

# **Public Policy Formation in Africa in the Wake of the Global Financial Meltdown: Building Blocks for a New Mind in a Multi-polar World**

...let us combine our muscles and our brains in a new direction.

-Frantz Fanon (1967)

But, soon rather than later, it is ideas, not vested interests, which are dangerous for good or evil.

- John Maynard Keynes (1935)

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## **Abstract**

The near universal and dominant sway of neo-liberal ideas in the political and economic spheres in the last thirty odd years have come under intense scrutiny following the global financial crisis (2007-2009). In the global North governments fashioned out of their taxpayers' money 'rescue plans' to 'bailout' hitherto globe spanning affluent private companies. Some thinkers are wondering what happened to notions of the small and limited government; the omniscient, omnipotent and unfailing market among other foundational claims of neo-liberal public policy formation.

For developing polities in Africa such critiques (and rebuttals as well) take on an added urgency and engender a certain necessary introspection on account of the neo-liberal development paradigms which the continent's development partners have both foisted and convinced her to pursue. We will argue that essentially the policy responses of the global North to the financial meltdown undermine the axiomatic and nomothetic pretensions of neo-liberal policy prescriptions creating a policy window for African polities to reclaim policy autonomy in a multi-polar world. This work will highlight the processes by which neo-liberal thought exerts such a formidable influence and hold on policy formation in Africa and provide hints by which a sustained, workable response can be forged.

Key words: neo-liberalism, Africa, public policy, new mind, ideas

## **Introduction**

There can be no debate about the mauling effects of the global financial crisis of the first decade of this century (2007- 2009). As if to underscore the pervasive scale and extent of this latest global economic paroxysm naturalistic metaphors<sup>1</sup> have been enlisted to describe what still is an evolving process<sup>2</sup>. Perennial job shedding<sup>3</sup>, sluggish consumer spending and the spectacular

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<sup>1</sup> Melamed (2009:45) makes this point but argues perceptively that such a rendering masks the human agency involved in the making of what is “the product of decisions that could have been made differently, and may have led to different outcomes”.

<sup>2</sup> The Irish economy was on the cusp of a bust in December, 2010 and had to be propped up with billions of dollars.

<sup>3</sup> At a White House Press Briefing on 30 October 2010 President Barack Hussein Obama indicated (according to the *Financial Times Weekend* newspaper of 31 October, 2010) that the US economy was barely recovering from “nearly two years of job loss.”

collapse of highly respected, centenarian, affluent global companies<sup>4</sup> have been part of the most enduring impacts of the global financial crisis.

That the latest global financial meltdown stands at the head of a host<sup>5</sup> of others both minor and major is not in question. What is salient and bears interrogation is that this bout of global economic malaise to borrow the words of Nell and Semmler (2008: 251) reflected robustly the “decades long liberalisation of financial markets leading to excesses, and the widespread misuse of such markets for rent seeking.” This decades long liberalisation of financial markets must, in our considered view, be seen as part of the neo-liberal domination of global public policy formation agenda which was bolstered by the elections of the Thatcher Government in 1979 and the Reagan Administration in 1980. As these two governments consolidated their power with electoral victories their neo-liberal policies (de-regulation in the financial and other sectors of the economy, reducing the size of government both in terms of personnel and its role in the national economy and privatisation among others) gained legitimacy at home and abroad. Concurrent with this state of affairs was a dramatic turn in the geo-political order<sup>6</sup> marked by the disintegration of the Soviet Union in the 1990s. The corollary of this was an economically hemorrhaging Russia which had to fall on experts from the International Monetary Fund (IMF) who in the main prescribed neo-liberal economic policies<sup>7</sup>. The ideological tussle which focused essentially on the proper role of the state and the market in the

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<sup>4</sup> Lehman Brothers Holdings Inc a leading global financial services company founded in 1850 collapsed in 2008.

<sup>5</sup> The Latin American Debt Crisis of the 1980s, the US Crash of 1987, the Japanese Stock Market and Real Estate Crisis of the 1990s, the Mexican Peso Crisis of 1994, the Asian Crisis of 1997/1998 among others readily come to mind.

<sup>6</sup> Underlined by Cold War rivalry and animosity between the East and the West.

<sup>7</sup> See Sachs (2005) and Stiglitz (2003).

policy process seemed to have been settled in favour of the US and its allies. This position was the central thesis of Fukuyama's<sup>8</sup> (1992) triumphalist tome. By the time the latest global financial crisis began to unfurl neo-liberal ideas had virtually become secure in both their purported efficacy and global reach virtually brooking no critique in the process. In this work we are concerned about the processes by which neo-liberal ideas acquired such global dominance. Linked to this we seek to analyze the policy responses (and narratives too) of leading centers of neo-liberal thought to the current global financial crisis with a focus on their consistency (or otherwise) with neo-liberal tenets and the implications for public policy formation in Africa.

### **The Neo-liberal Project: Historical Antecedents**

The case can be reasonably made that a conscious, deliberate and organised process<sup>9</sup> was put in motion a little over seven decades ago to place neo-liberal ideas at the center of public policy formation globally. On the periphery of power in the heartland of capitalist Europe; wary of suspicions directed at liberal thought triggered in part by the socio-economic dislocations of the First World War and the Great Depression a new breed of liberal intellectuals and business men sought to re-brand liberal discourse and practice. A first step in this direction was the meeting in Paris in 1938 of liberals at the urging of the French philosopher Louis Rougier to ostensibly discuss Walter Lipmann's book *The Great Society*. According to Plehwe and Walpen (2006:30) "a total of 26 intellectuals participated in this effort to create a framework for the innovation of liberalism." The list of participants of the Paris meeting could be likened to a roll-call of the

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<sup>8</sup> To be sure Fukuyama seems to have reconsidered his stance in later writings. See for example *The Fall of American, Inc.* <http://www.newsweek.com/2008/10/03/the-fall-of-america-inc.html>, accessed 12/5/2010.

<sup>9</sup> This section draws liberally from Plehwe and Walpen (2006).

intellectual leading lights of neo-liberalism including as it did names like Friedrich August von Hayek, Raymond Aron, Ludwig von Mises, Alexander Rustow and Michael Polanyi among others. This meeting in Paris was to provide liberalism its new sobriquet: neo-liberalism. Mont Pélérin, a tiny village close to Lake Geneva was to serve as the venue for another significant attempt at moving the neo-liberal agenda forward after a nine year hiatus<sup>10</sup>. Out of this meeting emerged the Mont Pélérin Society (MPS).

Fredrich August von Hayek provided the intellectual *raison d'être* for the MPS in his article *The Intellectuals and Socialism* at the second meeting of the organisation held in Seelisburg, Switzerland from 3 July- 10 July, 1949. Hayek's central thesis in this work was that the increasing attractiveness of socialist ideas in post World War II Europe was attributable to the existence of intellectuals who promoted such ideas (influencing policymakers in the process) and the organisational infrastructure for developing and disseminating such information. The MPS was thus formed to provide a counterpoise to such socialist ideas by utilising the same processes through which such ideas had gained widespread currency and acceptance. Central to the processes in question, to be sure, were intellectuals and a network of organisations such as universities, institutes, foundations, journals and the media.

## **The Neo-Liberal Project Unleashed: Of Nodes and Networks**

We utilise Plehwe and Walpen's (2006) position that it is through a vast, dense, hegemonic network of institutions and intellectuals spanning the entire globe that neo-liberal ideas have come to dominate public policy thinking in the last three decades. Neo-liberal hegemony in this

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<sup>10</sup> It is significant to note that this second effort was financially supported by institutions such as the London School of Economics, the University of Chicago and the William Volker Fund.

regard is operationalised in terms of a constellation which depicts the various ways through which neo-liberal intellectuals and institutions (transnational civil society) attempt to invest and saturate Susan Strange's<sup>11</sup>(1988) global knowledge system with their ideas and practices. Nkrumah (2004:239) draws attention to this global knowledge system in his trenchant analysis of the mechanisms of neo-colonialism when he avers that:

In order to halt foreign interference in the affairs of developing countries it is necessary to study, understand, expose and actively combat neo-colonialism in whatever guise it may appear. For the methods of neo-colonialists are *subtle* and *varied*. They operate not only in the economic field, but also in the political, religious, *ideological* and *cultural* spheres (italics mine).

The MPS is the central node in the global network of neo-liberal organisations and their processes, discourses and practices which sought to dominate the global knowledge system with their ideas. With a membership of about 50 at its founding the MPS could boast of over a 1000members spread over the five continents by 1998. Having initially neglected Africa in its early years (it had just a single member in Egypt in the 1950s), South Africa had by the 1990s become the beachhead of the MPS surgical forays into Africa. Driving this global network is the knowledge production and dissemination process which encapsulates a phalanx of advocacy think-tanks, intellectuals<sup>12</sup>, media outlets, corporate entities and policymakers<sup>13</sup>. Plehwe and Walpen (2006:36-37) underscore the last point when they assert that:

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<sup>11</sup> Strange asserts that the global knowledge system, which in her view has been neglected in the analysis for far too long, constitutes the fourth and final primary dimension conditioning the international political economy.

<sup>12</sup> Plehwe and Walpen's (2006) data indicates not unexpectedly that 438 members of the MPS in the 1990s were economists; a significant statistic if one considers the MPS's focus on dominating ideational contests related to especially economic policy formation.

Apart from the numerous ties of MPS members to more than 100 think tanks, foundations and neoliberal societies organised on a national basis(e.g. the US Philadelphia Society or the German F.A. von Hayek Gesellschaft),MPS members participate in *other global elite* groups such as the World Economic Forum(WEF) with eleven members participating so far(*italics mine*).

Our claim here then is that the MPS has by and large been influential in making neo-liberal ideas and practices the dominant component of the global knowledge infrastructure via “an expansive network that ranges across diverse institutional arenas, including academia, business, politics, and media” (Plehwe and Walpen 2006: 37). This has had implications for public policy formation in Africa: policymakers especially (and intellectuals too) have arguably lost completely, at the very least, any pretensions (let alone very conscious, undisguised expressions) of ideational independence in the face of an ascendant neo-liberalism. Another implication is how the seemingly anodyne presence, discourses and practices of transnational civil society can be understood and analyzed in Africa stripped of any puritanism regarding their existence and operation as putatively disinterested purveyors of socio-economic and political transformation. In the face of the pervasive influence of neo-liberal ideas in Africa it is arguable that the continent’s policymakers and intellectuals have not paid enough heed to Strange’s (1988:115) admonition that:

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<sup>13</sup> Such policymakers include highly visible and influential individuals such as Vaclav Klaus, former Czech head of government, Germany’s ex-chancellor Ludwig Erhard and Andrei Schleifer who served as American advisor to Russia on privatization in the 1990s among others.

power derived from the knowledge structure is the one that has been most *overlooked* and *underrated*. It is no less important than the other three sources of structural power [military, production and finance] in the international political economy but is much well less understood. This is partly because it comprehends what is believed (and the moral conclusions and principles derived from those beliefs); what is known and perceived as understood; and the channels by which beliefs, ideas and knowledge are communicated- including some people and excluding others(italics mine).

### **Post-Independence Public Policy Formation in Africa: The Search for Autonomy**

Ato Quayson's (2000:9) perceptive argument that postcolonialism must be understood as a process of postcolonializing- which latter term denotes "a process of coming- into being and of struggle against colonialism and its after-effects"- provides a useful analytical mode for understanding the postcolonial African nation state as an ongoing project of construction and even reconstruction. To be sure some governments in the first decade after independence sought to capture this "process of postcolonializing" in their development policy choices. For visionary post- independence leaders like Kwame Nkrumah the central task of the postcolonial African state was finding/creating the space and developing the capacity (technical, managerial, diplomatic, political, economic) to pursue autonomous, self directed national development. Autonomy here implying that the new African nations will respond to their existential challenges on the basis of their concrete historico-cultural realities, the national interest and welfare of the citizenry. In other words public policy formation will not be 'directed from outside (Nkrumah 2004: ix)'. Nkrumah (1973: vii) considered this a matter of survival:



Once this freedom is gained, a greater task comes into view. All dependent territories are backward in education, in agriculture and in industry. The economic independence that should follow and maintain political independence demands every effort from the people, a total mobilization of brain and manpower resources. What other countries have taken three hundred years or more to achieve, a once dependent territory must try to accomplish in a generation if it is to *survive* (italics mine).

Nyerere's Ujamaa policies represent a classical example of this search for development policy autonomy in the Africa of the 1960s.

In the global South in the 1960s the quest for autonomous development was to find trans-national organisational expression in the Non-Aligned Movement, which essentially was a collective attempt by developing countries to respond to Cold War rivalries which tended to serve as a meddlesome backdrop to any attempts at self directed development in former colonies. By the 1970s and 1980s what we will label the 'autonomy tendency' (described above) in Africa had all but atrophied. The 1970s were marked by political instability which undermined continuity and creativity in public policy making. As if this was not debilitating enough the oil crisis and commodity price fluctuations of the 1970s meant that Africa entered the 1980s politically and economically enervated.

### **3G Public Policy Formation in Africa: The Neo-liberal Vise Grip**

The formation of the World Bank (WB) and the International Monetary Fund (IMF) at the Bretton Woods conference in 1944 was to prove seminal in the development trajectory of African countries. Newly independent African nations emerged in a global financial and economic infrastructure defined and maintained by the global North and circumstanced *ab initio*

as a corollary had little options but to join these institutions. It is instructive to note that Ghana for example joined the WB (and its affiliate organisations) and the IMF six months and fourteen days after its independence on September, 20, 1957. In our view these two institutions in particular have served as the key vectors of neo-liberal ideas in Africa and have been particularly successful at it in the last three decades. In other words what we call “3G Public Policy Formation<sup>14</sup>” in Africa has been driven by neo-liberal ideas and practices promoted in the main (and initially) by the World Bank and the IMF. Hokaniemi (2010:1) commenting on Ghana’s relations with the World Bank as recently as 2009 underscores this point when she states that:

....low income countries such as Ghana remain under the *influence* of the Bank, especially regarding the management of their primary industries and natural resources and in relation to the *design of sensitive policy areas such as fiscal policy and public sector reform* (italics mine).

Through firstly the agency of economic conditionalities (which were later followed by political ones) by the 1990s the neo-liberal policy paradigm had taken hold in African countries as the most dominant. This neo-liberal paradigm in its African variant has been particularly strenuous in its insistence on rolling back the state in order to ensure the dominance of the market mechanism (Amoah 2005, 2008). In the period in question policy narratives in Africa have come to be decidedly marked by concepts such as down-sizing, retrenchment, contracting out, efficiency, institution building, privatisation, public-private partnership among others framed in a

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<sup>14</sup> 3G Public Policy Formation refers to what we describe as third generation public policy approaches of the 1980s to date in Africa which tend to be heavily influenced by neo-liberal ideas and practices such as privatization and de-regulation which the Washington Consensus framework encapsulated. In our view it is important to draw such an analytical distinction between two earlier periods of public policy formation in Africa in the 1960s and 1970s which were not so thoroughly influenced by such neo-liberal ideas.

rationalistic, axiomatic and nomothetic language . If the WB and the IMF were the arrow head for the adoption of neo-liberal ideas and practices in Africa, then an assortment of policy advocacy groups, think tanks and non-governmental organisations have been instrumental in the entrenchment of neo-liberalism. We posit neo-liberal knowledge production and dissemination linkages (direct and indirect) between the WB, IMF and such neo-liberal trans-national organisations such as the MPS which targeted Africa (especially in the wake of the end of the Cold War) as a neo-liberal policy redoubt. It is not for nothing that the MPS at its 29<sup>th</sup> meeting<sup>15</sup> held in Vancouver, Canada in 1992(a year after the collapse of the USSR) placed Africa on its agenda for discussions for the first time ever.

Neo-liberalism's ideational hegemony in Africa is undoubtedly facilitated and undergirded by the asymmetrical power<sup>16</sup> relations(especially financial) between the postcolonial African state and neo-liberal transnational organisations (see table 1 below which provides a disaggregation of the existent broader global North and global South power-policy ideas nexus). Thus while the WB<sup>17</sup> and the IMF provide critical budgetary support among other kinds of financial succour to African nations, these neo-liberal trans-national organisations bankroll seminars, workshops, conferences<sup>18</sup> and crucially think-tanks. What we are saying in effect then

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<sup>15</sup> See the Liberaal Archief online which provides an account of MPS meetings from its founding to 1998.

<sup>16</sup> Power is a contested concept but there is a consensus in the literature of the way in which it shapes reality. Clegg and Haugaard(2009:3) highlight this point:

one of the characteristics of the development of the literature over the last thirty years has been a move away from this 'common sense' view to a more systemic, less agent specific, perceptions of power that see it as more generally constitutive of reality.

<sup>17</sup> In Ghana the WB is now also sponsoring a variety of social events such as musical concerts and documentaries.

<sup>18</sup> These have become industries in their own right and provide an iterative means by which neo-liberal ideational hegemony reproduces and maintains itself in Africa.

is that neo-liberalism's ideational hegemony in Africa is both a function and a product of the continent's impecuniousness<sup>19</sup>.

Table 1: Old Policy Mind: Power- Ideas-Resources Grid

	Power(Assymetrical)	Resources	Policy Ideas
Global North	Dominant	Adequate Financial, military, technological, ideational resources	Source of dominant policy narratives.
Global South	Dominated	Deficient in financial, military, technological and ideational resources	Destination of dominant policy narratives.

### The Chink in the Neo-liberal Armour

On the responses to the global financial crisis Nesvetailova and Palan(2010:798) argue that :

notwithstanding the emerging diversity of the interpretations of the crisis the global credit crunch raised *serious doubts* about every single aspect of finance theory, policy and practice associated with a set of dogmas commonly described as 'neoliberalism' (italics mine).

On these "serious doubts" we will focus here on the axiomatic and nomothetic claim by neo-liberalism that the market provides the most efficient and unfailing means for the allocation of

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<sup>19</sup> Das (2009) makes much the same point in relation to the WB and global HIV/AIDS policy.

resources. The upshot of such a claim, bolstered by the intellectual disquisitions of Hayek and Friedman<sup>20</sup>, was public policy formation that was completely averse to encumbering the market. In other words across the globe neoliberals championed the operation of the market mechanism free of any fetters (read regulation/intervention from government). In the global North this logic was thoroughly manifested in the financial sector where on account of the sector's complexity

all assets are financial: they are denominated as capitalization of 'expected future profits and interest payments, adjusted for risk and discounted to their present value(Nesvetailova and Palan(2010:798).

In such a milieu where any interference with the market mechanism was considered heretical anything was possible (read innovation). The credit boom of 2002-2007 provided empirical proof that markets left on their own were the surest way to prosperity. To be sure the prosperity that the credit boom (2002-2007) fostered spawned an impenetrable wall behind which physicists and mathematicians (turned financial gurus) crafted esoteric formulae that made the creation of Collateral Debt Obligations (CDOs)<sup>21</sup> possible. The CDOs were the crucial link in the global financial meltdown on account of being essentially 'toxic assets': debts that in reality could never be repaid by debtors who simply did not have the means. As major financial institutions faced imminent collapse and threatened the entire economy of the global North (and the world) governments tapped into the public purse to remedy the situation with what has become known

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<sup>20</sup> Indeed it was Friedman and Schwartz (1971) who formulated a quantitative theory of money which construed inflation as a purely monetary phenomenon and displaced the Keynesian understanding of inflation as driven by investments. The corollary of this is the contemporary penchant for the insulation of monetary policy from so-called government interference evidenced in the passing of legislation aimed at underlining the independence of central banks across the globe. The Bank of Ghana Act, 2002 (Act 612) is a typical example.

<sup>21</sup> CDOs are tradable financial assets which structured finance constructs out of debts (accruing from mortgages, car purchases, credit card use and the like). See Nell and Semmler (2009).

in the literature as ‘financial bailout’ and ‘rescue packages.’ As one scholar (Palma 2009:829) put it this turn of events was a classical case of the “of the revenge of the market on rentiers” and governments (not the market) were scrambling to blunt the full force of this vengeance. The North American automobile industry, for example, was one of the key industries that had to be rescued by national governments and uncharacteristically, as per global responses to the strains of the industry, directly (Stanford 2010:384). The American government (first the Bush II administration and then the Obama administration) provided support for both Chrysler and GM totaling US\$81 billion; in global North countries like the UK, France and Germany the public purse provided pecuniary relief to ailing automobile companies (Stanford 2010:396). The reified market that was theorised as infallible and unerring by neo-liberal thinking was ailing and needed the intervention of its arch nemesis, government.

Neo-liberal public policy thinking had presented government intervention in any shape or form and under whatever condition in Africa as unacceptable. The market and by extension the private sector was the famed ‘engine of growth.’ Under the Economic Recovery Programme (ERP)/Structural Adjustment Programme (SAP) of the WB and the IMF subsidies on public goods (not cars!) like health and education were categorically and summarily scrapped. In effect neo-liberalism in Africa had ensured that government intervention even under critical circumstances was outlawed. In the centers of global financial and economic power (the citadels of neo-liberalism) however governments could act directly in the policy arena as and when the demand arose and it saw fit<sup>22</sup>. In our view the policy responses of governments in the global North to the financial crisis indicate that neo-liberal tenets are not consistently applied and reflect

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<sup>22</sup> Wrestling with this inconsistency Block has labeled the US a ‘hidden developmental state.’

ideological proclivities and preferences which undermine any universalistic, axiomatic and nomothetic pretensions.

## **A Multi-Polar World: The Ideational Sub-Text**

In our view multi-polarity is not merely about the re-diffusion of political and economic power on the global level but crucially linked to the legitimacy of the ideas (worldview) undergirding the political and economic power of the new entrants (who make a multi-polar world possible) to the global power context. In other words multi-polarity is also about the contest of ideas. There has emerged in recent times writings on the geo-political implications of an emergent China <sup>23</sup> (Amoah 2010b; Kurlantzick 2007; Contessi 2010; Eisenman et al 2007; Lagerkvist 2009; Mahbubani 2010; Tan 2009) which draw attention to the ideational riposte or counterpoint that the new powers of the 21<sup>st</sup> century portend. Some of these new powers, it would seem, refuse to take as *a priori* truth especially neo-liberal public policy thinking. Commenting on the ideational impact of the financial crisis on Asian policymakers Mahbubani (2010:205) is unambiguous:

The first real result of this crisis is the loss of any lingering faith that Asian policymakers may have had with the Reagan-Thatcher revolution in governance and economic philosophy.

Again in sharp contrast to neo-liberalism's market fundamentalism, Mahbubani (2010) argues that Asian policymakers forged a pragmatic balance between the market and the state. It bears adding here that at the very least the material well-offness attained in the last three decades by

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<sup>23</sup> We focus on China here (and by implication Asia) in our analysis of multi-polarity because in our view it is one single nation in the last half century which, at the very least, has been central to the re-calibration of global power. China has become one of the key drivers of the global economy and is increasingly influencing the WB and the IMF. The emergence of the G-20 is a case in point.

countries like Singapore and China shows that there can be workable ideational alternatives to neo-liberal public policy formation.

The Chinese scholar Justin Yifu Lin (2007:14) <sup>24</sup> in his Marshall Lectures delivered at Cambridge in 2007 underscored the importance of ideas for the rapid socio-economic transformation of developing polities:

the failure of many former socialist and developing countries to achieve dynamic growth in their transitional processes is due also to their governments' specific transition strategy based on inadequate ideas.....

In Lin's (2007:17) view new powers like China emerged on back of the capacity to escape "the dominant social thinking<sup>25</sup>" of the 1960s through to 1990s. Our argument then is this: if hitherto dirt poor and circumstanced societies have managed to transition to the centre of global power powered in part by a very self conscious ideational independence such a stance ought to commend itself to Africa's policymakers as a matter of necessity.

### **Towards a New Mind: Building Blocks for a Post-Financial Meltdown Public Policy Formation Framework in Africa**

The unfolding of the global financial crisis presents, in our view, a vital policy window for Africa to begin the task of inventive policy formation beyond the hegemony of neo-liberal ideas. Writing on how policy change occurs in his understanding Kingdon (2006:165) describes the policy window, a key moment for driving policy change, as: "an opportunity for advocates of proposals

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<sup>24</sup> Justin Yifu Lin (the first Chinese to earn an economics Ph.D. from North America) was a key advisor to the Chinese government during the *gaige yu kaifang*(Reform and Opening up) era and is currently the chief economist of the WB, a post formerly held by Joseph Stiglitz.

<sup>25</sup> In the 1980s and 1990s such "dominant social thinking" considered the market supreme and declared government the problem .



to push their pet solutions, or push attention to their special problems.” As explicated earlier in this work, the global financial crisis exposes the disingenuousness of the axiomatic and universal law claims of neo-liberal policy thinking with regard to the market mechanism and by extension the role of government. It is therefore critical for Africa’s intellectuals and policymakers to use the policy window offered by the global financial crises to draw vigorous attention to and respond to this very special problem: the ideological warfare underpinnings of neo-liberal ideas of the market and government.

As Morçöl (2002:13) has noted “ontological assumptions are not discussed frequently or openly in policy analysis, but they are implicit in every analysis conducted.” In other words public policy formation is also an arena where worldviews vie for legitimacy and even dominance. African policymakers and intellectuals need to be sensitive to the worldview question attending public policy formation. This in our view is a crucial first step for blunting the influence of, to borrow Lin’s (2007:17) words, ‘dominant social thinking,’ of which neo-liberal thought in the last thirty years has been the most enduring and visible expression.

If Lin (2007) is right then Africa’s development in the coming decades must be a function of the correct ideas that the continent’s policymakers and thinkers will craft to guide public policymaking. The changing geo-political architecture of the world provides the crucial ‘leg room’ for policy innovation for Africa. WB’s chief Robert Zoellick<sup>26</sup> very much acknowledges the emergence of a multi-polar world:

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<sup>26</sup> Robert B. Zoellick gave this speech at the Woodrow Wilson Centre for International Scholars on the 14 April 2010. <http://go.worldbank.org/MI7PLIP8U0>. Accessed on the 20/4/2010.

We are now in a new, fast-evolving multi-polar world economy in which some developing countries are emerging as economic powers; others are moving towards becoming additional poles of growth.....

Zoellick adds further (and uncharacteristically) that a multi-polar world needs to recognise “different perspectives and circumstances” and also that development is not about “ideological panaceas, blue prints, or one –size-fits all.” Clearly then African polities need to seize the policy initiative in an emergent multi-polar world where a multiplicity of policy ideas, not just a dominant one (neo-liberalism), are advertising their utility. Africa must add to this kaleidoscope of policy ideas that should ultimately power her also to the table of global significance. In other words we are arguing that the financial crisis occurring as it did in a changing geo-political milieu provides a crucial opportunity for Africa to craft a new mind for her public policy formation . By a new mind we mean fresh understandings of public policy formation (derived from Africa’s worldview)<sup>27</sup> encompassing novel epistemological and methodological moorings. The construction of such a new mind<sup>28</sup> should begin with these critical realisations; what we call ‘building blocks’:

- public policy formation in the last thirty years has been driven by the ideological claims of neo-liberalism with regards to the market and the state;
- a multi-polar world provides Africa with the opportunity to craft her own public policy approaches in response to her existential challenges;

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<sup>27</sup> See Amoah( 2010).

<sup>28</sup> Margaret Stout (2010) makes a similar claim.

- African policymakers and intellectuals need to provide the needed agency for self-conscious public policy approaches to emerge.

Without such a new mind, we ask, how can Africa perceptively, self interestedly and creatively engage her own world and the larger world on her own terms shorn of hegemonic encumbrances?

### **Possibilities and First Principles: The Rise of Africa's Neo-Elites<sup>29</sup>**

If a new mind for policy formation is to emerge in Africa there must arise as a matter of necessity (and a crucial first step) a vanguard of intellectuals, a critical component of what I characterise as the neo-elites, who will be conscious of and engage the ideational challenges of the constantly shifting (overt and subtle) nature of the international political-economy.

Who then are the African neo-elite? This refers to the select group of people who will come to understand as their historical task the provision of the strategic ideational, managerial, organisational, inspirational and leadership inputs for the task of national transformation in African states. The neo-elite then must be understood in terms of a national transformation network linking vital segments of society such as academia, business and civil society among others. In this construct then the notion of the neo-elite entails the critiquing and rejection (appropriately the historical task of the neo-elite intellectuals) of the 'one dimensional thinking'<sup>30</sup>,

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<sup>29</sup> This section restates positions already articulated in Amoah (2010c). The concept of neo-elites is derived from a close reading of the socio-political processes which spurred Singapore and China's rapid transformation in the last half of the twentieth century.

<sup>30</sup> The market is good versus the state is bad world view and all that this entails for policy formation.

orientation of Africa's neo-liberal elites who in the last thirty years have become powerful and influential. To be sure the emergence of this neo-liberal African elite must necessarily be a product of the vast neo-liberal network of organisations encompassing universities<sup>31</sup>, institutes, foundations, journals, the media and the incentives(material and non-material) underpinning it all as it seeks to reproduce and maintain neo-liberal ideational hegemony on a global scale. The neo-elite class is hypothesised here as a prescriptive notional counterpoise to Fanon and Chinweizu's<sup>32</sup> corrupt elites whose agenda in Africa and Latin America has tended historically to be fundamentally the pursuit and protection of their ideational, material, pecuniary and other interests at the expense of their societies.

In an increasingly multi-polar world as has emerged in the first decade of this century a multiplicity of policy ideas vie for attention. China's policy empirics (and for that matter other

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<sup>31</sup> On how neo-liberal knowledge production fosters such a process see Scholler and Groh-Samberg(2006).

<sup>32</sup> Chinweizu in his later work has been trying to flesh out his own pathways for the emergence of a new African elite. See for example Chinweizu(2010). Fanon(1967:142) holds out such a possibility as well in his trenchant critique of the postcolonial African bourgeoisie :

But deep-rooted contradictions undermine the ranks of that bourgeoisie; it is this that gives the observer an impression of instability. There is not as yet homogeneity of caste. Many intellectuals, for example, condemn this regime based on the domination of the few. In under-developed countries, there are certain members of the *élite*, intellectuals and civil servants, who are sincere, who feel the necessity for a planned economy, the outlawing of profiteers and the strict prohibition of attempts at mystification. In addition such men fight in a certain measure for the mass participation of the people in the ordering of public affairs.

Fanon(1967-142-3) continues and tellingly:

In those under-developed countries which accede to independence, there almost always exists a small number of honest intellectuals, who have no very precise ideas about politics, but who instinctively distrust the race for positions and pensions which is symptomatic of the early days of independence in colonized countries. The personal situation of these men (breadwinners of large families) or their background (hard struggles and a strict moral upbringing) explain their manifest contempt for profiteers and schemers. We must know how to use these men in the decisive battle that we mean to engage upon which will lead to a healthier outlook for the nation.

major countries in Asia such as South Korea and Singapore<sup>33</sup>) for example cannot be neatly explicated by recourse to well worn neo-liberal ideas. This reality combined with occurrences in the global political-economy such as the global financial meltdown (2007-2009) the responses to which point up the inconsistencies, pretensions and limitations of dominant policy narratives provide at the very least vital ideational space for counterviews initially within the national context and then on a broader global level. The neo-elite intellectual is constantly alert to the possibility of the emergence of such ideational space which he or she appropriates discursively as part of a broader movement in the search for autonomous national transformation and the re-configuration of global power(see table 2). In other words the neo-elite intellectual is conscious of the ideational problematic that needs to be resolved and lies at the heart of national self actualisation. To be sure such consciousness without action is moribund. Thus it is critical for the neo-elite intellectual to actively seek out spaces of action as well which ideally should span the academic, social, political and other life worlds. This is to ensure and crucially so that critiques of dominant policy narratives find expression in actual (and inventive) policy formation which will respond effectively to the existential challenges of Africa *in situ*.

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<sup>33</sup> Not that this has not been attempted (Berger, 2006).

Table 2: New Policy Mind: Power- Ideas-Resources Grid

	<b>Power(Assymetrical)</b>	<b>Resources</b>	<b>Policy Ideas</b>
<b>Global North</b>	Dominant	Massive financial, military, technological, ideational resources	Source of dominant policy narratives
<b>Global South</b>	Dominated	Deficient in financial, military, technological and ideational resources	Critique of dominant policy narratives; invention of contextualised policy ideas

## Conclusion

In this work we have mapped the processes by which neo-liberal ideas have come to dominate global public policy formation. We focused especially on neo-liberal ideas of the state and the market and the axiomatic and nomothetic claims underpinning them. In our view the dominance of these ideas were effected through a very deliberate, organised and focused agenda to dominate the global knowledge system through an intricate network of knowledge producing transnational organisations. The policy responses in the citadels of neo-liberal thought to the global financial crisis point up the fundamentally ideological nature of neo-liberal ideas. We argue that an emergent multi-polar world implies a contest of policy ideas on the global level. Such a backdrop should provide Africa with the possibility for re-engaging critically with the neoliberal paradigm; an engagement that must of necessity lead to a new mind for public policy formation on the continent in a post- global financial crisis world. In this regard the emergence of the neo-elite

intellectual is postulated as a critical first step. Such a new mind that the neo-elite intellectual would contribute to building is crucial if Africa is to engage the world on her own terms void of the hegemonic deadweight she has laboured under in the last five centuries. This is the vital calling of Africa's policymakers and intellectuals in the coming decades.

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