classical theory of economic development. I will argue that, as is the case for the LPA, the philosophical basis of NEPAD is not African. To achieve this, I will first consider the characteristics of the culture that gave birth to economic liberalism. I will then outline how this liberalism was perceived as a counter revolution which is currently called economic neo-liberalism, upon which NEPAD is seemingly premised.

2.4 The Neo-liberal Theory of economic development in relation to NEPAD

2.4.1 Defining economic neo-liberalism.

Economic neo-liberalism, which is also referred to as the “neoclassical counter-revolution”, is very complex and difficult to grasp. In simple terms, neo-liberalism refers to the perspective of economic development which suggested a return to a minimal state interference in the economy after Keynesianism had advocated greater involvement of the state (Todaro, 1989).

For Daniel Yergin and Joseph Stanislaw (1998, p.16), neo-liberalism is a “reassertion of traditional liberalism” which “represents a rebirth, indeed a reconnection with its heyday in the 19th century”. This “traditional” or rather classical liberalism had been disrupted by the economic depression of the 1930s which led to a large scale intervention of the state to correct the market failures in the development process. This was done through government planning for the promotion of target industries and other labour-intensive projects during the economic slump to counteract unemployment (Hayami, 2003, p.3). The state involvement in the economy continued almost three decades after World War II. However, in the 1970s, the failures of the state led Import Substitution Industrialisation in Latin America and in certain African countries, as well as the failure of centrally planned economies of socialist countries, prompted economists of the World Bank and the International Monetary Fund (IMF) to suggest that the market mechanisms be given the driver’s seat in development policies.

According to Lee Mudge (2008) neo-liberalism has three dimensions. The first is the intellectual dimension which conceptualised the market as the source and arbiter of human freedoms. Among the representatives of this intellectual group there are von Hayek (1944, 1949), Milton Friedman (1962), the Chicago - trained economists, the intellectuals of the Mont Pelerin Society and the Institute of Economic Affairs in London. These neo-liberal intellectuals provided the political elites with explanations for the failures of Keynesianism and development policies and made recommendations for economic recovery. The second dimension of neo-liberalism is bureaucratic and refers to the set of economic policies of which the aim is to expel “the state out of the business of ownership and getting the politicians out of the business of dirigiste - style management” (Mudge, 2008, p. 704), or at most, keep the state’s role in the economy as minimal as possible. This dimension is represented by John Williamson with his repertoire of ten neo-liberal macro-economic prescriptions that constitute the Washington Consensus (Williamson 1990, 1993). Finally, there is the political dimension which seeks to redefine the responsibility of the state as well as the locus of its authority within the market-centric politics. Nowadays, in the context of the post-Washington consensus, this responsibility and locus of the state is limited to providing institutions of good governance and sound economic policies that accommodate the markets.

Accordingly, the proponents of neo - liberalism critiqued the excessive role of the state, the Import Substitution Industrialisation, and dependency theory. They dismissed the structuralists’

appeal to state intervention and dependency theory as unrealistic. They claimed that dependency theorists had little knowledge of neoclassical economic theory, and that economic underdevelopment was rather a consequence of poor economic policies in conjunction with the excessive state intervention in the economy.

The idea of minimal intervention of the state and the freedom of the market in the economic development is traceable to the modern era, which was characterised by major cultural and intellectual mutations in Europe. The aim here is not to review the historical development that gave birth to this cultural and intellectual shift, but rather to underline the fact that this new cultural worldview underlies the kind of economic development, namely (classical) liberalism which cannot be easily transferred to any culture other than that which generated it. I will do this by outlining the major characteristics of this cultural value system. The point is to show that this culture confers upon the individual a particular ontological status upon which liberal economics is built.

2.4.2 The characteristics of the culture that gave birth to Liberalism

There are nine features that characterise classical liberalism. The first characteristic of this culture is *human sovereignty* over the natural world. This aspect is better described by Klaus Nürnberger, in his book, *Beyond Marx and Market* (1998, p.31):

No part of reality is forbidden ground for human investigation and utilisation. There are no uncanny forces, magical powers, divine beings or eternal principles which human beings must fear, respect, or obey. Human beings are masters over the world.

This human sovereignty developed as a result of the intellectual developments of the seventeenth and eighteenth centuries. Francis Bacon refers to this by saying that science has given humanity the means to create a new world. Indeed, reality was henceforth discovered by means of investigation (the empirical philosophy of John Locke and David Hume), penetrated by logical thought (the rationalist philosophy of René Descartes) and manipulated for the desired result (technological advances thanks to the development of natural sciences such physics, mathematics, and chemistry). The implication of this was a kind of culture which gave

the human being a new way of looking at the world and affirming oneself. The human being becomes “the origin of language, the maker of history, the source of meaning in the world” (Ashley, 1989; Cf. Connolly, 1988).

The second characteristic of the new culture which is, in fact, the implication of the first, is the *individual sovereignty*. That the individual is sovereign means that the society plays a secondary role. As Connolly argues, the liberal variant of modernist thought has privileged the individual as the site of sovereignty; but also, the state, the community, the class, or the people have been invoked as providing that site (Connolly, 1988, p.3). Jeremy Bentham (1789) views community as a fiction and a collection of individuals and asserts that no objective social interest exists but only individual interest independently of the fictitious society. This aspect has been emphasised by a great number of thinkers. Their lowest common denominator is that they all speak of the autonomous subject and the subsequent personal responsibility that flows from it (See Harris, 2006, p.9).

The first philosopher who featured the autonomy of the individual was René Descartes with his famous principle: “I think therefore I am”. The implication of this principle was that people were now the creators of their own selves, their world and owed allegiance to no one other than their individual selves. John Locke was another defender of the individual self. He argued that people are equal and that every individual had a right to self-preservation. This self-preservation went with personal property. Every individual had a property in his own person. Locke shared his thought on the sovereignty of the individual with Thomas Hobbes, although the latter viewed the individual from a negative perspective as can be seen in his principle: “man is a wolf against man”. Yet this did not prevent him from sharing with Locke the view of the individual as an atomic unit sufficient unto self, interacting with others primarily in the pursuit of their self-interest (Ingersoll & Matthew, 1991, pp.37-38). Another important figure in the defence of the individual sovereignty was Kant. The idea that lurks behind his categorical imperatives is that the individual is the starting point of universality.

The third feature of modern culture is *freedom*. Freedom is the characteristic mark of the sovereign individual. Modern culture insists on freedom of individuals to organise their own lives and defines their ends, alone or in cooperation with others. According to Nürnberger (1998, p.30), freedom goes with the virtues of taking bold initiatives and using one’s gifts and talents for self-determination, self-realisation and self-responsibility. Freedom is associated

with individual choices (Sen, 1999, 2002), self-fulfilment and individual initiatives (Rose, 1992, pp.158-159). The British thinkers such as Locke, Hume, and Hobbes argued that all people possess the freedom necessary to secure their natural rights, that is, the rights that are not subjected to any authority other than that of human beings themselves.

The fourth feature of the culture that fuelled the classical liberal economy is the emphasis on *private property*. Private property is viewed as an expression of human potential and an indication of human creativity (Ingersoll & Matthew, 1991, p.39). According to Jean Jacques Rousseau, there is a link between freedom and private property. Private property is an important instrument to secure one's freedom. In fact, human sovereignty, individual sovereignty, freedom and the emphasis on private property are interlinked. Individual sovereignty without freedom can hardly be conceived of.

The fifth feature which is linked with private property is the notion of *self-interest*. This feature was emphasized by Hutchison, David Hume, Josiah Tucker, Furgeson, and Bernard Mandeville and, in a particular way, Adam Smith (see Haney, 1921). It is argued that the idea of self-interest might have originated from Bernard Mandeville who, in his *Fable of the Bees* (1729) argued that all mutual services which individual members of a society pay to each other depend on the multiplicity of wants. Josiah Tucker (1749) claimed that free trade policy is based on the harmony of interests, and that self-interest is the chief motive and corresponds in most cases to public interest.

The sixth feature of the culture that gave rise to liberalism is *materialism*. It is often argued that the basis of this materialism was the experimental science. Francis Bacon argued that natural philosophy is the only true philosophy; and that physics based upon the experience of the senses was the chief part of this natural philosophy. All science is based on experience and consists in subjecting the data furnished by the senses to a rational method of investigation. Furthermore, materialism was also obvious in Bacon's dichotomy between facts and values, matter and mind, emotional and rational, man and nature, secular and spiritual. Locke and Hume who are said to be the fathers of empiricism gave a philosophical ground to materialism. Locke, for instance, argued that knowledge is based on experience as derived from the senses. For Hume, the world consisted of atomic sensible events. The order and combination of such events could be studied experimentally and scientific laws could be formulated. For Hume, there was no causal connection between events. One's knowledge was limited to the present

events in one's own experience. August Comte's rejection of religious and metaphysical explanation of the world in favour of the positivist explanation can be understood against this backdrop.

The seventh feature is rather an aspect of the materialist outlook: a new sense of value. It could be referred to as the *quantification of value*. According to Bentham, the human being is governed solely by the hedonistic principle of seeking pleasure and avoiding pain, and utility maximisation is the only standard of evaluation. He further argued that money was the most accurate measure of the quantity of pain or pleasure a human being could be made to receive (see Heney, 1993, p.93). Thus, the valuation of what was good or bad, profitable or not, pleasure or pain, rested solely on the subjective judgement of the individual with money as the measure of welfare (Bentham, 1954, pp. 437-438). Such notion of value is also connected with individual freedom and self-interest. Bentham argued that the best judge of value or interest was the individual. Yet if what is good or bad, pleasure or pain can only be evaluated in terms of quantity and not in terms of quality (exchange value), the human beings are only evaluated in terms of what they can do and not what they are, and thus are themselves material things.

The eighth feature which is also an aspect of materialism is the *instrumentalisation of labour*. Bentham argued that the love of labour is a contradiction in terms. From the utilitarian point of view, labour is not undertaken for the benefit of those performing the labour but for those hiring labour power to generate exchange value. Workers must be bribed to expend effort through payment of wages. Even Adam Smith tended to limit productivity to a vendible commodity to the extent that people themselves tend to be viewed as commodities. Hume argued that everything is purchased by labour; and that our passions are the only cause of labour.

The last or ninth feature of the culture that gave rise to liberal economy is the emphasis on *reason* as the regulator of everything. Reason is first of all the ground of the individual sovereignty and freedom. For Ashley (1989) "the reasoning man achieves total knowledge, total autonomy and total power whose use of reason enables him to see himself as the source of meaning in the world."

The traditional understanding of reason as the essential characteristics of human nature is seemingly discarded as reason was considered mostly from an instrumental perspective rather

than comprehensively. According to Hume, reason is and ought only to be the slave of the passions and can never pretend to any office other than to serve and obey them. Hume's conception of reason coincides well with the feature of materialism already discussed. The "empiricist" understanding of human reason has implication for economic processes. In a culture where people are motivated by their desire to acquire things, reason serves the function of instructing them on how to secure these desires most efficiently (Ingersoll & Matthews, 1991, p. 38). From the contractual point of view, reason is thought of as an important instrument to deal with conflicts which arise because self-interest leads people to desire the same object. Reason is thus used to discover ways in which their self-interests may be served better. It is said that when individuals use their reason and industry in the pursuit of personal gain, everyone in society gains. From a scientific point of view, one may highlight this critical observation of Alasdair Macintyre:

Reason is just calculative; it can assess truths of fact and mathematical relations but nothing more. In the realm of practice therefore it can speak only of means. About ends it must be silent (Macintyre, 1984, p.54)

The above characteristics underlie a cultural value system which gives the individual a particular ontological make-up. People in turn arrange all the aspects of life in a way that responds to this ontological make-up.¹⁶ Thus classical economic liberalism can be understood against this background. Benedict Spinoza is thought to have said that he was: "a free man who lives according to the dictates of reason alone" (Spinoza cited by Rutherford, 2008, p.500). Freedom was not only freedom of the mind but also freedom of action in economic field. According to Hayek (1974), the mind chooses the ends of human action and their realisation depends on the availability of the required means, and any economic control which gives power over the means, also gives power over the ends. The appeal to a minimal involvement of the state in economy was the outcome of such a culture and the ontological status it produced. Adam Smith whose economic thinking has been revived as a ground of universal economic development inherited from this culture and the ontological make-up thus produced. His assumptions of self-interest and laissez-faire economic policy developed within this cultural environment. That economics is concerned with wealth of the nations; that economic activity

¹⁶ Macintyre complained about the kind of individual that issues from this value system when he talks of the failure of the enlightenment project in terms of the loss of the ontological density of the individual life and of the society. For Macintyre, if any individual could now speak unconstrained by externalities of divine law, natural teleology, or hierarchical authority, why should anyone else now listen to him? (Macintyre, 1984, p.68)

lies in the pursuit of wealth, and that the mainspring of economic activity is self-interest, can only be understood against this cultural and individualistic ontological background.

I shall now consider the birth of economic neo-liberalism.

2.4.3 The birth of economic neo-liberalism

The culture whose features I have just outlined gave rise to classical economic liberalism. The salient characteristic of classical economic liberalism is the belief in free trade based on private enterprise, profit maximisation, perfect competition and consumer sovereignty (Todaro, 1985, p.610). Such free trade is thought to be the source of economic growth and the expansion of the possibilities of economic consumption (Gilpin, 1987, p.171). Free trade meant that government intervention was less likely to benefit the nation than government restraint in the economy (Harlen, 1999, p.736). The catalysis of free trade was believed to be the individual freedom to pursue self-interest as can be seen in Smith's explanation as to why bakers, brewers, butchers and consumers prefer trade rather than humanity. Similarly Mill advocated economic "laissez-faire" as a general trade practice.

However, even with this idea of *laissez-faire*, the classical economic liberals were not hostile to the state. They even defended its role which consists in providing public services, dealing with the inequality and poverty which survive in the market economy, and protecting citizens from what Adam Smith called "prodigals and projectors" who, through over-speculation, can "grip human beings in their breathless search for profits" (Sen, 2009a).

This liberalism resurfaced in the 1980s as a call to the traditional values that gave birth to classical economic liberalism. Hence came forth the concept of neo-liberalism. But one may ask what is really new in neo-liberalism. As far as the economy is concerned, what is new is the hostility to the state. According to Deepak Lal (2006, pp.49-50), the classical liberals were not hostile to the state, nor did they believe that government had only a minor role in economic life. They believed that the state was crucial in recommending economic policies and should even protect the national economy (Reinert, 2007). Adam Smith, for instance, saw three important functions of the state: the protection of the society from foreign invaders; protection of every member from oppression and injustice by other members of the society; and providing

and maintaining various public works and institutions which provided public goods. According to Deepak Lal (2006, p.51), Smith's view of the state is similar to Maynard Keynes' view that "the important thing for government is not to do things which individuals are doing already, but to do those things which at present are not done at all" (Keynes, 1926, pp. 46-47).

However, as neo-liberalism becomes more and more an international common-sense understanding of economic development (Berger, 1999, p.460), more voices from economists and policymakers are raised to request that the state be kept minimal and neutral so as to let the invisible hand of the market regulate the economic dynamism. For instance, Martin Feldstein (1974) argued that the social services and insurance in particular, fuelled consumption to the extent that harmed the nations' capacity to save; and this deprived industry and trade of the needed capital for future economic development. Roger Bacon and Walter Eltis (1976) asserted that the British high inflation and stagnating economy were caused by excessive government involvement and spending which placed a huge burden on the productive economy. For Charles Murray (1984), the social programmes of the state in the United States of America created serious work disincentives. Since the country's welfare system was excessively generous, people had no incentives to seek employment; and by being idle and dependent on government aid, they drained the productive economy. In his book *State, Anarchy and Utopia*, the political philosopher, Robert Nozick (1974) advocated a minimal state limited to the narrow functions of protections against force, theft, fraud, enforcement of contracts, arguing that going beyond these functions, the state would violate individual rights.

What could be considered as a common point of these neo-liberals is that the involvement of the state in the economy betrays the cultural value system and the individual's ontological make-up that gave birth to liberalism. Thus the rebirth of neo-liberalism lies in the liberal individuals claiming back their essential nature and the value system that underlies it.

I would like to consider two key figures whose thought have been central to the revival of classical economic liberalism, namely, Friedrich Hayek and Milton Friedman. The common point of Hayek and Friedman is that individuals should be allowed to conduct their life without state intervention, and that the role of the state should be limited to establishing optimal conditions for production such as supplying infrastructure, social order, and peace.

2.4.3.1 Friedrich Hayek

Hayek begins his economic thought by a reflection on individualism. He distinguishes two kinds of individualism. The Cartesian individualism is developed by thinkers inspired by Cartesian rationalism (Rousseau, the physiocrats, the encyclopedists). He argues that, in the Cartesian individualism, social processes can be made to serve human ends only if they are subjected to the control of individual reason. For Hayek, this kind of individualism gives rise to socialism and collectivism. Hayek does not explain how Cartesian individualism is linked with socialism and collectivism. One would rather understand the Cartesian “I think therefore I am” as leading to individual self-consciousness to the extent that the individual could be considered as unaided master of oneself and the world around.¹⁷ The second kind of individualism is the one developed by British thinkers (Locke, Hume, Tucker and Smith). For Hayek, this is the true individualism which he re-articulates as follows:

If left free, men will often achieve more than what human reason could achieve or foresee. In other words, the only way towards an understanding of social phenomenon is through the understanding of individual actions directed towards other people and guided by their own inspired behaviour (Hayek, 1949, p.6).

Hayek claims that this kind of individualism allows him to find a set of institutions by which people could be induced, by their own choices and motives which determine people’s ordinary conduct, to contribute as much as possible to the need of all others (Hayek, 1949, pp.12-13). For Hayek (1949, p.13) self-love or self-interest is the universal mover, a moral attitude thought to be widely prevalent. Hayek supports his view of self-interest with the Christian idea of individual conscience. People, he argues, must be made to follow their conscience in moral matters. Translated into the economic language, this means that people should be free to make full use of their knowledge and skills. They must be guided by their concern for particular things which they know and for which they care, if they are to make a contribution to the

¹⁷ It is true that, as Hayek himself points out, Rousseau starts from the rationalistic individualism and ends in some kind of collectivism as his idea of the general will suggests. The general will is thought to be a collective will in which the individual will and egoistic interests dissolve. Rousseau starts from extreme individualism and ends with extreme collectivism understood as the republic, state, body politic; but the value of these seems to be in their being able to protect the individuals and their interests in turn (see Osborn, 1940, p.23). In the same vein, the physiocrats start from rationalist individualism and end in a kind of socialism as can be seen in *Le Code de la Nature* of Morelly (1755) as well as in Bodeau’s idea that “the state makes of men all what it wants”. However, I believe that there is a problem of interpretation of Descartes’ thought here. Descartes intended that his “thinking thing” be the kind of individual who is conscious of oneself, defines oneself, and defines the world. It is not clear how such individuals could allow themselves to be dissolved in collectivism and socialism.

common purposes of society. The market is an effective way of making people take part in a process more complex and extended than they could comprehend, and it was through the market that they were made to contribute to their ends.

What Hayek is saying is that “people are and ought to be guided in their actions by their interests and desires”. However, this does not mean that people are or ought to be exclusively guided by their personal needs or self-interests, but rather that they ought to be allowed to strive for whatever they think is best for them. Nobody can know who knows best; and the only way by which one can find out is through a social process in which everybody is allowed to try and see what one can do. However, Hayek’s individualism does not mean anarchy. Hayek sees the necessity of coercive power which, nevertheless, needs to be limited.

2.4.3.2 Milton Friedman

The second key figure in the revival of liberal economic philosophy is Milton Friedman. Friedman had first been a proponent of Keynesianism advocating high taxes. He progressively evolved to be a defender of liberal economy when he became a friend of George Stigler who, for him, was “classically libertarian” and a “consequentialist libertarian”.

Friedman (1962) recalls first that in 18/19th century, liberalism consists in the fact that freedom is the ultimate goal, and that the individual is the ultimate entity of the society. He discusses the role of competitive capitalism as a system of economic freedom and a necessary condition for political freedom. Linked with competitive capitalism is the role that the government should play in a society dedicated to freedom and relying on the market to organise economic activity. Friedman defends the *laissez-faire* economy as a means of reducing the role of state in economic affairs and enlarging the role of the individual in society. He also defends the free trade as a means of linking the nations of the world together peacefully and democratically.

Friedman argues that economic freedom is a means to achieve political freedom. In effect, economic arrangements are important because of their effect on the concentration and dispersion of power. From this he comes to the conclusion that competitive capitalism promotes freedom because it separates economic power from political power (Friedman, 1962, pp.8-9). Political freedom, he argues, comes with the free market and the development of

capitalist institutions. The market is a direct component of freedom in that it protects one's freedom impersonally without centralising authority (Friedman, 1962, p.12). On this very ground, Friedman argues that, if economic freedom were to be introduced into the countries governed by totalitarian regimes, it would result in political freedom. One can understand from this suggestion the tendency to link economic liberalism to political liberalism as is currently the case.

However, the neoclassical economics which both Hayek and Friedman strongly defend is organised around perfectly working markets; in which case the state could be kept minimal. But what guarantees that the market will work perfectly everywhere to justify the exclusion of the state from the economic procedures? Nevertheless, the liberal economic thought developed by Hayek and Friedman made a lasting impact on economists, consultants and policymakers working in international financial institutions or advising the donors' milieu. Following their argument, it is now suggested that market forces typically unleash growth, innovation and economic efficiency, whereas governmental regulations and expenditures upend economic growth, stifle entrepreneurship and generate inefficiencies in both the private and the public sectors (Head, 1988, p.466). Although this may be true in some cases, it does not follow that this can be made a universal law of nature. In effect, the experience of the East Asian economic miracles as well as the ongoing economic ascendancy of China and India proves that economic growth and development does not necessarily require the state to be kept minimal. Furthermore, as will be seen later, the shift from the Washington Consensus¹⁸ which was market friendly to the Post-Washington Consensus which is rather state friendly shows that, while the market may foster the value of economic success, it could equally undermine the value of equity.

To conclude this section, from what has been developed so far, it is obvious that the culture that gave rise to neo-liberalism flourished mostly in Western Europe and the United States. It is in these parts of the world that this culture got its intellectual anchoring (Mudge, 2008, p.708).

¹⁸ As I will explain later, the term "Washington Consensus" refers to a set of ten macroeconomic principles arrived at by the economic consultants of the World Bank, the International Monetary Fund and the United States Treasury department. These principles were supposed to catalyse the market economy in the developing countries after the involvement of the state in the economy of these countries presumably failed. But in the 1990s, the Washington Consensus was not successful and proved itself unpopular, particularly in most developing countries. Hence came a kind of second edition of the Washington Consensus commonly known as the Post-Washington Consensus. While it recognizes the importance of the market, the Post-Washington Consensus rehabilitates the state beyond the minimal role which the Washington Consensus hitherto assigned to it.

Neo-liberalism itself acquired a full-blown hegemonic force and internationalisation mostly from Anglo-American academic circles considered as the think tanks of the market-led capitalism (Foucarde, 2006, p.152& 157; cf. Ntibagirirwa, 2009, p.301).

In the following section, I will endeavour to establish and assess the fact that NEPAD is built on the above theory of economic development.

2.4.4 NEPAD and the Neo-liberal Theory of economic development

The objective of this section is to establish that NEPAD relied on the neo-liberal theory of economic development of which the cultural characteristics have been outlined, and therefore, that its philosophical foundation is not African. I consider and refute arguments that deny the neo-liberal basis of NEPAD. The first is the view that NEPAD is also an economic expression of the African renaissance developed in post-apartheid South Africa. Although this is indeed the case, the neo-liberal basis of the plan is not ruined, since the success of the African Renaissance project itself is premised on neo-liberalism. The second argument that will be considered and refuted is the idea that the use of concepts of “backwardness” and “catch up” gives NEPAD a modernist basis. I will argue that the use of these concepts is aimed at understanding Africa’s development as such and not to give NEPAD modernist prescriptions. Nor does the use of the concept of “underdevelopment” give NEPAD any dependency content.

The reliance of NEPAD on neo-liberalism can be directly read from the document itself as is obvious in the following:

- The African Renaissance project [...] depends on the building of a strong and competitive economy as the world moves towards greater liberalisation and competition (art.50);
- Promotion of policies and legislative frameworks that encourage competition and facilitate cross-border interaction and market enlargement (art.103. par.1; cf. arts.150 &151, pars.1&2);
- Promotion of the private sector (arts. 150,151, 163-164, 192);
- The government should remove the constraints to business activity (art.153);

- Allowance of the capital flow (foreign direct investment) by enforcing the security of property rights, regulatory framework and markets (art.151);
- Integration of the rural poor into the market economy (art.154, par.4; 155, par.8); and
- Trade liberalisation (particularly the three last paragraphs of art.159; arts.165-170).

These points are at the heart of the neo-liberal language. They constitute the backbone of the plan of action to integrate Africa into the global economy on the basis of greater liberalisation of the market as the source and arbiter of individual freedom and sovereignty. That NEPAD is rooted in the neo-liberal theory of economic development is underlined by various commentators of the document. Both optimists (Kanbur, 2001; Hope, 2002; Akinrinade, 2002; De Waal, 2002; Richard, 2002; and Edozie, 2004) and pessimists (Taylor & Nel, 2001; Adedeji, 2002; Turok, 2002a; Turok, 2002b; Nabudere, 2002; Bond, 2002; Adesina, 2002a; Adesina, 2002b; Ukiwo, 2003; Adesina, 2004; Taylor, 2005; Lesufi, 2004; Lesufi, 2006; and Ajei, 2007) concur on the idea that NEPAD is premised on “neo-liberalism which has become a code word for the contemporary development theory” (Tendon, 2002).

Jimi Adesina (2002a, 2002b) and Randriano (2002) argue that NEPAD is driven by the neo-liberal logic of the Washington Consensus in so far as it takes the positive aspects of it and attempts to promote global integration of Africa into the international economy from which it has been marginalised (Kahn, 2004, p.221). It is important to understand first what “Washington consensus” is and see how NEPAD links with it. The concept of the “Washington consensus” was used the first time in 1989 by John Williamson (see 1993, 2000) to describe a series of neo-liberal macro-economic policies that were presumably aimed at helping the developing countries to recover from the development crisis. The Washington Consensus consisted of the following ten (macroeconomic) principles:

1. Fiscal discipline;
2. Concentration of public expenditure on public goods including education, health and infrastructure;
3. Tax reform toward broadening the tax base with moderate marginal tax rates;
4. Interest rates to be market determined and positive;
5. Competitive exchange rates;
6. Trade liberalisation;
7. Openness to foreign direct investment;
8. Privatisation of state enterprises;

9. Deregulation: abolishment of regulations that impede entry or restrict competition, except for those justified on safety, environmental, and consumer protection grounds, and prudential oversight of financial institutions; and
10. Legal security for property rights.

These prescriptions were a lowest common denominator of the economists of the World Bank, the International Monetary Fund and also the United States Treasury Department. The word “consensus” was used to mean the convergence of these financial institutions. What lies behind these ten principles is the claim that the free market system and the freedom of the individuals to pursue their own interests are the prerequisites for economic growth and economic development to take place in any society. Thus the main argument of the Washington Consensus was that,

[I]f a developing country were to implement liberal macroeconomic policies to expand the role of the private market at the expense of the state in resource allocation, then it would achieve sustained high growth rates on its own” [and therefore, economic development] (Woo, 2004, p. 11).

The architects of NEPAD seem to have applied this economic advice. The table below (Table 1) shows how NEPAD could be seen as a response to the principles of the Washington Consensus. In table 1, each of the ten principles of the Washington Consensus is shown to find an expression in the NEPAD document.

Table 2-1: NEPAD's application of the Washington Consensus principles

| Principles of Washington Consensus | NEPAD |
|---|---|
| Fiscal discipline. | Developing appropriate standards and targets for fiscal and monetary policies (art.49, par.3). |
| Concentration of public expenditure on public goods including education, health and infrastructure. | See sectoral priorities (arts. 96-114). |
| Tax reform toward broadening the tax base with moderate marginal tax rates. | Improvements in the public revenue collection systems (art.144) More effective tax collection to increase public resources. |
| Interest rates to be market determined and positive. | Promotion of financial markets (art.151, par.3, 7). |
| Competitive exchange rates. | Sustained economic growth based on competitiveness (arts.64; 69, par.3). |
| Trade liberalisation. | The African Renaissance project [...] depends on the building of a strong and competitive economy as the world moves towards greater liberalisation and competition (art.50); promotion of policies and legislative frameworks that encourage competition and facilitate cross-border interaction and market enlargement (art.103. par.1, cf. arts.150 &151, pars.1&2, 167); reduce export taxes (art.166); removal of non-tariff barriers (art.170). |
| Openness to foreign direct investment. | Allowance of the capital flow by enforcing the security of property rights, regulatory framework and markets (arts. 144, 151, 166). |
| Privatisation of state enterprises. | Promoting the private sector (arts. 163-164, 192; See also arts. 86, 150,151). |
| Deregulation. | The government should remove the constraints to business activity (art.153). |
| Legal security for property rights. | Enforcing the security of property rights, regulatory framework and markets (art.151). |

Besides the fact that it is problematic to claim that “one economic policy fits all” which would fall into an economic universalism which ignores the particularities of each society, there was the fact that these economic policies of the Washington Consensus had negative consequences on the poor in less developed countries. In certain developing countries that adopted these economic policies the economy sank deeper than the initial level. In countries of Sub-Saharan Africa, the poor economic performances were accompanied with the collapse of the state as well as the deterioration of social conditions (World Bank, 1993; cf. Hayami & Akiyama, 2003, p.20, Sawamura, 2004). Maybe it is here that NEPAD does not conform with the sole logic of the Washington Consensus but also embrace that of the Post-Washington Consensus (Adesina, 2002; Randriamaro, 2006). Yet, this does not give NEPAD an ultimate African basis either.

While the Washington Consensus is confined to market competition for resource allocation, the Post-Washington Consensus broadened the scope to include non-market factors such as social norms and power balances. Thus, contrary to the Washington Consensus, the Post-Washington

Consensus allows for more than just a minimal state involvement in economic procedures, and makes poverty reduction the immediate objective of economic development. In developing countries, the role of the state is to work out sound economic policies and good governance that lead to economic development and poverty reduction, yet remain within the confines of the freedom of the market (World Bank, 1998, 2000; Burnside & Dollar, 1998, 2000).

The rehabilitation of the state and its role in poverty reduction and development as suggested by the Post-Washington Consensus is obvious in the NEPAD document, as can be seen in its very definition:

This New Partnership for Africa's Development¹⁹ is a pledge by African leaders, based on a common vision and a firm and shared conviction, that they have a pressing duty to eradicate poverty and to place their countries, both individually and collectively on the path of sustainable growth and development (art.1).

In terms of the programme of action of NEPAD, the state plays a double role. The first is the political role and consists of making good governance its priority. This good governance has two aspects. The first aspect is political governance which consists of peace, security, democracy and sociopolitical stability (arts. 71-85). These are the social and political conditions which constitute the context which could allow economic development to flourish. The second aspect is economic governance (economic and corporate governance) (arts. 86-95). This consists in providing policy and regulatory frameworks that would facilitate the flourishing of the private economic activities, on the one hand, and the elaboration of sectoral priorities, particularly in the area of socio-economic infrastructures and human resources, on the other hand (arts. 96-143).

The “state intervention” could lead people to believe that, NEPAD is not neo-liberal in its basic orientation. This would be ignoring the fact that the Post-Washington Consensus (like the Washington Consensus) is informed by neo-liberal thought. Neo-liberalism is conceived in such a way that the kind of state intervention observed in NEPAD is not that which could be hostile to the market, resulting in the dichotomy state-market. It is the state intervention that is

¹⁹ Italics in the original

economically defined. The market defines what role the state should play and not the other way round. Tawfik is right to point out that:

The post-Washington consensus indicates the demise of the state –market dichotomy and the rise of a debate that is not concerned with state intervention *per se* but with the form and extent of that intervention (Tawfik, 2005, p.8).

Certain commentators of NEPAD reflecting on the concepts of ownership and partnership have adopted a softer position on the fact that the plan is rooted in neo-liberal grounds. They argue that NEPAD is equally based on the idea of the African Renaissance championed by the former South African president Thabo Mbeki (Ajulu, 2001; Adesina, 2002b; Mzamane, 2003; Edozie, 2004; Venter & Neuland, 2005; Owusu, 2006). Effectively, NEPAD is a combination of the Millennium Partnership for African Recovery Programme (MAP) of South Africa and the Omega Plan (OP) of Senegal. MAP was produced by an economic unit of the South African presidency in Pretoria, and was conceived of as an economic expression of the African Renaissance. Moreso, the idea of African Renaissance is expressed in the NEPAD document:

The African Renaissance project should allow our continent, which has been plundered for centuries, to take its rightful place in the world. It depends on the building of a strong, competitive economy as the world moves towards greater liberalisation and competition (art.50).

As is obvious in the said article, far from softening the reliance of NEPAD on neo-liberalism, it strongly consolidates it instead. The article suggests that, for the African Renaissance project to succeed, Africa must open itself fully to “greater liberalisation”. This “greater liberalisation” could be understood to refer to unreserved implementation of the ten macroeconomic principles of Washington Consensus. Their explicit or implicit implementation by certain countries throughout the world partly explains the fact of the global economy into which the architects of NEPAD would like to integrate the African continent. The “greater liberalisation” could also refer to market-oriented economies which are said to be on the increase (art.7). In this way, the architects of NEPAD invite those African countries which have not yet joined the neoliberal economy to do so.

According to Leon Tikly (2003, see also Brown, 1988; Woodward, 1996; Hale, 2000), the idea of the African Renaissance recalls two major things. The first is the historical idea of European renaissance which referred to the retrieval of humanism built on a set of values about human nature based on a belief in morality, the priority of the individual over the collective, and the development of the whole person and the active citizen. The second is the antithesis to the European Renaissance which derives from the criticism that European humanism is tainted with the violent negativity of colonialism and neo-colonialism (Young quoted by Tikly, 2003, p.544).

In Africa this criticism led to the affirmation of African humanism championed by Kenneth Kaunda in Zambia, the idea of negritude championed by Leopold Senghor in Senegal, the black consciousness of Steve Biko in South Africa, and authenticity preached by Mobutu Sese Seko in the former Zaïre (DRC). All these African ideologico-philosophical currents stressed the collective, people-centred and the spiritual nature of the African as contrasted with Western individualism and excessive rationality. For, Tikly, the idea of the African Renaissance of Mbeki is overwhelmed by a neo-liberal element that betrays the previous African perspectives. Mbeki's African renaissance is understood in terms of charting a path of economic growth and political development characteristic of the neo-liberal society. In other words, its economic content is an espousal of the neo-liberal, market solution to African problems.

There are certain alternative interpretations that tend to contradict the neo-liberal basis of NEPAD. Sally Matthews (2004) considers the concepts of "backwardness" and "underdevelopment" used in the NEPAD document. She points out that the concept of backwardness calls to mind the modernisation theory which understands development as a linear process through which all societies progress, discarding backwardness and the traditional beliefs and values that underpin it as modernity is embraced (Matthews, 2004, p.498). Matthews is not the only one who makes this observation of the modernist ground of NEPAD. The G 6 Billion People's Summit held the view that NEPAD is neck deep in modernisation with its "catch up" mentality (cited in Ukiwo, 2003). However, "catch up" is not necessarily synonymous with modernisation. To engage in the process of "catching up" as far as economic

development is concerned does not necessarily mean that one must follow the prescriptions of the modernisation theory.²⁰

The modernisation theory, as referred to earlier, requires developing countries to give up their traditional beliefs, values and attitudes so as to embrace those of modernity. The architects of NEPAD acknowledge Africa's rich cultural legacy (NEPAD, 2001: arts.10, par.4; 179) and even suggest as a way of bridging the digital divide, the development of "local-content software, based especially on Africa's cultural legacy" (NEPAD, 2001: art.107). Furthermore, they suggest that indigenous knowledge should be protected and utilised in so far as it represents a major dimension of the African continent's culture (art.140). This is contrary to the claims of modernisation theory. However, I am not saying that the fact that architects of NEPAD acknowledge Africa's rich cultural legacy means that the economic policies of NEPAD are a validation of that African cultural legacy.

Matthews points out that the concept of "underdevelopment" is reminiscent of the dependency theory which understands the Third World to be in a state of underdevelopment as a consequence of exploitation by the developed countries. This seems to be the case since the architects of NEPAD use the concept of underdevelopment repetitively (it is used six times: arts.1, 6, 14, 25, and 46) and refer to colonialism and the workings of the international economic system that impoverished the African continent (art. 18), as well as the fact that "Africa has been integrated into the world economy as a supplier of cheap labour and raw materials" (art. 19). This was indeed the accusation which the dependency theorists directed against the architecture of the global economy.

NEPAD might meet the analysis made in the dependency theory concerning the economic realities of Africa. However, it cannot be concluded on this ground that NEPAD relied on the dependency theory. In fact, the main suggestion in NEPAD is the integration of Africa into the global economy on the basis of liberalisation of African markets and allowing the free flowing

²⁰ There is certainly a point where neo-liberalism meets the modernisation theory. This point is most likely to be found in their Western cultural assumptions of economic development. However, neo-liberalism and modernisation differ in the way they approach the same issue of economic development in developing countries. While the modernists insist that the developing countries should do away with the traditional beliefs and attitudes in order to engage in the process of economic development, neo-liberalism limits itself to how the state is a hindrance to the same process of economic development. One would believe that, for the modernists, in the developing countries, even the state could achieve economic development provided it embraces the beliefs and values of modernity.

of financial capital, while the dependency theorists suggest de-linking or withdrawing from the global economy so as to achieve self-reliance.

In the same way the reference to the concept of “self-reliance” in article 27 differs greatly from its use in dependency theory. The concept of self-reliance in the NEPAD document refers to the creation, by Africans themselves, of the conditions such as good governance and the working out of “right” economic policies that could allow the integration of the continent into the market economy. In other words, the concept of self-reliance refers to “ownership” which is central to the NEPAD document.

Pretorius and Patel (2002) argued that NEPAD borrowed heavily from both modernisation and dependency theories, and thus uses an eclectic combination of modernisation and dependency as its framework. Effectively the concepts of “underdevelopment”, “backwardness”, and “catch up” used in the NEPAD document could lead one to believe that its architects refer to the modernisation and dependency theories. However, in using the concepts of “backwardness”, “catch up”, and “underdevelopment”, the architects of NEPAD are by no means interested in the modernisation and dependency theories *per se*. Rather these concepts are used to understand better the concept of development as such and the problems of development that puzzle African political economy when compared to the rest of the world. They are not used to give a modernist or dependency content to NEPAD.

Matthews argues that the acceptance of the assumptions of these theories is geared to underlining the fact that there is one desirable future for all humanity as far as economic development²¹ is concerned. She still wonders whether this “desirable development” (whatever it may be) may not lead African economy back to the modernisation perspective. However it is possible that there could be one desirable economic development, but different perspectives to

²¹One should be aware of the problem of defining economic development. For instance, economic development was often equated with “economic growth”, that is, the measurable opulence of a given society. The measurement of economic growth considers aspects such as Gross Domestic Product (GDP). However, that the GDP has increased in a given country does necessarily mean that it is economically developed. For instance, Gabon has one of the highest GDP in the world as a result its oil exports, but it is not economically developed. Economic development has also been defined in reference to such things as wealth, happiness, individual income, as well as individual well-being. Economic development cannot be limited to the utility achieved. As Sen would say, welfarist or utilitarian definitions of economic development do not pay attention to the freedom to pursue well-being. Economic development can also be defined by considering the access to what John Rawls (1971, 1996) referred to as the primary goods (income, wealth, opportunities, and social bases of self-respect). This definition also does not give a complete picture of economic development. The Blacks and other ethnic minorities in the United States of America are said to have access to these primary goods compared to some people in certain parts of the world, but they are not economically developed.

achieve it. In fact, one of these perspectives is the point to be defended in this research, that is, that economic development has to be the validation of the beliefs and values that structure a people's identity.

At this juncture the question could arise why NEPAD opted for the neoliberal theory of economic development despite the availability of other alternatives such as the “social market economy”²² (which allows the government to be close to the people and in which economics and politics are not quite as divorced as is the case in neo-liberalism) (see Friedrich, 1955, p. 511), and the East Asian type of corporate capitalism or even state capitalism. I would like to outline three main reasons here.

The first reason is the fact of economic globalisation. Economic globalisation marks a new era in which people everywhere are increasingly subjected to the discipline of the global market (Ohmae, 1990, 1995; Guehenno, 1995; Strange, 1996). The indicators of human progress today are said to be the emergence of a single global market with its principle of global competition. The characteristic of the global market is the denationalisation of economies through the establishment of transnational networks of production, trade and finance.

In the opening article, the NEPAD document makes it clear that its aim is to extricate Africans from their exclusion from a globalising world, and considers economic globalisation as providing “the context and a means for African rejuvenation” (art. 28). In fact the whole section (arts. 28-41) makes the point that participation in the global economy through free trade will attract investments and aid to make economic growth and development possible.

The second reason why the architects of NEPAD might have embraced the neo-liberal theory of development is to boost aid and its effectiveness as expressed below:

The United Nations Millennium Goals adopted in September 2000, confirm the global community's readiness to support Africa's effort to address the continent's underdevelopment and marginalisation. [...]The Declaration further

²² Social market economy is technically called ordo-liberalism. Contrary to neo-liberalism, ordo-liberals believe that economic dynamics are embedded in politics and so reject the view that the market is a self-dependent. Among the proponents of this economic thought, one could mention among others, Wilhelm Röpke (1948), Friedrich (1955). Hayek was once counted among the ordo-liberals. But afterwards, he broke from this school of thought, particularly because of the question of whether capitalism was self-destructive and a polarizing force which could be blamed for both World Wars.

points to the global community's commitment to enhance resource flows to Africa, by improving aid (art.46).

To meet the International Development Goals (IDGs) Africa needed 64 billion US dollars annually. The major part of the amount was expected to come in the form of aid (art.144). Although Japan and China are increasingly counted among the major donors for Africa, the required aid to finance NEPAD was expected to come mostly from the traditional Western donors and International Financial Institutions (IFI). These Western donors and financial institutions happen to be the major champions of the neo-liberal economic credo. They are credited to have pushed the neo-liberal economy to such level of international common-sense understanding of economic development that any other alternative could be hardly thought of. Furthermore the same donors and financial institutions happen to be the most politically influential in Africa and in the international power relations (Berger, 1999, p.454, Williamson cited by Kahn, 2004, p.215).

The third reason why the architects of NEPAD embraced the neo-liberal theory seems to be the principle that: "if you cannot defeat them, join them". In the years following independence, most African countries rejected certain economic policies simply because these were pursued by the former colonial countries, and thus associated with colonialism (Mudimbe, 1988; Sachs & Warner, 1995; Collier & Gunning, 1999). The LPA preference for the dependency theory against the neo-liberalism of which the thought and the practice were already available could be seen against this background. The demand made to African countries to liberalize their economy was seen as neo-colonialism. The World Bank's agenda of *Accelerated Development in Sub-Saharan Africa* (1981) which conflicted with LPA's agenda was also perceived in this way. Accordingly, in the 1980s and 1990s, neo-liberalism was unpopular and met a lot of resistance in most African countries. Williamson (in Kahn, 2004, p.215) argues that sub-Saharan Africa moved "spottily and grudgingly, too often under foreign pressure rather than out of conviction". Such pressure made it difficult for the architects of NEPAD to envisage any other alternative.

Thus NEPAD talks of "new circumstances" (art.42), "the new phase of globalisation" which reshapes international relations (art. 43), and uses the language of "ownership" and "partnership". One may understand "ownership" to mean the neo-liberal economy should not be resisted but owned so as to make it work in Africa. The developed countries hitherto seen as neo-colonial powers should now be seen as partners in development.

The point being made so far is that NEPAD is informed by the neo-liberal theory of economic development. On this note, I shall now conclude this chapter.

2.5 Conclusion

In this chapter, I excavated the dependency and neoclassical theories of economic development as well as the cultural assumptions upon which they are premised. I then assessed LPA and NEPAD against the benchmark of these development theories that underpin them respectively, and argued that although the two plans of Africa's economic development were devised in Africa, their philosophical foundations are not African.

The point that lies beneath the argument so far is the fact that theories of economic development are deeply rooted in belief and value systems. To each value system is attached a particular ontological status which people acquire and which yields a kind of economic development that fits with it.

In Chapter Three, I attempt to put across the belief and value system that structures the ontological density of Africans. The underlying point to be made is that, for plans of economic development to succeed in Africa, they have to grow from this ontological foundation.