New Concepts of Power and their Developmental Promise

Africa and NEPAD

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Introduction

One of the most remarkable transformations of the last quarter-century has been rapidly-accelerating global interconnection that has revolutionized governance, commerce, societal norms, and cultural processes. This globalization has altered (and is still altering) the political systems, economies, and social institutions of many African nations. To best realize the benefits of globalization, African nations now look to join dynamic political and economic networks, to forge relationships with newly-empowered actors, and to take part in re-imagined global systems.

In the economic realm, liberalization, rapidly advancing information technologies, and more open markets make modes of production possible that were not conceivable in the past. The challenges of time and space are diminished in importance and businesses are able to conduct commerce with suppliers, manufacturers, and customers regardless of their locale.

Yet despite globalization's potential, many African nations have been ill-equipped to integrate themselves into the global marketplace. Hindrances include economically-paralyzing national debt, lack of investments in public and private enterprises, and poor governance. Whatever the challenges, there is little doubt among development theorists that the world's poorest nations must act quickly if they are to maximize the benefits of globalization and minimize its negative repercussions. In response to these dynamics, African nations that have been marginalized and exploited for generations are now employing measures to benefit from global economic interaction.

The NEPAD environment

The New Economic Partnership for Africa's Development (NEPAD) seeks to address the continent's multitude of developmental needs. NEPAD's long term objectives include sustainable development and a larger role for the continent's women, while short term objectives include an emphasis on market access, human capital, infrastructure, health, and agriculture; however, NEPAD is not just ideology. The economic development plan includes specific, measurable goals aiming to mitigate poverty, boost education, provide greater access to health care, reverse environmental loss, and reduce maternal, infant, and child mortality rates.

While core goals are economic in nature, many other facets of African governance are addressed. The principles of human rights, transparency, political pluralism, and democracy are linked societal cornerstones to which NEPAD-participating nations must be willing to adhere (or at least to play lip service) in order to reap the plan's benefits. These are the same tenets supported—though action or inaction—by the prevailing development regime, comprised of the European Union, the United State, the United Nations, the International Finance Corporation, the World Bank, and multi-national corporations. These actors control the flow of capital and aid into the continent, provide a market for Africa's goods, and manage the programs that promote development. They bequeath rewards upon those nations that are democratic, politically stable, economically productive, and—in a social context—acceptable by neo-liberal standards.

As such, in the emergent NEPAD environment, access to the programs that foster development (and the capital and human resources required to make them successful) will not be equally available to all African nations. Nevertheless, other factors must be considered as sources of strength. Globalization and the expansion of information technologies have increased both the importance and capabilities of non-state actors. New networks have emerged, as have new conceptualizations of power.

The research methodology is a qualitative assessment that denotes which African nations are relatively more likely to receive foreign direct investment under NEPAD.

The indictors that comprise each endowment—instrumental power, existing networks, and structural power—are ranked and each nation is given a score. These three scores comprise each nation's final score.

Each indicator is equally weighted in the final tabulation. The higher a nation's final score, the more likely it is to receive foreign direct investment (FDI).

Research Overview

The New Economic Plan for Africa's Development (NEPAD) is the continent's response to the disproportionate power of other global actors within the international development regime. Using regionally-based and multi-sectoral tactics, NEPAD aims to eradicate poverty, create a larger role for women in economic activity, foster sustainable development, and promote market assess, human capital, infrastructure, health, and agriculture.

NEPAD looks to nation-states to fund public initiatives (infrastructure, education, and health); however, the plans for business development and overall economic gains point in another direction—**foreign direct investment (FDI)**. NEPAD's drafters clearly view FDI and its associated knowledge flows as a critical component of sustainable development, helping to build commercial capacity on the continent. And with its reliance upon political stability, predictable and transparent institutions, economic productivity, and relationships with and access to outside actors, FDI can be used as a key indicator of an African nation's developmental success (i.e., power) vis-à-vis other African nations. This research evaluates the likelihood of foreign direct investment, on a national basis, by examining three types of power.

Instrumental power is the influence bestowed upon a nation through its achievement of those qualities valued by the prevailing neo-liberal standard. These include a robust gross domestic product and sound consumption rates, full participation in the workforce by men and women alike, high literacy rates, and democratic forms of government. These are those characteristics that have been traditionally valued by investors and have been viewed as precursors to obtaining FDI.

There is also power conferred by an African nation's **existing networks**—those political, economic, and technological ties that can be employed to realize information gaps, to connect with investment funds, and to maximize the benefit of current investments.

As NEPAD is an evolving initiative, there is also **structural power** granted to those nations involved at its inception and during its expansion. Nations who drafted the plan and provided input early on are those that will create new institutions to support NEPAD-based development. They are also likely to have the greatest initial access to investors intrigued by NEPAD's promise.

Instrumental Power

To a large extent, both private equity sources and public development programs have tended to collaborate with those nations that appear to share their neo-liberal values. These include democratic forms of government, an educated populous, productive capabilities, and an internal market and have been traditionally regarded as signals of a nation's investment potential. It is from these attainments that instrumental power is derived.

While no African nation enjoys dominance by all measures, some have a clear advantages in aspects of instrumental power. Several nations are led by regimes globally-regarded as democratic and fair, while others have established productive capabilities and are experienced in providing goods for global, regional, and national markets. Still other governments have made substantial investments in public services, resulting in a citizenry that enjoys higher rates of literacy and lower rates of disease. Each of these factors brings a nation closer to developmental goals and earns a higher score with regard to instrumental power.

This often translates into greater opportunities to receive foreign investment. The United States, the European Union, the United Nations, the World Bank, and the International Finance Corporation all place substantial value on these attainments. And in many instances, a capable and productive workforce, the presence of an internal market, and reliable and stable institutions are regarded as not just desirable, but *critical* for investment. The drafters of NEPAD do not attempt to distance the plan (or Africa's future) from these institutions, but surreptitiously acknowledge them, laying out these neo-liberal ideals as explicit goals in the text of NEPAD.

This research examines the potential for an internal market by looking at GDP growth and consumption. When both data points are strong, a nation offers investors opportunities to take part in the internal market and to export regionally. Cape Verde, Mozambique, Lesotho, Eritrea, Uganda, Benin, Malawi, Ethiopia, Tanzania, Swaziland, and the Gambia rank in the top half by both measures.

Labor force strength is indicated by female participation in the labor force, male and female literacy rates, and GDP per capita. These measures provide information about education levels, equity in education, and poverty—all of which indicate to investors whether the labor force is capable of acceptable levels of productivity and if it is broad and deep enough. Only Botswana and Ghana ranked in the top half by all measures.

While African *societies* have a long history of democracy, this value has not always taken root among the continent's governments. The presence and the effectiveness of political rights, civil liberties, human rights, transparency and rule of law, and freedom of the press can provide clues to investors regarding the predictability and stability of economic and governance institutions. Data for this indicator was provided by World Audit, whose democracy rankings consider each of these factors. Nations ranking in the top half for democracy include: Algeria; Benin; Botswana; Burkina Faso; Congo (Dem. Rep.); Ethiopia; Ghana; Guinea-Bissau; Lesotho; Madagascar; Mauritania; Mauritius; Morocco; Mozambique; Namibia; Niger; Senegal; Sierra Leone; South Africa; Tanzania; and Uganda.

When considered collectively, these instrumental power indicators can greatly influence the outcome of investors' choices. Not surprisingly, these are the same indicators evaluated in many investment risk analyses. The highest overall instrumental power score was six, which was received by Botswana, Lesotho, and Uganda. The second-highest score of five was received by Cape Verde, Ghana, Madagascar, Mauritius, Swaziland, Tanzania, and Zimbabwe. *See Table 1 for additional detail.*

Table 1. Selected Results for Instrumental Power

	Rank	Nation	Indicator Data
Potential for an Internal Market		***Average Annual Percent Growth, Real GDP, 1990–2002*** [1]	
	1	Equatorial Guinea	19.7%
	2	Sudan	7.6%
	3	Uganda	6.9%
	4	Mozambique	5.8%
	5	Cape Verde	5.6%
		Consumption, Growth as Percent of GDP, 1990–2002 [1]	
	1	Lesotho	136.4%
	2	Eritrea	132.0%
	3	São Tomé and Principe	119.0%
	4	Somalia	112.5%
	5	Cape Verde	106.4%
Strength of Labor Force		***Ratio of Female/Male Participation in Economic Activity, 1995*** [1]	
	1	Ghana	103
	2	Tanzania	98
	3	Burundi	97
	4	Malawi	96
	5	Mozambique	94
		Percent Male Population That is Illiterate, 1999 [1]	
	1	Equatorial Guinea	8.0%
	1	Zimbabwe	8.0%
	3	Libya	10.0%
	4	Kenya	12.0%
	4	Mauritius	12.0%
		Percent Female Population that is Illiterate, 1999 [1]	
	1	Lesotho	7.0%
	2	South Africa	16.0%
	3	Zimbabwe	16.0%
	4	Mauritius	19.0%
	5	Namibia	20.0%
		Per Capita GDP in US Dollars, 1998 [1]	
	1	Seychelles	11,188
	2	Mauritius	9,629
	3	Botswana	8,547
	4	Gabon	7,556
	5	South Africa	7,187
Predictable Institutions and Stability		***Democracy Rankings, 2002*** [2]	
	1	Mauritius	25
	2	South Africa	29
	3	Mali	35
	4	Benin	37
	5	Botswana	43

[1] World Bank 2002 African Development Indicators
[2] WorldAudit.org Democracy Rankings

Existing Networks

Given the asymmetric instrumental power of African nations, achieving common goals through collective action will be no easy task. Both nation-states and the firms that will provide the momentum for growth will need to rely upon the existing relationships that each has fostered. These key contacts might have been establishing through participation in international diplomacy structures, affiliation with intra-continental economic arrangements, and connection to the global marketplace via information and communications technologies (ICTs).

In a globalized world, the these networks are as influential as traditionally-valued investment indicators. A nation's established networks and its propensity to look outward and to seek resources and information can increase its potential to connect with public and private sources of investment. Moreover, they indicate a nation's ability to transform existing efforts into future successes and to unite champions on its behalf.

Certain African nations have gained political contacts via participation in global governance structures or special trade alliances. Other nations have acquired specific mercantile and monetary experience through the collaboration necessary to participate in Africa's regional economic arrangements. Some nations are better situated to join the online global marketplace and to participate more fully in the information age, allowing for increased information access and opportunities to work with global actors inaccessible to less networked societies.

Political networks

Political networks are channels by which national status and influence can be heightened, opportunities to make use of information gaps can be realized, and greater access to development programs can be obtained. For example, in a NEPAD-based development environment, nations familiar with governance mechanisms such as the United Nations (UN) or with trade acts such as the United States' Africa Growth and Opportunity Act (AGOA) might well be afforded an advantage in connecting with capital flows.

Measurement of political networks include participation in the African Union (AU), eligibility for AGOA, and committee participation in the UN. This data was gathered from the web sites of the AU and the UN, as well as the U.S. Department of Commerce's AGOA web site. Participation in these networks is scored as a zero or one tabulation, either they participate or they do not. *See table 2a for additional detail.*

Table 2a. Existing Political Networks
(Participation in the AU, eligibility for AGOA, and membership on a UN Committee)

Nations Participating in Three Political Networks
Cameroon, Central African Republic, Chad, Congo (Dem. Rep.), Egypt, Ethiopia, Gabon, The Gambia, Ghana, Guinea, Kenya, Libya, Mali, Morocco, Mozambique, Namibia, Nigeria, Senegal, Sierra Leone, South Africa, Swaziland, Tunisia, Uganda
Nations Participating in Two Political Networks
Algeria, Angola, Benin, Botswana, Burundi, Cape Verde, Congo (Rep.), Côte D'Ivoire, Djibouti, Eritrea, Guinea-Bissau, Lesotho, Madagascar, Malawi, Mauritania, Mauritius, Niger, Rwanda, São Tomé and Principe, Seychelles, Sudan, Tanzania, Togo, Zambia, Zimbabwe
Nations Participating in One Political Networks
Burkina Faso, Comoros, Equatorial Guinea, Liberia, Somalia

Economic networks

There are multiple African regional economic arrangements, all with the goals of promoting trade and stabilizing national economies. Some comprise the the 'five pillars' of the African Economic Community (AEC), while others operate outside of this structure. Official pillars include: the Arab Maghreb Union; the Economic Community of Central African States; the Common Market of Eastern and Southern Africa; the South African Development Community; and the Economic Community of West African States.

Economic communities not part of the AEC are: Communauté Économique et Monétaire de l'Afrique Centrale; the Indian Ocean Commission; the Southern African Customs Union; and the Union Economique et Monétaire Ouest Africain.

These economic networks are pathways to connect with other empowered actors on the continent, to learn about investors needs, and to share information about commercial successes or challenges. Participation can also indicate a nation's propensity toward proactive efforts and its focus on economic development.

Data for this indicator was gathered from the various official community web sites. Participation in these networks is scored as a zero or one tabulation, either they participate or they do not. *See table 2b for additional detail.*

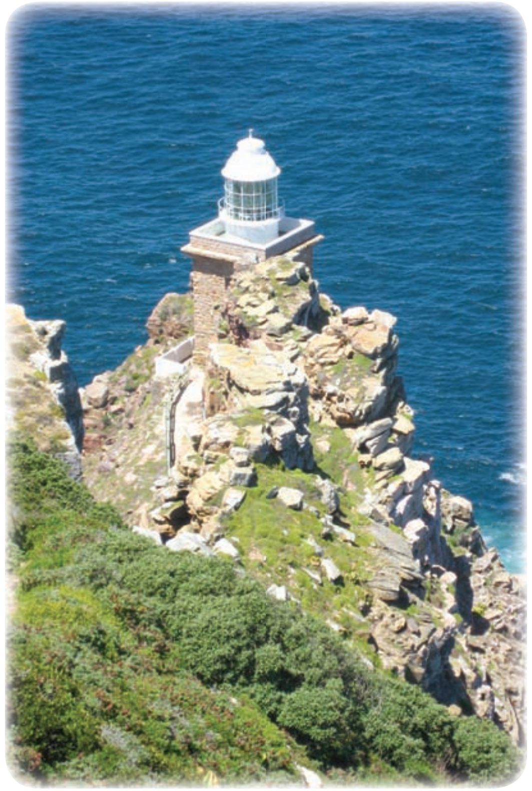
Table 2b. Existing Economic Networks
(Participation in Regional Economic Arrangements)

Nations Participating in Three Regional Economic Arrangements
Angola, Mauritius, Namibia, Seychelles, Swaziland
Nations Participating in Two Regional Economic Arrangements
Benin, Botswana, Burkina Faso, Cameroon, Central African Republic, Chad, Congo (Dem. Rep.), Congo (Rep.), Côte D'Ivoire, Djibouti, Egypt, Equatorial Guinea, Gabon, Guinea-Bissau, Lesotho, Madagascar, Malawi, Mali, Mauritania, Niger, Senegal, South Africa, Sudan, Zambia, Zimbabwe
Nations Participating in One Regional Economic Arrangement
Algeria, Burundi, Cape Verde, Eritrea, Ethiopia, The Gambia, Ghana, Guinea, Kenya, Liberia, Libya, Mozambique, Namibia, Nigeria, Rwanda, São Tomé and Principe, Sierra Leone, Somalia, Tanzania, Togo, Tunisia, Uganda
Nations Not Participating in a Regional Economic Arrangement
Comoros

Table 2c. Selected Results for Existing Technological Networks

Rank	Nation	Indicator
Percent Growth in Telephone Mainlines per 100 Inhabitants, 1995–2000 [1]		
1	Guinea	39.8%
2	Sudan	34.3%
3	Equatorial Guinea	27.3%
4	Ghana	26.0%
5	Botswana	17.8%
Internet Users Per 100,000 Inhabitants, 2000 [1]		
1	Seychelles	736.63
2	Mauritius	728.91
3	South Africa	549.38
4	São Tomé and Principe	438.48
5	Cape Verde	183.99
Number of Entries on Official Government Web sites, 5/29/02 [2]		
1	South Africa	176
2	Mauritius	68
3	Algeria	56
4	Morocco	50
5	Egypt	38

[1] 2001 International Telecommunications Union Indicators
[2] Worldwide Governments on the WWW web site, <www.gksoft.com/govt/en/world.html>



Technological networks

Technological networks, made possible by ICTs, enable citizens to access information and resources from across the globe and to participate in their nation's political processes. They also can be an enabling tool for democracy and for more efficient economic structures.

Each nation's existing technological networks are evaluated by three measures—percent growth in mainline telephones, the number of internet users, and the extent of governmental web presence. Data for the first two indicators are from 2001 International Telecommunications Union figures. The third measurement is based on the "African Governments on the WWW" section of *Worldwide Governments on the WWW* web site.

Overall high scores of eight were received by two nations, Mauritius and Senegal. Scores of seven were received by Angola, Benin, Côte d'Ivoire, Egypt, Madagascar, Mali, Namibia, Seychelles, South Africa, Swaziland, and Tunisia. *See Table 2c for additional detail.*

Structural power

He who writes the rules...

This truism lies at the core of structural power in what is assumed to be Africa's new development plan, NEPAD. Written primarily by the leaders of four African nations (Algeria, Nigeria, Senegal, and South Africa) and participated in—via the African Peer Review Mechanism—by a dozen others, NEPAD offers a comprehensive plan for advancing the continent as a whole. The leaders who drafted NEPAD simultaneously offer regionalism as a path to development while maintaining the nation-state as the direct beneficiary of developmental rewards. While regionalism is celebrated, the nation-state endures.

As a testament to this, every effort is made to retain the sovereignty, influence, and operation of the state under NEPAD, even as its drafters insist that regionalism is critical in the continent's success. While the ultimate goal is continental development, there is little doubt that the drafters and reviewers of NEPAD acted with nationalistic interests in mind.

A nation with a wealth of natural resources would likely pay special attention to those sections about tourism and the environment, while nations whose economic gains are threatened by public health concerns or low literacy would likely have considerable input on the human development program. Nations with the advantage of an early start with regard to ICTs might be especially intrigued by the science and technology initiatives.

This self-interest should not be regarded as a negative consequence, but as a benefit of an existing network, as well. By participating in the NEPAD network, nations are able to gain structural power in the NEPAD environment, steering the document and its resultant policies in a direction that plays to their nation's strengths.

Structural power is measured by a nation's level of participation in creating NEPAD. Nations receive one point each for being a drafter of the plan or for participating in the implementation committee or the peer review mechanism. *See table 3 for additional detail.*

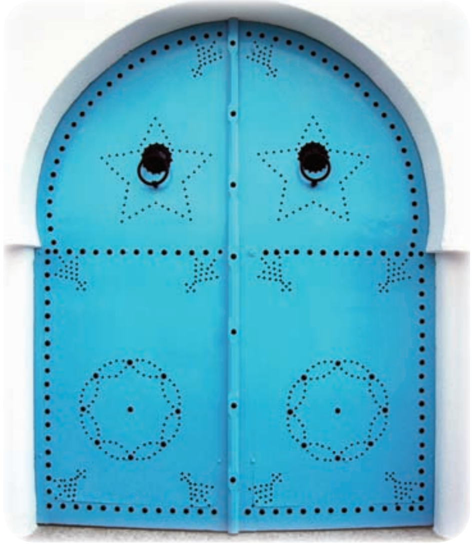


Table 3. Structural Power via NEPAD [1]

Nations Participating in the First or Second Drafting of NEPAD [2]*, the Implementation Committee, and the Peer Review Mechanism*
Algeria, Egypt, Nigeria, Senegal, South Africa
Nations Participating in the Implementation Committee and the Peer Review Mechanism
Ethiopia, Mozambique, Rwanda
Nations Participating in Only the Implementation Committee [3]
Botswana, Cameroon, Gabon, Mali, Mauritius, Tunisia
Nations Participating in Only the Peer Review Mechanism [3]
Congo (Rep.), Ghana, Kenya, Uganda
Nations Not Participating in NEPAD [4]
Angola, Benin, Burkina Faso, Burundi, Cape Verde, Central African Republic, Chad, Comoros, Congo (Dem. Rep.), Cote D'Ivoire, Djibouti, Equatorial Guinea, Eritrea, The Gambia, Guinea, Guinea-Bissau, Lesotho, Liberia, Libya, Madagascar, Malawi, Mauritania, Morocco, Namibia, Niger, São Tomé and Principe, Seychelles, Sierra Leone, Somalia, Sudan, Swaziland, Tanzania, Togo, Zambia, Zimbabwe

1. from the New Economic Plan for Africa's Development web site, <www.nepad.org>
2. Egypt, which was cited in 2003 as a secondary drafter, is now cited as a primary drafter of NEPAD.
3. Participating in the implementation committee or the peer review mechanism is equally weighted.
4. The final version of NEPAD was ratified by the African Union on July 9, 2003, after this thesis was written.

Conclusions

While interesting on their own merits, the individual measures of instrumental, existing network, and structural power are more illuminating when evaluated comprehensively. While data from an individual instrumental power indicator can point to evidence about an African nation's economic health, labor force, social conditions, and civic society; it is when the instrumental power scores are tabulated that a more complete picture begins to form. It is this initial image that investors first establish and it is often this image that determines the possibility of investment in Africa and the locale of that investment. But in the modern world—characterized by globalization, collapsed time and space, and expanding production and consumption capacities—there is more to the picture.

Strong are the effects of an African nation's existing networks, its connections to the political, economic, and technological processes of both the continent and the world. It is by these means that nations can connect with sources of private investment. It is through these relationships that nations can partner with public programs to best prepare themselves for rapid industrialization. And it is by these mechanisms that nations will join with other actors and create the networks to facilitate their own development.

And, with NEPAD's adoption by African governments, its support from the United Nations and the African Union, and its financing by multi-national corporations from abroad, the role of nations in creating the institutions that will support this initiative must be considered. At least at the outset, these nations will be in unique positions of power.

Globalization and the advent of ICTs have changed the notion of power in the developing world. Nations that have traditionally been overlooked as investment locales, often due to low instrumental power, can now look to the power of networks and structural power to leverage investment. Strengthening social and economic dynamics such as networks and regionalism provide opportunities for nations that have not been available in the past.

The results listed below provide a snapshot of what the African development environment might look like under NEPAD. Those nations ranking in the top half are considered 'relatively more hospitable' with regard to investment and FDI.

Future research considerations include a study comparing these results with levels of foreign investment in Africa at five- and ten-year intervals.

Table 4. Total Power Scores

	Instrumental Power	Existing Networks	Structural Power	Total Score
	Total Number of Top-Half Rankings	Total Number of Top-Half Rankings	Score	
Mauritius	5	8	1	14
South Africa	4	7	3	14
Botswana	6	6	1	13
Senegal	2	8	3	13
Uganda	6	6	1	13
Egypt	2	7	3	12
Ghana	6	5	1	12
Madagascar	5	7	0	12
Swaziland	5	7	0	12
Tunisia	4	7	1	12
Algeria	4	4	3	11
Benin	4	7	0	11
Cape Verde	5	6	0	11
Mozambique	4	5	2	11
Namibia	4	7	0	11
Rwanda	4	5	2	11
Zimbabwe	5	6	0	11
Cameroon	3	6	1	10
Ethiopia	3	5	2	10
Kenya	3	6	1	10
Lesotho	6	4	0	10
Mali	2	7	1	10
Mauritania	4	6	0	10
Tanzania	5	5	0	10
Congo (Dem. Rep.)	4	5	0	9
Côte D'Ivoire	2	7	0	9

Table 4. Total Power Scores, cont.

	Instrumental Power	Existing Networks	Structural Power	Total Score
	Total Number of Top-Half Rankings	Total Number of Top-Half Rankings	Score	
The Gambia	3	6	0	9
Nigeria	1	5	3	9
Sudan	3	6	0	9
Angola	1	7	0	8
Burkina Faso	3	5	0	8
Chad	2	6	0	8
Congo (Rep.)	3	4	1	8
Gabon	1	6	1	8
Guinea	3	5	0	8
Libya	2	6	0	8
Morocco	2	6	0	8
Seychelles	1	7	0	8
Zambia	3	5	0	8
Central African Republic	2	5	0	7
Eritrea	3	4	0	7
Malawi	3	4	0	7
Niger	3	4	0	7
Togo	2	5	0	7
Guinea-Bissau	2	4	0	6
São Tomé and Principe	1	5	0	6
Sierra Leone	2	4	0	6
Burundi	2	3	0	5
Djibouti	1	4	0	5
Equatorial Guinea	1	4	0	5

Seychelles
Mauritania
Burundi
Senegal
Swaziland
Mauritius
Mali
Chad
Liberia
Mozambique
Kenya
Guinea-Bissau
Congo, Republic
Libya
Ghana
Rwanda
Congo, Democratic Republic
Equatorial Guinea
Botswana
Tunisia
Guinea
Lesotho
Benin
Côte D'Ivoire
South Africa
Nigeria
Sudan
Zambia
Tanzania
Niger
São Tomé and Príncipe
Morocco
Malawi
Comoros
Burkina Faso
Gabon
Namibia
Somalia
Zimbabwe
Madagascar
Cape Verde
Sierra Leone
Angola
Eritrea
Uganda
The Gambia
Algeria
Egypt
Djibouti
Togo
Cameroon
Ethiopia
Central African Republic