

**A critical, historical study of the nature and objectives of development will show the negative impacts of Western neoliberalism on African development policies.**

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## **BEFORE WE START...**

- PowerPoint slides are usually in bullet point, but for your essay assessments (in assignments and the exams), write full sentences. We want to see an argument that flows logically.
- These slides contain additional background information to clarify concepts and ideas – they are not memoranda (draft answers)
- For the examination, you do not include a reference list

## HISTORICAL OVERVIEW OF THE SHIFTS IN DEVELOPMENT THINKING

- Your response to this question must be framed in a context in which you demonstrate an awareness that Western neoliberalism has to some extent limited the scope of ideas and thinking about development problems.
- In particular, power arrangements, the slow rate of institutional change, economic factors and the power of ideas/development discourse (specifically the economic discourse of neoliberalism) interacted to produce a policy environment out of touch with the context of Africa.
- For much of the 1960s African governments focused on nation building and asserting an own identity in arts, history, philosophy and political ideologies.
- Increasingly economic ideas became more prominent, because:
  - of the preponderance of economically-trained African leaders
  - economic policies are predominantly based on a specific understanding of reality and the ideals of development
  - the specific trajectory of discourse on development in Africa which moved from structural-developmentalism and neo-Marxism in the 1960s-1970s, to neoliberalism in the 1980s-1990s, to a combination of neo-institutionalism, growth orientation, and welfarism.

- The postcolonial policy history has 3 periods: (i) the planning era (structuralism) (ii) the SAP era and (iii) the “post-Washington” era.
  
- **The planning era:**
  - “interventionism” based on Keynesian development economics
  - Market failures in Africa blamed on intrinsic shortcomings
  - national development planning was emphasised
  - the World Bank pushed for, inter alia, the nationalisation of mines
  - so-called development experts imposed technocratic plans in blueprint designs
  - research focussed on the national economy
  - Post-independence plans yielded only modest results in terms of the overarching objective of structural transformation. The failure of the plans was largely due to discontinuities in the planning process, stemming from political instability, institutional and bureaucratic weaknesses, poor plan design and implementation, and over-ambitious targets.
  
- **The SAP era:**
  - Economists from the erstwhile colonial powers played a central role in the formulation of first national development plans, but increasingly development planners were trained at institutions outside Africa, for example at the World Bank’s Economic Development Institute
  - the focus was on macro-economic planning, national income accounting, input–output models, planning methods, and development economics
  - Development planning spearheaded by institutions known as the “Washington Consensus”. SAPs were imposed to ensure foreign debt repayment and economic restructuring. This required poor countries to reduce spending on things like health, education and development, while debt repayment and other economic policies have been made the priority. In effect, the IMF and World Bank have demanded that poor nations lower the standard of living of their people
  - The SAPs encouraged ideological battles about the best development trajectories for Africa

## The post-Washington era:

- the 1970s sees the crisis of planning, in which some African economies show high rates of growth, with little sectorial planning
- then growth stagnated or declined
- plans did not address poverty and inequality, so notions like “growth with equity” and “basic needs” emerged
- Poverty Reduction Strategy Papers (PRSPs) were intended to reverse the negative effects of 2 decades of SAPs on social conditions and welfare. PRSPs initially placed a high premium on social sectors at the expense of productive sectors, but evolved beyond poverty reduction to include inclusive growth, structural transformation, wealth and employment creation, which has led to a more comprehensive planning approach in recent time
- The 1981 World Bank’s Berg Report signalled the end of state interventionism in Africa and set in motion a movement away from national plans to projects, e.g. poverty via integrated rural development (IRD)
- OECD aid and lending focussed on infrastructure projects and telecommunications.
- project evaluation and project planning were emphasised
- research focussed on different economic sectors (e.g. transport, industry, mining, agriculture) yet remained at the level of the national economy
- Eventually project aid declined, because: (1) the projects became too complex; (2) external factors such as policy, exchange rates and prices determined the success of projects (3) project evaluation methods overestimated the role of aid.



- Because development planning became a battle of ideas, the Western training of African development implementers and the reliance of these governments on Western neoliberalist technocrats, meant that sustained objection against imposed policy ideas often went unchallenged.
- Because foreign aid was also often made conditional on the acceptance of these foreign development plans, the creation of alternatives was stifled
- There were resistance and scepticism among African scholars to these plans, but they could not persist against the well-funded network of Western neoliberal economists – especially those at the World Bank who also branded themselves as the utmost authorities in the knowledge and skills of development planning. These economists' often so-opted African politicians into towing their epistemic lines. Moreover, governments soon realised that using economists acceptable (and sometimes paid by) donor organisations meant success, leading to a kind of “policy rent” in which local economists were forced to accept the planning ideas of the Bretton Woods institutions by their own governments.
- Eventually, the lack of ownership of these imposed development programmes became a problem *per se*. This was circumvented by (1) the Western economists “ghost writing” local position papers and reports and (2) by cultivating a cadre of local inter interlocutors who maintained the neoliberalist hegemony – they were trained in different workshops and by local universities that adopted the hegemony uncritically.
- In the 1990s, new reasons for the “African Tragedy” were sought in ethnic tensions, unfavourable geography or colonial history. This lead to the popularisation of political economy-based explanations for poor policy choices, a return to an emphasis on infrastructural investment as a pro-poor development alternative and a re-emphasis on the need for national development plans.

- Mkandawire sees the current development planning research space in Africa is more open to alternatives for the following reasons
  - The global financial crisis
  - Democratisation that demands participation and the consideration of alternatives
  - Less reliance on Washington/Western donors only (or chiefly)
  - The emergence of Asian donors/funders
  - Western countries started implementing the very policies they regarded as taboo for Africa – such as bail-outs, nationalisation and stimulus packages
  - African universities started transforming curricula

Remember, you need to structure your answer in a manner that shows whether you agree or disagree with the statement.

## ECONOMIC, SOCIAL AND POLITICAL FACTORS

- For this part of your answer you should use the prescribed article by Naidoo and Mare and use relevant examples from your own context that has an influence on development policy in Africa today.
- Naidoo and Mare's article will should show you how the following issues influence effective policy formulation and implementation:
  - Co-ordination between policy implementation agencies
  - Institutional politics
  - Harmony between policy stake holders
  - Cohesion in government
  - Clear lines of accountability
- In addition to this article you may contemplate a whole range of other factors and how these factors either constrain or enhance policy formulation and implementation.
- Economic factors, among others, may include:
  - Poor economic growth and scarce economic resources
  - Governments having to prioritise certain societal needs over others
  - Wasteful and fruitless government expenditure



## **Political Factors:**

- Poor institutional design implementation agencies
- Lack of coordination between government departments
- Weak accountability mechanisms
- Lack of transparency
- Maladministration and Corruption

## **Social Factors:**

- Growing population sizes
- Migration
- Rapid urbanization
- Conflict

Remember this is not an exhaustive list of issues, in this part you have a considerable degree of freedom to show how these factors may either have a positive or negative impact on policy formulation and implementation.

**Thank you**

**Define tomorrow.**

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