Global Governance and the Evolution of a New Role of International Financial and Economic Institutions for Sub-Saharan Africa

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Januar 2001
"I want to go beyond these by now well-documented failures of the Washington consensus to begin providing the foundations of an alternative paradigm, especially one relevant to the least developing country (sic!). It is based on a broad conception of development, with a concomitantly broader vision of development strategies and a quite different perspective on the role of international assistance and the ways in which it should be delivered." (Joseph Stiglitz, 1998 Prebisch Lecture at UNCTAD)

There is no doubt that since 1995 a basic shift in the orientation of the World Bank (and,
increasingly, of the IMF, as well) has taken place - a shift which puts its so far hardly successful measures of poverty relief into a new theoretical and organisational context and turns it into the outspoken centrepiece of the institution's activities. To get [macroeconomic] fundamentals right, obviously is not enough; to demand „adjustment with a human face“ neither. The World Bank president, James Wolfensohn and his chief economist (until the end of 1999) Joseph Stiglitz, and recently even IMF director Camdessus (cf. Camdessus 2000), talk about the necessity of a holistic orientation and for the "inclusion of the excluded" - terms hardly ever heard before by the leading personnel of the International Financial Institutions, for quite a while dominated by neoclassical economists.

„Globalization“ is the central element of a process of global social change, which for the last decades has begun transforming the world. The problems of social exclusion of whole countries, but also of social groups within countries, and, finally, the so-called Asian crisis and its social effects within apparent "success cases" as well as its effects on finance and trade all over the globe, have led to a certain consensus about the urgent need for a re-regulation of globalized accumulation. The concepts of re-regulation, which so far have been proposed, however, differ considerably from each other, as has been quite extensively shown e.g. within the Globalism and Social Policy Programme (GASPP) at the University of Sheffield (cf. Bob Deacon 1998): Against the (old) "safety net" idea of the World Bank (linked to some new form of regulation of the international financial system) or the strategy of promoting universally higher labour and social standards, they promote the case for a "socially responsible globalization", modelled after practices developed in the European Union in the fields of redistribution (e.g. Regional Development Fund), regulation and jurisdiction (European Court or Court of Human Rights of the Council of Europe) and matching increased global trade with increased regulation and redistribution on the global scale.

Now, the new World Bank concept seems to combine the safety net approach with an integrated concept of enabling poor countries as well as poverty groups within countries to become successful actors within a competition oriented globalizing economy. But is that realistic in a world dominated by the global dynamics of ever larger transnational companies, becoming apparently every day more powerful by new mega-mergers or by restructuring their activities, and by huge financial flows in contrast to which the economic data of must sub-Saharan African
countries appear utterly unimportant? Can we expect new forms of transnational politics and transfers of wealth which might in fact lead to an inclusion of poor countries and of other marginalized social groups into the dynamic welfare effects of the globalisation process? Certainly, we have quite often seen changes in strategies of development cooperation without pertinent effects on the countries concerned.

In this contribution, I want to introduce a perspective to analyze the role of Sub-Saharan Africa and other poor countries, based on fundamental assumptions of regulation theory. I will use this theoretical concept to better understand the changes in the attitudes of international financial and economic institutions towards this particular group of countries and, finally, to propose some guesses about the impact of new IFI-strategies (and forms of „global governance“ as a whole) on the chances for a sustained „revival“ of LDC development perspectives. In a first approximation, my central thesis might be formulated in allusion to a well-known quotation from Marx: "It is not strategies that change the world, but it is the world that change strategies." This, nevertheless, is not meant in a deterministic way, but in an evolutionary perspective: In effect, strategies are parts of processes of socio-economic change, and their apparent success depends very much in which way they adjust to the overall dynamics of this change - if they are not at all adapted to these dynamics of change they might just be a waste of resources. But in the opposite case they might as well become powerful tools of regulation.

My starting point will be looking more in detail into the recent changes of the strategies and institutional structures in the IFIs (ch.2). Then, I will introduce the basic features of an evolutionary approach to the analyses of global governance, closely related to regulation theory and to the transition from Fordism as a basically national mode of regulation to Post-fordism, needing regulation on a global level (ch.3). Ch.4 then deals more closely with the character of the so-called „exclusion“ of the poorest countries, mostly concentrated in „sub-saharan Africa“, which leads us - in the context of post-fordist accumulation - to the problem of competitiveness. We will see what kind of support the LDCs need to increase their competitiveness in conventional terms, but also that they are highly competitive in a very particular sense, i.e. with respect to illegal international transactions, but also with respect to labour costs. Obviously, this capacity to disturb the quiet life of the winners of globalization is one aspect why transnational regulations might become more and more urgent for the industrialised countries as well. We will
then take up again the changes in IFI strategies within the context of the *evolution of global governance* as a whole and, finally, I will try to explain why certain forms of transnational regulations with an appreciable impact on the situation of Least Developed Countries might in fact evolve as *rather stable structures of post-fordist regulation* (ch.5).

2 Global Governance and „National Ownership“: The World Bank Reform as an Important Step towards a Postfordist Institutional Fix

2.1 Structural Adjustment: The Washington Consensus and the LDCs

The initial concept of structural adjustment was based on the idea that a correction of *macroeconomic fundamentals* would be the main precondition for getting the highly indebted countries back on the road to sustainable growth: stop the systematic over-valuation of national currencies (typical for import substitution strategies), abolish all biases against exporting, reduce the budget deficit and get the state out of economic activities which the private sector could perform more effective. And in order to achieve that in the long run, the main task of politics would be to abolish distortions, obstacles to a free operation of the market. Finally, this kind of wisdom became called the "Washington Consensus" characterized in an article by John Williamson (1993) using the following ten headings: fiscal discipline, redirection of public expenditure priorities, tax reform, financial liberalization, unified exchange rate at a competitive level, trade liberalization, abolishment of barriers impeding foreign direct investment, privatization of state enterprises, deregulation, guarantee of property rights.

Of course, it became quickly clear that strategies to achieve a very rapid adjustment of international economic disequilibria not only had a short-term effect of depressing economic growth, but also did not lead automatically (i.e. just market-led) to a structural adjustment towards a new basis for sustainable economic growth and for the solution of social problems (including riots, social instability). As long as the basic convictions of the Washington consensus prevailed, the development of compensatory mechanisms for supposedly temporary problems was considered to be adequate (cf. the World Bank's social funds and Social Action Programmes).
Though the evaluation reports produced by the World Bank itself, stubbornly stressed the superior results of „intensive adjustment lending countries“ (cf. the Reports on Adjustment Lending, also: Sub-Saharan Africa. From Crisis to Sustainable Growth), other actors within the UN System already in the 1980s objected to this view (particularly UNCTAD, UNDP, UNESCO and the regional economic commissions of the UN for Africa and Latin America, ECA and the CEPAL).

Finally in the 1990s it could be no longer ignored that, though there might have been important structural changes in most Latin American countries, there really was little progress in Subsaharan Africa, but also in some other poor countries (like: Haiti, Yemen, Afghanistan, Birma). There was a proliferation of studies on economic marginalization, poverty, political and militant conflicts etc. and since the early 1990s also some re-thinking in the World Bank. But the final „tick“, which seemed to have been necessary for a broader change of paradigm which now also include the IMF, gave the East Asian Crisis and its severe repercussions on Russia and Brazil as well as on the supposedly sustainable internal achievements of the East Asian countries themselves in the field of human development (cf. particularly Indonesia).

2.2. The Development of a New Approach in the 1990s: A Learning Process

First indications of a turn-around of World Bank positions can be found in the early 1990s, particularly in the Wapenhans Report, which - in analyzing the unsatisfactory results of adjustment programs - stressed the need for a stronger participation of social groups at all levels of the project cycle in order to clarify the „ownership“- question of the programs, i.e. who is feeling responsible the the implementation of structural reforms. The Report stressed the need for the empowerment of societal actors and for their participatory integration into decision-making processes (cf. Leffler-Franke 1994). The lesson was clear: Structural adjustment cannot be imposed by conditionality and sanctions, but has to be based on the strengthening and the active integration of local civil societies (cf. Tetzlaff 1996).

Nevertheless, until the presidency by James Wolfensohn the emphasis on the macro-economic fundamentals prevailed (cf. e.g. The East Asian Miracle 1993). After an organizational reform in
1996/97, which strengthened the importance of poverty reduction on the institutional level (cf. ch.2.3), the programmatic shift was cemented by the appointment of Joseph E. Stiglitz as the Bank’s chief economist in January 1997. It is important to recognize that this programmatic (and theoretical) shift, of course, was not an isolated learning process within the Bank but reflected paradigm shifts within the overlapping epistemic communities which are linked together by the international discourse on development (cf. Deacon/ Koivusalo/ Stubbs, 1998).

Traditionally, the addresses of World Bank Presidents to the Annual Meeting of World Bank and IMF have a programmatic character. Wolfensohn’s speeches indicate a fundamental change in the organisation’s orientation. The 1997 speech was titled „The Challenge of Inclusion“. Taking up arguments which were already for some time stressed by the Bank’s critics, he referred to the existence of huge disparities persisting across and within countries and to the problem of social exclusion of poor people in most developing societies and argued that inclusion – bringing people into society who have never been part of it before - is „what the challenge of development is all about“. His arguments indicate that the Bank’s reorientation is to an important degree a reaction to the threat constituted by the incalculable effects of an expanding poverty:

„We can insulate ourselves from whole sections of the world for which crisis is real and daily but which to the rest of us is largely invisible. But we must recognize that we are living with a time bomb, and unless we take action now, it could explode in our children’s faces ....

One does not have to spend long in Bosnia or Gaza or the Lakes District in Africa to know that without economic hope we will have no peace. Without equity we will not have global stability. Without a better sense of social justice our cities will not be safe and our societies will not be stable. Without inclusion, too many of us will be condemned to live separate, armed, and frightened lives.

Whether you broach it from the social or the economic or the moral perspective, this is a challenge we cannot afford to ignore. There are not two worlds, the is one world. We breathe the same air. We degrade the same environment. We share the same financial system. We have the same health problems. AIDS is not a problem that stops at borders. Crime does not stop at borders. Drugs do not stop at borders. Terrorism, wars, and famine do not stop at borders.“
One year later, the East Asian crisis had deepened and its profound impact on poverty and other social problems had become clear. This time, Wolfensohn admits that the World Bank has too often “focused too much on the economics, without a sufficient understanding of the social, the political, the environmental, and the cultural aspects of society.” The following quote summarizes best what he calls “the new approach”:

“We see in today’s global economy countries can invest in education and health, can put the macroeconomic fundamentals in place, can build modern communications and infrastructure, can do all this, but, if they do not have an effective financial system, if they do not have adequate regulatory laws, if they do not have transparency and accounting standards, their development is endangered and will not last...

.....

We see that in today’s global economy, countries can attract private capital, can build a banking and financial system, can deliver growth, can invest in people – some of their people – but if they marginalize the poor, if they marginalize women and indigenous minorities, if they do not have a policy of inclusion - their development is endangered and will not last.

We see,..., that in a global economy, it is the totality (italics in the original) of change in a country that matters.” (Address to the Board of Governors Oct. 6,1998).

In order to reach a significant impact of development cooperation in the direction of long-term sustainability, Wolfensohn stresses the importance of participation and of the „ownership“ of programmes: „Countries and their governments must be in the driver’s seat, and, in our experience, the people must be consulted and involved. “

One year later, again, Wolfensohn talks about „Coalitions for Change“: He emphasizes the need for national and particularly, local „ownership“ of programmes, which depends on an improvement of the organizational capacities of the poor and the development of good and strong governance; certainly, when talking about „strengthening the state“ Wolfensohn does not think of a revival of the „old“ entrepreneurial, interventionist state, but still, his ideas sound quite distant
from the spirit of the „Washington Consensus“:

„...we have learned, ...that strengthening the organization, human capacity, and structure of the state, both at central and local levels, is the first priority in our challenge to reduce poverty. We have learned that when we sequence the steps of the CDF [Comprehensive Development Framework, cf. below], we must give the greatest emphasis first to strengthening governance and to capacity building in government and civil society.“ (Address to the Board of Governors, Sept. 28, 1999).

„[Strengthening governance] requires building legal and judicial systems that protect the rights of citizens and their endeavors, going beyond big-ticket governments and business deals. Corruption is a core poverty issue, robbing from the poor the little they have. We must focus on financial and banking systems that inspire equal confidence in the global investor and the peasant farmer with small savings, especially women. We must have modern corporate procedures including accounting, audit, and disclosure policies at the highest level. We must focus on microcredit schemes, on finance for small and medium-sized enterprises and on micro-insurance schemes that work in both times of crisis and ordinary times (ibid.).

To foster this form of development, Wolfensohn pleads to bring together all the players within the broad development community, the United Nations, the European Union, bilateral development cooperation, regional development banks, civil society, and the private sector with the aim „to build a new generation of genuine partnerships“.

In October 1998, Joseph Stiglitz’ presents what he calls a „new paradigm for development“ (1998 Prebisch lecture), which in fact integrates the different pieces of development thinking which made up the speeches of the Bank’s President. His approach is basically a renewal of modernization theory, but in an interestingly broad, interdisciplinary perspective. Development is seen as a transformation of society from „traditional relations, traditional ways of thinking, traditional ways of dealing with health and education, traditional methods of production to more „modern“ ways“. The changes „associated with development provide individuals and societies more control over their own destiny“. Based on this definition, Stiglitz says „that a development strategy must be aimed at facilitating the transformation of society, in identifying the barriers to
as well as potential catalysts for change.

Stiglitz criticizes previous strategies to have focussed only on pieces of this transformation and, thus have failed, because they did not see the broader context of societal change; mostly they focussed too narrowly on economics and, in general, saw development as a technical problem. He also criticizes their lack of historical context, which would have clearly pointed to the importance of an active role of government in the case of today’s developed countries and, by looking e.g. at the problems of the uneven development between Northern and Southern Italy, that trade barriers and the overall macroeconomic framework could not be the only determinants of development.

As a summary we can retain that the dynamics of global integration and exclusion and the need to help poor countries to transform themselves from the inside have now become a central focus of the attention of World Bank leadership. Three concepts relatively unknown before in IFI research and political vocabulary now gain central importance:

- the concepts of inclusion and exclusion
- the need for a holistic vision of development,
- of the concept of national ownership.

2.3 New Initiatives since 1996: The Starting Point of a New Role of the IFIs for LDCs?

The new development concepts summarized in the last paragraph sound very much as rhetorics designed to favour a broad consensus among the different actors in the development field – but, considering the existing huge disparities of wealth, interests and power existing on the national as well as the global scale, they can also be seen as a more realistic assessment of global development problems. The concrete measures taken by the World Bank since 1996 (later-on including the IMF) can be seen as a proof that the Wolfensohn-Stiglitz approach is in fact more than mere rhetorics (which does not necessarily mean, they will be successful in attaining their goals): I will just briefly describe them in this chapter, before trying a tentative assessment of their importance in the context of post-fordist globalization in chapter 5.
The first concrete step of larger significance was the re-organisation of the World Bank in 1995/96, linking different sectors important for combating poverty into "networks": In the Human Development Network, the Environmentally and Socially Sustainable Development Network and the Poverty Reduction and Economic Management Network an important part of World Bank activities have been reorganized under headings which stress different aspects of poverty reduction and social development (the other networks are: Finance, Private Sector and Infrastructure; Operational Core Services). A World Bank Participation Sourcebook was published, new sector strategies elaborated (Health, Nutrition and Population Sector in 1997; Education Sector 1999).

As the second step in this reform process we can interpret the Debt Initiative for Heavily Indebted Poor Countries (HIPCs) which was endorsed in September 1996 by the Interim and Development Committees of the IMF and the World Bank, after having been proposed at the G-7 meeting in Lyon in June 1996. After the attempts of the IFIs in the 1980s to alleviate the debt problem for developing countries by rescheduling and refinancing them, while forgiving debt was seen by them as undermining the system of international credits, already by the end of the decade, it became clear that the payment problems of many low income countries required action beyond that. Private creditors had begun selling the stock of their claims on these countries at deep discounts, and since 1988 the Paris Club included a reduction of the present value of debts into their rescheduling terms, rising from 33% in the Toronto Terms (1988-1991) to up to 67% in the Naples Terms (Jan. 1995). The qualitatively new element of the 1996 HIPC-Initiative was the design of a comprehensive concept of embedding a solution to the debt problem in an overall development strategy. On the one hand it requires the cooperation of all creditors (bi- and multilateral and commercial), on the other hand it demands the country's continued effort toward macroeconomic adjustment and structural and social policy reforms, and focusses on ensuring additional finance for social sector programs.

Eligible for this initiative were 32 countries with a 1993 GNP per capita of $695 or less and a 1993 net present value (NPV) of debt to exports higher than 220% or to GNP higher than 80% plus nine other countries where eligible for concessional rescheduling from Paris Club creditors. The countries had to adopt adjustment and reform programs supported by the IMF and the World Bank for three years and then to qualify for a second three-year period according to a debt
**sustainability analysis.** After this second three-year period - provided a record of "good performance" - the country will receive a reduction in the stock of eligible debt of up to 80% and further support through grants by multilateral institutions in order to reduce the country's debt to a sustainable level; given particular conditions this second period could be shortened (IMF, Debt Initiative for the HIPCs, Factsheet).

A third important step consisted in the elaboration of the World Bank's *Partnerships for Development* concept in 1998 (cf. World Bank 1998), which on the one hand specifies the idea of country-led national and regional strategies ("national ownership") - Wolfensohn: "the government and the people of the developing countries must be in the driver's seat" - but on the other hand also implies a partnership among the donors' organizations to rationalize aid programs. It was criticized that several bilateral donor agencies and most multilateral agencies each have their own country strategy documents (e.g. the Bank's Country Assistance Strategy (CAS) and the IMF's Policy Framework Paper (PFP)). The idea of partnerships for development is that the respective government organizes a process of consultations with all concerned groups within the country and with the donor community in order to work-out a national development strategy which will be a single authoritative document for all actors concerned and which will be revised in an ongoing negotiation process. In early 1999 Wolfensohn then introduced the concept of a *Comprehensive Development Framework (CDF)* as an instrument to turn into practice the ideas conceived in the Partnership for Development discussion. The CDFs are supposed to realize "a long-term, holistic and strategic approach where all the component parts are brought together", to be committed to "integration of effort... to expanded partnerships, transparency, and accountability under the leadership of government" and to be related to an "international financial architecture [that] must reflect the interdependence of macroeconomic and financial, with structural and social and human concerns". (cf. Wolfensohn 1999). To illustrate the concept, Wolfensohn also presented a matrix worked-out for Bolivia based on the CDF concept which illustrates the comprehensiveness of the concept (cf. figure 1). Negotiations in early 1999 led to agreements with twelve countries to explore "ways in which the Comprehensive Development Framework (CDF) might be piloted in their country" (World Bank Annual Report 1999, p.6), among them are four countries in Sub-Saharan Africa (Eritrea, Ethiopia, Ghana and Uganda).
# Comprehensive Development Framework – Bolivia

## Opportunity
**Higher Rates of Sustainable Economic Growth**

### World Bank Group
- Transport - Rural Infrastructure
- Rural Water and Sanitation
- Municipal Development
- El Niño
- IFC Water in La Paz
- MIGA power and infrastructure guarantees

### IDB
- Transport - Power Urban Development
- Housing

### Other Donors
- CAF Roads
- Korea Roads
- Sweden Industrial Cooperation

### Private
- Telecomm
- Water
- Power

### UN
- Local NGOs

### IMF
- Regulatory Framework for PSP
- Financial System
- Natural Resources and Environment
- Rural Development
- Income and Productivity of the Poor and Indigenous
- Social Services for Gender and Excluded Groups
- Decentralization and Community Empowerment
- Efficient and Transparent State
- Judicial Reform
- Corruption
- Alternative Development for Coca Areas
- Coca Eradication
- Enforcement Policy

## Equity
**Improve Income Distribution and Inclusion**

### World Bank Group
- Regulatory Reform
- Privatization
- Biodiversity Conservation
- Environment Industry and Mining
- Agro Technology
- Rural Communities Development
- Land Administration
- Participatory Rural Investment
- Indigenous Peoples
- Social Investment Fund
- Education Quality
- Education Reform
- Health Sector
- Child Development
- Secondary and Higher Education
- Municipal Development
- Financial Decentralization
- Institutional Reform
- Public Expenditure Review
- Decentralization and Accountability
- Judicial Reform
- National Integrity

### IDB
- Water Regulatory Reform
- Sectoral Privatization
- Ecological Tourism
- Agricultural Sector
- Basic Sanitation for Small Municipalities
- Micro-enterprise
- Education Reform
- Basic Health
- Child Development
- Social Participation Strengthening
- National Governance
- Justice Program

### Other Donors
- USAID Microfinance
- CAF Financial System Expansion
- USAID Natural Resources
- KFW Biodiversity
- UNDP Ecological Tourism and Biodiversity
- USAID Rural Telecommunications and Energy
- Spain Rural Power
- UNDP Information Capacity
- Denmark
- OPEP Rural Water and Sanitation
- KFW sewerage
- Denmark and FIDA Indigenous
- Sweden and UNDP Education Reform
- Germany Education Quality
- UNICEF Health, Nutrition and Sanitation
- UNICEF and GTZ Civil Service
- USAID Governance
- Sweden, Denmark and GTZ Civil Service
- Complementary activities by USAID and GTZ

### Private
- Banks
- Insurance Co.

### UN
- Local NGOs

### IMF
- Local NGOs

### IDB
- Local NGOs

### Other Donors
- Local NGOs

### Private
- Local NGOs

### UN
- Local NGOs

### IMF
- Local NGOs

### IDB
- Local NGOs

### Other Donors
- Local NGOs

### Private
- TI
The fourth step finally can be seen as a result of combining the CDF- and the HIPC approaches; the World Economic Summit in Cologne in June 1999 had demanded "an enhanced framework for poverty reduction including poverty reduction plans, budgetary transparency and dialogue with broader segments of society", thus responding to the results of a "global consultative process" organized by the IFIs in the months before. The result has been a revision of the HIPC Initiative, basically in two respects:

(1) The debt relief process will be "deeper, broader, and faster": the conditions for eligibility are lowered (the NPV debt-to-export target to 150%) so that now the number of countries eligible is more than 40; already after the first three years of good performance ("decision point") debt relief is fixed, and the length of the second period is tied to a set of reform commitments rather than an interim track record.

(2) Of much greater significance, however, are the institutional changes which take-up the World Bank's ideas developed in the Partnership for Development-discussion and the CDF concept. The IMF moves towards a much closer cooperation with the World Bank; with the establishment of a Poverty Reduction and Growth Facility (PRGF) as a coordinated programme of World Bank and IMF (led by IMF) the IMF is formally accepting the integration of "poverty reduction" with macroeconomic policies as the central target of debt rescheduling. The PRGF replaces other forms of concessional financing which so far have been effected through ESAF and in the context of the original HIPC's initiative. This was endorsed in September 1999 by the Interim Committee, and the IMF has developed a procedure to phase out the Policy Framework Papers (which constituted the base for ESAF loans) and to substitute them by so-called Poverty Reduction Strategy Papers (PRSPs). .

Each country eligible for a loan under the PRGF will have to work out a Poverty Reduction Strategy Paper (PRSP), which should be "country-owned" and worked out in a participatory process. „Crucially, the new framework rests on a departure in the way objectives and policies are chosen. The country and its people will need to take the lead“ (IMF 1999, p.2). Basically, the CDF will point to the long-term problems and strategies for a poverty-oriented development process; the PRSP will define concretely and in an accountable form as the centralpiece of HIPC-conditionality the measures to be taken within a three year period, and the importance of the
World Bank's Country Assistance Strategy will be reduced to a mere business plan for the operations of the Bank Group (cf. (IMF/IDA 1999, p.18). The result is basically a new form of conditionality, giving countries (not necessarily the governments) a higher degree of autonomy in working-out CDFs and PRSPs, but then tying them to a much more encompassing, poverty-related strategy.

Taken together, these four steps of reform of the IFI's debt and poverty related politics constitute an important turn towards integrating transnational and national political processes. The reform explicitly aims at strengthening the national capacity to organize and to monitor political and social development processes, ensuring the support of civil society - in a certain understanding of the concept, one might talk of a strategy to increase the capacity for „auto-centric politics“ (cf. Hein 1999b); the World Development Report 1999/2000 with its focus on "Globalization and localization" also reflects this re-orientation of the IFI's. In effect, one can interpret this strategy as a new attempt to modernize national societies (cf. the Stiglitz-paradigm, referred to above) focussing on aspects of society which are finally more fundamental than (or: a fundamental pre-condition for) macroeconomic "fundamentals": the working of the political process and the integration of society through a strategy of inclusion.

Still, as convincingly this change of orientation of the International Finance Institutions appears with respect to the socially disintegrative impacts of globalization (social, political, spatial exclusion; destruction of social cohesion etc.), changes in conceptions are still quite far away from real socioeconomic change. There are the "old" people who have to carry through the practical work (many of the more recent World Bank or IMF working-papers are not particularly inspired by Stiglitz' change of paradigm), there are structures of socio-economic (under-) development, of vested interests, of institutions, missing pre-conditions, which cannot just be blown away by a change "of paradigm" even of powerful actors. On the other hand, obviously, this change of paradigm represents an institutional learning process, an adaptation to a reality which did not fit the anterior paradigm, but also the new paradigm has not been formulated and accepted in an environment void of particular interests and power relations. How can we know, that this new approach will not just qualify for another strategical impasse which leads to nowhere? How can we better understand these interactions between strategy and longer-term dynamics of socio-economic development?
3. Approaches to a Theory of Social Evolution and the Development of Global Governance

3.1 The Evolutionary Perspective

If talking about future events, social scientists, particularly economists frequently commit one or the other fallacy: Either they develop normative concepts of how problems could and should be solved overestimating the potential to control social and institutional change or they somehow project current tendencies into future development. In fact, it is quite difficult to anticipate the results of the interaction between strategies and actions, guided by a great variety of human world views and interests, one the one hand and of long term development dynamics largely determined to a large degree by rather inert structures on the other hand - but it is exactly this what determines future development. Unexpected catastrophes and „jumps“ of revolutionary change can never be excluded and make it impossible to really anticipate the process of societal development. Nevertheless it is possible to theorize in a meaningful way on the chances of specific strategies taking into account that national development processes are taking place within a historical process of global development which determines (in interaction with specific local and national conditions) probable paths of development as well as the scope for alternative strategies.

Different phases of capitalist development are characterized by different sets of social institutions; processes of institutional change can be conceived of as evolutionary processes. In order to understand these processes, it is quite useful to refer to the basic concepts of evolution theory; they are derived from biological evolution theory, but incorporate specific aspects of human societies (power/strategical acting etc.). For the purpose of this article, I will just summarize Niklas Luhmann's argumentation in his "Die Gesellschaft der Gesellschaft" (cf. Luhmann 1997, ch.3):

For Luhmann, the impulse for the further evolution of a social systems results from a process of variation in the system's environment which is different from the changes of the system itself. E.g. technological development and changes in the organization of production may lead to changes in the demands on a political system to which the existing routines of the system are not capable of responding. There will be demands for reforms ("variations" in the terminology of evolution theory), new laws will be passed, other governments elected, new institutions created.
Because of the complexity of the involved processes, the interactions with other political systems but also with other functional systems, nobody can exactly anticipate, which reforms allow an optimum adaptation of new structures to the emerging new demands of the system's environment. Various mechanisms of selection (modes of perception, functionality, power relations) will result in the realization of one or the other reform concept (or element thereof), but this selection of a specific variation does in no way guarantee the emergence of new stable structures. "Selection does not necessarily yield good results. In the longer run, it also has to pass the test of stabilization." (Luhmann 1997, p.427ff) Without going more into details, I just want to add that of course institutionalist approaches in economics are very closely related to evolutionary concepts, stressing the particular importance of path-dependence in institutional development and, thus, limiting the range of possibilities in the "variation/selection" interaction (cf. e.g. North 1990 and different newer papers by Douglas C.North available in the internet through WoPEc).

In this contribution it will neither be possible to enter more deeply into the discussion of these concepts nor to propose a detailed interpretation of the current process of transformation of global society, but we will need a somewhat clearer conception of the interrelationships between technological change, globalization, the role of the liberalization/deregulation paradigm as expressed for developing countries by the Washington Consensus, the processes of increased uneven development and the actual change of paradigm as an expression not only of a political turn of the IFIs but of "Global Governance" as a whole.

3.2 Changing Modes of Capitalist Development: Regulation Theory

Regulation theory is a very useful tool for the analysis required, as it combines quite well with an evolutionary approach. Its focus is on characterizing phases of capitalist development in their interaction between modes of accumulation and regulation, their crises and the problematique of the evolution of new forms of regulations. Lipietz' observation that the concrete development of new constellations of institutions is something like a "historical find" (historische Fundsache) points to the affinity with evolution theory, a new mode of regulation results from different attempts at "varying" institutions, of (basically political) processes of selection and finally the stabilization of successful constellations (cf. Lipietz, 1986, S.16; Görg 1994).
Neoliberalism is a first answer to the crisis of fordist accumulation which was basically tied to a mode of regulation on the level of national societies: The combination of legally guaranteed collective bargaining with state support for the accumulation process through welfare state institutions, infrastructure investments, subsidies and protection of national producers against external competition for some decades led to an impressive growth process in most industrial countries based on mass production technologies and mass demand, until these institutional structures themselves became fetters to an effective use of new technologies and new forms of production organization and thus to a further expansion of capitalist accumulation. New basic technologies like computer and information technologies, new materials, biotechnologies and advanced transport technologies required the possibility of a global organization of production and marketing and much more flexibility than fordist forms of labour relations and state intervention permitted in order to allow firms to fully exploit their productive potential.

Development efforts in Latin America and in many newly independent countries basically tried to imitate the growth model of the North (starting with State support for accumulation and modernization), but basically failed in the attempt to reach sustainable economic development, because of the pre-existing problems of low overall productivity, high income inequality and structural heterogeneity. Misguided attempts to "deepen import substitution" in combination with a specific development of international capital markets (easy access to credits in the post-1973 years and an abrupt increase of interest rates in the early 1980s) finally led to the collapse of peripheral fordist strategies and to the Third World debt crisis (cf. Hein 1995).

The crisis of fordist accumulation and the changing technological and organizational environment in the 1970s stimulated the search for "variations" in economic politics and its conceptual base: "neoliberal" ideas prevailed over Keynesian concepts of economic regulation and became the new orthodoxy in economics. The International Financial Institutions took over the role of agents of liberalisation and the transformation of national institutional structures in the developing world. Fordist regulative impediments to a new regime of accumulation were abolished (or at least lost their political weight). The transnationalisation of the economy was passively (by removing entrance barriers) and actively (by measures to attract foreign investments) supported; post-fordist dynamics of technological and organizational change could now unfold. In this way, opening-up the national economies through the liberalization of trade and capital flows as well as
through internal deregulation, a strategy of fiscal discipline and a consolidation of the monetary situation (in short: the politics of the Washington Consensus) has unleashed economic growth in some regions, but also uncovered the lack of competitiveness in others, where an increased mobility of capital just facilitated an accelerated outflow of capital.

Neoliberal concepts served well to justify this kind of politics to create the space and flexibility for a new mode of accumulation to dominate world economic development, but, obviously, market forces themselves are far from guaranteeing equitable social development and from securing an environmentally sustainable development - at least in the real world situation of power relations, of extremely uneven levels of human and infrastructural development, of political instability etc. the pure working of market forces will inevitably lead to vicious and virtuous circles in the socio-economic development of concrete places.

There has been some discussion on the particular spatial dynamics of post-fordism, which Manuel Castells summarized in the following way:

„Under the new, dominant logic of the space of flows (...), areas that are non-valuable from the perspective of informational capitalism, and that do not have significant political interest for the powers that be, are bypassed by flows of wealth and information, and ultimately deprived of the basic technological infrastructure that allows us to communicate, innovate, produce, consume, and even live, in today’s world. This process induces an extremely uneven geography of social/territorial exclusion and inclusion, which disables large segments of people while linking up trans-territorially, through information technology, whatever and whoever may offer value in the global networks accumulating wealth, information, and power.“ (Castells 1998, S.74).

This "geography of exclusion" (for a summary of this discussion, cf. Hein 1999c) affects most of the least developed countries (and in particular most of Subsaharan Africa), but we find new problems of social exclusion also in the industrialized countries. Nevertheless, there are many indications that Castells is wrong in expecting that powerful groups do not have any "significant political interest" to react to this problematique of exclusion; as has been shown already in the
first part of this article for the International Financial Institutions.

In fact, poverty (and the relative deprivation of more developed losers of globalization like some oil exporting countries and the ex-Soviet Union) *has indeed become* an important element of global destabilization, as Wolfensohn stresses in his quoted 1997 speech. I will come back in more details later (cf. ch. 4). It is the pressure on the winners of a new mode of accumulation to react to sharpening contradictions which leads to new modes of regulation as conceptualized by regulation theory: "Regulation of a social relation, is the mode, which allows the reproduction of this relation in spite and because of it conflictory and contradictory character" (Lipietz 1985, S.109).

Regulation, thus, implies a certain form of dealing with social contradictions in a narrower sense, but also with the tendencies of the accumulation process to block itself as a consequence of the dynamics of accumulation itself. International financial crises (Mexico; South East Asia) have proven that the self-regulation of economic development/capital flows in the real world does not work out as ideally proposed by neoliberal economists. After de-regulation has allowed the dynamics of post-fordist globalization to unfold, there obviously is a need for active re-regulation in order to stabilize this mode of accumulation.

Now, obviously post-fordist globalization restricts the scope of national politics for regulating accumulation and development. Though the nation state might in fact increase its role in supporting the competitiveness of its territory as a location for global production, many aspects of the accumulation process can only be regulated at the global level (like fair trade rules, minimum levels of social and environmental standards) or need transnational transfers of resources. Therefore: the more the accumulation process is globalized, the more important is the need for global regulation not just to be additive (like before: postal services, international aviation, cooperation in meteorological matters etc.) but to become a coherent body of politics, "global governance", which now is more and more substituting old forms of hegemony by single countries.
3.3 Global Governance in an Evolutionary Perspective

3.3.1 The Dimensions of Global Governance: Beliefs, Networks, Power, Institutions and Sanctions

Some authors stressed the necessity of a "world state" as a substitute for the decaying national state (cf. Knieper 1991, for a world-wide federalism Nart/Schubert 1994), but rather soon it became clear that at least in the short and medium run that was hardly a realistic proposition: Neither would it be possible to organize a global political process which would yield the necessary worldwide support for a world government, steering global affairs in a way broadly comparable to a national government, nor would national societies and, thus, as well the nation state wither away in the course of a few decades. The discussion on "governance without government" (Rosenau/Czempiel 1992, Kohler-Koch 1993) which preceded the publication of "Our Global Neighbourhood", explained convincingly that it makes sense to use this term in a much broader meaning than just with reference to the UN system and the idea of its transformation into some kind of world government. Defining "governance" as the ability of "guidance and leadership towards a goal" beyond the formal structures of governments allows a much broader vision of guiding global development.

Seen in this way, global governance emerges as a complex system of beliefs, networks, power, institutions and sanctions: It implies the hegemony of a set of beliefs on how world affairs are best dealt with and who might be well equipped to guarantee the necessary order, regulations and innovations; it implies that there are networks of actors disseminating ideas of how the world ought to be and how problems should be solved (e.g. religious institutions, cultural interaction) creating the basis for a minimum of compliance with the dominant forces of world leadership.

*Power*, of course, constitutes one basic element of hegemonic stability, which implies a military superiority of the forces which support a certain world order, but also economic power and, in the case of an *institutionalized* world order, the power to guide the orientations of institutions according to the interest of a certain coalition of social forces who control a certain mode of regulation. Finally, it is the potential to *sanction* the non-compliance with the "rules of the game", which constitutes a basic precondition for any hegemonic order to exist - institutional rules which cannot be enforced do not serve as a foundation for hegemony (cf. the international agreements
for a "New International Economic Order" in the 1970s and 1980s which hardly led to anything against the rules of GATT and now the WTO which can be enforced by legitimate trade sanctions). Changes in hegemonic powers or power systems usually imply changes in most of these factors, which we are actually observing with the transition from American hegemony to a multipolar system of global governance.

The more recent discussion on the role of transnational policy networks for shaping the development of global affairs confirmed this view. Wolfgang Reinicke (1998) stresses the need for global agreements and rules to reduce the options of economic networks and thus to consolidate the internal operational sovereignty of nation states. In this context, international institutions have to transform itself from a stage for conflicts between groups of nations towards an institutional framework for complex political processes to establish universally accepted rules as well as effective channels for the transfer of resources. By referring to concepts of sovereignty, the two sides of post-fordist global governance become clear: On the one hand transnational politics are more and more based on complex policy networks constituted by a plentitude of different types of actors (nation states, international governmental organizations, NGOs, international business organizations, transnational enterprises) which allows flexible processes of interest articulation and of negotiating international treaties, protocols and regimes; on the other hand it is the formal negotiation process of international conference which makes it possible to conclude binding norms, which become part of sovereign national laws.

3.3.2 Post-Fordist Globalization and the Evolution of Global Governance as a Core Element of Regulation

Fordist regulation was essentially a national phenomenon with the American hegemony "governing" an inter-national system which basically had to to contain the threat from the "Socialist World System" and to uphold a system of international trade which had to guarantee the provision of raw materials to the industrialized world and to allow a certain expansion of trade to extend markets for standardized mass production goods. To analyze the transformation process from international relations during the "Pax Americana" to transnational post-fordist regulation in a process of adaptation to post-fordist globalization is not the objective of this article. I just want to mention the crisis of the Bretton Woods system, the oil crisis and the
challenge from the Arab States and OPEC, the environmental crisis becoming more and more obvious during the 1980s, the crisis of "developmentalism" in large parts of the Third World leading to an increasing socialist challenge from a new frontier, and, finally, the break-up of the Soviet system and the Soviet Union, which rapidly changed the phisiognomy of the international system.

In the 1980s, when uneven development was still basically seen as unevenness between national economies, the quest for a New International Economic Order (NIEO) seemed logical, but it rather soon became clear that a political strategy based on strong state intervention and selective dissociation could not be able to really optimize the mechanisms of allocation at the global scale and thus would neither help very much to overcome the crisis of fordist accumulation, nor to improve equity between different world regions. It was a "variation" of strategy which succeeded to be "selected at the institutional level ", but it had hardly any chance to stabilize itself because of its "misfit" to the demands of the postfordist mode of accumulation. The debt crisis in most of the South on the one hand, the successes of world-market oriented growth in (originally) low-wage countries on the other hand suggested a different path in the development of global governance, which was strengthened by a growing consciousness that new ways of combatting poverty and of social regulation were necessary.

There was no "grand design" re-orienting the development of Global Governance, and when this "grand design" was finally sought for, the product was basically the publication of a book ("Our Common Neighborhood") and the establishment of a commission to develop concepts of UN reform which has been working for some years without much success; in the meantime, in an evolutionary process, the system of international organization has undergone a considerable change - certainly more in functional respects than in its institutional structures.

Not surprisingly the IFIs, with a clear majority of the industrialized countries in their ruling bodies, became the stout supporters of a "neoliberal" orientation and the foremost actors via their structural adjustment programs but also their general political orientation of breaking-up a state- and protection focussed development strategy. With the Uruguay Round, trade negotiations moved far beyond the old focus of GATT to reduce barriers to the trade with industrial goods, producing rules for further trade liberalization to which also the industrialized countries had to
submit. But these policies to remove fordist institutional barriers to the "unfolding" of postfordist globalization were opposed by other institutions which - at least in the 1980s - were still more guided by NIEO ideals and concepts and a stronger position of the "old" Third World elites (because of the one country - one vote- rule), but also more susceptive to the social impact of development programs. The most important report published in this vein, certainly was the UNICEF sponsored book "Adjustment with a Human Face" (Cornia/ Jolly/ Stewart 1987; cf. also in World Development, Jolly/ van der Hoeven 1991). The publication of the Human Development Reports by UNDP since 1990 as well as important reports by CEPAL (1990) and ECA (1989) on alternatives to structural adjustment, however, at first had a stronger impact on the international civil society than on global governance.

During the 1990s we observe a slow rapprochement of the positions of neo-liberally oriented institutions and of the more equity-minded orientations of other UN organizations: On the one hand, liberalization and deregulation, the potential benefits of a flexible, global (instead of international) division of labour were more and more broadly accepted at least as an irreversible process, and every single organization had to transform itself towards more effectiveness and more openness towards the private sector; because of the financial pressures exerted by the most important contributing countries (including total withdrawal as Britain and the US did in the case of UNESCO). Cooperation with the private sector in the form of public-private partnerships (PPPs) became a means to increase resources for development goals by re-orienting activities of the private sector in particularly important areas (cf. e.g. the Medicines for Malaria Venture between different development organizations and the International Federation of Pharmaceutical Manufacturers Associations (IFPMA) launched in November 1999, cf. Hein 1999a); this is certainly in correspondence with the need to develop a competitive private sector as a precondition for the re-integration of apparently "excluded" regions (e.g. the self-definition of UNIDO's role with respect to the support of industrialization in the LDCs, cf. below) On the other hand, as we have seen, also the IFIs had to recognize the polarizing tendencies of the new mode of accumulation Wolfensohn's recent speech at UNCTAD X in Bangkok (16th February 2000) where he very much supports the UNCTAD approach of a "virtuous integration of developing countries into a more receptive global system" is a clear prove of this rapprochement between two institutions formerly placed at the opposite end of positions within the UN system.
If we look at the political processes which led to the reforms of IFI politics on debt and poverty, we find that the G-7 (oder now G-8-) economic summits at Lyon 1996 and at Cologne 1999 played an important role in somehow "ratifying" reform proposals coming from the IFIs themselves but also from a mobilized international civil society (pressure in particular by the international debt campaign Jubilee 2000, cf. in this perspective Unmündig/ Walther 2000). The result could well be a structure of global governance which might be in a position to "regulate" the relation between apparently contradictory social forces polarized by the post-fordist mode of accumulation - as had been the case in fordism through corporate-type arrangements between industrial capital and labour under the aegis of the nation state. International norms and institutions to stabilize a system of global flows of goods, services, capital and information have materialized within the GATT/WTO negotiations and in the cooperation between the WTO and other international organizations (e.g. with FAO and WHO in the context of the Codex Alimentarius as a basis for sanitary norms, or with the World Intellectual Property Organization WIPO in the field of the so-called TRIPS). These rules to codify the basic rule of liberalization and deregulation go together with a minimum of intervention to prevent a breakdown of the financial system, acute environmental crises and to guarantee human rights in a very rudimentary form (e.g. favoring politically liberal regimes).

On the other hand the same system of global governance has favored the representation of just those forces - not as a partner for elites within national societies, but as social actors represented in an emerging global civil society - not just for reasons of ethics and solidarity, but because the very process of globalization also increases the threat that social disintegration could mean for the very "winners" of the new mode of accumulation. There arises a political pressure for politics of re-integration and - within the framework of a market-oriented, deregulated mode of accumulation, this can only mean empowerment for the "excluded" to become themselves competitive within the liberalized markets. It means of course "empowerment" in a very broad sense: it refers to the poor within the poorest regions, it refers to the "systemic competitiveness" of these regions themselves but finally also to the empowerment of the state in poor countries to effectively favor competitiveness of local production. Empowerment normally does imply some financial transfers within the system of global governance but it is not identical with the function of transfers. A transfer of resources certainly is another element to legitimize global governance in a global system of very unequal development; it is related to the legitimation and enforcement
of international norms which need some measures for compensating poor countries for the disadvantages they might have by renouncing some specific means to reach a - mostly only short-lived - increase of their competitiveness (e.g. cutting forests, using forms of social dumping, protecting specific sectors of their economy) as well as to the support of all kind of empowerment measures. It has to be stressed, however, that in the past, financial transfers frequently stabilized corrupt political regimes and, thus, had done little to support the empowerment of the poor.

This short overview of the process of the recent evolution of global governance suggests that the frequently asked question, in which way we should regulate world affairs, is a rather academic question; really, it seems more important to better understand, how transnational regulation "evolves". This, in fact, might provide a better basis for improving political strategies than the premature normativism one frequently encounters in the field of development strategy.

4. Post-Fordist Globalisation and the Least Developed Countries: What Kind of Exclusion?

Now, we have "compiled" the necessary theoretical elements for a better understanding of the evolution of new politics to deal with the problems of world-wide inequity worsened by post-fordist globalization. In this context, we will have to take a closer look at the situation of the "losers" within this (not any more so new) mode of accumulation, at their struggle to survive and at the interests that can motivate the "winners" to care for the victims of unequal development.

And, we will have to make a further step ahead by looking in a somewhat more detailed way at the institutional developments and their (early) impacts.

The effect of "globalisation" on social development is frequently described by the terms of "integration/ inclusion and exclusion". The data, normally presented refer to the dramatic decrease of the participation of least developed countries in world-trade and in industrial production, to the increasing gap in income between the poorest and the richest countries in terms of GDP as well as in terms of human development, to the increase of absolute and in some regions as well of relative numbers of poor people etc..

But the meaning of the term "exclusion" is far less clear than these data suggest: A social group,
a national society etc. can only be a „loser“ of the globalisation process if they are somehow included in this process, affected by it. It is exactly the integration into world affairs, which renders local producers „incompetitive“, and have stimulated outflow of resources up to a level that have led to the impression that they "are excluded". It is important to analyze these dialectics of "inclusion/exclusion" in order to understand the actual and potential impacts of the so-called "excluded", from which the external world is not protected. This might be not so clear in the case of survival-oriented activities which mostly do not affect outside actors, but nevertheless imply certain activities which are potentially important for increasing competitiveness in the formal sector (offering cheap food, messenger services, and informal social security, helping to keep reproduction costs low) and other services that might have some importance for people in the modern sector (like offering artisan products and prostitution for tourists). This impact is more obvious (and also disturbing) in the case of illegal activities on all kind of scales - beginning with petty theft and physical attacks which constitute a threat to tourism but also have an impact on the location decisions of modern firms and centers of corporate management, and escalating in the activities of organized smuggling, drug production and trade etc..

We see: In some respects the term "exclusion" seems to be appropriate. Is there not an exclusion of the poor from competition in the modern labour market because of a reduced spending on education in the wake of structural adjustment? Is there not an exclusion of local producers from markets for industrial products because of lifting protection against modern foreign producers in a situation where the necessary upgrade of products and productivity would mean an unachievably large step? Is there not an exclusion from social security because of a reduction in social spending of the state?

A somewhat closer look at the dimensions of competitiveness might help us understand better the interrelationship between postfordist globalization, the so-called "exclusion" and the problematique of uneven development.

„Competitiveness“ is a term basically related to firms and their chances to flourish in a market-regulated economy. Competitiveness of specific firms in a national economy does not say very much about successful development (cf. oil companies - particularly Nigeria, Angola, Algeria - producing in exclaves; problem of Dutch Disease). Success of firms in specific sectors
(particularly in raw materials) might create all kind of distortion (corruption, rent-seeking etc.) that in no way support the overall development of a national society and not even of a specific location (region) within that society.

The idea that not only firms compete for markets, but that also "locations", regions or national states compete for internationally mobile capital, is not that new. In their study on the New International Division of Labour, Fröbel/Heinrichs/Kreye (1977, engl. 1980) used the concept of a world market for production sites (1980, p.13). Building on concepts that also have been discussed for a long time in the discourse on the theory of location and in regional studies Michael Porter wrote his Competitive Advantage of Nations (1990) stressing the importance of the interactions between four groups of local factors (strategies and structures of enterprises; factor conditions, conditions of demand and the clustering of similar and supporting industries) as a precondition for the development of productivity at a specific location and, thus, of the competitive advantages of the respective nations. Integrating other lines of research on industrial location and development, the concept of systemic competitiveness (cf. Fajnzylber 1992; Bradford 1994; Eßer et.al. 1994) takes an even more extended view including basic characteristics of a society as a whole as determinants of competitiveness (interactions between socio-cultural factors and basic features of the political system at the meta level; budget, monetary, tax, competition, currency and trade politics at the macro level, politics on infrastructure, education, technology, industrial structure, the environment etc. on the meso level and finally the level of the firm and its integration into technological networks, a fruitful cooperation between input suppliers, producers and customers etc. on the micro level; in the version by Eßer et.al. 1994, p.546). Looking at this whole web of factors determining systemic competitiveness makes it easy to realize the problems of firms producing in the LDCs to compete with firms at other locations in an open world market. Of course, it also permits to specify the conditions of primary importance for specific sectors, and, thus, to discuss the perspectives to develop production sites starting from a comparatively low level of systemic competitiveness (cf. Meyer-Stamer 1999, 1999a), but it also helps to understand why a premature opening of an economy to global competition might result in a situation of apparent exclusion from the market; even firms which could compete in a protected home market, are now "excluded".

One might also talk about the „competitiveness of labour“ depending on the components of
qualifications, reproductive costs and needs (expectations) and the level of salaries firms are able to pay taking into account external advantages or disadvantages at the particular location. Problems: competition in labour-intensive products, but particularly: migration. In particular sectors in industrialised economies, migrants from poor countries might be highly competitive (low individual reproduction needs, low family reproductions costs, if they live still in their home country). This again points to the need for a holistic concept of development: Certainly in most of the LDCs the low level of human capital development constitute a major obstacle for the development of competitive production locations, but improving education alone does not help either - it will just increase the incentive for qualified labour to emigrate. Nevertheless, it is obvious that depriving poor people of the chances even to some basic form of education, will imply that they are excluded at least from the formal labour market and that the inability of a whole nation (may be already as a result of a process of economic liberalization) to provide their children with a rudimentarily functioning educational system will result in the nation being excluded altogether.

There are, however, quite dynamic markets where at least some of the LDCs are in fact highly competitive and this relates to all kind of illegal transactions like the production of drug plants and the drug trade, arms trade, organized smuggling, illegal trade with protected species, international alien smuggling etc. In this case it is just the deficiency with respect to some basic conditions of systemic competitiveness which results in them being attractive locations for these kind of transactions: It is the lack of legal sources of income which makes these activities attractive, and which leave poor people often hardly another chance to survive (cultivation of coca or poppies; paying to become smuggled into industrial countries etc.), and on the other hand, the lack of political and legal control of the respective transaction spaces which is basic precondition for this kind of activities (vgl. Hein 1995a). Certainly, these are the factors which have led to an increasing role of some African countries in the international drug trade (particularly Ghana, Nigeria and Kenya, cf. UNDCP 1998; Allen 1999). To a certain degree and in some particular areas, these illegal activities are contributing to an alleviation of poverty and also to the process of capital accumulation. But as these activies themselves to not really contribute to an improvement of systemic competitiveness - on the contrary -, capital accumulated in the hands of drug and arms dealers or smugglers of immigrants, will quite probably not be invested in legal activities in African countries, but rather invested in
economically more promising locations. Thus, the most important "positive" function of this complex of illegal transaction might be its potentially threatening implications for the "winners" of globalization and feeling that something has to be done to combat poverty.

Certainly, if one defines „exclusion“ as „an exclusion from successful competition in legal markets as a consequence of structural defects“, one might characterize rather well some more or less „excluded areas“ oder „social groups“. But this definition is, as we have seen, misleading in at least two ways: On the one hand, it does not consider the specific character of the post-fordist liberalisation of market dynamics. It is the flexibility of markets freed through the progressive removal of political obstacles which in principle permits an inclusion of competitors (on the labour market as well as on the market for industrial goods) with less pre-conditions than before - in fact, one can expect a greater flexibility of market access than in the highly institutionalized welfare systems in industrialised countries. This might open opportunities to mobilize creative and particular adaptive potentials through a destruction of structural barriers (but of course, also shelters) - in fact, a vital informal sector quite frequently serves as a base for the competitiveness of formal sectors in the world economy. Furthermore, by removing bureaucratic barriers, liberalization and deregulation can also lead to a cheaper access to intermediate industrial inputs, the extremely high costs of which had been an unsurmountable barrier against African countries making an effective use of low labour costs in international competition (cf. Hein 1994, UNIDO 1993). However, in most African countries these transaction costs are still exorbitantly high, and there remains much to be done in terms of reducing transportation costs (high due to monopolistic or cartelized transport links and neglect in financing infrastructure), reducing barriers to foreign trade and achieving more consistent attitudes towards foreign investment (cf. Hernández-Cata 1999, p.11).

On the other hand, the use of term "exclusion" suggests that these areas are irrelevant to the outside world, which seems to be self-evident with respect to the economic and political weight of these areas within the world economy and society, but which omits at least the chaos potential of these regions, to which I referred several times in this article.
5 Transnational Regulation and Sub-Saharan Africa

5.1 Between „Rule-Setting“ and Empowerment: Definitions of the Problem and Approaches to Solve it

Now, if we try to turn more explicitly to the role of the Sub-Saharan Africa and other poor countries within the field of Global Governance, it is obvious that for some time, there seemed to be other priorities in the design of world order than the fate of the Least Developed Countries and of a region like Sub-Saharan Africa. Discussions and negotiations in climate politics, trade liberalization (and environmental and social clauses) and the international financial system commanded much more attention than e.g. the fate of Africa within the global community. In this respect, there seemed to be really some regions excluded from world affairs.

But we have seen: It is the very competiveness of low income regions in some very specific areas, which the „winners“ of globalisation find quite disturbing and which undermines the world order they strive for. Control of these „elements“ by corrupt local elites has proved to be no longer very desirable (Mobuto’s cleptocratic regime etc.); control by the old colonial power does no longer work very well (role of France in Africa). Because of post-fordist globalization and the increasing interdependence between rich and poor regions, rich regions are more affected by the consequences of poverty and turmoils in other parts of the world through a whole range of so-called "global problems" (migration motivated by poverty, environmental catastrophies, armed conflicts; international crime; global environmental problems, spread of diseases etc.) and also through the impact of social problems on the stability of growth regiones and thus even on the global financial system (e.g. impact of the Chiapas conflict on the Mexican crisis, impact of social problems and conflicts on the economic crisis in South East Asia).

This points to the requirements of post-fordist regulation in the face of the dynamics of inclusion and exclusion: Development depends on the support of systemic competitiveness, on developing capacities (education, skills, infrastructure) as a pre-condition for the competitiveness of locations. Integration can only be achieved by empowerment - and this also means the mobilisation of new human (and spatial) resources for global accumulation. Certainly, post-fordist accumulation could do without mobilising the resources of every remote region in the world, if it would be really possible to „exclude their inhabitants from world affairs“, but the role
of globalised communication and transactions as the very core of post-fordist globalisation makes it very difficult to stabilise an exclusion-oriented model of regulation. This holds for both sides: Neither is it easy for the rich countries to „lock out“ trouble-makers, nor is it a simple thing for marginalised countries to turn their plight into a virtue and to pursue a strategy of self-propelled dissociation. No society is any more „out of the world“.

To "empower" the excluded for inclusion, strategies have to start with the support of economic entrepreneurship which is in the reach of the poor. Enhancing the competitiveness of micro-, small and medium enterprises (cf. article Altenburg/ Qualmann/ Weller in NSa 3/1998; Altenburg/ Meyer-Stamer in World Development), the empowerment of women, of the rural population, decentralisation as a basis for the empowerment of local institutions, the support of cluster-building processes become the most important strategies.

It is the consequence of the (conceptionally more or less digested) acceptance of this fact, that transformed social movements, risen basically in protest to liberalization, structural adjustment and globalization, into a basis for empowerment strategies. The dialectics of anti-liberalisation/ anti-market movements being turned into a basis for the empowerment of the poor to compete in the markets and to become a central part of post-fordist regulation are quite comparable to that of anti-capitalist labour movements becoming a central pillar of fordist regulation and accumulation. In this transformation process of global governance, of course, we find again the two opposing dynamics of post-fordist regulation in the form of conflicts between global regulation as „rule setting“ and as „transfers for empowerment“ („global structural politics“ as the political level of mediation), which very centrally concerns the development perspectives in the South, and particularly of the LDCs:

There is the definite need to establish an institutional framework for securing the dynamics of globalization; this is what normally is called the need for re-regulation at the global level. Here again two different types of rule-setting can be distinguished:

(a) There are rules to guarantee the progress of trade liberalisation, its basic features and the adherence to the agreements signed. The existence of effective sanctions gives the WTO an important role in global governance and makes it interesting to link rules of type (b) like social and environmental standards to trade regulation; it also makes it very important for
developing countries to have their specific interests clearly recognized. This relates basically to the possibility to uphold some level of protection for infant industries and particularly in the field of technology development, which are closely related to the need for improving systemic competitiveness (cf. conflicts in the field of the Trade Related Intellectual Property Rights, the TRIPs), and to demands for compensations of potentially negative impacts on essential sectors particularly concerning the Agreement on Agriculture: In the case of the so-called Low Income Food Deficit Countries (LIFDCs) rising world market prices of basic food products can have disastrous impacts on food security. In this context, it is also understandable that developing countries are very much concerned about the fairness and the power relations within the system of dispute settlements and are very critical of the tradition of unilateral action especially of the US - which is one of the main sources of developing country opposition to the inclusion of social and environmental standards in the WTO system.

The IFIs and the structural adjustment processes have played an important role in forcing developing countries to accept liberalization, deregulation and privatization programs, i.e. to integrate themselves into the dynamics of post-fordist globalization, particularly because of their power to open or close the access to international finance,

(b) On the other hand, a liberal economic system needs to set standards for preventing an over-exploitation in the use of human and natural resources which could lead to a competitive race endangering the environment and social standards of the industrialized countries themselves; in the history of the industrial countries these problems had already played a central role in the development of regulations at the national level. On the global level, the LDCs are centrally affected by attempts to prevent what has been called environmental and social dumping: Of course they are concerned about raising social and environmental norms beyond a (rather low) level which allow them some compensation for external disadvantages. Certainly, this is a field where industrial countries accept the rights of DCs and LDCs for some kind of compensatory measures, but negotiations on these measures are quite difficult and always a cause of conflict; another basic problem is again the power to define standards.

These problems played a central role in most of the great world conferences which took place in the 1990s (integral aspect of UNCED in Rio 1992; the International Conference of population and development in Kairo 1994, the World Summit for Social Development In Copenhagen 1995; the Fourth World Conference on Women, Beijing 1995, the World Food Summit in Rome
1996) and, in some way will culminate in the UN Special General Assembly on poverty in 2000. Some of the new developments in global governance concentrate on the risks described above, like AIDS (foundation of UNAIDS), drugs and international crime (integrating the UN International Drug Control Programme with the Centre for Crime Prevention under the roof of the Office for Drug Control and Crime Prevention (ODCCP) in 1998), but also on problems like peace keeping and the legitimacy of intervention in militant conflicts. The strategic re-orientation of the International Financial Organizations leaves little doubt that these new tendencies in global governance represents more than just a change in development rhetorics based on Third World majorities in UN institutions.

If one looks at the recent history of most of the specialized UN-organizations one can find corresponding patterns of reform: Until the late 1980s or early 90s most organizations like UNIDO, FAO, WHO or UNESCO were dominated by political forces, typical for the North-South conflict of the two preceding decades, supporting a government-based national modernization strategy and critical of transnational corporations and of neoliberal concepts taking hold of the IFIs. With the debt crisis a slow process of re-thinking began which then was accelerated by northern countries making use of their own base of power, i.e. by retaining financial contribution to the organization or even leaving them. The inefficient use of resources, organizational weaknesses and lack of political realism were firmly criticized. The result was a rapprochement with the politics of the IFIs, moving themselves programmatically into the opposite direction, a tendency I already referred to in the previous chapter.

Three elements characterize these reforms: a process of organizational streamlining, which I will not pursue here; a reformulation of goals towards a greater importance of private sector development, the cooperation with the private sector in the field of public services and, particularly, a stronger concentration on the support of development processes (strengthening of local competitiveness, alleviation of poverty) in the Least Developed Countries; the use of networking as a basic mode of operation, with respect to the cooperation with other social actors (civil society, private sector) as well an improvement in the cooperation with other development agencies (multilateral as well a bilateral). A closer look at these changes (cf. below the paragraph on UNIDO) shows that they again are a result of an evolutionary adaptation towards a changing environment in which these organizations have to operate, i.e. the conditions more and more
defined by post-fordist globalization: The budgetary constraints force the organizations to search continuously for additional resources in order to increase their impact, which can be achieved by winning additional support from other "development partners" (countries, other international organizations or even large NGOs) or by cooperating with the private sector ("public private partnerships", e.g. with pharmaceutical companies in health sector projects); another aspect is that withdrawing from the support of state-sponsored industrialization projects does not reflect a conceptual decision of the organization, but a change in the strategical organization of the states themselves, which are increasingly trusting private investments to take the lead in industrial development.

Thus, in the context of a market-led, more and more globally-oriented industrialization process the basic role of international cooperation in the industrial sector is enabling partners to become competitive. In order to gain a better understanding of these changes in the work of international organizations, reflecting a new phase of global governance, I want to offer a somewhat closer look at the example of UNIDO. The United Nations Industrial Development Organization was a direct offspring of the growing North-South conflict during the 1960s. Founded in 1966 as a place to coordinate the industrial activities of the UN (at that time an integrated organ of the UN), it was already decided in 1975 during the second UNIDO General Conference in Lima - still in the context of NIEO negotiations - that it should gain the status of an independent specialized agency of the UN, but then it took four years until the UNIDO Constitution was adopted (1979) and (already in the years of the debt crisis) six more years until finally in June 1985, the UNIDO Constitution entered into force.

The birth of UNIDO was connected with the so-called Lima target, i.e. that by the year 2000 the share of developing countries would increase to 25% in the world manufacturing production; in fact, now it seems to go nearly unnoticed that this target has not been missed by much (19.7% in 1995; basically, because of industrial growth in East and South East Asia, and tendencies towards de-industrialization in the "industrial countries", cf. UNIDO 1996) - but not as a result of large scale industrial development planning, as originally assumed, but as a consequence of a changing international division of labour in the course of post-fordist globalization. In the end, UNIDO had won little credit for this achievement - and is now actively supporting those countries, which have been far from successful in the competition between industrial locations for private
investments. This change in orientation was mediated by a profound financial crisis of which also UNIDO suffered in the first half of the 1990s and by the threat to dissolve UNIDO (and UNCTAD) and to create in their place a strong "Council for Economic Security", as was proposed by the Commission on Global Governance (1995, pp. 279-283, p.346).

The reform of UNIDO consisted of the usual organizational streamlining (personnel was reduced from 1,350 to 740 in only four years), a focus on networking as an important form of delivering UNIDO's services and a re-orientation towards promoting industry particularly in LDCs in close cooperation with the private sector and with a focus on "clean production technologies".

Networking plays an increasing role in different contexts of UNIDO’s work: On the one hand UNIDO aims at improving the cooperation between the many actors in the field of industrial development (e.g. through the organization of an International Business Advisory Council to improve cooperation with the private sector in general, or the improvement of the cooperation with NGOs through activities like an NGO-Forum on the role of non-governmental organizations in private enterprise development). On the other hand, UNIDO tries to act as a catalyst for supporting the process of networking between private sector firms or associations (e.g. through a Private Sector Forum and Round Tables of African Investment Promotion Agencies linked to Ministerial Conferences). Furthermore, UNIDO seeks to intensify the cooperation with other international organizations as with UNCTAD or in its role as one of the executing agencies of the Montreal Protocol.

UNIDO's orientation in industrial development has changed from favoring interventions which protects and supports specific sectors towards improving the pre-conditions for the competitiveness of national economies; its service offers concentrate on some focal points (like the support of small and medium industries, agroindustries, environmental technologies), but also on supporting LDC governments, which lack the resources and knowledge to improve effectively the competitiveness of local industrial production sites. In March 1996 UNIDO started the Alliance for Africa's Industrialization, based on three principles:

- the Alliance builds upon national, subregional and regional African initiatives ("its ownership
must be solidly African”); 
- it must be based primarily on the mobilization of local ressources, investments and local leadership and not on external help; 
- it must build upon a firm foundation of political and economic stability.

Primarily, those industries should be supported which are based on local ressources and which link up with existing economic activities, in particular industries based on agricultural raw materials; in addition, the empowerment of the local population to earn an income sufficient at least for overcoming poverty through the establishment of competitive SMEs or on the labour market was given a high priority. Therefore, in 1997 UNIDO started a Comprehensive Programme for services in agro-based industries and assistance to small and medium enterprises. This programme includes the access to micro-credits (cf. UNIDO 1997, pp.81-101), but it also aims at creating an social and economic environment which, finally, might also be attractive for a renewal of the flow of foreign investment into Africa.

The new approach on development by UNIDO, but also by other actors in the field of development cooperation, can be well characterized as a "Third wave of transformation" as it done by Director-General Carlos Magariños in his presentation of the recent UNIDO Forum on Sustainable Industrial Development (Vienna, 29 Nov - 1 Dec 1999): "Following the introduction of the first generations of reforms aimed at macroeconomic stabilization and structural adjustment with one-off productivity gains and the second generation's focus on institution building or long-term aims, this third generation would mobilize technology, skills and knowledge for the private sector." (UNIDO-Dokument IDO/1755, cf. Diercks/Hein 2000)

This characterization of the problems to be attacked in the field of industrial cooperation very well complements the critique of the Washington consensus made by Wolfensohn and Stiglitz. Many other actors in development cooperation focus on poverty alleviation and the support of local entrepreneurial initiatives in a similar way; cf. e.g the World Bank's project work in Africa (World Bank Annual Report 1999). The foundation of the Joint African Institute by the African Development Bank, the World Bank and the IMF) aimed at training officials from member countries, in financial, economic and development issues can be seen as an initiative to empower African officials to adapt to these changes in the basics of socio-economic development.
The change in the perception of interests vis-à-vis Sub-Saharan Africa (and the group of LDCs as a whole), which is expressed in an increased importance of these countries in the context of global governance in general, and a changing attitude of the IFIs starting with the HIPC-initiative in particular, also is evident in the politics of the most important industrial countries: Since the beginning of 1998 US politics vs. Africa signalled a turn-around on earlier strategy which left development cooperation with Sub-Saharan Africa basically to the Europeans. “Solidifying our Partnership with Africa” (Title of a Fact Sheet, published by the White House on Febr. 17th 2000) was expressed by the Clinton visit in march 1998; the support of democracy programs; economic cooperation by forgiving bilateral debts and contributing to the HIPC program. The basic element is supposed to become the African Growth and Opportunities Act, which will grant non-quota entry privileges to African clothes under some pre-conditions still disputed in Congress (use of American fabrics as a pre-condition; “sound politics” closely linked to World Bank/IMF-type of conditionality).

It would have been consistent with this form of "globalization" of economic relations of African Countries, if the European Union had resisted the temptation to negotiate a successor agreement to Lomé IV which expires in February 2000. In this case, however, it seems like the special relationship between the old colonial powers and the post-colonial elite will prevail; it appears to be a last straw to which African elites are still clinging in their attempt to uphold their position, though of course, here as well, the new conditions of global governance are slowly imposing themselves, e.g. in the case of a more rigorous conditionality with respect to norms of "good governance" (corruption as an additional reason to withdraw cooperation) or the need to discuss transitory regulations to adjust the relationship between ACP countries and the EU to GATT rules by 2008 (cf. Brüne 2000).

Another interesting development, which throws a light on far-reaching changes in transnational politics, is the new wave of technical support of International Organisations and industrial countries for LDC representation and formulation of politics in international negotiations traditionally dominated by Northern countries and interest (particularly WTO; FAO activities in the Seattle preparation process). Legitimation of these institutions in the South start to become important; that the smooth integration of Southern countries (instead of their marginalization or
exclusion before) into global economic affairs become an important concern, also signals that something has changed in the field of global governance: "Ordnungspolitik" dominated by northern interests, but only functional if the South is affectively participating, i.e. accepting this order.

And, indeed, if one reads more recent statements of African leaders, there seem to be a basic acceptance of a new market-based development strategy. One could cite many similar statements of African leaders in international organizations like that of K.Y.Amoako, the Executive Secretary of ECA at the UN International Conference on Governance for Sustainable Growth and Equity in New York 1997, who stressed the responsibility of Africans for "tailoring our own approaches to our problems", but spoke of six fundamental challenges which are consistent with the new paradigm in global governance: Peace-building, nurturing democracy, to mainstream women in politics and public administration, to improve the capacity for Africa's institutions and people for better governance and participation and to be conscious of the ownership of governance reforms. (cf. the document reprinted in: African Development Perspectives Yearbook Vol.6, 1997/98, pp. 125-132).

5.2 Change of IFI strategy: Base for a successful re-integration of LDCs into the globalisation mainstream and for overcoming poverty?

Certainly most of the new initiatives and changes in strategies of cooperation with Subsaharan Africa are too recent (or like the US trade initiative not yet in force), for having a detectable influence on the development of African economies and societies. On the other hand, of course, one might expect that the improvements in the quality of governance at least in some of the African states, which were a result of the processes of macroeconomic adjustment and institutional change in the 1980s and early 90s (cf. Wohlmuth 1999, Harsch 1999) could have had already a positive impact at least on economic growth without solving the problems of equity and marginalization. The overall fiscal deficit fell from almost 9% of GDP to less than 5% in 1998; annual inflation peaked at 47% in 1994 and then dropped to 10% in 1998 (cf. Hernández-Catá 1999). And of course, there have always been some African countries with quite impressive growth rates (like Botswana, Mauritius), which - though taking advantage of quite specific pre-conditions - showed that even in a very unfavorable geographical setting, it has still been possible
to prosper.

There are some other indications for a more positive view on African development perspectives than at the beginning of the 1990s. One important aspect certainly is the rise and the growing self-consciousness of larger groups of entrepreneurs increasingly independent from the old state classes, and organizing themselves in African business organizations, and of civil society organizations which are beginning to give some political weight to social groups outside the old post-colonial elites.

Some, though normally quite modest poles of industrial development and potentials for indigenous growth had been identified already in the early 1990s (cf. Kappel 1994). There are certainly a great number of so-called survival clusters (micro and small firms in activities with low barriers to entry) which have developed as an answer to poverty and, in some cases, e.g. based on means from poverty alleviation projects and with adequate institutional support, have been successfully transformed into competitive clusters - but those are rare exceptions (cf. Altenburg/ Meyer-Stamer 1999 with respect to examples from Latin America). A study of six larger clusters (between 500 and 8,000 firms in clothing, metal products, vehicle repair and fishing and fish processing in Kenya, Ghana and South Africa, cf. Mc Cormick 1999) points out the different character of existing clusters in Africa, their importance in improving market access, some positive intermediate input effects, but with significant technological spillovers and complex cooperation only in the case of the clothing cluster in the South African Western Cape Province. It is not easy to judge the importance of these localized achievements for overall economic development; cluster analysis is mostly concerned with the pre-conditions for the rise of and, further-on, the medium-term successes of concrete clusters on the basis of case-studies - particularly using the concept of collective efficiency - but not with an overall assessment of the structure of cluster developments in larger regions. Nevertheless, at the background of recent studies on post-fordist spatial dynamics he is certainly right in concluding that clustering may be a very important chapter in African industrialization. These studies have their great merits in pointing to the significance of combining a microeconomic perspective with the idea of systemic competitiveness which we find in the more recent concepts of UNIDO and, increasingly, also the World Bank.
Now, there is a lot of discussion on a "new growth optimism in Africa" after 1995. The data on economic growth certainly show a remarkable improvement in the 2nd half of the 1990s, particularly in 1996 and 1997 which are said to be the first two consecutive years with a real per capita growth in Sub-Saharan Africa as a whole since 1979/80 (cf. Wohlmuth 1999a, p.47). According to IMF-data this was already the case in 1995 with a growth in real GDP of 4.1% and of real GDP per capita of 1.7%, and still in 1998 there was a small growth in per-capita-GDP. For all SSA their was an average annual growth of per capita output of 1% during 1995 to 1998, and, excluding Nigeria and South Africa, which make up for approx. half of the region's GDP and were particularly hard hit in 1998 by falling oil prices and the effects of the international financial crisis, the rest even had an annual per-capita growth of 2% following a 2.5% annual drop between 1990 and 1995 (cf. Hernández-Catá 1999).

There is some scepticism whether these few years of economic growth in the second half of the 90s really constitute a "turning point" in African development. Robert Kappel (1999a) is rather cautious in his interpretation of these data, pointing above all to the still low level of competitiveness of African countries (severely deficient infrastructure, lack of human development with respect to basic education as well as the lack of technical and managerial experts). Over the last 25 years, total factor productivity has fallen, Africa's integration into international value chains is - with very few exceptions - still restricted to the level of raw material production. Wohlmuth (1999a) basically agrees stressing that for most African countries important conditions identified by economic theory as preconditions for sustainable growth are still missing (like adequate national savings rates, institutional development, innovative systems, development of human capital, coherent strategy of trade and production structures). Data on the burden of foreign debts suggest that they constitute still an important problem for the development of Sub-Saharan Africa, particular as the resource-transfer through debt-servicing is pressing on the already very low rate pf gross domestic savings (average GDS in SSA excluding South Africa and Nigeria in 1990-97: 11.1%; average gross national savings (GNS) only 4.9% of GDP). However, as with most other variables, also the evaluation of changes in the debt situation is a matter of perspective: Debt as a percentage of GDP increased from 65.4% in 1993 to 67.5% in 1997, but the percentage of annual debt servive in export earnings significantly declined from 28,3% (1993) or even 30,5% in 1995 to 21.3% in 1997 (ECA 1998).
On the other hand, IMF authors rather tend to see a real "turning point" in African development. They see the positive growth performance in 1995 - 97 as a result of the positive macroeconomic and institutional changes referred to above. And they do not interpret the slowing-down of growth in 1998 as a prove for the episodical character of the three preceding growth years, but rather as a comparatively positive result considering the unfavorable conditions prevailing in Africa's external environment like the Asian crisis and its effects on the demand for raw materials includign a downturn of commodity prices, on the internatioal capital markets and finally the devastating effects of El Niño on agriculture in some parts of Africa) (cf. Fischer/ Hernández-Catá/ Kann 1998; Hernández-Catá 1999). Another indication of a rather positive change in Africa during the 1990s is offered by the frequency distribution of African countries according to their growth rates: Since 1995 two thirds of all African countries are producing growth rates of 3% and more, and only very few countries are showing negative growth rates (cf. Table1).

Of course, also Hernández-Catá does not ignore the problems which still exist for a sustained development process in Africa:

"The achievement of sustained, high growth in Africa requires an increase in investment - in particular, in private investment. This will require both the maintenance of a stable macroeconomic environment and far-reaching improvements in governance to avoid capricious interference in private activity and to develop and maintain a transparent and stable legal and regulatory environment that reduces the risks that currently discourage private domestic and foreign investors. It will also require the end of armed conflicts that destroy human and physical wealth and divert resources from education, health, and infrastructure." (Hernández-Catá 1999, p-12).

Thus, obviously the tenor of the interpretations of recent African development depends on whether one sees the glass to be half full or half empty - in specific cases it might even be a progress, if the glass is just 10% full. In an evolutionary perspective one might well interpret the "new development optimism" and the data on which it is based as an important step towards the stabilization of the institutional changes structural adjustment brought about. Certainly, many social problems, but also problems of competetiveness are still unsolved, but now, even in the face of still growing problems of marginalization as a consequence of post-fordist globalization,
there are some indications that there is a chance of tackling further-reaching problems on the base of results accomplished - and the alternative of a strategic turn by 180° towards a total rejection of globalization processes more and more appear as unrealistic (and may be even contraproducive) for dealing with problems of social development and empowerment.

Table 1: Frequency Distribution of African Countries According to Growth Performance (ECA 1998)

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<td>Negative</td>
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<td>19</td>
<td>16</td>
<td>12</td>
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<td>2</td>
<td>3</td>
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<td>0 - 3</td>
<td>10</td>
<td>16</td>
<td>15</td>
<td>12</td>
<td>13</td>
<td>11</td>
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<td>15</td>
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<tr>
<td>3 - 6</td>
<td>14</td>
<td>13</td>
<td>12</td>
<td>17</td>
<td>20</td>
<td>23</td>
<td>28</td>
<td>26</td>
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<td>6 - 8</td>
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<td>Total</td>
<td>52</td>
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Interpreting these developments as part of an evolutionary process towards post-fordist regulation, we have to reflect the dynamics of conflicting tendencies on two levels:

- the economic tension between a polarizing neoliberal strategy and an increasing support to the empowerment of the poor to become competitive,
- a political tension between a strengthening of local political processes on the one hand and a deepening of conditionality implied in the Country Development Frameworks (CDFs) and the Poverty Reduction Strategy Papers (PRSPs) to become the new bases for adjustment lending (and in the goal to integrate all kind of development cooperation into these binding strategy concepts).

According to Wolfensohn, "goals programs and implementation plans are built up on the basis of consultations among government, civil society, the private sector and other stakeholders, along with external development partners" (Wolfensohn 2000, ch.II.1). This means a considerable
pressure on national political system to produce results compatible with the World Bank vision, but it also implies a functioning, basically democratic political system to reach "sustained, consensual national support for a comprehensive national development effort" (Wolfensohn, ibid.). Whether the necessary societal foundation for such a political process exists in most SSA countries, is doubtful, but of course, it would mean an important progress if the IFIs could strengthen the poor in these national negotiation processes where otherwise the established elites (and may be some vociferous NGOs) would prevail.

A short look at the first results of new strategy, might lead us to be cautiously optimistic - always keeping in mind what we are talking about, i.e. a form of regulation which might render a specific regime of accumulation for a certain period politically and economically sustainable by developing (or strengthening) institutions that keep political and social conflicts manageable and by allowing a rather continuous process of extended reproduction of the accumulation model.

The HIPC Initiative has in fact, particularly in its extended form, a certain potential to overcome the problems of the old system of debt rescheduling: On the one hand there really is a high component of debt forgiveness which requires the IFIs to raise a considerable amount of financial resources to keep the process going (IDA and IMF estimate total costs at US$ 26.6 billion). On the other hand, the new system of conditionality is tying the process to political changes which are really linked to improving the socio-political position of the poor, investments in human resources and the more general foundations of systemic competitiveness without forgetting the importance of "order politics"; furthermore, it makes it less probable that the old elites just take advantage of the relief of the burden of old debts in order to take up new credits according to their own interests.

By February 2000 the eligibility for the debt relief packages was reviewed for 16 countries, 14 were considered to be qualified for the package (Bolivia, Guayana, Honduras, Nicaragua, Burkina Faso, Côte d'Ivoire, Ethiopia, Guinea, Guinea-Bissau, Mali, Mauritania, Mozambique, Tanzania and Uganda) while two were considered to be eligible under the original framework but will be reassessed under the enhanced framework (Benin, Senegal); it is expected that five more countries will be reviewed in the second quarter of 2000 (Cameroon, Chad, Malawi, Zambia and Yemen).
Still, the processes of political concertation and change to be pushed by the PRSP process (and, at least in the pilote countries, the CDF processes) will be ultimately more important than the debt relief as such. So far, most of the country papers available still are conventional Policy Framework Papers for ESAF or conventional CAS concepts for the World Bank. Ghana is the only African country that has presented "A First Draft Comprehensive Development Framework Towards Ghana Vision 2000" (in November 1999, together with 13 "Sectoral Issue Papers") and a Progress Report to the World Bank on the first Steps towards the pilot CDF. Ghana was somewhat ahead of other countries by having elaborated until autumn 1997 a long-term, comprehensive vision for the development of the Ghanaian economy, Vision 2020, that already formed the basis of the actual CAS. Furthermore, Ghana had successfully participated in the United Nations Development Assistance Framework (UNDAF) leading to a document signed by FAO, IMF, UNHCR, UNIC, UNICEF, UNU, WFP, WHO, UNDP and the World Bank. So far, a more efficient donor coordination (among others by a so-called "Mini Consultative Group" meeting every three months and integrating the Minister of Finance, the Country Directo of the World Bank and all major bilateral and multilateral agencies operating in Ghana) and the development of a supportive network in Ghana of so-called Ghana Partner groups in fifteen different sectors, managed by a "lead national agency" and the "focal support" of development agencies active in the respective fields can be observed (cf. figure 2). How far this really means a mobilization of a local civil society, is difficult to decide on the informing existing.

Nevertheless, even if the resources "invested" into the empowerment of people and governments in LDCs (taking into account the reduction in financing of development cooperation), might appear ridiculously small with respect to the immense task, this re-orientation of "global governance" is not necessarily doomed to fail as a centre-piece for post-fordist regulation. That is what insisting on "global governance" instead of strategies of the IFIs can teach us: There is something like a re-orientation of attitudes, of theories, of politics as a whole which is much more import than just the sum of financial resources transferred: The insistence on participation, on "local ownership" on the development of "social and organizational capital" could in fact result in processes of social and political transformation which are much more important than a number of development projects as they are at the root of an improved capacity for social self-organization, for systemic competitiveness and thus as well economic accumulation and the chance for more
Figure 2: EXISTING AND PROPOSED PARTNER GROUP ARRANGEMENTS

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>LEAD NATIONAL AGENCY</th>
<th>FOCAL SUPPORT</th>
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<tbody>
<tr>
<td>1. Mini Consultative Group</td>
<td>Ministry of Finance</td>
<td>World Bank</td>
</tr>
<tr>
<td>4. Health</td>
<td>Ministry of Health</td>
<td>Danida/DFID/USAID/WB</td>
</tr>
<tr>
<td>5. Roads</td>
<td>Ministry of Roads and Transport</td>
<td>EU/WB</td>
</tr>
<tr>
<td>6. Education</td>
<td>Ministry of Education</td>
<td>UNICEF</td>
</tr>
<tr>
<td>7. Agriculture/Food Security</td>
<td>Ministry of Food and Agriculture</td>
<td>FAO</td>
</tr>
<tr>
<td>8. Public Finance</td>
<td>Ministry of Finance</td>
<td>DFID</td>
</tr>
<tr>
<td>9. Decentralization</td>
<td>Ministry of Local Government and Rural Development</td>
<td>CIDA/Germany</td>
</tr>
<tr>
<td>10. Energy</td>
<td>Min. of Mines and Energy</td>
<td>WB</td>
</tr>
<tr>
<td>11. Private Sector and Industrial Development</td>
<td>Private Enterprise Foundation, Ministry of Trade and Industry</td>
<td>USAID</td>
</tr>
<tr>
<td>12. Urban Development</td>
<td>Ministry of Local Government and Rural Development</td>
<td>WB/AFD/Germany</td>
</tr>
<tr>
<td>13. Water</td>
<td>Ministry of Works and Housing</td>
<td>CIDA/Danida (rural): DFID(urban)</td>
</tr>
<tr>
<td>14. Natural Resources and Environment</td>
<td>Ministry of Lands and Forestry/Ministry of Environment, Science, and Technology</td>
<td>WB/UNU</td>
</tr>
<tr>
<td>15. Financial Sector</td>
<td>Bank of Ghana/Ministry of Finance</td>
<td>IMF/USAID</td>
</tr>
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Revised, March 29, 1999

Social equity. But of course, this requires a very long process of an ongoing cumulative positive interaction between economic "developments" and socio-political changes which need to be sustained by corresponding politics of global governance. One more important aspect should be stressed in this context: There certainly has been an important increase in transparency of all IFI operations during recent years, manifested by the publication of all kind of papers, speeches and agreements in the Internet; this allows a continuous involvement of the global civil society in IFIs affairs and, thus to further integrate the web of global governance.

But even a rather successful impact of this change of paradigm, including a process of sustained
growth in Sub-Saharan Africa in the coming years, would not mean a definite switch towards more social equality neither within nor even between countries. The attempts at supporting inclusion by empowering people to be able to compete, will certainly not be completely successful in the context of post-fordism, because they always have to stem themselves against the polarizing tendencies of this mode of accumulation. There always will be problems of really integrating marginalized population groups, "the poor"; post-fordist regulation does mean to create and to uphold a difficult equilibrium between politics which support the international competitiveness of clusters, which "adjust" to the polarizing dynamics of accumulation, and those which try to counteract the polarization processes by enabling excluded groups to re-integrate. Even industrialized countries with a much deeper level of social integration and much more financial ressources are subject to this contradictory interaction between polarization and inclusive politics (cf. for the example of Hamburg: Berger/ Schmalfeldt 1999). Probably we will see an increasing differentiation between relatively successful LDCs and "crisis countries" like Somalia, Ethiopia or the two Congos where, in the short and even medium term we cannot expect much more than a potentially successful alleviation of poverty through a rehabilitation of agricultural and mineral production. It corresponds to the dynamics of postfordism that it creates an ever renewed process of uneven accumulation and development, but also an ever renewed pressure for strategies of re-integration/inclusion as a result of illegal activities (cf. the discussion on "autocentric development", glocalization and improving perspectives of LDCs, in: Hein 1999b). I will discuss this in the final chapter, taking up again the concept of "regulation" as seen in regulation theory.

6. Perspectives: The "New Development Paradigm" - core of a „global governance“ approach toward sustainable development?

The Stiglitz/Wolfensohn concept can be seen as an interdisciplinary theory of modernization; but it is not referring to the dynamics of globalisation in a historical perspective. Nevertheless, the objective to support the competitiveness of poor regions in a globalising economy implies taking account of the fact of uneven development and of going into distance towards neoclassical assumptions of a market-produced harmony. It seems to be a rather adequate reaction to the polarized dynamics of post-fordism by combining the support of a minimum of social and
political stability with an extension of the social and spatial basis of accumulation.

Definitely there are important changes in the role of the IFIs in the context of the development of transnational politics as a whole - an evolutionary process with the neo-liberal strategies of the 1980s as a reaction to the crisis of fordism and the importance of the opening of national barriers to economic flows and of deregulatory reforms as preconditions for the unfolding of the post-fordist mode of accumulation, and then a paradigmatic turn as a reaction to the contradictions of post-fordism itself. But even the CDFs, though they are oriented toward long-term national development, do not take into account the dialectics of the historical development of different phases of capitalism.

In the introduction I referred to the discussion on a safety network approach vs. a global social reformist programme (cf. the GASPP programme); this misses the core of the problem as it gains contours by an analysis based on regulation therory. On the one hand, the IFI approach is transcending a safety network approach as its aim is overcoming poverty by empowerment (safety network for those who don't make it). On the other hand, in an evolutionary perspective it becomes clear that in the short or medium run, global social reformism (as conceived in Deacon 1998, ch.5.) has no chance taking into account the actual post-fordist accumulation regime. Adapting to structurally defined needs, demands and requirements has led UN-organisations not to pursue a reformist programme in the GASPP sense but to accept being coopted by the IFIs which, for their part, haved moved quite a long way into the direction of socially inclusive politics. The "global social reformism" perspective runs the risk to overlook that politics to support social inclusion today have to take another form than in fordist times - a lesson which also parts of the formerly hegemonic forces still have to learn. The new paradigm of global governance is still subject to conflicts about a global strategy based on the interaction between nation states, global institutions and global political concertation or on upholding (or re-building) the hegemonic position of the USA. US politics which for a considerable time stoutly supported the liberal concepts of the IFIs, now more and more enter into conflicts with them, as is again demonstrated by the Congress blocking financial means applied for by President Clinton for the enhanced HIPC initiative (cf. Unmüßig/ Walther 2000, pp.2f.).

We have to realize that even if the new paradigm of "inclusion + national ownership" might in
fact prove itself as a realistic strategy to reduce poverty by mobilizing new resources for global accumulation, it will be successful in the sense of an important element of a post-fordist mode of regulation. But this does no mean - as frequently proclaimed by the World Bank itself - that it will already pave the way for "sustainable development"; in a longer term perspective, there are a number of problems inherent in post-fordist globalization:

(a) The contradiction between the national orientation of programmes and the development of a global society: This means that there are limits to the development of „national ownership“ of programmes, among others because of the increasing importance of global contexts for the self-definition of elite-positions. Though the „national ownership“ orientation might be the right starting-point for policies of inclusion, obstacles to its realisation are already clearly conceivable.

(b) The basic character of uneven expansion cannot be overcome in the context of a post-fordist mode of accumulation; its dependence on the central role of competitiveness on all levels of accumulation always implies processes of vicious and virtuous circles. It is not possible to „clusterize“ the world by developing competitive clusters everywhere "down" to the most marginal regions in the world (cf. Hein 1999c).

(c) The basic goal is overcoming poverty not by a re-distribution of global resource-use (cf. e.g. the summary of this discussion in Fürst 1999), but by maximising growth. In this way it cannot be seen as a strategy of sustainable development (and: the post-fordist mode of accumulation is not sustainable). In its context, it is possible to react to local or regional environmental challenges, but it is rather difficult to react in an efficient way to global challenges (particularly climate change, resource use in general).

In the context of an evolutionary approach, the identification of these limits does in no way imply that the actual approach of the IFIs oriented towards the inclusion of poor regions and poverty groups into the mainstream of global development and stressing the need for local and national ownership of development programs is not adequate within the context of post-fordist regulation. It just stresses the historicity of post-fordism itself, and in this context, it makes the point that new strategies are not implemented because they are inherently superior to the old ones, but because they can prevail over alternative approaches in a given situation of world development.
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