

**THE NEPAD, GENDER AND THE POVERTY TRAP:**  
The NEPAD and the challenges of financing for development in Africa  
from a gender perspective  
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## **Introduction**

The New Partnership for Africa's Development (NEPAD) is the latest in a long line of policy frameworks intended to place Africa on a path of sustainable growth and development. Currently being celebrated in the international community as a model for international cooperation, this plan is lauded for its vision and African ownership in design and implementation. While the ink is yet dry on its ratification, researchers, African politicians, G-8 leaders and civil society actors are trying to assess NEPAD's implications and how best to ensure its appropriate implementation.

This paper assesses if, and how, the NEPAD can address gender equality in Africa<sup>2</sup>. With regards to gender equality considerations, critics have pointed to the gender-blindness of the NEPAD, despite the fact that one of its long-term objectives is to "promote the role of women in all activities"<sup>3</sup>. This paper explores its gender-blindness as well as how parts of its underlying framework and objectives actually undermine a gender equality agenda. Specifically, the first part of this paper examines the main features of the economic paradigm underpinning the NEPAD (also referred to as "the plan") from a gender perspective. The second part focuses on the gender implications of some of the initiatives proposed for mobilizing resources for development in the NEPAD. The third part outlines the challenges posed by the NEPAD for women's economic activity, and proposes alternative economic policy options to ensure women's economic empowerment and gender equality.

### **1. The NEPAD from a gender perspective: a New Partnership for Africa's Further Adjustment?**

A gender analysis of the NEPAD requires the consideration first of the design and promotion of the NEPAD which take place within a particular social and political context and thereby explain some of NEPAD's priorities. Secondly, the main economic policy orientations of the plan are defined by a macroeconomic framework that has important gender dimensions. This first section examines these contextual elements and their gender implications.

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<sup>2</sup> This paper addresses the theme of "Financing Development" for the International Conference on "Africa and the Development Challenges of the New Millennium" as the GERA Programme's contribution to the analysis of the implications of the NEPAD's economic policy options and objectives from a gender perspective.

<sup>3</sup> See NEPAD, para 67

## 1.1 *The Social and Political Context of the NEPAD*

In order to undertake any gender analysis of the NEPAD, the history, rationale and main objectives of this major plan have to be contextualised. In other words, it is critically important to first situate the NEPAD within the political and social context of its production. There are some key questions that ought to be asked for a thorough understanding of the plan: how does Africa's social and political environment determine the NEPAD goals? Who participated in its negotiation? And thirdly, how was the document finally produced?

### An 'irrelevant State'?

It is well known that the NEPAD won most of its supporters at the international level because of its emphasis on 'good governance linked to development', which resonates among the international financial and development institutions and powerful countries in the North. The NEPAD responds to a central question in the on-going debate on the form of the state and its role in Africa by affirming that "today, the weak state remains a major constraint on sustainable development in a number of countries. Indeed, one of Africa's major challenges is to strengthen the capacity to govern and to develop long-term policies. At the same time, there is also the urgent need to implement far-reaching reforms and programmes in many African countries."<sup>4</sup> The goal of these reforms, as articulated in the NEPAD, is to "...enhance Africa's rapid integration into the world's economy"<sup>5</sup>.

African women have voiced their concerns about economic reforms and the "marketisation of governance" by which the state is rolled back and reorganized "in the form of deregulation from public interest to regulation in terms of private interests..."<sup>6</sup> - In particular, gender equality advocates have underlined that "current trends indicate that states are being reorganized to serve the interests of market forces and these interests do not coincide with those of the dispossessed. Moreover, the reality for poor women across countries reveals that the reorganizing of the state bears little relation to the process of social transformation."<sup>7</sup> These concerns are very relevant to the NEPAD, in that it is likely to perpetuate the economic and social exclusion of poor women while further entrenching patriarchal patterns in politics. This is explained in more detail below.

### NEPAD post September 11<sup>th</sup>

Of note is the fact that the NEPAD has been promoted at the international level at a very interesting time in modern history – right after September 11<sup>th</sup>, which also has much to do with its overall weaknesses. As the NEPAD was being finalized, we

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<sup>4</sup> NEPAD, para 23.

<sup>5</sup> Ditto, para 52

<sup>6</sup> Taylor (V.), *Marketisation of Governance. Critical Feminist Perspectives from the South*, DAWN 2000, p.59.

<sup>7</sup> Ditto, p.60

witnessed a very major shift in US foreign policy with the establishment of the international coalition against terrorism. As such, the discourse has changed. African states are being categorized into “failed” or “failing” states which could accommodate terrorists, as opposed to governments which can demonstrate control. As mentioned by some analysts, “ideas of a ‘new colonisation’ are already emerging – nominally to ensure weak states do not harbour terrorists. The idea may spread to subaltern states used to police regions”<sup>8</sup>. What this means, as many of these analysts suggest, is that the elements of the NEPAD related to security, conflict resolution and governance will take precedence, and will likely receive special attention from the donor countries, than other priority concerns towards poverty eradication in the NEPAD. In other words, the NEPAD could just be the new policy platform to fight international terrorism from Africa as opposed to tackling the other issues that are critical for women and the poor<sup>9</sup>.

The current trend towards increased militarisation is a basis of major concern from a gender perspective. This trend has started at the end of the last decade in regions like South Asia<sup>10</sup>, where it has contributed to the maintenance of some degree of stability for globalisation. Women and vulnerable groups suffer the most from the horrors of wars in affected countries. Despite the pledge of the NEPAD to promote peace and security, current post-September 11 developments and the coalition around the “Bush doctrine” will most probably have the same effect in Africa. At the same time, the related increase in military spending is likely to lead to the diversion of scarce resources from sectors that are crucial for women and the poor to defense budgets. In addition, civil society and women’s struggles for progressive social transformation are threatened by the conflation of protest with terrorist actions and the subsequent intensification of repression by military means.

Furthermore, in global economic governance, the strengthening of the coalition between the international financial and trade institutions and rich countries in support of the Washington Consensus is paralleled and further reinforced by the establishment of the international coalition against terrorism. This tendency was particularly visible during the negotiations in the finalisation of the Monterrey Consensus document which was discussed by Heads of States and Ministers at the recent International Conference on Financing for Development in Mexico. This development is a major challenge for women’s rights and gender equality activists in Africa and beyond, because of their long fight against this economic paradigm that have been so detrimental to women’s rights and livelihoods.

### Speaking for the people?

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<sup>8</sup> Coetzee (D.), “The New African Initiative”, Paper presented at the Africa and G8 Civil Society Planning Conference, Ottawa, October 21-22 2001.

<sup>9</sup> Ditto

<sup>10</sup> See *The World Guide 1997/98: A view from the South*, Instituto del Tercer Mundo. Oxford: New Internationalist Publications Ltd: Military spending in South Asia has increased in proportion of GNP since 1996, especially in India and Pakistan.

The identity of the much-heralded NEPAD's initiators is an important feature that should be critically examined. It is necessary to go beyond the label of "African leaders" who "derive their mandate from their people"<sup>11</sup> and to examine their respective records in terms of democracy – including economic and political governance – and human rights in their own countries<sup>12</sup>, as a basic criterion for assessing whether they are fit to be the models and leaders for an Africa-wide initiative. So also should we examine the nature of the preferred alliances of the NEPAD architects.

The records of the major promoters of the NEPAD – i.e. the Presidents of South Africa, Algeria, Nigeria and Senegal - - - include the repression of dissent, bloodshed, mass popular protests and social unrest, and the much-contested position taken by Mr. Thabo Mbeki on the issue of anti-retroviral drugs to combat mother-to-child transmission of HIV. Another outstanding feature in the record of the South African President is that "since taking over from Nelson Mandela in 1999, Mr Mbeki has piloted the South African economy rightwards with unerring skill."<sup>13</sup>

Most importantly from a gender perspective, the prevailing notion of democracy in most African countries raises important questions. When it comes to women's rights, what government really represents women's interests? Let alone huge gender gaps in political participation, which country in Africa can pretend to be truly democratic when the interests of 50 percent of the population are merely treated with rhetoric and lip-service? These questions are particularly relevant to the stated objective of the NEPAD to promote women's participation in the political life of African countries. The lack of democracy and transparency in the formulation of this plan is not a good start and sends the wrong signal to African women as to the possibility of a major shift of the NEPAD from the prevailing practices of 'democracy'.

Who participated in the formulation of the NEPAD, and therefore, whose perspectives and interests are reflected and addressed in the document is another important question. The drafting process of the NEPAD's main component, the Millennium Africa Recovery Programme from South Africa, involved "select elites"<sup>14</sup> mainly from the North, including the US President, heads of transnational corporations (TNCs), economists from US universities, the World Bank President, and leaders from the richest countries<sup>15</sup>. The consultation with other African countries – with the exception of the few ones that have been singled out to support the promotion of the NEPAD -, the civil society and other social forces within the continent had not been considered a priority. Even if this can be interpreted as a strategic option aimed at securing the support of influential players in international

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<sup>11</sup> NEPAD, para 47.

<sup>12</sup> See Bond P, note # 2 in *The New Partnership for Africa's Development: An Annotated Critique*, January 2002.

<sup>13</sup> Patel (R.), in "Neo-Thatcherite English Premier: An Appalling Diplomat", February 9, 2002, <http://voiceoftheturtle.org>.

<sup>14</sup> Bond (P.), in "Interpreting Thabo Mbeki's various African Initiatives", November 18, 2001

<sup>15</sup> Ditto: November 2000 and February 2001 with the IMF and the World Bank; January 2001 with TNCs in Davos; July 2001 with the G8.

cooperation, namely the G-8, it also reflects a particular conception of the relations between the state and its citizens which contradicts the claims of the NEPAD for democracy, pluralism, transparency, and accountability.

Although consultations with selected members of the civil society, including women's groups, political parties, and the media have been undertaken in some places, these were done mainly after the adoption of the document by the OAU, on a small scale and in a sporadic way. These consultations on a "done deal" were meant to support the claims of inclusiveness and democratic participation of the NEPAD promoters.

Some civil society and women's organisations have engaged in this consultative process, and believe that they are part of a genuine endeavour to change international power relations, to eradicate poverty in Africa and to achieve its development goals. Many of them have been seduced by the language of the NEPAD and have taken its 'pro-poor' and 'people-centered' claims at face value. The strong focus of the plan on the mobilization of resources and partnership have also raised expectations about possible benefits – both political and material - that would be shared with, or trickle down to, individual organizations involved in this process. However, because the NEPAD reinforces the structures, power relations and paradigms that underpin the neoliberal model and are exclusive of the perspectives and needs of marginalized groups, including women, it would appear that these civil society and women's organisations have been co-opted into a process aimed at managing the exclusion of the large majority of popular social forces, while legitimising the economic framework and macroeconomic policies (discussed in the following section).

Ultimately, the participation of the mass of African peoples is not valued by the NEPAD. The alliance with elites, both African and external, has been clearly privileged. The only explicit reference to the participation of the mass of African people is about the implementation of the plan, in line with a patronizing concept of participation that has been consistently denounced by women and gender activists. Indeed, it appears that public participation in the conception and formulation of the plan has not been envisioned by its initiators who consider that they know what is good for the people and that they can therefore speak and decide for them. The ordinary citizens are denied the right to have a voice in decisions that directly affect their lives.

### ***1.2 The macroeconomic framework of the NEPAD***

While the NEPAD envisions "to ensure that the specific issues faced by poor women are addressed in its poverty reduction strategies"<sup>16</sup>, a gender and institutional analysis of its macroeconomic framework shows fundamental flaws that will negatively affect the achievement of its stated goals regarding poverty and the role of women in social and economic development. Furthermore, as this paper explores, there are inherent contradictions within the NEPAD's main tenets and priorities themselves.

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<sup>16</sup> Ditto, para 116

## SAPs forgotten

Perhaps the most glaring evidence of the gender-blindness of the NEPAD is the fact that it ignores the devastating impact of structural adjustment programmes (SAPs) and policies imposed by international financial institutions on women and gender relations, and SAPs' major contribution to the impoverishment of African countries. In addition to the fact that the NEPAD explicitly places the relationships with its Northern partners within the Comprehensive Development Framework of the World Bank, its analysis of SAPs gives a clear indication about the position of its promoters vis-à-vis the macroeconomic prescriptions of the IMF and the World Bank. Indeed, the analysis is limited to one sentence mentioning that SAPs "...promoted reforms that tended to remove serious price distortions, but gave inadequate attention to the provision of social services"<sup>17</sup>. It echoes the prevailing analysis of Africa's situation among IFIs, by repeating that the "historical impoverishment of Africa [is] due to weak states, dysfunctional economies, which were further aggravated by poor leadership, corruption and bad governance"<sup>18</sup>.

The NEPAD further demonstrates its willingness to implement the macroeconomic prescriptions of the IFIs by supporting the Poverty Reduction Strategy (PRSP) approach associated with the HIPC initiative<sup>19</sup>, which include the same conditionalities as the SAPs. The PRSPs processes have raised grave concerns among civil society and women's organisations in many African countries not only about these conditionalities, but also about the lack of transparency and inclusiveness of these processes. In many cases, there has been little participation of women and the poor themselves. Moreover, a number of gender equality activists believe that the PRSPs enable the global economic system to actually exclude the poor<sup>20</sup>. Many gender equality advocates have contended that these programmes "respond to neo-liberal ideals of self-help, voluntarism, and a reduced dependency/demand on the state" and as such, the "Poverty Reduction Strategy Paper (PRSP) as envisioned by the World Bank and IMF perform the [same] function of containing protest and providing short-term 'relief' or welfare"<sup>21</sup> to the poor and marginalized groups.

Because the NEPAD reproduces the Washington Consensus driven by the IFIs under an African dressing, it does not make mention of the heavy burden Africans still carry as a result of the IMF-driven stabilisation measures which have led to cost recovery in basic public services, increased sales taxes, and privatisation of public assets. Neither does it mention the World Bank-led adjustment measures which have brought about steady impoverishment for the majority of African peoples, a decline in access to credit and productive resources among small farmers and micro and small enterprises

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<sup>17</sup> Ditto, para 24

<sup>18</sup> Ditto, para 22

<sup>19</sup> Ditto, para 115

<sup>20</sup> Mbilinyi (M.), *Budgets, Debt Relief and Globalisation*, GERA Discussion Paper 1, 2001. See also the Statement of the Regional Workshop on PRSP held in Uganda in July 2001.

<sup>21</sup> Ditto, p.8

as a result of reforms in fiscal policy, cuts in public spending in social services, and a shift in the cost burden on communities, households and individuals, especially women. The NEPAD does not mention that these measures have largely contributed to massive capital flight, de-industrialisation and poverty, as well as to the deaths of large numbers among the poorest who have been disconnected from basic utilities and supplies. It is not surprising, therefore, that the NEPAD's analysis has missed women, who make up the large majority of the poor and have been disproportionately affected by these measures while bearing the burden of the social costs of SAPs.

The economic framework championed in the plan is likely to keep women in the poverty trap and to reinforce gender inequalities, as it builds on the ideas inherent in South-Africa's own neoliberal macroeconomic policy, known as Growth, Employment, and Redistribution (GEAR). Analysts from South Africa have criticized the GEAR because "it has yielded no growth, no jobs, and a growing gap between rich and poor. It mirrors structural adjustment plans to the North..."<sup>22</sup>. According to the Gender and Economic Reforms in Africa Programme's South Africa project<sup>23</sup>:

*The main thrust of GEAR, since its implementation in 1996, has been to provide a platform for a neoliberal agenda. As a macro-economic policy, GEAR spells out the role of the state in key areas of fiscal management, trade and investment, social and sectoral policies, and employment and wages. In particular, GEAR has promoted deregulation, which has led to deteriorating conditions of employment, and trade liberalisation, which has placed pressures on companies to either restructure, retrench or go under. This economic restructuring has had a disastrous impact on the two key centres of footwear and leather production in the country (the provinces of the Western Cape and KwaZulu Natal).<sup>24</sup>*

As the footwear and leather sector is overwhelmingly dominated by women workers, they are the most affected by the disastrous impact of GEAR through economic restructuring. This is only one example among the ample evidence of the deleterious effects of neoliberal macroeconomic policies on women's rights and livelihoods and gender equality in Africa<sup>25</sup>.

This gender-blindness of the NEPAD confirms the neoliberal nature of its economic policy options, as such options typically ignore the social content and impact of economic policies and correlatively, their implications for social and gender relations. According to some commentators from other African countries, the NEPAD is even "...worse than structural adjustment. At least under adjustment, the World Bank admitted that it was purely economic programme, and when social costs were felt,

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<sup>22</sup> Coetzee (D.), *ibid.* See also the critique by Bond (P.)

<sup>23</sup> The GERA research and advocacy project in South Africa is studying the effects of globalisation and trade regimes on women working in leather and footwear industries in South Africa.

<sup>24</sup> Mosoetsa (S.), in *Gender, Trade and Labour in Africa*, forthcoming GERA Discussion Paper 2.

<sup>25</sup> See among others the findings of the GERA Phase I research on the impact of SAPs in *Demanding Dignity: Women Confronting Economic Reforms in Africa*, NSI/TWN-Africa 2000.

made contingencies, however inadequate. In NEPAD, they've made those social problems part of the plan. They know there are going to be millions of poor people hurt by it, and they're going to do it anyway. Our leaders have betrayed us."<sup>26</sup>

### Contradicting values

From a gender perspective, the inherent contradictions within the NEPAD priorities are already predictable in light of the introduction, which identifies "signs of progress and hope" with "market-oriented economies"<sup>27</sup>, and holds the latter as compatible with "the protection of human rights [and] people-centered development"<sup>28</sup>. Given the preferred alliances of the NEPAD initiators and the overwhelming focus of the plan on the private sector, this might be due to a particular conception of human rights. As a South African human rights activist put it: "when they talk of human rights, the right they want above all is the right of property, the right of capital."<sup>29</sup> Suffice it to say that most African women are not entitled to these rights.

Moreover, the equation above does not take into account the social relations within the market, in particular those of power that underlie the rules, access to and control over resources and activities in the market. The NEPAD's simplistic conceptual framework does not include the interaction of entrenched social and gender inequalities, along with differences based on race, ethnicity, regional/rural/urban location, which perpetuates the marginalisation of women and other disadvantaged groups in the economy. It is not clear either how women and the large majority of small producers who operate largely outside of mainstream markets can benefit from the "people-centered development" that the NEPAD expects to result from "market-oriented policies".

### Lack of coherence

With regards to the NEPAD priorities and the related actions, "the generality of the actions under each program or initiative"<sup>30</sup> has been underlined by a leading economist, along with the absence of "a framework in which priorities and specifics are assessed"<sup>31</sup>. The fact that one of the two long-term objectives is poverty eradication, which is then listed only as a sub-sectoral priority in the programme of action is an illustration of this lack of coherence. Another example is the prioritisation of Economic and Corporate Governance as an entire initiative, which is not likely to have a direct effect on poverty in the short term and is already strongly supported by IFIs in different countries<sup>32</sup>.

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<sup>26</sup> Tandon (Y.), cited in Patel (R.), *ibid*

<sup>27</sup> NEPAD, para 7

<sup>28</sup> Ditto

<sup>29</sup> Trevor Ngwane at the World Social Forum, cited in Patel (R.), *ibid*

<sup>30</sup> Kanbur (R.), *The New Partnership for Africa's Development (NEPAD): An Initial Commentary*, Southern African Regional Poverty Network, December 2001, p.4.

<sup>31</sup> Ditto

<sup>32</sup> Ditto, p.8



While the Democracy and Political Governance initiative has been positively assessed by the above commentator in terms of poverty reduction, whether the dividends of democracy will effectively accrue to women remains an outstanding issue, given the patriarchal nature of many African states coupled with the male bias in political institutions and practices. Experience shows that men's resistance to perceived challenges to male domination is an important factor that should not be underestimated.

The second long-term objective of the NEPAD is "to promote the role of women in all activities"<sup>33</sup>. This would logically involve mainstreaming gender considerations and women's needs in the different activities of the programme of actions. But the actions that will be undertaken to achieve this objective are described as follows: "promoting the role of women in social and economic development by reinforcing their capacity in the domains of education and training; by developing revenue-generating activities through facilitating access to credit; and by assuring their participation in the political and economic life of African countries"<sup>34</sup>.

This demonstrates major limitations in the NEPAD's approach to gender equality issues and women's economic empowerment: not only does the analysis of issues stop short at the micro level, it has no connection to the macroeconomic framework which shapes women's lives. In addition, it is assumed that women's empowerment, which would really require specific actions targeted at the gender-based constraints that are *intrinsically linked to women's subordination*, will be achieved by addressing *instrumental* issues related to women's income generating measures, education, training, and access to credit. In other words, NEPAD sees gender equality to be achieved by micro women-specific projects, as opposed to tackling the fundamental structural causes of women's poverty and inequality such as discriminating laws, cultural norms, male-biased development priorities, land reform, or public expenditures, and macroeconomic policies, just to name a few.

Moreover, women are perceived as passive, in need of income-generating activities, training, education and credit, with no recognition of their agency and their actual "participation in the economic life" of their countries through their unpaid and uncounted work in production and reproduction. All this implies that their "participation in the political and economic life of African countries" is not envisioned as an obligation to ensure the realization of their basic capabilities and rights, but mainly as a means to improve the overall efficiency of development plans and programmes.

Furthermore, there is no mention of women or gender issues in the initiatives and sectors of the plan that are absolutely critical to addressing women's poverty and promoting their empowerment. A remarkable example of such omission is the section of the NEPAD on Agriculture. The crucial contribution of women to food

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<sup>33</sup> NEPAD, para 67.

<sup>34</sup> Ditto, para 49

security and agricultural production is ignored in the analysis of the issues and subsequently, in the actions to address these.

In general, the NEPAD plan is characterized by an instrumental approach to gender issues and a lack of conceptualization of gender equity and equality. It is fair to say that the NEPAD shares this “add women and stir” characteristic with many other development plans, however it is appalling that an initiative which has the ambition of setting the agenda for Africa’s development for the millennium suffers from such critical deficiencies.

## **2. Gender implications of the NEPAD initiatives for financing development**

Examining the gender implications of the NEPAD for financing development requires a critical analysis of the development model that is being promoted by the NEPAD. The problems encountered in financing development are multidimensional and often rooted in structural causes related to the prevailing development model itself. The issues at stake in financing development are not purely economic and technical, but also have important social and political dimensions that cannot be overlooked. This section outlines these problems and their gender implications, as a background against which the relevance of the NEPAD policy options for promoting gender equity and equality can be assessed.

### ***2.1. Which development model?***

The NEPAD aims “to extricate ...(...)... the continent from the malaise of underdevelopment and exclusion in a globalising world”<sup>35</sup>. The analysis of globalisation by its initiators and what they consider as the major issues to be addressed for Africa to benefit from globalisation are key pointers to the development model that they seek to promote.

#### A biased analysis of globalisation

The section entitled “Africa and the Global Revolution” in the plan provides insights on the NEPAD’s definition of globalisation. To begin with, this phenomenon is described as “...an economic revolution. This revolution could provide both the context and the means for Africa’s rejuvenation. While globalisation has increased the cost of Africa’s ability to compete, we hold that the advantages of an effectively managed integration present the best prospects for future economic prosperity and poverty reduction.”<sup>36</sup> The initiators of the NEPAD “readily admit that globalisation is a product of scientific and technological advances, many of which have been market-driven.”<sup>37</sup>

This excessive “technology-centric” and “apolitical” character of the NEPAD’s definition of globalisation has been criticized by some authors<sup>38</sup>. Among the criticisms is the fact

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<sup>35</sup> NEPAD, para 1

<sup>36</sup> Ditto, para 28

<sup>37</sup> Ditto para 39

<sup>38</sup> See Bond (P.), *Thabo Mbeki and NEPAD. Breaking or Shining the Chains of Global Apartheid?*, p.16

that the NEPAD does not consider that weaker countries will be adversely affected by globalisation and are unable to make threats against the powerful ones<sup>39</sup>. In spite of the extensive analysis of “the historical impoverishment of the continent” which points to relations of domination between African and developed countries, the NEPAD does not incorporate globalisation in the historical processes that have led to the impoverishment and underdevelopment of the continent. Consequently, the solution proposed to Africa’s underdevelopment is to put an end to its marginalisation in the process of globalisation. In other words, according to the NEPAD’s initiators, what Africa needs is simply more globalisation; they do not mention the need for a meaningful change in power relations between Africa and the North, or a significant transfer of resources for financing Africa’s development through a fairer redistribution of wealth at the global level.

While the following paragraphs point to many of the fundamental problems facing African countries, such as “the absence of fair and just global rules”<sup>40</sup>, and “the structural impediments to growth and development in the form of resource outflows and unfavourable terms of trade”<sup>41</sup>, the NEPAD’s analysis never explicitly mentions critical features of globalisation such as the predominant role of firms and private capital, especially transnational corporations (TNCs), whose vision and actions shape the overall process of globalisation, including the creation of new networks of power relations and alliances. Subsequently, this analysis also ignores the related changes in class relations that affect millions of working people in Africa and beyond, “especially the resurgent power of US and EU capital in relation to working classes there and across the world (as reflected in state-corporate ‘partnership’ and the decline of the social wage during the Reagan, Thatcher and Khol administrations)”<sup>42</sup>.

Another important feature of corporate-driven globalisation that has been denounced forcefully by the civil society - and confirmed recently by the ENRON disaster – is the fact that it is “a process that is marked by massive corruption and one that is deeply subversive of democracy”<sup>43</sup>. In this regard, it is noticeable that the NEPAD presents corruption as being mainly an African disease from which the foreign investors that it wants to attract are totally immune.

This bias is also visible in the extensive sections of the plan devoted to political and economic governance, in which African governments are urged to make commitments and undertake institutional reforms for “meeting basic standards of good governance and democratic behaviour”<sup>44</sup>, and to establish “the necessary policy and regulatory frameworks for private sector-led growth”<sup>45</sup>. While it is explicitly stated that high priority will be given to public financial management and capacity building “to enable all countries to comply with the mutually agreed minimum standards and codes of

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<sup>39</sup> Ditto, p.12. See also the comment on this section in *Match International Review of the NEPAD*, p.22

<sup>40</sup> Ditto, para 33

<sup>41</sup> Ditto para 34

<sup>42</sup> Bond (P.), *ibid*, p.5.

<sup>43</sup> Bello (W.), *The Twin Debacles of Globalisation*, in Porto Allegre 2002, Focus on the Global South, 2002, p.4.

<sup>44</sup> NEPAD, para 82

<sup>45</sup> Ditto, para 85

conduct<sup>46</sup>, actions specifically targeted at corporate governance are limited to recommendations from a Task Force from Ministries of Finance and Central Banks for possible consideration by the Heads of State Implementation Committee.

Moreover, the NEPAD's analysis does not address the critical question of the institutional factors associated with economic reforms under globalisation, for instance financial liberalisation which has allowed to a large extent the uncontrolled and exponential growth of speculative finance capital and hindered the capacity of many African countries to mobilize domestic financial resources for development. Not only does such omission weaken the validity of the analysis, it also prevents the NEPAD from focusing on the role of institutions, which is a key element in strategies for countering the negative effects of globalisation. In this regard, past experience shows that the creation or/and realignment of mediating institutions is critical to women and vulnerable groups in the globalisation process.

As a result, the NEPAD's analysis boils down to the conclusion that Africa mainly suffers from an alleged lack of globalisation – in line with the mantra of IFIs and the UN senior officials – and overlooks critical factors relating to the crisis of the prevailing economic model itself, in particular the search by footloose capital for new markets, cheaper inputs and labour, along with the switch by big companies of productive reinvestment into financial assets, due to the decline in manufacturing profits during the 60s; as well as the increased disempowerment of nation-states paralleled by the increased power of the international financial and trade institutions<sup>47</sup>.

In the absence of a critical analysis of the process of globalisation and the root causes of Africa's marginalisation in the global economy, the pledge for the creation of "fair and just conditions in which Africa can participate effectively in the global economy and body politic"<sup>48</sup> appears to be mainly a diplomatic exercise. The outcomes of the recent International Conference on Financing for Development tend to demonstrate that the "international community" is not ready to respond positively to such a pledge. Indeed, the so-called Monterrey Consensus that emerged at this Conference fails to address issues that are critical to the mobilization of resources for financing development, i.e. issues related to debt, aid, trade and investment in developing countries.

#### Where are women?

With respect to women and gender issues in the context of globalisation, the NEPAD does not specifically address the central issue of labour and women's employment. The impact of globalisation on the gender division of labour goes unnoticed in the plan, along with the related issues that ought to be addressed in order to promote African women's economic empowerment in a globalised economy. Thus, the plan does not pay attention to the major trends in the labour market in general. In particular, it seems to ignore that

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<sup>46</sup> Ditto, paras 91 and 92

<sup>47</sup> Ditto, p.6

<sup>48</sup> NEPAD, para 41

from 1970 to 1990, women's average share in the labour force increased significantly in all regions except Sub-Saharan Africa<sup>49</sup>.

It also overlooks the evidence that in African countries where gains in women's participation in the labour force had been made so far, these are characterised by jobs with low wages, low standards of health and safety, poor workers' rights, low security, and limited career opportunity. The export-processing zones (EPZs) which are among the principal providers of female jobs have been questioned about their detrimental effects on women's social and reproductive rights, their poor working conditions and the numerous cases of sexual harassment and violence against women<sup>50</sup>.

Of major concern is the fact that job creation – which should logically be the first priority in terms of domestic resources mobilization – , in particular the creation of decent jobs for women is not even mentioned in the plan, apart from indirect references through income-generating and poverty reduction activities.

### Promoting a post-Washington Consensus in Africa

The position of the NEPAD regarding the economic policy prescriptions of the IFIs has been analysed in the previous section, which shows its conformity with the neoliberal economic framework, also known as the Washington Consensus. By claiming the main requirements of the Washington Consensus - macroeconomic stability, liberalization and privatization - as part of an African initiative, there is no doubt that the NEPAD offers a valuable opportunity for further legitimising this economic model and its institutional arrangements , and by the same token, for justifying the claims of “national ownership” of policies by IFIs and allowing them to get rid of any responsibility for failures.

The NEPAD advocates for a neoliberal type of State whose role is centred on adjusting national economies to the dynamics of a largely unregulated global economy. As such, the main responsibility of the State is to establish an enabling environment for foreign investment as prescribed by the IFIs and to ensure that the ‘internationally agreed’ standards for democracy, good governance and the rule of law are met by the country.

Furthermore, it is implied that these principles, as well as peace and respect for human rights, are important insofar as they contribute to create the “enabling environment” to attract foreign investment. The values embedded in these principles, which are intrinsically important for any society in their own right, are being instrumentalised and subjected to the pursuit of growth through increased foreign investment: “...their *real, material*, value to a developing country, *above all in economic terms*, is as a *means* to attracting FDIs.”<sup>51</sup>

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<sup>49</sup> United Nations, 1995

<sup>50</sup> GERA Programme, *ibid.* See also the GERA Programme Phase II research on “Economic Reforms and Employment in Madagascar : A Gender Analysis », forthcoming.

<sup>51</sup> Tandon (Y.), *Fallacies About the Theory of FDIs: Its Ideological and Methodological Pitfalls*, SEATINI, Working Papers Series 3, Harare 2002, p.2

### The private sector as an alternative to a developmental state?

The plan clearly endorses an economic framework within which the private sector is the engine of growth. In line with a typical feature of neoliberal policy making, the private sector plays a pivotal role in the development strategy of the NEPAD, based on the assumption that growth will automatically lead to development. No consideration is given to the fact that by so doing, the plan supports a framework within which the criteria for economic policy making are financial rather than social, and short term rather than long term. It appears that in order to “harness the globalisation process”<sup>52</sup>, the initiators of the NEPAD have adopted policy options that focus on short-term financial returns at the expense of the long term investments that are required for sustainable development.

At the same time, there is no clear indication as to the meaning of the “private sector” in the NEPAD. The recurrent references to investment in the plan suggest that the term mainly refers to foreign investors. By contrast, the role of domestic enterprises is barely considered, regardless of the fact that the major part of total wage employment depends on micro and small enterprises (MSEs) for many African countries. Another fundamental issue in African economies that the NEPAD fails to address is that most of these MSEs are located in the informal sector (59% in Kenya, 62% in Uganda, 84% in Zambia, 85% in Ghana, 95% in Sierra Leone)<sup>53</sup>. Moreover, these proportions are rising, given the increased informalisation of work in many African countries as a result of economic reforms.

From a gender perspective, it is important to identify who is part of ‘the private sector’ that is targeted by the NEPAD. In this regard, it should be noted that the prevailing definition of the private sector exclude the informal sector where the major part of women’s economic activity is located. In addition, measures to promote the development of the private sector in Africa included mainly policies directed at large-scale industries and ignored the small-scale production in which a majority of women is engaged. As an example, in Uganda, a GERA Programme study has found that the definition used by corporations and the World Bank excludes SMEs, most of which are run by women<sup>54</sup>.

Privatisation *per se* raises a number of issues from both a development and gender perspective. First, there is no reason to believe that the profit-motivated private sector will act in the interests of the poor and the public at large. This raises the broader issue of the so-called global public goods, as goods – or services – whose benefits accrue to all sectors of society and should therefore be equitably available to all people with equal opportunity. As such, the provision of these global public goods by the State is crucial, and it is very telling that while the target for private investment in infrastructure recommended for developing countries by the World Bank is 70%, many developed countries like France, Germany and Japan have very little privatization in the sector of infrastructure (13%, 9% and 14% respectively), and opened areas such as

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<sup>52</sup> NEPAD, para 34

<sup>53</sup> Mbilinyi (M.), in *Gender Patterns in Micro and Small Enterprises of Tanzania*, MCDWAC Tanzania/Women’s Research and Documentation Project, AIDOS, p.8.

<sup>54</sup> GERA Programme, *ibid.*

telecommunications to private investment as late as 1995. The issue of global public goods has important gender dimensions and is particularly relevant to the NEPAD, especially in relation to the definition of regional public goods in the operational framework developed by the United Nations Economic Commission for Africa (UNECA)<sup>55</sup>.

Secondly, many privatization schemes of public utilities in Africa have resulted in failures in terms of performance and most importantly, in the disconnection of the poor, including a majority of women, from basic utilities. Water privatisation is a case in point in many countries and has raised a growing popular protest against the denial of the right to meet their basic needs to those who do not have the required purchasing power, i.e. the poor, especially women. By uncritically promoting privatization, the NEPAD contradicts its claimed focus on poverty reduction and people-centered development.

### The NEPAD, Women and the Poverty Trap

Many readers of the NEPAD among the civil society have asked: “Where are the people in this plan ?” This is partly because African peoples were not involved in its formulation, so that the NEPAD’s top-down and neoliberal approach to development cannot but miss their perspectives, concerns and needs. This silence could also be explained by the fact that its policy options are likely to increase the marginalisation and impoverishment of the majority of African peoples. The question is even more relevant with respect to women as citizens and economic actors, for a number of reasons related to fundamental flaws in the approach of the NEPAD to gender and poverty issues.

At the conceptual level, the plan suffers from a narrow understanding of poverty issues that is likely to bring about contradictory outcomes and to increase existing social vulnerabilities and inequalities, including gender inequalities. Thus, in line with the premises of the Washington Consensus, the excessive emphasis on growth as the single most important means for poverty reduction prevents the NEPAD from taking into account that “while growth is critical for sustained poverty reduction, equally critical is the nature of growth generated: to be developmentally beneficial, growth must be socially equitable, pro-poor and environmentally sustainable”<sup>56</sup>. The promoters of the NEPAD seem to forget that in most African countries that have experienced some degree of economic growth under SAPs, more often than not it has been a jobless and inequitable growth with high social costs that have been mostly borne by women. Ironically, because of this even the World Bank – one of the architects of the Washington Consensus – has moved towards a broader approach to poverty including both physical and social deprivation.

With regards to credit – one of the major component of the plan for women’s economic empowerment - this narrow understanding of poverty leads the NEPAD initiators and promoters to ignore the interlocking set of disadvantages faced by the poor, especially

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<sup>55</sup> UNECA provides technical assistance for the implementation of the NEPAD and has produced the “Compact for African Recovery” document for its operationalisation in April 2001.

<sup>56</sup> UNDP, *Human Development Report*, New York, 1996, 1997.

political issues of community decision-making and markets for labour and commodities<sup>57</sup>. In this regard, it is critically important for the NEPAD to recognize that the capacity of poor women to take independent advantage of credit remains quite limited as long as the structures of exploitation which made them poor in the first place are not addressed. It is also important to consider that “credit may not be the most appropriate tool for poverty eradication among the very poor, [the majority of which are women]...(...)...Poor people operate in limited segments of highly segmented product and labour markets, and can only engage in forms of production for which the demand is likely to be exhausted quickly. Without complementary access to access to resources necessary to convert an asset into a profitable enterprise, access to credit cannot form the basis of the longer term movement out of poverty.”<sup>58</sup>

Because of its gender-blindness, the NEPAD does not take into consideration that gender inequalities mediate relationships between macroeconomic policies and poverty reduction strategies, and have an impact on their outcomes and growth performance. While the promoters of the NEPAD argue that gender inequalities are addressed at the implementation stage through the planned actions targeted at women, none of these actions addresses key issues of access to resources such as time and property rights. Moreover, poverty is not approached as “the consequence of intersecting structural inequalities across and within nations such as those based on class, race and gender...”<sup>59</sup> As a result, the plan addresses the symptoms instead of the interlocking structural causes of poverty and its perpetuation.

The NEPAD’s conceptualization of the relationship between gender and poverty issues suffers from a misconception that is very common among international development institutions and donor agencies: the conflation of gender issues with poverty issues. The ‘feminisation of poverty’ has been translated into strategies that identify poverty with gender issues and tend “to collapse all forms of disadvantage into poverty”<sup>60</sup>, including the subordination of women which ought to be addressed as a gender issue distinct from poverty.

Thus, the plan falls short of offering real and sustainable alternatives for reversing the process of impoverishment of the continent. In addition to the analytical biases described above, it merely proposes old solutions to problems linked to new risks and vulnerabilities created by globalisation, under the cover of a new African initiative. Sadly, it is akin to imposing a failed model of development on Africa for the new millennium.

## ***2.2. The NEPAD’s policy options for financing development: a gender analysis***

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<sup>57</sup> Mbilinyi (M.), *ibid*, p.61

<sup>58</sup> Ditto, brackets added, p.62

<sup>59</sup> Cagatay (N.), *Trade, Gender and Poverty*, Background Paper , UNDP, October 2001, p.14

<sup>60</sup> Jackson (C.), “Rescuing Gender From the Poverty Trap”, in *Feminist Visions of Development. Gender, Analysis and Policy*, Routledge, London and New York, 1998, p.59.



In order to assess the capacity of the NEPAD to promote gender equality, there are key questions to be asked with regards to the mobilization of resources for financing development from a gender perspective. These questions are related to the gender dimensions of specific issues of financing for development such as the mobilization of domestic financial resources and private capital flows, in relation to the NEPAD's strategic options and operational framework as outlined in the "Compact for African Recovery (CAR)"<sup>61</sup> which elaborates in more detail on these strategic options and proposes the specific actions that would be implemented for the achievement of the NEPAD's goals and objectives.

### Domestic resource mobilization

A basic requirement for mobilizing domestic financial resources for development is the reversal of the outflows of resources from African economies in the form of profits repatriation, dividends, debt servicing, transfer and contracts price payments, consultancy fees, etc., in order to retain this extracted wealth for reinvestment in African economies. It is appalling that the NEPAD does not envision any significant and direct action aimed at such reversal and does not therefore take up a major challenge for financing development.

Of note is the NEPAD's position regarding the key issue of debt, namely the absence of any call for full cancellation of the debt of poor countries, and for the removal of the structural adjustment conditionalities attached to debt relief. This is a major concern from a gender perspective, because women carry a disproportionate burden in the debt crisis and reduced public expenditures in the social sectors, as their role as care-givers intensifies, thus presenting additional obstacles to income generation. In such a context, the debt relief supported by the NEPAD only represents a minimum necessary step to alleviate the pain of the debt crisis. Civil society and women's organizations demand debt cancellation which is the only way to address the causes of the debt crisis.

The focus of the CAR on "closing the savings gap"<sup>62</sup> has been criticized by some analysts who argue that "Africa's savings are not only underestimated but also not even recognized as 'savings' under a certain accounting convention...(...)...There is no 'savings gap' in Africa, except that all the savings are externalized and described in the sanitized language of economists as 'factor payments abroad'"<sup>63</sup>. This myth that African countries do not have savings has produced another myth which has profound economic, social, and political implications: the myth that Africa must rely on foreign capital for its development. The CAR clearly states that "Africa has no alternative except to tap foreign capital in order to raise the productivity levels necessary for sustained increases in living standards."<sup>64</sup> The fact that this myth is so strongly supported by the NEPAD and the CAR is tantamount to putting the seal of approval from African Heads of States

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<sup>61</sup> UNECA, *Compact for African Recovery. Operationalising the Millennium Partnership for the African Recovery*, Addis Ababa, April 2001.

<sup>62</sup> Ditto, para 79

<sup>63</sup> Tandon (Y.), in SEATINI Bulletin III/1, 2000.

<sup>64</sup> UNECA, *ibid*, para 204

and major development institutions on increased external dependency of the continent in the new millennium.

In spite of its recognition that “ low and frequently declining levels of real incomes are the chief culprit for [these] low saving levels”<sup>65</sup>, the measures proposed by the CAR to increase domestic savings do not include specific actions to address this problem. With regards to incomes, the proposed measures focus on *savings mobilization*, not on *savings generation*, and boil down to “reforms to increase the returns on domestic investment and reduce risks”. In other words, the CAR is more concerned about investors than the ordinary citizens who are assumed to benefit automatically from the “trickle-down” effect of market-oriented and private sector-led growth, without consideration for inequalities based on class, gender, race, geographical location, and other forms of identity.

In general, the plan does not link the mobilization of financial domestic resources to other conditions at the global level and/or in other sectors of its programme of actions. Hence, the planned actions are about matters almost entirely concerned with national policies, while the impact of macroeconomic conditionalities and policies on the generation and redistribution of domestic financial resources is not taken into consideration.

With regards to financial systems, the outcomes of financial liberalization policies in Africa clearly demonstrate that the market-based mechanisms, which were imposed by IFIs and supposed to allow a more varied and efficient intermediation between supply and demand, have not been able to address the needs of poor, small producers, especially women<sup>66</sup>. The research carried out by the GERA Programme in Cameroon and other African countries found that financial sector reforms have not improved rural women’s access to financial services<sup>67</sup>. These problems are mainly due to critical flaws in the assumptions that are underlying financial liberalization policies. Therefore, “establishing well-functioning and diverse financial systems”<sup>68</sup> requires fundamental policy changes that the NEPAD is not likely to undertake, given the nature of its macroeconomic framework, policy options and preferred alliances.

Indeed, one of the major changes involves a major shift from financial liberalization as “a selective process that has mainly served the interests of foreign capital”<sup>69</sup>, to financial sector reforms that are explicitly geared to meet the needs of poor, small producers, especially women. This is a matter of equity, as well as a matter of efficiency, since micro and small enterprises (MSEs) dominate the economic structure in most African countries<sup>70</sup>. Another change is related to the role of the state, which should “go beyond

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<sup>65</sup> CAR, para 79

<sup>66</sup> Randriamaro (Z.), *Financing for the Poor and Women: a Policy Critique*, in “Financing for Development. Proposals from Business and Civil Society”, Barry Herman and al. (eds), UNU Policy Perspectives 6, United Nations University Press, New York, 2001.

<sup>67</sup> GERA Programme, *ibid.*

<sup>68</sup> CAR, para 78

<sup>69</sup> Randriamaro (Z.), *ibid.*

<sup>70</sup> UNECA, *Cadre Africain de Référence pour les Programmes d’Ajustement Structurel en vue du Redressement et de la Transformation Socio-économique*, 1996.

withdrawing from its traditional role in finance and development, i.e. removal of controls, privatization and reduction of budget deficits, and aim at providing an innovative and supportive institutional framework”<sup>71</sup>. The criteria for the assessment of financial sector reforms should also be changed to include “their implications for the achievement of development objectives and equity, and not only against such criteria as GDP, exports or budget deficit”<sup>72</sup>. Most importantly, the neoliberal assumption that the private sector and the market will ensure an appropriate allocation of financial resources must be abandoned.

Fiscal policy is another key element of domestic resources mobilization and allocation that is not explicitly addressed by the NEPAD and the CAR. One has to assume that fiscal policy reforms fall under the “public financial management”<sup>73</sup> that should be improved by the Economic and Corporate Governance Initiative, in order to create an enabling environment for investment. It appears that fiscal policy reforms are envisioned to ensure fiscal discipline, as part of such enabling environment for investment. There is no mention of promoting progressive and redistributive taxation measures required for pro-poor and gender-sensitive fiscal policies, as opposed to the widespread tendency to implement regressive taxation measures, with an overwhelming focus on consumption taxes that particularly affect the poor. Fiscal policy is not used by the NEPAD initiators and promoters as a tool for poverty reduction and sustainable human development.

The potential effect of such a strategic option is that “the tax and public expenditure economy is being re-subordinated to the profit-seeking commercial economy in conditions in which families and communities are less and less able to absorb the shocks.”<sup>74</sup> This is a basis of major concern from a gender perspective, as it implies that women who already act as the major shock-absorbers under restrictive fiscal policies will be overburdened. This strategic option means that women’s so-called “reproductive tax” - the burden of providing unpaid care to sustain families and communities - will be increased, whereas big corporations will be subsidised by governments through tax breaks and other incentives. The absence of an integrated social protection system in the NEPAD and its operational framework makes the prospects even worse.

Special attention should also be paid to the impact of fiscal austerity measures that will continue as part of the macroeconomic stabilization policies that the NEPAD intends to implement. These fiscal austerity measures have led to tighter credit conditions with higher interest rates, and have worked to make women’s access to formal credit even more difficult and to reinforce the exclusion of poor women.

Another example of the narrow understanding of domestic resource mobilization in the NEPAD is that it does not take account of all the impacts of trade liberalization, despite

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<sup>71</sup> Randriamaro (Z.), *ibid.*

<sup>72</sup> Ditto

<sup>73</sup> NEPAD, para 91

<sup>74</sup> Keller-Herzog (A.), *Globalisation and Gender. Development Perspectives and Interventions*, Discussion Paper, CIDA 1996, p.20.

the fact that trade is expected to be the major source of domestic resources, along with investment. Thus, it ignores the huge fiscal revenue losses for national budgets that trade liberalization has entailed. Similarly, it does not make the link between trade issues and their implications for the development of strategic sectors such as agriculture. In particular, it does not consider the role of transnational agri-business and its impact in terms of concentration of market power, market distortion and competition issues. This has important gender implications, as trade liberalization has proved to have deleterious effects on gender relations and women's rights and livelihoods<sup>75</sup>.

In sum, the NEPAD does not address a number of issues that are critical to an effective mobilization of domestic resources for people-centered, pro-poor, and gender-sensitive development policies. Financial goals are de-linked from and prioritized over social goals. What the NEPAD means by domestic resource mobilization is mainly the establishment of good governance and financial management to attract private capital flows.

### Private Capital Flows.

According to the CAR, the private sector is “the major future engine for Africa’s economic development...(...)...It is now beyond dispute that the only source of finance that can provide the long-term finance required for economic growth and poverty reduction is the private sector, both national and international. The Compact recognizes that business and markets are the cornerstone of development, and are the essential means of achieving a transition from ODA-dependence to sustainable growth.”<sup>76</sup> With regards to development financing, “the objective is to make private capital flows provide 70% of external finance in the medium term and 100% in the long term”<sup>77</sup>.

Among the implications of this over-reliance on external financing is an increased concentration of power in the hands of TNCs and IFIs which exclude the majority of people, especially women, and are not accountable to the public. Indeed, “decisions about fiscal and monetary policy, about the rules governing financial markets, about corporate accountability, are taken by a small group of officials, politicians, and financiers with little participation of citizens and their elected representatives.”<sup>78</sup> In this regard, it is remarkable that the measures proposed by the CAR for “Good Corporate Citizenship”<sup>79</sup> do not include specific proposals for the enforcement of the codes of conduct and the accountability of corporations, apart from the development of “best practices” which is expected to protect African countries from possible ‘bad practices’ such as the manipulation of transfer price to evade taxation.

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<sup>75</sup> See Tsikata (D.), in “Trade liberalization in Africa: A Gender Analysis”, presentation at the GERA Programme Regional Workshop on “Gender, Trade and Development in Africa”, Accra, June-July 2001; and “Gender, Trade and Labour in Africa”, forthcoming GERA Discussion Paper 2, *ibid*.

<sup>76</sup> CAR, para 29

<sup>77</sup> CAR, para 204

<sup>78</sup> Elson (D.), *International Financial Architecture: A View from the Kitchen*, paper for the International Studies Association Annual Conference, Chicago, February 2001, p.4

<sup>79</sup> CAR, paras 223- 228

The reliance on private capital flows also implies an implicit priority given to “corporate welfare”<sup>80</sup> over the welfare of citizens, especially the poor, through contracts – including the privatization of public assets and basic utilities – provision of infrastructure, tax breaks, free supply of African countries’ natural resources (often non-renewable), full repatriation of profits, etc. This bias in favour of corporations contradicts the claims of the NEPAD for people-centered development, while endangering the social and economic rights of the poor and disadvantaged groups, including women.

The uncritical support of the NEPAD and the CAR to the promotion of FDI prevents them from taking into account that the profit-seeking FDI will not necessarily go in the priority sectors of investment for sustainable and people-centered development. It also prevents them from making mention of the possible negative consequences of FDI on employment, balance of payments and income distribution in African countries. The CAR points to “environment disasters and human rights abuses” by “some multinational companies and their subcontractors”<sup>81</sup>, only to call on the good will of corporations to uphold the values and principles of good corporate citizenship, without any meaningful proposal for ensuring compliance and corporate social responsibility and accountability.

Nor does the CAR mention in its long apology of the private sector<sup>82</sup> the negative effects that FDI can have when it absorbs local savings, disrupts local industries and leads to excessive capital outflows, or when the jobs it creates are in export enclaves disconnected from the national economy, as happened in several African countries<sup>83</sup>. Moreover, the CAR is silent on the recurrent crises that have affected the international financial architecture, thereby failing to address a key issue in global economic governance that has direct implications for the implementation of the plan.

Furthermore, the policy obsession of the NEPAD and the CAR with foreign investment combined with the primacy given to macroeconomic stability is likely to lead to a “deflationary bias” – an issue which has been underlined by feminist economists and is characterized by an overemphasis on austerity measures such as reducing public expenditure and inflation rates, and raising interest rates. It has been suggested that the negative effects of these policies are disproportionately borne by women, and “that using deflation to deal with problems caused by inappropriate financial liberalization makes the position of poor people, and poor women in particular, worse – as the financial crises in South-East Asia have shown”<sup>84</sup>. Such a scenario is possible at the implementation stage of the NEPAD, especially since macroeconomic conditionalities are non-negotiable according to the IFIs and are applied without consideration for the peculiar nature of the economic problems experienced by different countries. In particular, the problems posed by financial liberalization in many African countries that have been described above are likely to be overlooked.

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<sup>80</sup> Elson (D.), *ibid*, p.2.

<sup>81</sup> CAR, para 223

<sup>82</sup> Ditto, paras 206-215

<sup>83</sup> For example in Zambia.

<sup>84</sup> Elson (D.) and Cagatay (N.), *The Social Content of Macroeconomic Policies*, in *World Development*, Vol.28, No 7.

Despite the significant emphasis on infrastructure in the NEPAD, its development has been left to private sector investment. As infrastructure is an important medium and long-term developmental concern for women and the poor, by contrast, international development and financial institutions have been advocating for infrastructure to become a more important part of the responsibilities of the States. It is predictable that the initiators of the NEPAD would probably argue that African States do not have the resources to fulfill such responsibility. Because of their support to the neoliberal agenda, there is much less probability that they would point to the fact that along with social services, public infrastructure has been one of the sectors which had experienced drastic cuts in public spending as a result of IMF conditionalities. In any case, the entire privatisation of infrastructure investment envisioned by the NEPAD and confirmed by the President of Senegal during a meeting with the African Civil Society Caucus at the International Conference on Financing for Development raises questions about the viability of such an option.

Indeed, there is ample evidence from other regions that private investment in infrastructure often occurred as a response to public investment in this sector. Therefore, the withdrawal of public investment is likely to act as a disincentive for private investment. In addition, the experience of South East Asia where private capital flows to developing countries have concentrated both in terms of portfolio speculative capital and foreign direct investment<sup>85</sup> shows that despite all the incentives provided by governments, the proportion of private capital flows that had gone to infrastructure had been far below expectations<sup>86</sup>.

More generally, the drive of the NEPAD and the CAR towards the provision of social services by the private sector clearly shows a “commodification bias”<sup>87</sup> that raises grave concerns from a human rights and gender perspective. Thus, according to the CAR, “the private sector may also provide a range of social services directly. This is most notably in private delivery of water, sewerage, health and education services”<sup>88</sup>. This “commodification bias” puts the rights of the poor and vulnerable groups to meet their basic needs at the mercy of financial intermediaries. It “fuels the growth of financial corporations and the corporate welfare state”<sup>89</sup> at the expense of the rights of citizens, especially women. Indeed, past experience from liberalization and privatization policies in Africa and other countries shows that in this context, not only is the hidden reproductive tax extracted from women increasing, but also “particularly in poor and middle income families, women are called upon to spend more time and effort in providing non-market substitutes for marketed goods that their families can no longer afford to buy, and providing substitutes for public services that are no longer available.”<sup>90</sup>

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<sup>85</sup> About two-thirds of global foreign direct investment in 1998

<sup>86</sup> Malhotra (K.), in a presentation on “Globalisation, Private Capital Flows and the Privatisation of Infrastructure” to the Conference on “BOOT: In the Public Interest”, Australian Centre for Independent Journalism, Sidney, 1998.

<sup>87</sup> Elson (D), *ibid*

<sup>88</sup> CAR, para 210

<sup>89</sup> Ditto, p.11

<sup>90</sup> Ditto, p.3

In addition, “commodification/privatization bias fuels the growth of financial intermediaries; and the growth of financial intermediaries in search of a high real rate of interest fuels deflationary bias in macroeconomic policy, and leads to even more pressure to privatize”<sup>91</sup>.

Finally, of major concern is the fact that the NEPAD seems to adopt an ‘open door’ policy towards foreign investment. The opening of African economies to competition from foreign companies without any form of protection for domestic industries is a major threat on local enterprises, especially SMEs where women predominate. While fostering unhealthy competition between African countries to attract foreign investment, this policy is likely to lead to a downwards harmonization of standards for social and labour rights and environment protection. In many ways this proves that this policy is not the outcome of a national consensus between the government, local private sector, workers and small farmers and producers, including women, and other social and economic actors.

In conclusion, the NEPAD and the CAR are biased against the interests and needs of the poor and women with respect to the mobilization and redistribution of resources. Therefore, they are far from upholding the rights of citizens, especially women’s rights. They promote a “new partnership” that concentrates on northern donors, institutions, TNCs and the wealthy segments of African societies, and excludes the poor and women .

### **3. Towards a New Partnership for Women’s Economic Empowerment**

This final section aims to propose alternative approaches and frameworks for addressing issues of women’s poverty and economic empowerment, including new strategies and alliances. It underlines the relevance of a gender and class analysis in any assessment of economic policy options and development cooperation, and reaffirms the urgent need to transform the mainstream economic paradigms, and structures of global economic governance.

#### ***3.1. What kind of development should be financed from a gender perspective?***

This analysis of the implications of the NEPAD from a gender perspective demonstrates that it cannot genuinely represent a pro-poor and gender-sensitive economic framework for poverty eradication and women’s empowerment. The fundamental flaws in the NEPAD’s economic framework and policy orientations also affect its strategic options for the mobilization of resources and hinder the achievement of its stated objectives and goals. This is compounded by the evidence that these strategic options have not been based on an appropriate re-assessment of benefits and costs that result from domestic and international policies from a pro-poor and gender perspective.

Thus, the ample evidence of the regressive gender redistributive effect of social policy constraints imposed by globalisation has not been taken into account. Subsequently, the actions planned in social sectors such as health and education do not specifically address

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<sup>91</sup> Ditto, p.11

this regressive effect. In particular, the NEPAD does not envision the establishment of an integrated system of social protection for women and vulnerable groups which is required for ensuring the realization of their fundamental rights as citizens. .

With regards to the central issue of women's access to and control over productive resources, strategies and actions should build on the recognition that “ women's advancement in economic activities and their access to (self) employment and income are influenced by a variety of factors within the political economy of different countries and the general policy environment, as well as by institutional constraints and social relations of power which determine their access to and control over basic resources at household, community and national level”<sup>92</sup>

The actions planned to expand women's access to and control over resources should not be limited to income-generating activities, education, training and credit. First and foremost, these actions should focus on the legal, economic, socio-cultural, and political constraints that perpetuate gender inequalities – constraints that have been thoroughly analysed and documented by a mass of studies undertaken by various stakeholders, including women themselves. - In this regard, the NEPAD only proposes old recipes that have not worked.

This paper also points to the relevance of a gendered class analysis for the development of an equitable, people-centered, pro-poor and gender-sensitive economic framework, as well as for addressing the unequal power relationships that characterize current ‘partnerships’ between Africa and the North. Such analysis is necessary to deconstruct and change the power relations and interlocking structures of oppression that create and perpetuate poverty and gender inequalities, as well as inequities between nations. In particular, this analysis would bring to the fore a critical issue raised by the NEPAD: the institutionalization of a “male deal” which involves a collaboration between some men at the local, regional and international level and facilitates both the exploitation of the poor's and women's labour<sup>93</sup>, and the social management of their exclusion.

For the NEPAD to really address the concerns and needs of women and the poor, it must move away from the Washington Consensus and its institutional arrangements which have been so detrimental to them. To do so, it ought to use a human rights framework for the formulation of alternative policies that can ensure economic and social justice, especially poverty eradication, and gender equality. It must listen to the voices of African women and men from all walks of life - including workers, small producers, communities at the grassroots level and their organizations - and make a clear political choice in favour of the most disadvantaged, including poor women, by prioritizing their rights over the interests of foreign capital. It must establish the necessary mechanisms for democratic participation in economic policy and decision making. It must resist the

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<sup>92</sup> Rugumamu 1997, Tripp 1997, cited by Mbilinyi (M.), *ibid*.

<sup>93</sup> On this subject, see among others Turner (T. E.), *Oil Workers and Oil Communities in Africa: Nigerian Women and Grassroots Environmentalism*, in “Labour, Capital and Society”, Vol. 30, No1, April 1997, p.68



pressures of the forces of globalisation that pushes governments to sacrifice the rights of their own citizens for an illusory ‘new partnership’ between unequal partners.

As a first a first step in this direction, the NEPAD and its operational framework should build on the alternative frameworks that have been developed in response to the negative effects of the Washington Consensus, namely the *African Alternative Framework For Structural Adjustment Programmes*<sup>94</sup> developed by the UNECA. They should also build on women’s perspectives and strengths as expressed by the diverse popular and women’s organizations in Africa.

With respect to the specific policy recommendations for the development of a genuine people-centered and gender-sensitive economic framework, the NEPAD and the CAR should seriously take into consideration the proposals put forward by civil society and women’s organizations, namely in relation to the Financing For Development process and the Monterrey Consensus<sup>95</sup>. At the heart of these recommendations is the urgent need for human rights, as they are included in the Human Rights Instruments of the UN and the ILO, to be the overarching framework for all development plans and programs at the national, regional and international level.

In fact, if all the African States, and their Northern supporters acknowledged existing human rights instruments and international commitments to which they have signed onto and ratified, considerable progress could be made towards gender equality. To this end therefore, the NEPAD should explicitly be geared to implementing the CEDAW convention, the Beijing Platform for Action, the Cairo Action Plan, Agenda 21 from the Rio Summit in addition to the UN Millennium goals, all of which give ample and specific program and policy commitments regarding women’s rights and poverty eradication.

### ***3.2. A New Partnership With Women and the Poor***

In order to ensure poverty eradication and to promote gender equality, the NEPAD’s initiators and promoters should envision a major paradigmatic shift from the neoliberal economic orthodoxy to a development model that builds on a broad-based dialogue – inclusive of women, the poor, racially and other marginalized groups – between different interests about alternative economic policies and their social content.

Of critical importance for the NEPAD is the recognition that “women are being hemmed in by two forces of fundamentalism: the fundamentalism of the market and religious fundamentalism that have brought the world to a dangerous juncture”<sup>96</sup>. Therefore, the NEPAD’s initiators and promoters should listen to the voices of African women, who urge their leaders not to collude with the forces of market fundamentalism which are undermining their rights, their livelihoods and the welfare of their families.

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<sup>94</sup> UNECA, 1996, *ibid*

<sup>95</sup> See among others the Civil Society and the Women’s Caucus Statements at the United Nations International Conference on Financing for Development, Monterrey, March 2002.

<sup>96</sup> *An Equitable World is Possible and Necessary*, Statement by the Women’s Caucus at the ICFFD, Monterrey.

The NEPAD's initiators and promoters should focus on the establishment of a new social contract based on new alliances with popular forces, in particular women and their organizations, thereby fulfilling their rights to participate in decisions about policies that shape their lives, and recognizing their unique power to effect change towards people-centered, equitable and sustainable development.

They also have to re-think the terms of their 'new partnership' with the North, paying special attention to the demands of their citizens. In this regard, they should echo the voices of African civil society and women's organizations who are demanding political will for

- transforming Northern policies and multilateral institutions that shape the global economic and political dynamics in order to ensure democratic global governance;
- the urgent implementation of the required reforms in the international financial infrastructure and trade and investment regimes to redress the imbalances and biases against African countries, including the enforcement of legislative measures to ensure corporate social and environmental responsibility;
- meaningful and concrete commitment to finance the commitments made by the international community in UN development conferences on environment, human rights, population, social development, racism and women.

Ultimately, therefore, African leaders who support the NEPAD must pay special attention to women's demand that "governments of the North must not use aid as a bargaining chip in pursuing their economic, political and military interests. Governments of the South must not cave in to pressures to accept aid, trade and investment in exchange for political and military compliance. As women, we will not sacrifice our lives and the lives of our children, our families and our communities for this blood money."<sup>97</sup>

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<sup>97</sup> Ditto

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