

**Perpetuating Hegemony:
A Critical Reflection on Social Forces Shaping Mozambique's Development
Strategy.**

Mads Uhlin Hansen



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Supervisor: Professor A.J. Leysens

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Declaration

By submitting this thesis electronically, I declare that the entirety of the work contained therein is my own, original work, that I am the owner of the copyright thereof (unless to the extent explicitly otherwise stated) and that I have not previously in its entirety or in part submitted it for obtaining any qualification.

Signature:

A handwritten signature in blue ink, appearing to read 'Marius Van der...' followed by a long horizontal stroke.

Date: 02 November 2009

Abstract

The essence of this study is about structural change and how it is affected by competing social forces. My primary aim is to examine the problems and contradictions in Mozambique's development strategy and to gain an understanding of how these problems are influenced by the structure of the contemporary world order. A central focus will be on how social forces at various levels influence the way in which development strategy is formed through superior material capabilities, shaping ideas and establishing institutions. The main argument is that the hegemonic neoliberalist ideology has been perpetuated in Mozambique by external social forces and has become the mainstay of the development approach in the country. By acknowledging that theory is used by different social groups for various purposes, I depart from the common assumption of considering the Mozambican development example as a success, and rather ask 'for whom it has been a success'.

The theoretical approach in this study is based on Coxian Critical Theory (CCT) and a significant proportion is dedicated to evaluate Cox's works and how he applies his theoretical framework in the analysis of the changing world order. To get a better appreciation for the strengths and weaknesses of CCT, the study will also examine the works of several scholars that use CCT in their studies of social forces in Southern Africa. The case study will be guided by the findings generated by the theoretical evaluation, particularly with regards to the way CCT allows for various points on entry in the analysis.

The case study of Mozambique generated three main conclusions. Firstly, that Frelimo has failed to create a broad based consensus for its ideology among different social forces in Mozambique and that the historic bloc in Mozambique remains fragile. Secondly, that the economic elite in South Africa and the ANC collaborated with Frelimo in structuring the development strategy in Mozambique, and through this collaboration, perpetuated values consistent with the hegemonic neoliberal consensus. Finally, that the prevailing order in Mozambique is strengthened by the involvement of the international community and that structural

change is unlikely to take place without the development of a stronger civil society. The theoretical contribution of the study has been to further support that the logic provided by CCT remains valid in the African context, and that it is highly compatible with other social theories. Furthermore, the study concludes that CCT is particularly compatible with post-colonial theory and social psychology and can be used to address the shortcomings of each other.

Opsomming

Die sentrale punt van die studie is strukturele verandering en hoe dit beïnvloed word deur mededingende sosiale kragte. Die primêre doel van die tesis is om die probleme en teenstrydighede in Mosambiek se ontwikkelingstrategie te ondersoek en om te verstaan hoe hierdie probleme verband hou met die struktuur van die teenswoordige wêreld-orde. 'n Belangrike fokus is ook hoe sosiale kragte op verskeie vlakke die wyse waarop ontwikkelingstrategie gevorm word beïnvloed, via besondere materiële vermoëns, die vorm van idees en die skep van instellings. Die hoof argument is dat 'n hegemoniese neoliberale ideologie perpetueer is in Mosambiek deur eksterne sosiale kragte en dat dit sodoende die bakermat van dié land se benadering tot ontwikkeling geword het. Deur te erken dat teorie deur verskillende sosiale groepe vir uiteenlopende redes gebruik word, beweeg ek weg van die algemene aanname, naamlik dat ontwikkeling in Mosambiek as suksesvol beskou kan word. Die vraag moet eerder gestel word, "vir wie is ontwikkeling in Mosambiek 'n sukses?"

Die teoretiese benadering in hierdie studie is gegrond op Coxiaanse Kritiese Teorie (CKT) en 'n betekenisvolle proposisie van die studie word gewy aan 'n evaluering van Cox se benadering en hoe hy dit toepas in 'n analise van die veranderende wêreld-orde. Ten einde 'n beter waardering daar te stel vir die voor- en nadele van CKT, ondersoek die studie ook die bydraes van 'n aantal ander geleerdes wat die benadering gebruik in hul bestudering van sosiale kragte in Suid-Afrika. Die gevalle-studie word gerig deur die bevindinge wat gegenereer word deur hierdie teoretiese evaluering, in die besonder met betrekking tot die manier waarop CKT die gebruik van verskillende invalshoeke tot die analise fasiliteer.

Die Mosambiekse gevalle-studie lewer drie hoof-gevolgtrekkings op. Eerstens, dat FRELIMO nie daarin geslaag het, om 'n breë konsensus vir sy ideologiese uitgangspunte onder die verskillende sosiale kragte in die land te skep nie. Derhalwe, is die 'historiese blok' in Mosambiek kwesbaar. Tweedens, dat die ekonomiese elite in Suid-Afrika en binne die African National Congress (ANC)

saamgewerk het met FRELIMO om die ontwikkelingstrategie in Mosambiek te struktureer. In daardie opsig, is waardes perpetueer wat saamhang met die hegemoniese neoliberale konsensus. Laatstens, dat die heersende orde in Mosambiek versterk word deur die betrokkenheid van die internasionale gemeenskap en dat strukturele verandering in dié land onwaarskynlik is sonder die ontwikkeling van 'n sterker burgerlike samelewing. Die teoretiese bydrae van die studie ondersteun verder die premis dat CKT geldig bly binne die konteks van Afrika en dat dit versoenbaar is met ander sosiale teorieë. Verder, word die gevolgtrekking gemaak dat CKT ook besonder versoenbaar is met post-koloniale teorie en sosiale sielkunde en dat dit gebruik kan word om die tekortkominge in elkeen aan te spreek.

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Chapter 1

Aim, Scope and Method

1.1 Introduction to the Study

The aim of this study is to examine the problems and contradictions in Mozambique's development strategy and to gain an understanding of how these problems are influenced by the structure of the contemporary world order. A central focus will be on how social forces at various levels influence the way in which development strategy is formed through superior material capabilities, shaping ideas and establishing institutions. The study will argue that the establishment of a neoliberal market oriented development strategy in Mozambique reflects the influence of forces at the global, regional and domestic level. Furthermore, the study will argue that there is no value free theory and that the approach to understanding African relations within the mainstream debate in international political economics (IPE) reflects the interests of certain groups. Cox (1981, p. 207) has famously stated that 'theory is always for someone and for some purpose'. To understand why a particular developmental strategy prevails in Mozambique, it is vital to understand the context it is formed in, and what it is intends to accomplish. The evaluation and measurement of the success and failures of such policies is likely to reflect on the questions that are asked, the indicators that are chosen, and the approach of the analyst. In order to understand possible alternative strategies in Mozambique, it is important to critically question the fundamental underpinnings of the current order.

After two decades of failure in Africa, many economists in the International Financial Institutions (IFIs) now seem relieved that a majority of the countries they have been involved in around Sub-Saharan Africa are finally experiencing stable growth. Despite putting strong pressure on African countries to conform to the Washington consensus through 'structural adjustment programs' in the 1980s, which involved opening their markets, maintaining strong macroeconomic stability and privatizing their economies, most countries in the region seemed to be unable to turn around their economic decline. In the last ten years however, it seems like Africa has finally

turned a corner in its development history, and the World Bank (2007) reports that most countries' economies are growing with at least five percent per annum, some at nearly double that. Furthermore, they use a variety of indicators to illustrate that the substantial gains in health and literacy rates are signs that a broad based developmental process is taking place throughout the continent. Liberalist scholars (Hoekman, 2005; Krugman, 2006; Wolf, 2004) now point to Africa and claim that this finally illustrates that the logic behind liberal market development policies are right and that the answer to the world's poverty problems is to further expand the magnitude of the unrestricted global market.

However, the gatherings of the institutions promoting such a market expansion, such as the World Trade Organisation (WTO) and the G8, have been plagued with angry crowds of alienated youth protesting at what they claim to be a process driven by the interest of rich capitalists (Attack, 2009). Critiques of the Washington consensus have argued that the implementations of structural adjustment programs (SAPs) in the 1980s have mainly been to the benefit of a fortunate few, and that the result of the programs has been to generate losers, as well as winners, in the development process. Payne (2005:14) describes how the extended liberalization of trade and finance has increased unequal development between rich and poor on both a domestic as well as an international level. He explains how these programs have reduced the capacities of governments in developing countries to shape the social order within their country and the international level. Furthermore, the market dependent development approach has been criticised for having a too narrow conception of development, and that it does not take sufficiently into account how increased international competition can eradicate small scale local production through flooding markets with cheap imports, thus limiting the freedom of many marginalised populations to choose their livelihood (Sen, 1999:23). The magnitude of popular support and media attention given to these critics of the Washington Consensus could indicate that fundamental issues with the SAPs need to be addressed and changed in order to better serve the people that they claim to be directed at.

The Bretton Woods Institutions (BWI) stated that the aims of the market liberalising development strategies, advocated in the 1970s and 1980s, were to address problems with domestic markets that acted as barriers to economic growth and thereby development (Stiglitz, 2003). These problems were perceived to be of domestic origin, and external factors were seen as fixed and were therefore not addressed. Thérien (1999:732) describes how the BWI did not regard poverty as a derivative from 'asymmetrical inequalities in the structure of the global political economy, but as a result of a temporary misadaptation of markets'. Fundamental problems concerning the underpinning of the globalised market system were therefore left largely unchallenged. By neglecting these problems, this approach to development has played a facilitating role in entrenching the contemporary global order and has been unable to contribute to changing the structural injustices that it contain. To identify possible alternatives to the current world order, one would have to understand the structural characteristics that underpin and maintain it.

The signing of the peace treaty between the two warring factions in Mozambique, Frelimo and Renamo, in 1992 marked the end of 25 years of unrest and civil war. Throughout the conflict Mozambique had gone through an immense political and economic transition, from being authoritarian capitalist during the colonial times, to authoritarian socialist after independence, to finally becoming more of a model patient envisioned in the neo-liberal prescriptions of the BWIs with democracy and market oriented development programs (Pitcher, 2002). The war had been tremendously expensive, and at its end the Mozambican population was among the absolute poorest in the world, with 69 percent living under the poverty line (Hanlon, 2007:7). It was widely acknowledged within the international community that Mozambique needed vast economic growth and a reduction in the number of poor in order to prevent a backslide into conflict. Most of the development initiatives, under the management of the UN, states, or non-governmental organisations (NGOs), were directed at dealing with the grievances of the most marginalised and disadvantaged groups in the country (UNDP, 2005). These initiatives included large scale demobilisation, disarmament and reintegration programs and projects focused on poverty relief, which have been further supported in the last years by the

drawing up of the Millennium Development Goals (MDGs) in 2000. The MDGs have become the backbone of most development programs among the poorest countries around the world, and underline the importance of meeting peoples most basic needs before other development objectives can be met.

In Mozambique, the government has actively declared its support to these goals and has, in close collaboration with international organisations, donors and investors, structured its main development programs, the Action Plan for Absolute Poverty Reduction (PARPA) and Agenda 2025, to achieve the goals outlined in the MDGs. Although there seems to be nearly unanimous support for achieving the MDGs, deeper analysis of the programs reveal that the underlying strategy for how to reach them contain ideological principles that favours private investment from big business and marginalises the role of the government. It thus becomes relevant to question who these programs are intended to serve.

After experiencing some economically rough years in the immediate period after the signing of the peace treaty, Mozambique can now look back at more than a decade of blistering high growth rates (World Bank, 2007). In the post-war period, Mozambique has become a "donor darling" and has attracted high levels of aid and investment. Donors enjoyed a large amount of policy space in the implementation of their projects and big business has been attracted by reduced taxation and subsidies. The projects have often been of a very large scale, either through large scale human development initiatives or through industrial mega projects. However, despite being described by the IMF (2007:14) as the 'success story of Sub-Saharan Africa' with 'strong broad-based growth and deep poverty reduction', there are many critics that are far from supportive of that claim. Despite the phenomenal growth that Mozambique has experienced over the last decade the chances that they will meet the MDGs remain highly unlikely (Hanlon, 2007).

Much of the debate on development in Mozambique has been focused on whether it can be labelled *pro-poor*, which as described above, has been an underlying goal for most of the programs. Supporters of market dependent development strategies have argued that economic growth alone should be considered pro-poor as it benefits all sections of society through the "trickle-down effect" (Terreblanche, 2003:147).

James et al. (2005) challenge this argument by showing that purchasing power has increased the most for the richer part of the population, thus increasing inequality, and that rising prices have offset any increase in income for the marginalised groups in Mozambique. This is supported by Hanlon (2007) who criticizes the indicators that use the "one-dollar-a-day" measurement of poverty because it does not give an accurate measure of actual poverty. He claims that if one bases the measurement of poverty on food basket indicators, that a decrease in poverty is much less clear, and that because of population growth, the actual number of poor has increased over the last five years. This has been further exaggerated since the escalation in the price of food and fuel increased prices for basic necessities in 2006. Castel-Branco (forthcoming) argues that large increases in inequality, increasing signs of aid dependency, increasing proportions of the population being malnourished and larger economic vulnerability illustrate the shortcomings of the current growth oriented strategy. He points out that the discrepancies in the evaluation of the results of these projects is a reflection of the differences in how people view these projects and on the nature of the questions asked of them. To understand these differences it is important to problematise their fundamental nature and the underlying assumptions that they are founded upon. This would include questioning the balancing of roles between government and market in a development process which is advocated by the Washington consensus.

1.2 Problem solving theory versus critical theory

I started this introduction by stating that knowledge and theory is dependent on the context and perspective in which it is produced and applied. So far I have made claims regarding the implementation of neoliberal market oriented development programs and their results. Furthermore, I have described how the debate characterised by disagreements on the nature of development and how to measure it. To substantiate these claims, I will examine how the success of the current development strategies in Mozambique depends on which groups one takes into the analysis and how it is measured. Although there has been much scholarly focus on the success and failures of the Mozambican development programs, relatively little focus has been put on the roles and motivations of the actors that have been

involved in their formation. Although the actors that are involved in the formation of policies often make official statements concerning their motivations, they may have underlying intentions behind their actions that may be more complicated to find (Stiglitz, 2003). In order to understand the different arguments in the debates above, we need to understand the ideological perspectives behind them and to determine what the aims of the scholars involved in the debate are.

After questioning the nature of the objectivity of theory, Cox (1981) argues that all theories are developed from certain perspectives and that it is impossible to divorce theory from a standpoint anchored in time and space. To understand the results of previous analyses of the development policies in Mozambique, it is important to examine the underlying ideology and to expose its often concealed perspectives and standpoints. We need to know whether the aim of the scholar is to maintain the existing social order or to change it. In his analysis, Cox (1981; 1995) differentiates between two major types of theory according to its purpose. The first type he terms "problem solving theory", which considers the structures of the world as a given and whose main purpose is to 'make these structures and institutions work more smoothly by dealing effectively with particular sources of trouble' (Cox, 1981: 208). When assessing problems using this type of theory, one considers the problem only in relation to the specialised areas of activity in which it arose.

The second type of theory is what Cox terms critical theory, which attempts to separate itself from the prevailing order and rather attempts to understand how this order came about. This type of theory would therefore not consider institutions and social power relations as set, but sees them as evolving and reflecting the dynamics of historical change. Critical theorists must therefore continually adjust their concepts and adapt them to the objects that they seek to understand and explain. The difference between these two types of theories also has an ideological background. Because problem solving theory considers structures as fixed, this type of theory contributes to maintaining the social order. Critical theorists, on the other hand, are biased towards structural change as it challenges the framework underpinning the prevailing order. The difference between problem solving theorists and critical theorists is also apparent in the approach they have to development

issues. Understanding the ideological foundation of development theory is therefore important as it will reflect the motivation of the theory.

1.3 Problem Statement

The Second World War ended with a shift in the power composition of the world political economy and with the emergence of a hegemonic phase in which the United States assumed a leadership position in the construction of an open world economy. The present world economic order was outlined during the Bretton Woods Conference that took place in 1944 (Abrahamsson, 2003). According to Cox (1986) there are three components which characterise any historical structure: material capabilities, ideas and institutions. Taylor (2001) argues that it is only possible to talk about a hegemonic world order in a Gramscian sense when these three components are balanced in a particular "fit". For hegemony to occur, the leading state needs to base much of its power on consent, where coercion becomes less and less visible. To attain hegemony, in Gramscian terms, a major power needs to establish rules and ideologies that conform to their interests, while having the appearance of being of universal interests, or at least provide some material benefits to lesser powers (Cox, 1989:842).

Besides the hegemon, there are a number of different actors that play a role in maintaining a hegemonic order. Cooper (1997) notes that within the current order, the USA will not engage in all issues, but rather leave room for secondary powers to prompt policy responses and initiatives on "low issues", such as development and ecology and human rights. Cooper describes how taking on such responsibility makes these states middle powers. In his analysis of Japanese foreign policy, Cox (1989) acknowledges the role of middle powers in the international system, and notes how they can play a supporting role in the hegemonic world order through acting as a facilitating agent to manage the global order on behalf of the hegemon. This is based on the argument that middle powers have shown a commitment to maintaining orderliness and security in the international system, which have often resulted in their being supportive of the hegemonic status quo (Taylor, 2001). Jordaan (2003) expands on this argument and describes how middle powers have an interest in maintaining stability and predictability. Much of their commitment to

the international community thus becomes a 'conservative strategy that has the effect of perpetuating the status quo, entrenching (and exacerbating) existing inequalities in power and wealth to their relative benefit' (Jordaan, 2003:167). Many of the states acting as middle powers have benefitted from the current world order and therefore have an interest in preserving it. An example of this will be given in the case study in chapter 4, which describes how social forces in South Africa have influenced neighbouring countries to pursue development strategies consistent with the prevailing hegemonic consensus. Cox (1995:41) describes how 'policies to promote economic development have been very largely displaced in favour of what can be called global poor relief and riot control'. For developing countries interested in change it is therefore important to question the motivation of the involvement of the donor community, and to understand how development programs impact their quest for change.

I will critically examine the applicability of Coxian Critical Theory (CCT) in describing social relations in Africa. This will be done in three ways. First, I will evaluate the contents, explanations of CCT in describing power, production and world order. Second, I will describe the studies of three scholars, Abrahamsson (1997, 2003), Taylor (2001), and Leysens (2002), and evaluate their use of entry points at different levels to analyse social forces in Southern Africa. Finally, I will use a CCT framework to examine how the Mozambican development strategy has been influenced by various social forces on a domestic, regional and world order level.

My research question is as follows: how have social forces in post-apartheid South Africa used the country's new geopolitical position to perpetuate the hegemonic ideology in Mozambique's development approach. I will argue that large South African business conglomerates influenced the African National Congress (ANC) in the period after they assumed power, and that they have used this influence to entrench a line of policies consistent with the underlying principles of the Washington consensus. Furthermore, I will argue that an important aspect of these policies has been to take a regional approach to development, and through middle power rhetoric, justify a high degree of South African involvement in the development policies of its neighbouring countries. Finally, I will show how the

political and economic elite in South Africa have established connections with the ruling party in Mozambique and how this has resulted in the setting up of a large scale development corridor from Mpumalanga to Maputo.

1.4 Purpose and significance of the study

In the middle of the twentieth century Karl Polanyi (1944) reflected on the transformation of western society with the increasing power of the market and an ultraliberal British state. Polanyi was very pessimistic in his views of such a society and thought its demise would lie in the polarization of rich and poor, alienation from traditional ways of living, and through the disintegration of social bonds. These are effects that are particularly apparent around the African continent today with drastic changes in traditional structures (Jacobsen, 2005). What separates Polanyi from Marxist theorists is that such ultraliberal societies would cause a “protective reaction” and social revolt amongst all groups in society. Cox (1995:35) stated that ‘the purpose of understanding the world is to be better able to change it’. He proposes that the effect of the current market liberal world order could result in the emergence of a countervailing force with an alternative view of social and economic organisation. By critically examining the influence of the world order on developing countries, scholars can contribute to developing theories that contribute to alternative theoretical frameworks and thereby promote the transformation of state forms and world orders.

The objective this study is twofold: through applying CCT I would like to strengthen this theoretical framework’s applicability to developing countries, and through the analysis of Mozambique’s development strategies, I hope to be better positioned to understand to what extent there are alternatives to the status quo. Cox has been criticised for being Eurocentric in his analysis, both on account of his concept of class identity and on account of his view on the state (Schechter, 2002). However, over the last decade CCT has been used by several scholars who use different points of entry to describe social forces at various levels in Southern Africa (Abrahamsson, 1997; Taylor, 2001; Leysens, 2002). Abrahamsson (1997, 2003) evaluates how a hegemonic world order influenced Mozambique after independence. On a domestic level, Taylor (2001) describes how different social forces in post-apartheid South

Africa influenced the ANC and how this has affected their economic policies. Finally, Leysens (2002) analyses the marginalised groups of people in southern Africa to assess the likelihood of them revolting against current power structures. By evaluating these studies I will attempt to point out strengths and weaknesses in their theoretical approach. Furthermore, I aim to use these findings in the case study, thus further testing the applicability of CCT to the African context.

With only seven years to go, Mozambique is in a crucial phase of its development program in term of realizing the MDGs (Hanlon, 2008). Although these goals might be overly ambitious, they illustrate the urgent need for Mozambique to emphasise improving the conditions for the poorest part of the population. Most of the evaluation of these policies is done via non-reflective problem solving theories, which do not critically assess alternatives to the market dependent development strategy. By using a CCT framework, and thereby critically assessing how social forces use different mechanisms to control and maintain power, I hope to be able to assess the current development strategy in Mozambique in relation to possible alternatives. By improving the knowledge in this area it leaves scholars in a better position to identify the social forces of the current world order and the circumstances that are capable of bringing about potential transformation. In this way the study will evaluate the neoliberal development policies and question the current balance between the state and the market in the development process in Mozambique.

1.5 Research design and method

The research approach in this study will vary. Because much of the theoretical approach in this study is based on CCT, I find it logical to start with an evaluation of Cox's works, and how he applies his theoretical framework in the analysis of the changing world order. For the theoretical evaluation of the CCT framework, I will base conduct a literature review of the works of relevant scholars that have used CCT. The evaluation of South Africa's influence on Mozambique's development strategy will be mostly based on secondary sources, such as development reports and indicators. The study can therefore be considered to have a descriptive and qualitative focus.

One of the reasons for choosing CCT as an explanatory framework is that it is a dynamic model that incorporates the analysis of interactions at several different levels of society, including social forces, forms of states, regional approaches, and world orders (Leysens, 2002). The advantage of using a CCT framework in the analysis, as opposed to neorealism, is that it goes beyond regarding states as unitary actors who interact in a system that lacks central authority. The analysis in this framework is change-oriented and attempts to account for how social forces at different levels work as catalysts of change. Another strength of CCT that separates it from other strands of critical theory (linked with Ashley, 1984; Linklater, 1998; and Neufeld, 1995) is that it is more influenced by Gramscian thought and goes further in explaining the power of knowledge and ideas in shaping society. This is of particular interest because it provides us with a better explanatory framework to understand the role of middle powers in the developing world.

The unit of analysis in this text will mainly be social forces on the domestic and regional scale, but it will also include a consideration of how world order forces have affected the development strategy in Mozambique. Although there will be an analysis of how the world order has influenced Mozambique since its independence in 1975, the main focus of the study will be on the time period after the first elections in Mozambique in 1994. This time period is of particular interest because of the increased attention that was directed at Mozambique by the international community.

1.6 Chapter Outline:

In this chapter I have introduced the study through identifying the contemporary context in which it will be conducted and have stated the research question that will be examined in the rest of this text. I have also commented on my motivation and objectives with this study and described how I will attempt to answer the research question. Chapter 2 discusses IPE in Africa and how the choice of theoretical approach has fundamental implications for the study. The chapter will then evaluate Cox's conception of power and how this affects the configuration of social forces. Finally the chapter will assess the usefulness of middle power theory and discuss its added value in relation to CCT.

Once the core theoretical framework has been established, Chapter 3 evaluates the application of this theory through, first, examining how Cox used it to describe the evolving world order, and second, analysing how other scholars have used it to describe political economic relations in Africa. By doing so, I hope to be able to evaluate the strengths and weaknesses of CCT and to improve the understanding of the different points of entry that it offers. This will be important for the case study in Chapter 4, which will examine how various social forces have influenced the Mozambican development strategy. Based on the findings generated in these chapters, the final chapter will seek to draw some conclusions from the study and to discuss the implications of these findings, particularly with reference to future research on the field.

Chapter 2

Interests, Theories, and World Order

This chapter will evaluate the relationship between theory and interests and its implications for IPE theory. This will be done through examining the challenge that critical theorists have posted to some of the main schools within the field. More precisely, how their epistemological choices reflect fundamental differences in the perception of theory. I will use the debate raised by African scholars concerning the inaccuracy of realist theory in describing the African context to illustrate the need to understand the function of theory in order to challenge certain groups, both in theory and in practice. From this point of view, I will discuss how Cox's method of understanding change represents a challenge to a highly entrenched ontology within the mainstream schools of IR, namely, the fundamental assumption of the sovereign state. Rather than discussing this concept as something fixed Cox focuses on how forms of states are shaped by pressure from above (world order) and from below (social forces related to production). There will be continuous references to the case study of Mozambique to illustrate these concepts. Finally, I will evaluate how Cox's method of understanding the social dynamics of the state can add a level of complexity to middle power theory, which makes it a more useful tool in analysing the behaviour and interests of middle sized states in IR.

2.1 Applying critical theory

For many scholars, Africa has remained a continent that does not seem to follow the same rational line of thought that has been firmly established within the 'developed' part of the world. Images describing the African continent as an area which follows its own logic, where tribalism has remained strong and modern development still remains a distant hope, are firmly embedded in both scholarly texts as well as within the 'western' media. Dunn (2001) describes how these images have been firmly entrenched in the minds of people as well as policy makers, which, in turn, have resulted in a vast ignorance of the continent and a failure to make sense of many of

the events that have taken place there. This has been most evident in the global response to some of the tragic events that took place in different parts of Africa during the 1990s and there seem to be a growing perception that 'Africa does not have meaningful politics, only humanitarian disasters' (Dunn, 2001:1). This perception has in turn limited Africa's influence in global politics to humanitarian aid and conflict resolution, and the areas where neither of these issues have been relevant have been largely neglected. Ankomah (2008) argues that within most international forums, there has been a tendency to treat Africa as a place of human suffering and grave injustice, rather than a stage for serious politics.

The marginalisation of the African states also applies to the field of IPE theory. Dunn (2001) makes the point that within the top American universities, more attention is paid to Antarctica than to the African continent. This is particularly noticeable within the mainstream schools of IR, where nearly all major scholars are focused on the role of the powerful states in the international arena. Waltz (1979) has argued that the focus of IR should be on behaviour of the great states and that it would be ridiculous to construct theories of international politics on the Third World or on smaller states like Malaysia or Costa Rica. The logic underlying of this argument is that it is the actions of the powerful states that shape the global order and that states that are not powerful enough to have a direct effect on this order, do need to be taken into consideration.

Murphy (2001) argues that because there has been a lack of attention in describing the African context, the conceptual tool within the most established traditions of IPE are largely inaccurate in their description of the African reality. As a consequence, Murphy argues that Northern states have failed to understand the dynamics of relations in Africa, which, in turn, could be part of the reason why the international community has failed to deal with some of the issues that have troubled the continent.

Over the last ten years, the continued marginalisation of Africa has become one of the major issues debated by African scholars. The focal point of this discussion has been on how to develop IR theory that is suitable for the African context and how to increase the attention of IR theorists on the continent. One of the most well known

critiques, brought forward in Kevin C. Dunn and Timothy M. Shaw's (2001) volume *Africa's Challenge to International Relations Theory*, argues that the central concepts that are developed within the field of IR are not suitable for the analysis of IR in Africa, and that these have to be addressed in order to apply IR theory to cases in the region in a meaningful way. It argues that concepts in "traditional IR", such as anarchy, sovereignty, the state, the market and the international-domestic dichotomy, become problematic when applied in this context. A large proportion of the text is focused on attempting to come up with examples of how "traditional IR" fails to apply to the African context. Malaquias (2001) argues that because African states have not matured, they are therefore not suitable as the only measure of analysis. Instead he argues that one needs to examine the behaviour and influence of sub-actors to understand state behaviour, both domestically and externally. A further point made by Van der Westhuizen (2001) debates the notion of power in IR and describes how states use a marketing (branding) strategy in order to gain competitive power in the global economy. By doing so Van der Westhuizen appeals to a different notion of power than what is described in the realist tradition. In this way, these scholars challenge conceptions, such as the notion of state and power, and attempt to illustrate how these notions need to be altered to fit the African context.

I believe that the critique of the failure of certain schools to address the African context is to some extent accurate. The number of insecurities that trouble the continent calls for far greater scholarly attention and there is need approach the area with far greater nuance than could be traced from the work of many of the most well read scholars. In this line of argument, Dunn's (2001) critique of Huntington's approach in the *Clash of Civilizations* (1996) is important and one should rightly question whether such notions of "Africa" exist and what it actually looks like. By collapsing thousands of cultures and into a totalized African civilization Huntington makes generalisations that paint a very peculiar picture of Africa. While this image has a great impact on people and policy makers around the world, there are many African scholars have large objections to its accuracy (Ankomah, 2008). An example that illustrates the inaccuracy of this notion of Africa is its failure to account

for the vastly different realities in the hugely modern African cities, compared to the contrasting traditional and undeveloped rural areas. The divisions between the urban and the rural in Africa can in many cases be much more significant than the North and South divisions that many scholars refer to within IR theory. However, the way in which the Huntington makes these generalisations in his article raises important questions that go into the heart of the debate concerning the value of theorising. This issue will be explored further below.

On the other hand, the shape that the critique takes in Dunn and Shaw's volume is somewhat problematic in itself. One point that Brown (2006) correctly points out is that the points made by Dunn and Shaw are inaccurate in addressing 'traditional' or 'Western' IR as a field of study. Such a critique would be under the assumption that there is a unified body of work that can be labelled 'Western IR theory'. Brown argues that their challenge is rather directed at concepts that are central to the neorealist school of thought and treating it as "traditional Western IR" to some extent legitimises neorealism's hegemonic claims within the discipline. In this way the critique presented in *Africa's challenge to International Relations* helps maintain the scholarly focus within IR on the neorealist debate and thereby also maintains the importance of the concepts that are central in that tradition. More fundamentally, however, Dunn and Shaw's volume fails to deal with epistemological questions that are of great importance to the validity of their argument. In the section below, I will evaluate the role of theory and examine the challenges posed by critical theorists to the research programs that are widely accepted within neorealist traditions and discuss the implications that epistemological choices have for the way in which theory can offer an alternative explanation to the same social issues and structures.

2.2 Moving beyond problem solving IR theory

Throughout the second half of the 20th century, the debate within IR was dominated by a positivist influence on how to gather evidence. Smith describes how this influence became regarded by many scholars to be the 'gold standard' that defined the parameters for how research within the field should be structured (as cited in Devetak, 2005:143). This had large ontological and epistemological implications for the development of IR as a discipline where much of the research attempted to

mirror the natural sciences in the establishment of their research programs. These sciences were based on a belief in the necessity of strict separation between the subject and the object of the observation and therefore a conception of theory where the theorist is completely removed from the object of analysis (Devetak, 2005:144). In practice this meant that researchers needed to stay objective in relation to subjects and their role was limited to describe them as accurately as possible. The underlying assumption for the positivist point of analysis is that there is an external world 'out there', and that the role of the sciences is to describe it objectively, leaving behind any ideological beliefs, values or opinions that could distort the picture of reality. In this line of thought, good theory should always aim to be value free. The positivist influence has had a particularly strong influence within the realist discipline and research program, and is highly apparent in Waltz's (1979) work on structural realism, where he constructs a very abstract model of state behaviour, which aims to be universal in application, disregarding the context of space and time.

The notion of value free theory is something that has been focused on within the Frankfurt school of critical theory and the work of Horkheimer in the late inter-war period. In his work, Horkheimer evaluates the relationship between knowledge and interests and describes how knowledge cannot be independent of our existence, but rather that it is integral in our social relations and therefore has a social function (in Hoffman, 1987). In this context, social function could be interpreted to imply that the way in which theory is used has practical implications for the social relationships within society. Hoffman (1987:233) explains the critical theorist critique of realism as describing the world and deriving rationalities and conclusions that completely lack 'a self-reflective application of reason'. For critical theorists it is vital to reflect on how this reason is established and how the perceptions of the researcher influence the way in which they interpret this reason. Hoffman goes as far as suggesting that the neglect of reflection is not just a lack of interest in developing the "human potential", but that it was actually enhancing the capacity for manipulation and control which impeded the realisation of the "human potential". The use of the term of "human

potential" in this case refers to exploring the subjective nature of the dominating rational amongst people and scholars.

Since the development of the discipline, one of the most central characteristics of critical theory has been to break down the rationale within international relations that is considered to be a given for positivists. It has been a central purpose of critical theorists to deconstruct these self-evident truths and expose the areas of theories that are used to prohibit the autonomy of the individuals through manipulating these rationalisations. Although Cox differentiates himself from the Frankfurt school in a variety of aspects, he acclaimed a central position among critical theorists by stating that 'theory is always for someone and for some purpose' (Cox 1981:207). Cox argues that the nature of theory will be shaped by a theorist's 'nation or social class, of dominance or subordination, of rising or declining power, of a sense of immobility or present crisis, of past experience, and of hopes and expectations for the future' (1981:207). Thus, it would be impossible describe the reality of states objectively because the reality that is apparent for the theorist will be shaped by the collective actions of human beings in society. In this line of argument, there is no such thing as theory in itself, created in a vacuum of interest, but rather an interpretation of the theorist, which again is determined by a standpoint created in a particular space and time. Within the tradition of critical theory, a central feature has been to create an awareness of the role the perspective of theorist plays in the formation of theory, and therefore that the readers of theory should examine its ideology and attempt to discover its concealed perspectives (Hoffman, 1987:232).

Cox (1981, 1995) differentiates between two types of theories: problem solving theory and critical theory. One of the main distinguishing elements between the two different categories is the ambitions of the theorist applying them. Cox (1981:208) describes how problem solving theory assumes underlying structures in the world to be static, thus limiting the role of theory to make these underlying structures work 'more smoothly by dealing effectively with particular trouble'. Thus the application of problem solving theory is used to find how to fix certain elements that restrain the structure from functioning optimally. Because theorists working with problem solving

theory do not question the general pattern of institutions and relationships, they are left in a situation where dealing with problems can only be done by addressing the specific area in which they occur, assuming certain stability within the other spheres of the perceived theory. By maintaining such *ceteris paribus* assumptions problem solving theory is able to come up with statements of laws and regularities which appear to have general validity. However, Cox (1981) argues that such assumptions lead problem solving theory to rest on false premises since the social and political order is not fixed. The results that are derived from such a theory would thus be compromised and inaccurate.

On the other hand, Cox (1987:208) explains how critical theory is 'directed towards an appraisal of the very framework for action, or problematic, which problem solving theory accepts as its parameters'. Instead of limiting the problems within a theoretical framework to its separate parts, critical theory attempts to lead towards the construction of a more holistic picture and thereby seeks to understand the process of change in both sections of the framework as well as in its whole. As critical theory increases the scope of study to incorporate the larger structures, it is also suited to analyse structural problems within the system and thus be in a position to address these structural problems, and rather than its individual parts. This will be evident in the case study later in the text, where the problems with the Mozambican development strategy will not be limited to analysing problems of corruption or aid dependency, but will evaluate the underlying structures that allow for these problems to evolve.

However, Cox's critique of problem solving theory goes beyond the problems of methodology, and includes an objection to the ideological biases it contains. Cox (1981) argues that by treating rationality as a self-evident truth, problem solving theory becomes vulnerable to manipulation for serving particular national, sectional, or class interests, which are given within a given order. Critical theory, on the other hand, values openness in terms of its ambitions to use its analysis and understanding of society in order to induce changes to what it perceives as being its structural injustices (Hoffman, 1987). Many of the scholars that had a strong influence on Cox were also deeply involved in political struggle and used theory to

criticise the existing realities of world politics in order to change them (Cox, 1995:35).

One example is Giambattista Vico's study of the ways that change occur in society, in particular on how changes in people's perceptions influenced the nature of society around them. Vico argued that these institutions are not to be thought of as unchanging substances but rather continually changing norms, dependent on their collectively perceived role in society (Cox, 1986:242). This argument is based on the underlying assumption that institutions are made by people and their role and functions are constrained and defined by the general understanding about what their tasks and limits should be. Cox (1986:242) describes the nature of the institutions and their practices to be understood through the 'changing mental processes of their makers. There is, in this perspective, an identity of subject and object. The objectives in this approach ...are constituted by intersubjective ideas'. Any change in these ideas and perceptions would therefore result in redefining the role and nature of the institutions. Examples of such institutions could be the state or social classes, whose role is completely dependent on the collective perception of society. By influencing perceptions, one would thus be able to alter the function of these institutions.

Critical theory, unlike problem solving theory, does not assume institutions and social power as fixed but rather questions the origins of these relations and seeks to understand alternatives to the prevailing order. It finds these alternatives through evaluating the emergence of rival collective images in society and theorising how this could affect future structures. A fundamental assumption within critical theory, influenced by Polanyi's theories, is that, within a particular order, there will always be both coherence and elements of conflict. These points of conflict will give rise to alternative structures, which push for structural transformation and a change in order (Cox, 1995). The objective of critical theory is to find these rival structures and include them into the analysis, and in this way be in a position to choose from the best alternative amongst them.

To understand why Africa has become marginalised in both the theoretical and political arena, one has to attempt to identify the ideological values that underlie the

dominating schools of thought in IPE. In the following sections of the chapter I contend that it is necessary to go beyond the critique presented in Dunn and Shaw's (2001) volume to address the structural problems that maintain the present order and map out potential change. I argue that one has to evaluate the forces that preserve the current structures of power in order to evaluate the alternatives to these structures, thus placing oneself in a position to choose the best alternative amongst them. This will be done through an examination of how Cox, through his method of historical structures, attempts to create a framework which addresses the structural elements of theory and how this affects his ontological choices within his research program.

2.3 Method of historical structures

By criticising the positivist influenced research program that has been developed within neorealism, Cox (1981) develops a method of historical structures where he approaches the study of the structures of world order by incorporating both the static and dynamic aspects of the structure. This means that he makes use of both historicist and positivist epistemologies within the parameters of his studies in different instances. The method of historical structures therefore includes two major moments. The first is that of a synchronic understanding. This way of analysing historical structures is strongly influenced by Weber's method of ideal types, which creates concepts that are abstracted from the ideal characteristics of real phenomena. Sinclair (1996:10) explains how Cox's analysis 'specifies the core relationships and the parameters of the object in question in a systemic way before other considerations take place'. In order to analyse these relationships in this way, Cox looks at snapshots of history, thereby theoretically fixing a particular social practice so it can be compared with other social practises. Ideal types thus become a way of representing an a-historic view of historical structures similar to that of problem solving theory. What separates them is that Cox contains these views in the form of identifiable ideologies and parts of a larger context rather than as guides to action. The synchronic analysis becomes an important part in assessing the points of conflict within the respective structure.

The second movement takes a more holistic approach in that it evaluates these points of contradiction and conflict in terms of how they evolve throughout a historical situation rather than from the abstract models of world order. This way of diachronically analysing situations is highly important for the analyses because it can account of the process of structural change within different historical timeframes. Cox (2002:32) describes how his analyses of production is strongly influenced by Braudel's description of different time dimensions, where the movement of history is conceived as taking place at different levels. He describes how the immediate events, such as things that are being recorded by the media, can be categorised as *l'histoire événementielle* (*events history*). The medium term, which creates a context in which events take place, such as business cycles or patterns of social organisation, is conceptualised by Braudel as 'conjunctural history'. These two levels of historical analysis are in turn conditioned by the *longue durée* (enduring history), where the structures more resilient to change become collectively perceived as the natural order of things. Examples of such structures would be the state system or the capitalist mode of production. These will be discussed in more detail below, but the essence of the analysis is that to comprehend how Cox's historical structures influence the global order, it is important to understand how the events that take place on a daily basis are conditioned by the events that take place in the medium run, which again is dependent on longer structures that underline society. The method of historical structures has made a significant contribution to the study of IR by creating a way of shifting the analysis away from the static understanding of relations to incorporating the historical context in which these relationships evolve.

2.4 Production and power

To establish his ontology, Cox begins by evaluating the significance of the production of material life. He describes role of production and states that 'production creates the material basis for all forms of social existence, and the ways in which human efforts are combined in productive processes affect all other aspects of social life, including the polity' (Cox, 1987:1). This statement is based on the assumption that everything has to have a material basis in order to exist and that

the process of production is a fundamental activity for all human groups. As will be discussed in more detail below, the control over the production process has major implications for the structure of society and is a decisive factor in determining social practices, which, according to Cox, evolve as collective human responses to the problem of group survival (Sinclair, 1996). From this point of view, Cox can be regarded as a historical materialist, on the basis that he analyses the contradictions within these groups to explain, as well as promote, changes in social relations. The concept of production, for Cox (1987), includes the production of material goods and services, ideas, norms, social practices and of institutions. In this way, the concept of production has fundamental implications for the ways in which the historical structures in society are created.

From criticising and disaggregating the neorealist ontology within its research program in IR, Cox (1981) explains how the establishment of his ontology starts with understanding the forces that historical structures are based upon. He describes these structures as persistent patterns of human activity that endure for relatively long periods of time. Historical structures, according to Cox, consist of a particular configuration of forces that have strongly influenced how people perceive their surroundings and thus how they act. This influence is not explained to be mechanical determination that takes away all agency from the individual, but rather puts pressures and constraints on how people regard the world around them. Although some people might resist or oppose these pressures, Cox explains that they cannot avoid being affected by them to some extent. Later, Cox (1992: 514) explains that the historical structures are created through particular historical circumstances and that they need to be explained in context of these circumstances. He argues that they come into existence as a result of collective responses to certain common problems, which are reflected in people's ideas, practices and in institutions. In this way they become a fundamental influence on society and how it is arranged.

The historical structures, according to Cox (1981), consist largely of three categories of forces: material capabilities, ideas and institutions. He stresses that the relationship between these forces is not predetermined, but that their relative

importance is dependent on the circumstances in which these ideal types are derived from (1981:220). The first type of force, material capabilities, captures the dynamic interaction between productive capabilities and already accumulated resources. The productive capabilities consist of both technological and organisational capabilities, which are both central in explaining the possibilities of production in the future. Accumulated resources include natural resources, such as oil or minerals, that one can transform using the technology. It also includes stocks of equipment, which consist of industries and armaments. Finally the accumulated resources include a measure of wealth, which determines who controls the production process. As will be discussed below, the control of the production process has large implications for how the power relation in society is structured.

The second force that makes up Cox's conception of historical structures is ideas, a concept that is largely made up of two elements. One kind consists of intersubjective meanings, which are collective notions of the nature of social relations, which in turn influence how people behave and their expectations of how other actors will behave. Cox (1995:33) describes how the structures are pictures of the world that, when shared among people, defines reality for them. Since they share these intersubjective meanings, their actions and words tend to reproduce this reality. An example of such intersubjective meanings is the monetary system, where individuals are taught from childhood that certain coins and notes have a value and can be traded for 'real' things. As this type of idea is deeply entrenched in people's consciousness, people largely behave according to these ideas and intersubjective meanings, which are historically conditioned, thus becoming durable over long periods of time. The other kind of ideas that Cox uses in his description of structures are collective images of world views that differ according to the social groups. Examples of such images would be the legitimacy of the ruling power relations within the context of a social group, the influence of religion in determining state politics, or the role of ethnicity in determining the distribution of material conditions in society.

What essentially differentiates these different concepts is that whereas intersubjective meanings constitute a common ground for social discourse, there are

many rival collective images which are specific to competing social forces. The differences in the collective images are an important source to understanding alternative paths of development and raise awareness of the possibilities of the emergence of alternative structures. In chapter four, this distinction will be discussed in light of the differences between different groups with respect to how they perceive the role of the state in safeguarding the redistribution of resources from the expanding private economy.

The third and final force that the historical structures consist of is institutions. Institutions play a central role in stabilizing and perpetuating a particular order on several accounts. Cox (1977:351) explains how the major institutions tend to reflect the structure of world power as decision makers in the international organisations have a picture of the prevailing power relations, which in become the initial determinants of the decision making process. He later argues that this influence is most noticeable in the initial phases of these institutions, where they encourage collective images consistent with prevailing power relations. Eventually, as a institution acquires a degree of autonomy they may become a battleground for different tendencies (Cox, 1992). The evolving nature of the institutions also becomes apparent in the emergence of rivalry between institutions which reflects the difference in collective images. This becomes noticeable when structures within some of the major international institutions, are in direct contradiction to the position of another institution. An example of this is the troublesome relationship between the United Nations Development Program (UNDP) and the International Monetary Fund (IMF) with respect to the development strategy in some of the African countries, where forces in the UNDP have criticised the IMF for its pressure for the enforcement of SAPs. However, Cox (1977:364) explains that when a particular formal international institution is established, it 'crystallizes the hegemonic consensus of a particular time in relation to a particular global task or set of global tasks'. Later in the text I will come back to this point in the discussion of how the internationalisation of the state in the neoliberal world order has resulted in much of state policy being determined by a policy consensus supporting global capitalism as a *nébuleuse*. This consensus is not decided by an authoritative body, but rather

evolves from discussions in different bodies of the leading international institutions. However, with the emergence of different collective images other than that of the dominant order, institutions can become arenas where counter-hegemonic forces can fight their battles. This became apparent with the increasing power of the Third World countries in the General Assembly of the UN in the late 1970s. However, as these countries received symbolic support through collective action in the UN, Cox (1992) describes how the dominating powers put less weight to this forum's decisions. The transformation of the collective images in institutions does not necessarily equate to a transformation in the structure.

2.5 Hegemony and the world order

The way in which Cox analyses the relationship between these forces in the making of structures, is strongly influenced by Gramsci's description of hegemonic structures. Although Gramsci did not directly contribute to theories within the field of IPE, the underlying logic behind his concept of hegemony is derived from reflections on the relationship between the state and civil society, and the relationship between production and politics and ethics and ideology. Cox (1983) argues that Gramsci's theories are also applicable in the analysis of international organisations, which contains some of the same dynamic social relations. Gramsci studied the mechanisms different classes used in order to gain dominance over other classes. He found that the nature of the dominance differed between countries, where some relied heavily on the use of coercion, while others seemed to maintain power through consent of the subordinate groups. Furthermore, Gramsci focused on the experiences of the Bolshevik Revolution, which led him to conclude that existence of strong civil societies were essential for the maintenance of power (Cox, 1983). This followed from the assumption that civil society, connected with the dominant class, would develop an intellectual basis for spreading social myths and a common culture that would ensure cohesion and identity within the bloc.

Drawing on Gramsci's analyses, Cox attempts to understand how power is established and maintained within the international order. To begin, he argues that it is important to distinguish between hegemonic and non-hegemonic orders. Cox (1983) describes how the condition for what it means to be hegemonic in a world

order context is that a group would have to establish and protect a world order which is universal in conception. This means that most other states would acknowledge and support this order, finding it to be compatible with their interest. The establishment of such consensus would thus not be possible with the use of force alone, but is dependent on a globally-conceived civil society and a global organization of production which creates links between the social classes of the countries that are encompassed by it. Cox (1983:172) describes how a 'world hegemony would have to be expressed in universal norms, institutions and mechanisms which lay down general rules of behaviour for states and for those forces of civil society that act across national boundaries'. This brings the notion of material capabilities, ideas and institutions into the analysis, where hegemony would describe a particular combination of these forces.

What is clear from Cox's notion of world hegemony is that a vital element for the dominating classes is to gain consent from the subordinate classes through spreading intersubjective meanings concerning the structure of the international system. Hegemony is thus more than just dominance and becomes an intersubjective sharing of behavioural expectations. A leading nation's conception of the world becomes universalized to the point where its own leaders stand by the universalized principles, even when they conflict with their domestic interests. The global civil society plays a central function in a hegemonic order. With its organic intellectuals, civil society would perform the function of 'developing and sustaining the mental images, technologies and organisations which bind together members of a class and of a historic bloc into a common identity' (Cox, 1999:168). Since intellectuals are connected with different classes, they would often be in conflict, where intellectuals connected with the hegemonic class would attempt to build societal consensus, intellectuals from the working class would perform similar roles in creating new historic blocs through opposing the hegemonic ideology.

Institutions would also play a vital role in enabling the dominant classes to use mechanisms to deal with rival collective images with the minimum use of force. As described above, these institutions often function to spread consent for the ideology of the dominating class and offers ways of sanctioning actors that do not comply

with this consent by non-violent means. In this context it important to stress that if the dominant group see their mission as hegemonic and not merely as dictatorial, they will have to make concessions that will secure the subordinate's acknowledgement of their leadership. By making such concessions, they give an appearance that their leadership is of general interest, rather than merely serving their own benefit. These institutions would thus have to be structured in such a way that the vast majority of the members believe it to be in their advantage to maintain them. Cox (1983) explains that if rival forces arise, they would often be co-opted into these institutions and forced to push for change from within these structures. In this way he describes hegemony as a pillow, 'it absorbs blows and sooner or later the would-be assailant will find it comfortable to rest upon' (Cox 1983:173).

Although a dominant class manages to establish consent for their world order among a vast majority of actors within the international system, Cox (1981) argue that they would have to possess the material capability to be able to punish the weak if they think it necessary. In particular, he argues that although there might be a strong hegemonic consensus in the core areas, it often becomes weaker in more peripheral areas. Even dominant classes who are willing to make concessions with respect to the subordinate classes will therefore be challenged by areas that are not well integrated into the order. In this way the forces that make up the historical structures all play a vital role in the formation of a hegemonic world order. If just one of the forces discussed above (material capabilities, ideas and institutions) is not developed sufficiently, the power structure will be challenged by rival forces who will seek to change the order. In Mozambique this became evident when Frelimo's lack of hegemonic consensus has resulted in different groups challenging their rule in government.

2.6 A critical approach to world order

According to Cox (1981:220) the historical structures that are constituted by the three forces does not represent the whole world but rather a 'particular sphere of human activity in its historically located totality'. He refers to this as a limited totality. This description of historical structures contains two elements that need further explanation. Firstly, by describing the need to place the historical structures

in a 'historical located totality', Cox goes back to the stasis problem that was debated earlier in the context of problem solving theory. He argues it is possible to avoid this problem by evaluating and comparing different historical structures in related spheres of action (Cox, 1981:220). This can be done through a diachronic evaluation of concepts where definitions of a particular structure are derived from a study of the historical situation that it relates to and not merely from a static model of a social system. To gain an understanding of the composition of forces within a particular historical structure, it is therefore important to contextualise this structure in terms of the historical process from which it has been derived and then compare the structure to other historical structures from similar spheres of action. Finding emerging rival structures within that historical context, one can explore alternative possibilities of development to that historical structure (Cox 1981).

Secondly, Cox's description implies that the historical structures are limited by their particular sphere of human activity. In this world view, Cox describes that the historical structures need to be applied at different levels of the social world. He identifies three such spheres: social forces, forms of state, and world orders, but describes how these are mere suggestions for the purpose of his analysis. These spheres of action describe dynamic processes taking place at different levels of society. In a similar way to the forces that make up the historical structures, the relationship between these spheres is not fixed, but the spheres' relative importance will depend on the historical circumstance that is under evaluation.

Fig 1. Historical materialism

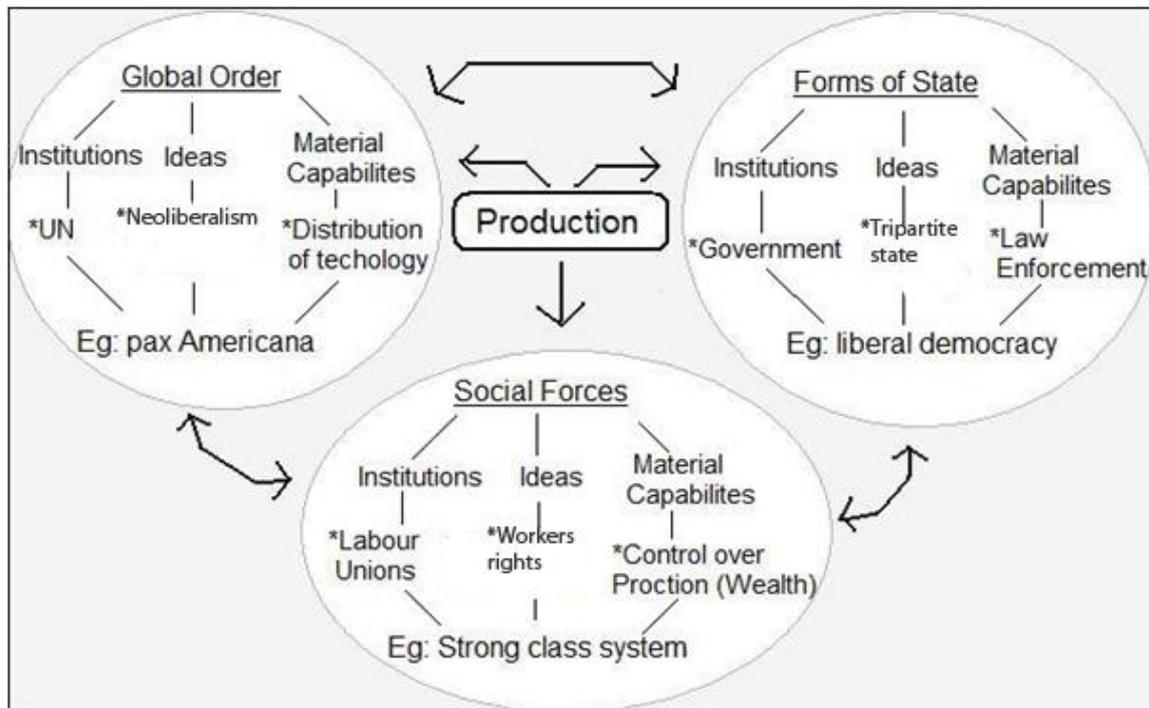


Figure 1 illustrates the relationship between production and the forces that make up the historical structures within the different spheres of activity. The figure shows that the forces that arise from production (institutions, ideas and material capabilities) are combined in different ways to make up different levels of activity. The lower level includes examples of elements that these forces can consist of. The arrows between the different spheres of forces illustrate that the relationship between them is flexible and that they are highly interactive. What takes place at one level of activity therefore influences what happens in another. The section below further examines the nature of these spheres and through this examination discusses some of the concepts that are central in Cox theories such as class, state and world order.

2.7 Spheres of activity

The first of these spheres of activity, which Cox (1981:220) calls social forces, refers to the organization of production and how this shapes the identity of certain groups in society and their relation to other groups. In his 1987 volume, *Production, Power and World Order*, Cox describes the relationship between production, social class and political power and examines the ways in which these levels influence each

other in context of global forces. An important point in this examination is that the organisation of production is dependent on how the power over production is distributed amongst different groups as well as how control over production reinforces the power differences, creating groups in society that are dominant over other groups. Thus the process of production generates the capacity to exercise power, thereby shaping the structure of society by creating dominant groups which can control the organisation of how things are produced. In this way, what has already been produced in the past, and how this is distributed, will determine how things will be produced in the future. Cox (2002) details how these groups can often be characterised through the description of social classes. He argues that the structure of production in a particular society gives the basis for its potential class structure. In Chapter 4 this will become evident when considering the shift in the control of production in Mozambique during the immediate post-colonial period, where individuals that came to power quickly developed to form an economic elite with a strong class awareness.

Schechter (2002) explains how Cox's central focus on class structure has been criticised by different academic schools, such as feminists and post-colonial scholars, who argue that his work pays insufficient attention to other identities which are vital to understanding the complex compositions of groups in society. Cox (2002) responds by describing that the essence of class is social domination and subordination, and that it can be expressed in a variety of different ways, such as gender, race, ethnic groups and other identities that converge into the production process. The inclusion of characteristics other than the socio-economic dimension that class normally refers to is therefore possible as the logic behind the way in which production influences society remains the same. Further examination of these groups in society is therefore important in order to gain an understanding of how they are influenced by the production process, but it is unlikely to alter the fundamental assumptions that Cox's framework is built upon. Although the class structure that one finds in Mozambique today differs from the race based divisions that were strong during the colonial period, it is possible to compare the two in terms of finding dominant and subordinate groups with similar power-relations.

In his analysis of the state, Cox questions what he describes as 'fictions [that] are purported to lie at the basis of the realist state system: the sovereign equality of states and the concept of anarchy as postulating the nature of relationships among them'. In this critique, Cox touches upon the fundamental ontological basis of neorealism. He explains how upholding the distinction between state and society neglects the ways in which states can gather resources to encourage and strengthen the behaviour of non-state actors, while social groups can influence state policy in these matters (Cox & Jacobson, 1977). Instead he develops a concept of the state/society complex, in which he tries to move away from the state versus society dichotomy central to the neorealist tradition, and instead examines authoritative institutions such as the state in relation to the balance of social power that sustain and undermine them (Cox, 2002).

Through the analysis of the relationship between the state and other social powers, Cox finds that the realist account of the sovereign state becomes inaccurate on account of internal and external influences. This is strongly influenced by Gramsci's notion of hegemony that describes how intellectuals in civil society, who are strongly connected to the different classes, are building historical blocs which influence the collective perception of the nature of the state and the expectations of it (Cox, 1983). As the tasks and limits of the state are defined by these collective perceptions, the hegemonic classes will have a strong influence on the form of the state and its behaviour. The nature of the state will therefore be continuously evolving and defined by the war of position and competing collective images.

External factors will also play a role in compromising the notion of the sovereign state. These influences will not only penetrate the state directly, but also through its domestic society. An example of this, which will be described in more detail below, is the 'internationalisation of the state' which has taken place within the neoliberal global order. This phenomenon describes how different forms of transnational networks between states, corporate representatives and intellectuals, work towards the formation of policy consensus for capitalism as a *nébuleuse* (Cox 2002:33). Hanlon (2007) describes how donors, big business and the political elite within

Frelimo have worked as advocates for a market oriented development policy and have limited the discussion of other alternatives.

In the final sphere of activity, world orders, Cox (1981) describes particular configurations of forces that define the power-relationships between states. The world order in this regard is a system of historical structures that work as a framework within which people, states, companies, organisations or institutions are acting. Abrahamsson (2003:14) describes the world order as 'a system of rules and norms regulating international economic and political cooperation'. In periods of hegemonic relations, Cox (1987) uses the Pax Britannica and the Pax Americana as examples. These world orders were based on long-term hegemonic values and the short-term security interests of the dominating state and its national elite. Without describing the world orders during these periods in detail, they reflected the international spread of values that were deeply entrenched in Western thinking such as nation-state building, private ownership and global market economic principles. These principles were shared by elites across borders through leading business schools that attract elites from all countries, the international mass media and international institutions who endorse the policy guidelines of the *nébuleuse*. These ideas would finally affect countries through 'concrete measures of national fiscal and monetary policy' (Cox, 2002:33).

To get a fuller representation of a historical process one has to take the relationship between these levels into consideration, where each sphere will be seen as containing, as well as bearing the impact of, each of the other spheres. In this way the three spheres of activity are interrelated. For example a change in the organisation of production can generate new social forces that could push for change in the function and role of states. Finally the change in the nature of the state can alter the structure of the world order (Cox, 1981:220). The relationship between these spheres of activity can go both ways and should, according to Cox, not be considered to be unilinear. This means that all spheres influence each other in ways which are not hierarchical or predetermined.

Through the method of historical structures, Cox created an innovative research program which combines a synchronic description of structures with a diachronic

analysis that seeks out contradictions and conflicts within these structures. By combining these two elements in his study, Cox avoids the stasis problem that is inherent in the research programs of fields of IR that are influenced by the positivist form of analysis. We have seen how this has led him to evaluate the ontological significance of the production of material life and how the historical structures are constituted by the forces created by production. An important point in this section has been to emphasise that the analysis of these forces only leads to limited totality, and do not incorporate everything. One has to juxtapose this analysis with the analysis of other historical structures in related spheres. This is an important point in his research program and will be reflected in the later analysis of Mozambique and the influence of external actors on the Mozambican development program.

Chapter three of the text will examine the configuration of forces at different levels in the post-Second World War order and evaluate how this affected African state/society complexes, particularly after the end of colonialism. Before this historical evaluation, I will describe how the emergence of middle power theory can be used in conjunction with Cox's theory of historical structures to help us in understanding of how the South African State.

2.8 Middle power theory

As mentioned in the above discussion of realism, much attention within the field of IR has been focused on classifying countries according to their power capabilities and attempting to find some mechanism of correlation between the size of the state and their behaviour within the international system. While there was a tendency in the mainstream schools to focus uniquely on the actions of the major powers during the era of the Cold War, increasing interest in the behaviour of the smaller powers was shown during the last decade of the 20th century. There was a call to increase the parameters of the research conducted in IR beyond the study of major states and examine 'alternative sources of agency in order to more fully capture the evolving complexity in global affairs' (Cooper, 1997:1). The scholarly interest in the concept of middlepowermanship became particularly known through the works of Cooper, Higgot and Nossal (1994) in their study of the foreign policy behaviour of Canada and Australia. This concept was developed further and with increased scope

in Cooper's 1997 volume, *Niche Diplomacy*, which presented a more complex argument explaining the behaviour of a larger collection of powers.

While Cooper, Higgot and Nossal's call for more analysis on the role of middle powers was taken up by scholars within IR, there was little consensus on how to classify these powers within the different research programs. Although Holbraad (1984) emphasised that physical attributes were an important factor in characterising middle powers, he ultimately argued that our understanding of middle powers should consist of a combination of state capacity, position in the world order, domestic class interest, and the role and influence of foreign policy makers. More precisely, Jordaan (2003:165) describes middle powers as: 'states that are neither great nor small in terms of international power, capacity and influence, and demonstrate a propensity to promote cohesion and stability in the world system'. This can be interpreted to include a measure of physical appearance depending on the conception of power, but emphasises that a central feature is that the state needs to have influence in the world system that it uses to advance 'cohesion and stability'. Central to this perspective is a strong normative bias that middle powers act as good multilateralists and international citizens, based on a national will to act in a responsible fashion. It contains an inherent ideological conception concerning the value of state behaviour, which seems to consist of stabilizing the current order and thus perpetuating the balance of power between states.

Following this line of thought, Cox (1989) argues that far from being committed to supporting international institutions on the basis of a conviction of the value of being good international citizens, middle powers have a strong interest in establishing a stable environment as a condition for the pursuit of goals that exist with different groups in society. He describes that middle powers use the stable arena that international institutions provide to gather a collective force to push for structures they understand to be of their benefit. This would be in support of the major powers in a hegemonic order and against them during non-hegemonic orders. Similarly, Cooper (1997:7) rejects the notion of good international citizenship as nostalgic mythology and points out that despite the claim of moral superiority, neither Canada nor Australia has an unblemished record with respect to international issues. He

instead argues that middle powers only engage in constructive internationalism when this form of activity is in line with their domestic interests. While using a state's self-less approach to multilateralism would be a difficult measure of middle powers, evaluating their role and influence within international institutions could be one way of identifying such states.

This method of conceptualising middle power does, however, maintain a vagueness that reduces its descriptive value as an analytical tool within IR. In his response to Cooper's *niche diplomacy*, Jordaan (2003) argues that the concept loses a large degree of explanatory power on the basis of its failure to accurately describe the criteria in the middle powers definition. He argues that this has been particularly prominent with the recent inclusion of developing states, such as Brazil, South Africa, and Malaysia, which attain features that are not similar to the 'traditional' middle powers. He is not satisfied with the extent to which Cooper separates between traditional and emerging middle powers, and attempts to develop these concepts further through examining the constitutive differences between them. According to Jordaan (2003:171), traditional middle powers are stable social democracies with strong egalitarian values. In addition they constitute countries that had insecure positions during the Cold War and were powerlessly caught in the standoff between the two superpowers. These states are not dominant in their geographical region, but maintain a certain distance to the hegemon. He mentions that typically countries like Norway, Sweden, Canada and the Netherlands are used as examples of such countries. On the other hand, Jordaan describes emerging middle powers as recently established democracies, which still contain a large number of undemocratic practices. These states are characterised by societies with deep social cleavages in terms of class, which often can be traced through ethnical lines. These are states that have risen in the post-Cold War period to assume their internationalist postures and have superior influence within their regional location.

The difference between traditional and emerging middle powers also consists of differences in behaviour. While traditional middle powers have been largely been in support of the hegemonic order within international institutions, the emerging middle powers have in some cases been part of counter-hegemonic movements that

have been opposed to the market liberal order that has been to the disadvantage of Third World states. Jordaan (2003) explains that it is not uncommon for middle powers to express a dedication to fundamentally changing the international system in favour of marginalised groups. However, he notes that during negotiations with the core, they are often far less adamant about comprehensive reforms. This could be explained by looking at the way powerful social forces within these states are connected with the international economy, while the state is dependent on giving the appearance that they are working to the benefit of marginalised groups in order to maintain the regional and domestic order. Furthermore, by setting up regional institutions, these middle powers can perpetuate the hegemonic consensus and position themselves to act as a link between the economies in the core and in the periphery.

One could add a higher degree of sophistication to Jordaan's argument by further examining the dynamics between the social forces in the different states. The organisation of production in emerging middle powers often reflect the way the political and economic elite are well integrated into the world economy, while the poorer classes are neglected and marginalised, both domestically and within the world order. This can be regarded in context of Cox's description of the transnational managerial classes, where the groups controlling production in some states develop common interests and identities with similar groups in other states. Cox (1987:294) emphasises how the identity and interests of these groups are further synthesised by their strong international presence at arenas such as the *grandes écoles*, which consists of the top schools and universities around the world. Though socialising in these arenas, this group creates powerful networks and participates in spreading an intellectual basis for the hegemonic consensus, thus becoming organic intellectuals. In Chapter 4, I will describe how relationships between big business in South Africa and the ruling elite in Mozambique improved during the 1990s and how this affected development policies in both countries.

As previously discussed in relation to the state/society complex, organic intellectuals play a central role in shaping the structure and role of the state by influencing the intersubjective ideas in society. In particular, Cox describes (1987:294) how these

groups have been capable of creating 'national interest', thereby transcending particular group interests within the overall objectives of a state. One example, which will be further explored in Chapter 4, is how organic intellectuals, connected with the South African Foundation, were centrally involved in the economic debate in the post-apartheid period and used different mechanisms to limit the economic debate to market oriented alternatives. In the same way, Jordaan (2003:175) describes how 'emerging middle powers aim at raising the international profile of their countries along with seeking domestic legitimisation by gaining international approval for their foreign policy initiatives'. By gaining international approval for their role in the region, the state can use this support to influence the collective images of the role of the state among its domestic constituency, as well as in the region. International support and attention for the state's role as 'constructive multilateralists' can thereby influence people's perceptions and, more fundamentally, construct a middle power identity within different groups in society.

So where does this leave us in terms of the discussion of middle powers and their role in IR? Although the approach to middle powers as a combination of physical characteristics and behaviour, as presented by Cooper (1997) and Jordaan (2003), I would argue that what makes middle powers interesting is how they are used by various social forces in the creation and maintenance of a historic bloc. In the final chapter this will be further explained through an examination of how the ANC embraced the potential role of South Africa as a middle power when they came to govern, and how international recognition of this role, influenced the collective images, both domestically and regionally, of the role of the state.

2.9 Conclusion

The central focus in this chapter has been to explore the relationship between interest and the act of theorising. This has been a shift away from the positivist 'gold standard' where the role of the researcher is merely to describe the reality as objectively as possible. Instead what has been emphasised, with reference to Coxian critical theory, is that theorists cannot separate themselves from the context in which they conduct their research, and therefore that their theories are influenced by their perceptions. In this line of thought, one has to approach theory by critically

examining the context in which it is derived in order to understand how it is confined by this development. Furthermore, I have examined, in light of the distinction between problem solving and critical theory, how certain research programs within IR are used to maintain the current order, while others are focused on change through finding alternative structures of power. It is in this light that I have discussed Cox's method for analysing the world order and how he proposes to avoid the static problem that he sees as inherent in the positivist approach to theory.

Within this discussion I have attempted to describe some of the underlying features in Cox's theory, such as the relationship between power and production, the forces that make up the historical structures, the meaning of global hegemony, and the concept of limited totalities. Finally, I gave a brief outline of the development of middle power theory over the last decade and argued that despite the weaknesses that are apparent with the concept, the theory is interesting in terms of how it can be used to affect collective images of the role of the state. Although this differs from the way this theory is used by Cox (1989) to explain Japan's foreign policy behaviour, I would argue that it is highly compatible with Cox's analysis of the state/society complex and can help explain the role of regional powers in Africa.

I believe that Cox's approach to theory has the potential to answer *Africa's challenge to International Relations Theory*. Although he never put much emphasis on an in-depth analysis of the continent, the dynamic nature of his methodology offers various levels of analysis the interaction of which is not predetermined. I have discussed some of these 'entry points' with reference to social forces, forms of state and the world order, but Cox emphasises that these are merely suggestions rather than fixed points. In the following chapters I will use the theoretical framework introduced in this chapter to further assess its added value in terms of explaining state/society complexes in Africa. This will be done by, first, evaluating how CCT has been applied by other scholars, and then by applying it to the case study in Chapter 4.

Chapter 3

Critical Theory and the Contemporary World Order

From having examined the criticism posed by critical theorists to neorealism and seen how Cox established a theoretical framework to avoid these problems, this chapter will evaluate the applicability of CCT in explaining world order with a particular focus on Africa. By combining the examination of ideal types with studies on the establishment of historical blocs, CCT has been used to explain change within the international system. In *Production, Power, and World order* Cox (1987) undertakes an extensive historical account on the changing nature of the production relations within the last two hundred years, where he debates the relationship between a framework of ideal types that he identifies and three different world orders. From this study, he discusses the possibilities for change in the current structure through examining the contradictions in the order and social groups that have been marginalised by it. Although Cox emphasises the role of the marginalised populations in “Third World” countries in developing counter hegemonic challenges, his analysis of these areas are not detailed and are based on generalisations of states in very different geographical locations. The empirical examples that are used in Cox’s texts are particularly focused on South American and some Asian examples and on societies which are divided according to classical socio-economic class structures. Very few examples are derived from the African continent, where the political structures and the social lines in which identity is formed complicate the classical class orientation. Despite this descriptive shortcoming, a few scholars, such as Abrahamsson (1997), Leysens (2002, 2006) and Taylor (2003), have used a CCT framework in their analysis of different African countries and made use of the different points of entry as described above.

In order to provide examples on how Cox applies the theoretical framework developed in the previous chapter and thereby illustrate the logics behind his argument, I will initiate the chapter by examining the way Cox describes the

changing world order, from the liberal world order until today. This will also give a historical context to the prevailing order and illustrate how power relations today constitute a reflection of a changing world order. The discussion of the current world order will focus on the development of the Pax Americana in the post-war period and how this has been challenged by different forces in the 1970s. From discussing the current world order in relation to the theories presented in the previous chapter, I will evaluate the application of CCT within the African context. This evaluation will include an analysis of the three studies mentioned above and will attempt to illustrate how CCT can be used from different points of entry. Furthermore, I will discuss some of the strengths and weaknesses in these approaches. This discussion will play an important part in shaping the structure of the analysis in Chapter 4.

3.1 Changes in world order

In the examination of changes in the world order from a CCT perspective, the evolving nature in the balance of power between different actors and the alternation between hegemonic and non-hegemonic structure becomes of particular importance. In order to understand how changes in the relations between forces in society take place, it is important to understand how different mechanisms are used to establish power. In the discussion above, the state was outlined as one of the most central mechanisms that are used. From acknowledging that the practice and limits of the state, or the *raison d'état*, is dependent on their historic blocs, Cox (1987) argues that one has to examine the ways in which state power is used to determine the organisation of production and strategies for modes of development within societies. This determination does not necessarily need to happen directly, but could be established through fixing the framework of laws, institutions, practices and policies affecting production. In this way the state is an agent that can be used to activate the potentialities of social transformation or towards maintaining the existing social order.

By following this line of argument, social change should not be regarded as something that exogenously 'bursts upon' states, but rather a transformation that happens within the state itself, displacing one form of state with another. The changes in production relations are thus strongly influenced by the transformations

in the forms of state that take place when a historic bloc is replaced by another and thereby a *raison d'état* by another (Cox, 1987). Furthermore, Cox develops this argument by describing how transformations in forms of state are strongly related to the changes in the structures of the world order in a mutually reinforcing manner, where the emergence of new forms of state are associated with changes in the structure of world order. Thus within CCT, the changes in both forms of state and in world order have to be taken into account when explaining changes in production relations. One can gain an understanding of a social order by evaluating the relationship between the state, the world order and the social relations of production relations.

The study of the three successive structures of world orders in Cox's 1987 text is examined as a framework for considering transformations in forms of state and thereby shifts in the modes of production. The examination of these historical reflections help to illustrate the ways in which there is a parallel between changes in form of state and world order through describing how the change in structure was characterised by the emergence of new forms of state, new historic blocs, and new configurations of production relations.

The first structure of world order is referred to as the liberal international economy, roughly dated to 1789-1873 (Cox, 1987:111-150). This order is characterised as emerging together with the liberal state, with the establishment of the bourgeois hegemony in Britain and of British hegemony in the world economy. In examining the liberal state, Cox's distinction between the Weberian style analysis of the ideal type state and the more historically based approach of the analysis of the historical blocs becomes clear. The former would emphasise focusing on the functions of the liberal state, thus examining its role as guardian of the market and of the principle of private property in the means of production was preserved. The state's removal of existing obstructions to economic freedom inherited from feudal and mercantilist practices, for example, paved the way for production oriented at international trade. The latter type of examination evaluates the political struggle through which the liberal forms of state came about. Cox (1987:147) describes how this era was characterised by non-polarised class conflict in the expansive centre, as the

bourgeoisie had ceased its revolutionary tendencies and had gained sufficient influence with the ruling regime, while the workers had not yet become a coherent challenge. On the level of world order, the liberal order was characterised by a hierarchical organisation of states, where Britain was the main trading nation, principal source of capital for the rest of the world, principal enforcer of market rules and the preserver of military balance. In this way the liberal era permitted both the transformation of states towards more liberal forms together with an expansion of the world economy in relatively peaceful conditions.

The transformation from the liberal world order to the era of rival imperialisms, dated to 1873-1945, was marked by a change in the relative power of states and the end of British hegemony. In terms of the world order, Cox (1987:153) describes that by the end of the 19th century there had been a vast spread of industrialisation, and that the British industrial and military leadership had been overtaken by a variety of different countries. Britain's leading position as industrial power was replaced by a situation where different industrial powers were competing for influence. Cox (1987:154) explains how the competition for power required states to promote their own industrial basis by protecting their markets and through an expansionary thrust for markets and colonies.

The industrialisation had brought about fundamental changes in the composition of society, which became increasingly reflected through changes in the historic bloc and in the nature of the state itself, which was expected to take more initiatives in regulating the market and in its provision of services. In this way, Cox (1987:164) describes how the liberal state was transformed into the welfare-nationalist state where the role of the state, which was under strong influence by the labour unions, increasingly became to compensate for the negative effects of the market, such as unemployment, occupational injury and old age that people were unable to cope with on their own. On the other hand, the major corporations expected the state to play a role in developing human resources, through providing education, housing and health services. By setting up barriers to trade and providing different types of services, the state increased its role in the production of goods and became an increasingly important player in the national economies. In his description of the

transformation from the liberal world order, Cox provides examples of how the social structures described in Chapter 2 can change.

3.2 The emergence of the neoliberal world order

The events taking place during the Second World War marked a change in the balance of power in the world. The war had greatly reduced the industrial capabilities in Europe and shifted the balance of power from the Atlantic to the Pacific Rim. The term "superpower" was introduced with the increasing position of the U.S. and the Soviet Union, separating them from the other major states in the system. During the war, particularly the U.S. had built up a large scale war economy that was dependent on continuing a huge export surplus in order to be sustained. At the same time, Europe actively encouraged the American involvement on the continent in both the reconstruction process, but later also in controlling the influence of the Soviet Union. In the negotiations that took place after the war, it was agreed between European and U.S treasury negotiators on a scheme which included an internationally expansionist American economy, while at the same time preserving a directing role for the state in the economy (Gill, 2003).

One of the major fruits of these negotiations was the initiation of the Marshall Plan, which the U.S. used to shape the post-war economic order and lead Western Europe towards trade liberalization and basic conditions of opening up their economies. The plan thus provided the incentive to join the new economic order and provided the support for the political establishment of centre-right politics all around Europe. At the same time the leftward thrust, which emerged in the immediate post-war years with demands of increasing the role of state bodies in economic management, was stemmed (Payne, 2003). The heavy U.S. presence around the world, both economically and militarily, created large and accumulating balance of payment deficits. However, the U.S. public deficit was financed through pressure on European and Arab countries to hold large quantities of dollars, thus making them hostages to the U.S. foreign policy. Cox (1987:217) describes how the premise of the hegemonic order was that the world economy was 'a positive game in which some businesses and some national economies may benefit more than the others, but in which all have the opportunity to gain'. The Bretton Woods Institutions, which came into

effect in the 1950s, became accessories to U.S. policy through securing compliance on the part of the more reluctant governments and disabled national economies by using both incentives and sanctions.

3.3 Internationalising production and the state

There are two characteristics of the neoliberal order that Cox (1987) puts particular emphasis on, the internationalising of production and of the state. Firstly, the world order was structured in a way that created the conditions for the emergence of a world economy of international production within the existing international economy of classical trade theory. The difference between international economy and world economy model is that where the former focuses on exchange of goods and capital, the latter focuses on the distribution of production. The world economy of production thus incorporates how transnational production is organised and where the different production components are located. As the states lowered the restrictions to international trade during the post-war years, the international trade expanded, and the international production grew progressively. At the same time transnational flow of capital and investment increased, as private business realised that they could increase their profits by moving their production to areas with lower production costs. In this way the cheap human capital in areas such as Japan, was made available to U.S. and European companies.

Although there was a massive flight of production investment flowing from the most developed countries, their control over production remained intact. Cox (1987:244) explains that knowledge, either in the form of technology or market information, is the 'principal resource in the world economy, especially knowledge in its dynamic form as the capacity to generate new technologies and to market new products'. Although part of the production is moved to a lower cost location, the control over this production is thus sustained by maintaining the more sophisticated parts of production and the work that is not directly tied up to production, such as research and development, market research and promotion, in the country of origin. In this way the power over production remained in the more developed states while they were net exporters of production investment.

The internationalisation of production had some serious implications for the power balance between different social groups in society. Cox (1987:253) describes how the overall effect has been to increase the disparities in living conditions between workers that are subject to different modes of production. While it has been to the benefit of the established skilled workers in the developed state that were employed in the core services of international industry, it has weakened the position of the worker employed in heavy industries. As the industrial leaders could move, or threaten to move production abroad if the workers did not comply with their demands, the trade unions lost much of their bargaining power. In the developing countries, where these industries moved, there was an expansion in the enterprise-labour market, which in turn has encouraged further expansion of the primitive labour market through urbanisation. The internationalisation of production has thus resulted in increasing the fragmentation of the working classes, where certain groups have benefited to a much larger extent than others.

The other characteristic of the neoliberal world order, the internationalising of the state, consists of a global process whereby national policies and practices are adjusted to the requirements of the world economy of international production. Cox (1987:253) describes how 'the reshaping of specific state structures in accordance with the overall international political structure is brought about by a combination of external pressures (external, that is, to particular countries though arising within the overall international political structure) and realignments of internal power relations among domestic social groups'. He explains how this is a process that takes place through three steps. Firstly, an interstate consensus regarding the requirements of the world economy is developed within a common ideological framework. This refers back to the discussion above, concerning the development of an international *nébuleuse*. Secondly, this discussion is hierarchically structured in a way that certain actors weigh more than others in the formation of the 'consensus'. Finally, the international structure of states is adjusted so that the consensus can be internalised in the different states, thus transforming the global consensus into national policy and practice. In this context, state structure refers to both the machinery of government administration and the historic bloc on which the state rests. The typical

features of the internationalisation of the state does not include an abandonment of old state departments, but rather that they strengthen the position of the departments that act as links between the world economy and the national economy, such as finance ministries, treasuries and foreign trade and investment agencies (Cox, 1987:228).

The Bretton Woods institutions were structured to pressure and assist governments in making the transition from developing their national economies, to joining the world economy. This happened through putting conditionalities on the loans that were given, thereby demanding countries to open their economies in order to qualify for getting funding, while at the same time giving financial assistance to the same governments, enabling them to soften the impact of external economic developments. Stiglitz (2003) describes how these institutions developed strong norms for the functioning of the state and incorporated mechanisms to supervise that they were followed. In many cases this mechanism was shaped through incentives for governments to harmonise their national policies through the promise of external resources. The countries not complying were frozen out of the system, which was underlined by President Allende of Chile in his address to the General Assembly of the United Nations in 1972:

'We are not the object of any trade ban. Nobody has said he seeks a confrontation with our country. It would seem that our only enemies or opponents are the logical internal political ones. That is not the case. We are the victims of almost invisible actions, usually concealed with remarks and statements that pay lip service to respect for the sovereignty and dignity of our country, but we have first-hand knowledge of the great difference that there is between those statements and the specific actions we must endure' (As cited in Cox, 1987:261).

Allende's statement illustrates that although there is an official respect for the individual country's sovereignty to decide its policies, the countries that do not converge to the hegemonic norms become the subject of hostile policies from the core. Cox (1987) describes how the foreign backed Chilean coup and assassination of Allende in the year following his speech further illustrates how such countries

ultimately risk being removed by force if they do not conform to minimum standards of correct behaviour according to the hegemonic core.

The example from Chile shows the relationship between the different forces that make up the historical structures as described in Chapter 2. Allende's reluctance towards accepting the collective images of the hegemonic power would ultimately end with the latter using its material capabilities to punish the rival social forces. These forces will also be described in the case study of Mozambique, where the hegemonic power used institutional mechanisms to deal with a competing ideology.

3.4 Neoliberalism and statehood

There are, according to Cox (1987:217-219), principally two different forms of states that have developed in the post Second World War period. Within North America and Europe, the welfare-nationalist state that was structured to protect the national economies from outside influence, was reshaped to seek its security as a member of a stable alliance system and through integration in the world economy. Although this type of state contained some of the features of the liberal state, which was described above, it maintained some of its influence in the economy. After having experienced the Great Depression in the interwar period, the perceived role of the state in adjusting for business cycles and market imperfections persisted. Firstly, by assisting the private industries in various ways, such as through subsidies and tax abatements, the state continued to play a direct role in the accumulation process. Secondly, the state was expected to protect different social groups that were threatened by the coercive forces of the market, particularly when they had political connections, such as farmers, certain types of labour or unemployed. Finally the perception of the nature of the market as a place of equal actors changed to incorporate the actors of different nature, such as state owned business coexisting with a competitive sector of smaller businesses. Importantly, the state expenditure was expected to be connected with an overall fiscal policy that was aiming at counteracting the negative growth cycles, thus regulating the market for a more even economic growth.

The role of the state in the economy thus had large similarities with the welfare-nationalist state. However, an important difference between them was their political

focus, where the welfare-nationalist state sought to protect its autonomous economy within its borders, the neoliberal state flourished in spreading throughout the world economy. As mentioned above, the Bretton Woods Institutions were constructed to smooth out the international effects of this approach and synchronise states' policies to avoid discrimination between states. However, the internationalisation of production created a high level of class conflict in society, as the effects were unevenly distributed among different groups as described above. The governments, who had been part of the tripartite arrangements between managers and the unions, tended to increasingly focus on the need to maintain competitiveness and therefore facilitate for the business elite. Cox (1987:228) explains how these governments often developed a two-tier structure in their relations with industry, which describes how the state took part in both informal and formal corporatism. The formal structures of corporatism refer to the connections between different ministries in the government with business trade associations and trade unions. The informal structure incorporates a different level of contact between individuals associated with the upper levels of public administration and the management of big enterprises. This type of interaction relates to the creation of a *nebelusé* as described in Chapter 2, that grew out of informal networks of, for example, graduates of the *grande écoles* who came to occupy high-level positions in industry and state administration. The close connections between government and business in this two-tier structure have resulted in further diminishing worker union's influence in determining politics at the upper levels.

3.5 The neo-mercantilist state

In order to capture the nature of states outside North America and Western Europe, Cox (1987:230) develops an ideal type of state which he refers to as the neo-mercantilist development state. These are described as being developments from protostates, which are states where the political authority does not have the consent or the capacity to form effective economic policies, and the national market does not contain sufficient demand to become an effective force on its own. The neomercantilist states developed beyond this point, as state power induced changes in both economy and society with the goal of gaining control over the instruments

necessary to shape the national economy. Examples of such changes would be increasing the regulation of foreign access to minerals or their ability to set up manufacturing production. These states may be developmentalist, as they attempt to use this control in order to achieve continuous growth and development. Cox (1987) describes how these states are often characterised by a high level of foreign economic penetration, where external companies seek to exploit the resources of the state, either natural or human, in their production. With the aim of maximising its share of benefits from the world economic structure, the neo-mercantilist states often encourage such behaviour as they can extract rent from the production, which could far exceed the revenue they receive from general taxation. The economies of such states are often characterised by non-established and unskilled labour that is employed by foreign corporations, an enterprise labour market that is involved in small-scale businesses, and a growing primitive labour market of those displaced from the rural modes, created by the declining subsistence agriculture.

According to Cox (1987:140) the political leadership structure in neo-mercantilist states range from populist movements who base their power on making payoffs to the social groups on which it most depended, to caesarism, which is based on a military-bureaucratic leadership, which builds its legitimacy from the maintenance of law and order among the population, especially in the urban areas. The neo-mercantilist state thus often contains non-hegemonic orders, whose stability is dependent on the influx of foreign revenues, either through loans, aid or rents from exports. Any discontinuance of such revenue would reduce their ability to fend off the threat of revolt from the dissatisfied, and thus lead to regime change. Such states would therefore only be stable to the degree they could finance its repressive apparatus.

As described above, Cox based a high proportion of his examples on Latin-American and Asian (including the Middle East) to illustrate the characteristics of the neo-mercantilist state. One of the main features in the case study in Chapter 4 is to evaluate how the Mozambican social structures transformed from the colonial structure to a structure that contains many of the features of the neo-mercantilist state. What will be apparent, however, is that Mozambique's proximity to colonialism

still has a strong influence on the development of social forces, in particular on the structure of the political and economic elite.

3.6 Crisis in hegemony

The neoliberal world order with strong leadership from Washington reached a turning point by the middle of the 1970s. The economic conditions changed and the post-war consensus based on the Keynesian principles of state intervention in the market was questioned. Gill (2003) describes how increasing stagflation together with a decline in productivity in the capitalist states led to demands for reform by an increasingly powerful transnational ruling class aimed at breaking the power of organised labour. At the same time a series of developing countries known as the Non-Aligned countries came together and formed a demand for a New International Economic Order (NIEO). More specifically the NIEO includes a series of specific demands embodied in a range of official documents adopted by international conferences as well as a negotiation process between countries in the Non-Aligned movement and the developed countries. Its basic concern was with the reconsideration of the basic structure of world economic relations and of the form of knowledge appropriate to understand these issues (Cox, 1979). In this way the NIEO challenged the hegemonic order on both a structural and intellectual basis.

The result of the struggle between these different forces was a return to conditions similar to those of the liberal world order in the 19th century, centred around an idealised notion of the market 'in which progress is defined in terms of the subordination of labour to capital [while] the state role is limited to a Lockean night watch' (Van der Pijl in Taylor, 2003:26). Taylor (2003) describes the neoliberalist ideology, which became more established from the early 1980s, as a hyper-liberal power formation that goes beyond the principles of classical economics as presented by Adam Smith. He explains that the main point of the neoliberal project is to reflect the rule of the market and maximise growth through facilitating for the unfettered private enterprises and deregulation of the economy. Redistribution to the less advantaged would thus depend on the trickle-down effect in the economy. The state role in such an order is marginalised through the separation of "politics" from

“economics”, thereby putting strong limitations to the sphere of action in which the state can operate.

Throughout the past decade there have been increasing signs of a further weakening of the neoliberal order. Most recently this has been illustrated through the breakdown of the Doha trade negotiations within the WTO, where the role of developing countries such as China and India have become much more independent from the positions posed by Europe and North America. Furthermore the debate on the global response to the financial crisis has strengthened the developing countries demands for restructuring the global financial architecture, mostly through increasing their representation in the BWIs.

One effect of reduced American hegemony, particularly noticeable after the end of the global bipolarity, has been the rise of regionalism as a world-wide phenomenon. The nature of these regions depend on the areas that are analysed, but as Hettne and Soederbaum (2000) point out, there is a tendency in today’s regionalism to be extroverted rather than introverted, reflecting the deeper interdependence on the current global political economy and the intriguing relationship between globalisation and regionalisation. The changing nature of the region in Southern Africa will be a central feature in the analysis in Chapter 4, and particularly Mozambique’s proximity to the regional hegemony, South Africa, will be described to have a strong effect on their development strategy.

3.7 Understanding world order

So far the chapter has examined the way in which Cox has used his theoretical framework to describe the evolving world orders and how this has reflected in the form of state, social forces and historic blocs. The analysis has been focused mainly on the relations that have taken place in the developed countries, and although Cox develops an ideal type state to describe the developing world, there is not much analysis that is directed at the African context. The remaining part of the chapter will examine the extent to which CCT is useful in analysing African state-society relations, and how they are inserted into the international system via the work of a number of scholars who have attempted to do so.

One way that CCT has been applied to the African context is by using it to analyse the North-South relationship and the effects of globalisation on the developing world. In his study of the world order in relation to Southern Africa, Abrahamsson (1997:1) critically evaluates the links between the 'political economy of the world order, unequal development and increasing gaps between the rich and the poor countries, and the problems of survival, security, governance and legitimacy' within the various countries. Through combining his understanding of the CCT framework with his experience from working with aid programs at a grass root level in Mozambique, Abrahamsson provides a detailed and insightful study of the dynamics of external and internal influences in shaping the power balance between different actors in Mozambique.

Another point that makes Abrahamsson's work particularly interesting, is the way in which he combines field work from Mozambique with studies, mostly through interviews, within various government branches in the U.S. He describes how he went to Washington D.C. expecting to encounter arrogant and, at best, ignorant attitudes concerning American foreign policy towards Africa. Instead Abrahamsson explains how, on the contrary, he was met with a broadmindedness and self-criticism that reflected more a feeling of powerlessness than a grand scheme to gain political power. In this way Abrahamsson addresses one of the major weaknesses of CCT, as the framework is vulnerable to criticism of being speculative in terms of the motivation behind the hegemonic actions. There are many examples of scholars that do not explicitly make clear on what they base their assumptions. One example can be taken from the way Cox (1983:168), inspired by Gramsci, speculates on the role that organic intellectuals play in creating collective images among different groups and to what extent these individuals are reflective of their role. It is difficult to assess whether theory is being consciously manipulated or if it is merely the perspective of the individuals that are different, thus unconsciously reflecting in their theory. From Cox's text it is unclear if there is historical evidence beyond the rhetoric in the argument. Also in the description of his research, Abrahamsson reflects on his perspective as a researcher and confronts the reader with his views on world order and change and thus assists the reader in reading his text critically.

In accordance with Cox's approach to research, Abrahamsson (2003) emphasises the need to take a holistic approach in the application of critical theory. This is reflected in his scope of research where he attempts to recognise not only the vertical, but also horizontal relations that are relevant in terms of influence on the social structures. The vertical relations refer to the hierarchical structure of power relations between the different social groups in the international order. On the other hand, the horizontal relations are used to capture the cobweb of societal relations, particularly on issues like social trust and cohesion where the question of legitimacy becomes fundamental. The separation of these types of relations is reflected in Abrahamsson's study where he first examines the global power structures in terms of the American hegemonic influence in the region and its effect on development. This is done by first evaluating the interest and the role that the U.S. played in the region, particularly in terms of its initiative towards reducing the communist influence and its conflicting relationship with the apartheid regime in South Africa through its "constructive engagement" policy. Abrahamsson then moves his focus onto how the world order affects Mozambique and discusses the way in which Washington used various means, such as food aid and support for membership in the Bretton Woods Institutions, in exchange for support for its policies in Southern Africa. The relations can be considered vertical to the extent they describe the hierarchical way that influence spread from the hegemon to the periphery.

From this point of departure, Abrahamsson (1997) examines how the Mozambican development strategy failed in achieving its stated goals of bringing significant change for the Mozambican people. The reason for this failure, according to Abrahamsson, is essentially that there was too little emphasis on understanding the colonial heritage in Mozambique, and that the structural adjustment programs failed to take a holistic point of view beyond the standard prescribed medicine of macro-economic stability. This is where the study of horizontal relationships comes in as Abrahamsson puts considerable emphasis on explaining how the structure of the Mozambican state and society reacted to the external influences. In particular, he examines how the BWIs, which played a major part in structuring the Mozambican development program, mainly emphasised the role of privatisation, liberalisation and

market forces to achieve their development ambitions. Furthermore, Abrahamsson describes how the subsequent reductions in government spending together with a cap on external capital inflows to the country created a situation where the government was unable to reconstruct the infrastructure that was destroyed during the war and limited the amount of private agricultural and industrial investment, which led to the rural areas being heavily undercapitalised.

The discussion on external intervention in the formation of the Mozambican development program and its consequences marks the strength of Abrahamsson's study. On the one hand, Abrahamsson uses CCT to evaluate the Mozambican state in terms of the ideal types that Cox develops, and describes how, despite the lack of hegemonic relations, the domestic elite has maintained power through using the flow of aid to limit the movement for progressive movements. On the other hand, Abrahamsson goes beyond Cox's framework and incorporates a variety of different works (Nilsson, 1998; Hydén, 1980, Putnam, 1993)¹ in order to explain the mobilisation of various social forces around the country. This is particularly important because Abrahamsson shows the flexibility of CCT by combining it with other theories, thus illustrating how the logic behind its point of departure is compatible with other theories.

There are, however, some negative elements concerning Abrahamsson's application of CCT in Southern Africa that require further attention. Firstly, there seems to be a gap between his account of how the prevailing world order impacts on Mozambique and his discussion of the issues at hand in the domestic sphere. This is particularly clear in the description of the bargaining process that took place between Mozambique and the U.S., where he notes that: 'the strong need for membership [in] the Bretton Woods institutions for getting political and diplomatic support from the U.S. to stop South African destabilisation, considerably reduced Mozambique's leverage in the negotiations regarding the design, scope and timing of the Structural Adjustment Program' (Abrahamsson, 1997:223). However, while he describes how the Mozambican government were overpowered in the formation of the program, he

¹ Particularly Nilsson's (1998) study on politicisation of ethnicity, Hydén's (1980) argument on how economic action can be affected by social considerations, and Putnam's (1993) theory on democratisation and the development of civil society.

later makes the point that 'the Mozambican government's strong commitment to the implementation of the structural adjustment program is evident. In some instances the government moves faster than the conditionality prescribes' (Abrahamsson, 1997:229). The only reasoning behind the government's enthusiasm for the programs is based on the flow of aid and resources that followed. However, going beyond the required scope of implementation would not imply an increase in resources, and he therefore fails to explain why the government would endorse such policies. Throughout his text, Abrahamsson gives little attention to the role ideology plays in shaping the world order. By including an analysis of the ideological penetration of the neoliberal market oriented development approach, one might be able to increase the explanatory value of these observations.

Another issue concerning Abrahamsson's work that needs to be pointed out is the choice of actors that he decides to include in his analysis. With regard to the world order his focus is nearly exclusively on the role of the U.S. government as the hegemonic power. As will be described in Chapter 4, South African actors have been a strong influence in affecting the Mozambican policies. Furthermore, the donor community, where the Nordic countries have been central, have been another social force in Mozambique that should be taken into account. Also the discussion on the conflicting interests between domestic forces is limited by the scope in the study. In the discussion on the struggle between the emerging urban bourgeoisie and the marginalised rural peasantry, Abrahamsson does not include social forces that could work as a catalyst for change into the analysis. A further investigation of potential counter-hegemonic movements could therefore be interesting in terms of understanding alternatives to the current structure of the market oriented policies.

3.8 Understanding social forces within the state

An alternative approach of applying CCT to gain an understanding of social issues in a Third World context is to evaluate how the different forces work at the state level. As discussed in more detail above, the state itself can become an arena for the war of position between different groups, where the intellectuals connected to civil society influence the state on a variety of different levels (Cox, 1983). Taylor (2003) examines the contradictions and ambiguities in post-apartheid South African foreign

policy in an attempt to account for the way that the different forces, both internal and external, manifest themselves in the formation of policy. He describes how policymakers within the African National Congress (ANC) have promoted issues for two separating, and at times conflicting, groups: it's Left popular constituency and groups that are connected with both domestic and international capital. What is particularly interesting about this study is that it captures an account of the various venues that different social groups use to influence the nature and the policies of the state, and thereby how the state becomes an important apparatus in the establishment of a historic bloc.

One of Taylor's core arguments is that the political elite in South Africa has become increasingly integrated into 'a nascent historic bloc, which more and more reflects the concerns, aspirations and demands of a transnational class elite' (2003:1). Furthermore he argues that this integration has taken place in the context of the neoliberal hegemony that characterises the world order, and that the government's policies have largely reflected their acknowledgement of the neoliberal norms associated with a market oriented state. This ideological evolution in the ANC's can be clearly illustrated by examining the development in their policies from before the elections in 1994, which emphasised a strong state role in shaping the economy, and the underlying policies in their 1996 economic strategy referred to as: Growth, Employment and Redistribution (GEAR), which strongly emphasised the free market discourse (Terreblanche, 2003).

An interesting feature of Taylor's study is the description of how the ANC elite, despite having entered the ranks of what he terms 'the transnational elite', have justified the liberalising of their policies by establishing this ideology as common sense and maintaining a position that there are no alternatives to this line of policy. The responsibility of the negative consequences is thus pushed from the state to the international structure. In order to convince its domestic allies to the Left that it has not caved in to the pressures of the global neoliberal agenda, the government has become heavily involved in different international initiatives that work towards addressing the negative effects of globalisation through pushing for reforming international institutions and regimes. This has led the government to an essentially

contradictory position where their policies are based on 'strategies of both accommodation and challenge' to the neoliberal order (Carim cited in Taylor, 2003:2). On the basis of the position South Africa has taken, Taylor argues that the reformist strive of the government has not been directed at the essential core of the global order, but has rather been focused on addressing problems that arise within the system.

Through a discussion of the different forces that shape South African policy, Taylor puts significant emphasis on the central role that ideology plays within the maintenance of power relations in both an international and domestic context. By evaluating how the post-apartheid government formed its policies in accordance with the 'requirements' of the neoliberal world order, based on a ideological conversion within its leading members, Taylor addresses some of the shortcomings of Abrahamsson's approach. The description of the connection between capital and the political elite in South Africa and how this convinced the leadership within the ANC to abandon a policy that could compromise the interest of big business, is valuable in terms of providing an illustration of how different social groups can affect the form of state. Additionally, Taylor's description of how the ANC puts emphasis on communicating that its foreign policy would be extrovert and focus on a regional approach to development, can be related to the middle power identity described in Chapter 2. I will argue in Chapter 4 that by taking such an approach, the ANC legitimised and justified its market-oriented policy, both domestically and internationally, thus putting the government in a position where they promoted the regional establishment of a historic bloc.

Throughout his study, Taylor adds a level of complexity in the application of CCT compared to Abrahamsson by disaggregating some of the actors that he includes in the study. Firstly, by moving away from assessing the hegemon as a state, namely the US, Taylor puts more focus on the role of the transnational hegemonic classes, particularly the South African economic and political elite and the left wing movements. This allows him to put more weight on the informal as well as the formal connections between the state and the hegemonic forces on both an international and a domestic level. By taking this more nuanced approach to the

different actors, it also becomes easier to understand the conflicts that are taking place between actors. However, I would argue that Taylor could explore this point even further. Although he points out that the leadership within the ANC has put significant emphasis on not alienating the Leftist fractions of the party, Taylor's discussion of the conflicts that took place during the ideological transition of the leadership is rather limited. He describes how any counter-hegemonic impulses were 'swiftly marginalised by a battery of organic intellectuals and the constraints at force in the contemporary international political economy' (Taylor, 2003:9). However, it is not clear from his text that large proportions within the ANC remained unconvinced by the neoliberal rhetoric, something that has been particularly visible after the Polokwane conference at the end of 2007. By incorporating a larger analysis on these counter-hegemonic tendencies, one would be in a better position to evaluate the alternatives for change in the current order.

3.9 Accounting for social forces from below

Throughout his work, Cox puts particular emphasis on the need to include a bottom up perspective, thus including a focus on the marginalised social forces. Whereas the working class has been the typical political catalyst for the hoped for change, Cox (1987:352) describes how this class has been increasingly fractionalised and cannot be regarded as being united in their struggle against the managerial classes, where the working class elements that retain some power are too bound up with the existing system. Instead Cox describes how the excluded groups of "non-class" workers², who feel alienated from the existing society and the production process, represent a more likely emancipatory force. Furthermore, Cox points out that the conditions for marginalised social forces in Third World countries make them potentially receptive for social protests linked to production and thereby making them more conducive to initiate transformation from below.

While the need for the inclusion of a bottom up perspective is argued for by many scholars that apply CCT, the studies that make serious attempts at understanding the perspective of these marginalised groups are limited. Murphy (2007:9) argues

² Cox's use of the term "non-class" is heavily influenced by Gorz (1982) and his reflections on possibilities for social change.

that many critical theorists try to take a bottom up approach without placing themselves in the life worlds of these who really are at 'the bottom', and therefore are unable to understand the global economy in the ways they do. The basis of this argument is that that the majority of the scholars that pursue a critical perspective are almost invariably white, wealthy and Anglophone, with very few links to the impoverished populations in the Third World, and therefore that their claims of understanding the common sense of the world's most disadvantaged should not be uncritically accepted.

While Murphy traces the lack of understanding back to the limitations that many scholars have in terms of their ethnographic skills, there are some studies that use other means to circumvent this problem. Leysens (2002) pursues an interesting alternative to the ethnographical approach to measure the perspectives and opinions from below. By using large datasets³ that are developed from countries across Southern Africa, Leysens examines some of the characteristics that would indicate the potential for social revolt in the different groups involved in the study, such as attitudes on state legitimacy, political participation, political interests and personal economic values. Based on Cox's conceptualisation of different social groups (marginalised, precarious and integrated) Leysens uses the datasets to examine the political characteristics of the different groups and thus ends up with a 'snapshot' of the collective images in the different segments of the societies. The study finds that the marginalised express that they are more willing than other groups to discard democracy in favour of other political systems, but that they are more politically apathetic, and that they are not actively pursuing activities that support counter hegemonic ideology. This could indicate that Cox's thoughts concerning the potential for revolt amongst the marginalised in Third World countries need to be qualified and contextualised.

There are many different limitations to using such quantitative analyses within a CCT framework. Besides the various technical challenges that need to be overcome in

³ Leysens uses the Southern African Barometer that was initiated and coordinated in 1999 by different research partners across the region.

order to get an accurate measure of the different group's attitudes⁴, the results of the analysis are highly dependent on the interpretation of the researcher. Such research is therefore vulnerable to large fluctuations, which makes the researchers reflections on their own perceptions even more important, and the results needs to be understood in a context of a firmly established theoretical framework. However, despite its limitations, the study provides an important measure of the political situation in a geographical area at a given time, which can provide insight into the political attitudes of different groups, if it is used in relation with other academic research. The value of the quantitative research also increases as the magnitude of the study expands, and the datasets are collected over a number of years. Seen in light of these limitations, Leysens' study provides important empirical information in improving the quality of information regarding marginalised social groups in Third World countries. Furthermore the study underlines the importance of including a measure of these groups in terms of understanding the forces, or lack thereof, that push for change from below. Although Leysens' study by no means disproves the rhetoric behind Cox's theory regarding the role of marginalised social groups, it challenges this perception and emphasises the need for further research on these groups.

3.10 Conclusion

Chapter 3 has examined the applicability of CCT in describing the relationship between production, power and world order. This has been done through the evaluation of how different scholars have used the framework in their analysis. First, I examined Cox's description of the evolving world orders, from the Liberal order until the contemporary order. This examination was included in the study for two main reasons: it illustrates how Cox applied his own theoretical framework, which was introduced in Chapter 2, and it provided a historical context from which the prevailing world order is derived. Particularly the examination of Cox's analysis of the development of the neoliberal order in the post-Second World War period provided a thorough illustration of how the historical context was conducive for the

⁴ Because of space limitations these will not be explored in this text.

establishment of American hegemony, and how this reflected in the restructuring of the state and production.

Although Cox attempts to capture the relations in developing countries through his description of protostates and neo-mercantilist states, I argued that he does not put weight on providing examples from the Third World, particularly Africa. In the last part of the chapter I examined three scholars that used CCT to describe relations in Southern Africa. These studies were evaluated in terms of their strengths and weaknesses, and provided useful examples of how CCT can be applied from different points of entry.

The examination of how CCT has been applied has illustrated the logic behind the theoretical framework and particularly how the different spheres of activity are highly integrated with one another. The description of the changing world orders showed how there was a parallel development between changes in forms of state, production relations, historical blocs and world order. The proceeding case study will draw from the findings generated in this chapter in attempting to understand how social forces at different levels have influenced the Mozambican development theory.

Chapter 4

Development and the Mozambican state/society complex

So far this text has debated the theoretical perspectives of CCT and its application in both a global and a regional context. This chapter will advance this discussion by further narrowing the geographical focus and use CCT in the evaluation of the impact social forces in Mozambique have on development policies. Over the last decades there have been several good studies on political and economic development in Mozambique (World Bank, 2007; Castel Branco, 2004; Hanlon, 2007; Sumich & Honwana, 2007). The added value of this study will be to approach the issue by examining how the different social forces, both domestic and regional, have competed for power and finally how this has reflected in the development strategy in Mozambique.

Firstly the chapter will analyse how the Mozambican society was heavily divided between a political and economic elite of Portuguese decent and a large indigenous class of peasantry. It will be argued that the Portuguese elite had a low degree of consent for their rule and dependent on a strong security sector to maintain control. From this point of departure, the chapter will examine the social transformation after independence and how a small group of intellectuals gained control over the state and, despite early socialist commitment, gradually privatised the economy in line with the Washington consensus.

Turning to a more regional approach, the chapter will describe how the economic elite waged significant influence on the policies of the post-apartheid ANC government. Furthermore, I will argue that the government assumed a role as a middle power, and have used this role to wage influence in the region and perpetuated the Washington consensus through emphasising regional market oriented development policies. I will use the Maputo Development Corridor, which has become a flagship development project in the region, as a case study to examine the relationship between the economic and political elites in Mozambique

and South Africa and how they have cooperated in setting up a project that has resulted in high growth, but little widespread human development.

In the final section of the chapter, I will examine how Frelimo has been able to continue their rule without resorting to authoritarianism. This examination will be important in furthering the understanding of the potential for structural change in the country. I will argue although the civil society is highly underdeveloped, the underlying discontent with the situation among the peasantry and the working class has been exacerbated by the food and fuel crisis and has made people willing to work for change. Furthermore, I will argue that the deepening financial crisis might shift the power balance in Mozambique and represent an opportunity for change.

4.1 Portuguese colonial rule

An ideal type view of the Portuguese colonial state in Mozambique can perhaps be best represented by comparing it to the legacy of the African colonial state. Whereas Young (2004) describes how the African colonial states were often defined by a colonial presence as an enforcer of the indirect rule, the Portuguese never thoroughly consolidated its territorial dominance in Mozambique. This was particularly the case in the northern parts of the country where the Portuguese, instead of taking responsibility for developing it, leased large areas to concession companies (Chabal, 2001). In return these companies would enjoy a monopoly of the economy and relative autonomy in their areas. At the same time, the state's close relationship with the British-South African mining capital resulted in the sending of a large number of workers to the Gauteng area to work in the mines. The result was that Northern Mozambique became a labour reserve, but without enjoying the benefits such as administration, education and health. Abrahamsson and Nilsson (1995) explain that during the 1960s ninety-three percent of the population in Mozambique were illiterate and that medical services were non-existent.

Although the provision of services to the black population in Southern Mozambique was rare, the Portuguese colonial state took more control over the economy. The state regulated the prices for agricultural cash crops in the south and provided the Portuguese settlers that set up plantations with an opportunity to make good profits. At the same time, they allowed the indigenous farmers to sell their goods at the

market, but to a significantly lower price than they offered the Portuguese. The state was also involved in setting up an extensive industrial sector around the Maputo area. This sector was mostly set up in corporatist institutions at the state level and there were strong bonds between the state and the economic elite (Abrahamsson & Nilsson, 1995).

In a less functionalist perspective, an examination of the process of political struggle during the period of the Portuguese colonial rule was characterised by strong rivalry between different social forces. As will be described below, these struggles were concerned essentially with the line between access to and exclusion from power in the state and the economy and would eventually cause the transition from the colonial state.

The main liberation movement in Mozambique, Frelimo (Frente de Libertação de Moçambique), was established in 1962 by a group of intellectual *assimilados* (the assimilated), a small black elite of petty-bourgeoisie from the South. Englund (2002) explains that although the socialist rhetoric within Frelimo was developed at an early stage, this ideological tendency was exaggerated as the movement became dependent on considerable military supplies and training from both China and the Soviet Union. However, Englund points out that this revolutionary agenda of social justice played an important role in separating the movement from the Portuguese colonial oppressors and thereby disarmed many critics in moral terms. This agenda provided the *assimilados* from the south with sufficient legitimacy to rally widespread support from peasant groups in large areas of the country.

Ironically, it was among the *assimilados* that the resistance towards the Portuguese leadership was most significant. Sumich and Honwana (2007) argue that they became alienated by the Portuguese authorities as a result of their lack of rights and possibilities to increase their social status. As a result of these clear divisions between the black population and the 'Mozambican' Portuguese, there was an absence of a black middle class, in which the Portuguese could have allied themselves before independence. Instead, when the policy began to change, there was a general radicalisation behind the liberation movement.

According to Abrahamsson and Nilsson (1995), Frelimo's leadership consisted of largely two fractions, one 'revolutionary' and one 'reactionary'. They describe that from an early point in the liberation effort there was a power struggle between these two fractions on how to structure the country in the post-colony period. While the revolutionaries recommended a radical transformation of society, the reactionaries pushed for a structure where Frelimo's members would themselves occupy the place of the Portuguese without any major social changes. In a violent clash in 1975, the revolutionary fractions gained control over the movement and the reactionary fractions fled to the central areas of the country. This struggle for power resulted in an elitist leadership structure with widespread control.

This examination of the Portuguese colonial state in Mozambique enables us to return to the more analytical discussion regarding the state. One important point has been that the form of state was dependent on the historical structures on which it rests. Although there was little consent for the Portuguese rule, the state, dependent on its material capabilities, maintained control through repressive means. At the same time, the main rival social force remained weakened by internal fractionising regarding its ideological persuasion and its capability of working towards a passive revolution, as described in Chapter 2, was limited. The following section will describe how the world order influenced the formation of a new historic bloc in Mozambique and the form of state that Frelimo eventually established.

4.2 The Mozambican state form

Although Frelimo managed to challenge Portuguese military control in some areas in the northern parts of the country, independence in 1975 was more a result of political change in Lisbon than of the liberation war in Mozambique. Englund (2002) explains that because the liberation came quite suddenly and somewhat unexpectedly, Frelimo had to quickly transform from being a liberation movement to becoming a ruling party with a broad political agenda. Furthermore, with the widespread white exodus, Frelimo had to take over and run an effectively bankrupt country with virtually no trained people. Sumich and Honwana (2007:7) describe how at the time of liberalisation there were "six economists, two agronomists, not a single geologist, and fewer than a thousand black high school graduates in all of

Mozambique". The ability of the state to develop large scale policies to follow through on its promises made during the liberation struggle was therefore highly limited.

In 1977 Frelimo declared itself a Marxist-Leninist vanguard, which was followed by a series of socialist transformations that included nationalisation of plantations and factories and massive forced settlements into communal villages (Englund, 2002). However, as Pitcher (2002:5) points out, the "poorly designed, hastily enacted policies rooted in grandiose visions about the state's ability to transform society strangled the projects almost from the beginning", and the Soviet Union expressed from an early stage that they did not have the capacity to assist the socialist project. The policy failures following independence were particularly visible in the agricultural sectors where seven years after Frelimo came to power, less than half the area that had been commercially cultivated during Portuguese rule had been put in use (Abrahamsson and Nilsson, 1995). The newly established state had quickly run into severe financial difficulties and was desperate for external assistance.

At the face of a worsening economic and security situation, the Fourth Party Congress of Frelimo came to the agreement that the party was in urgent need of Western political and economic support to deal with the severe drought, worsening terms of trade and an increased South African destabilization policy. Abrahamsson (1997:212) describes how initially Mozambique's request for food aid was turned down by the U.S., but that after pressure from Prime Minister Thatcher, the Reagan administration reconsidered the situation, and integrated Mozambique into their "constructive engagement" policies. Furthermore, he describes how this policy was directed at putting pressure for the abolishment of apartheid and reducing the influence from Moscow. In this way Mozambique had directly become part in the bipolar power game that dominated the world order at the time.

From the time of inclusion in the U.S. food aid program in 1984, there was a rapidly improving relation between the political elite in Mozambique and "Western" actors, both on a political and economical level. Pitcher (2002) describes how President Machel and later President Chissano made several visits to Washington D.C. for talks with American government officials and the IFIs and how these visits resulted in

close personal relationships. Furthermore she explains how meetings with Western and South African businessmen 'climbed up the government agenda in tandem with increased talk about the "free market" and "restructuring"' (Pitcher, 2002:106). These visits resulted in a gradual increase in the involvement of Mozambican private business in the international economy. Although, as Cox (1983) mentions, it is difficult to make assumptions on the basis of motivation, one could argue on the basis of the outcome of these improved relations that the Frelimo elite, which controlled the large parts of production, became more integrated into the transnational hegemonic class.

However, the turn towards a more market based economy took place at the same time as other parts of the state were following a socialist master plan with reinforced state participation in industry. The liberalisation was particularly visible around the Maputo area where the state sought a number of strategic alliances with international capital and private investors through joint-venture agreements. At the same time, Frelimo enforced the collective village programs that resettled large parts of the rural populations in villages that would collectively produce cash-crops for the state (Bruck, 2006). These parallel developments can be interpreted as an indication of the changing ideas within Frelimo, where a powerful segment of the leadership developed gradually stronger ties with private business.

The conflicting policy approaches caused a deepening of the grievances among different social groups, particularly in the central and northern areas of the country that experienced the brunt of the collective villages programs. To add to the grievances, when the U.S. eventually agreed to give aid to ease the situation in Mozambique, it was given in kind and not in cash, thus greatly disturbing the local food markets and destroying the livelihood of a large groups of agricultural cash crop producers (Abrahamsson, 1997).

By the end of the 1980s two important social forces had developed in Mozambique. There was one small group connected with the political and economic elite that had exercised control over both the government, and thus the security sector, and over a growing proportion of the private industry in Mozambique. The second group consisted of a large alienated group of peasantry located in central Mozambique.

Carbone (2005) argues that this latter group quickly became discontent with the policies of Frelimo and would later provide crucial support to the Renamo operations. He notes, however, that Renamo never developed an ideological platform beyond opposing the government and thus never managed to expand their support base beyond these areas.

Despite early difficulties, the ties between the political elite in Mozambique and Western governments were further improved by Mozambique's membership in the Bretton Woods Institution in 1985. Following this membership was a promise of economic growth if the country was to conform to principles underlying the Washington Consensus and further its liberalising strategy (Wuyts, 1991). These promises were backed by a significant flow of financial aid that came on the condition that Mozambique had to adhere to the structural adjustment programs that were hastily put together by staff from the IMF.

However, the IMF's emphasis was nearly exclusively on improving the macroeconomic conditions by addressing the balance of payment problems by greatly reducing government spending and structuring the national economy for export oriented growth. Wuyts (1991:218) describes how these programs were very much in line with the prevailing neoliberalist consensus and 'sought to effect a shift in resources from the state sector towards the wider economy by imposing greater financial discipline on the state budget and on state enterprises to avoid the negative consequences of the crowding-out effect and, by relying principally on market forces, to reallocate resources thus set free within the economy at large'. Because the Mozambican government already at this early point was dependent on the aid flows, it was put under strong pressure to reform the economy in line with the international consensus.

However, the transition from socialist to liberalist policies in Mozambique also needs to be understood as an internally driven process, where strong domestic forces pushed for change. Pitcher (2002) argues that the role of the Mozambican state in the restructuring of the country is often underestimated and that the state was just as influential in the development of capitalist forces as it was to the outcome of socialism. Although the liberalisation debate fractionised Frelimo and created

movements both in favour and against liberalist reform, the socialist rhetoric gradually disappeared from policies, clearly seen in the Constitution established in 1990.

Pitcher (2002) explains the transformation of the market liberal privatisation process by describing the ways in which this process presented opportunities for certain groups to gain powerful positions. This process can in itself be seen as a source of power, as it was the state that decided which companies to be privatised, how these companies should be valued, how the bidding process should take place (open or closed) and the costs that were associated with these transactions. Furthermore she argues that the government used these different mechanisms to determine the winners and losers and thus used the process to build up a new constituency for the state. On the basis of the active promotion of liberal reform undertaken by central members within the Frelimo party, Pitcher concludes that it is inaccurate to treat the Mozambican side as passive and unable to determine the transformation towards liberalist reform, but rather that it was a *cooperation* between certain groups of the political elite and external actors. Particularly the Frelimo elite, which at this point had strong ties to the regional and global business community, took a central part in this process.

The form of state in Mozambique developed characteristics that are similar to Cox's (1987:218) notion of protostates, which are 'political structures that try more or less successfully to monopolize the capacity for exercising political force within the national territory but have not acquired either a firm social basis of consent or the administrative capacity to formulate and apply affective economic policies'. An important aspect of such states is that they lack the capability to reshape society and the mode of production and that survive because society is not strong enough to come up with alternative forms of state. Based on the evaluation of the relationship with South Africa that is described below, however, I will argue that the Frelimo state falls short of Cox's description of the neomercantilist state as it has failed to successfully control the access of foreigners to the national economy.

From examining the establishment of the independent Frelimo state, one could argue that the role of external actors in influencing the form of state in Mozambique

remained highly significant. This examination allows us to return to make two more analytical propositions. First, the historic bloc that Frelimo based its governing power on was weak. They had a lack of material resources and production capacity, they had a weak civil society that failed in creating communal images, and there were few state institutions to create mechanisms to deal with rival collective images. Consequently their authority soon became challenged by rival social forces. Second, the global hegemonic institutions, the BWIs, played a significant role in spreading the hegemonic ideology in Mozambique through giving aid and supporting privatisation reforms, which I argued strengthened the ties between the Frelimo elite and the transnational hegemonic class. The discussion will now evaluate how the dominant social forces in post-apartheid South Africa became highly influential in structuring the regional order.

4.3 Changing regional dynamics

A number of events around 1990 would have strong implications for the southern African region and for Mozambique. The shift in world order with the end of the Cold War, from bipolarity to a more discursive focus, meant that the US's fear of the socialist influence in region was heavily diminished and thereby also its interests in supporting 'friendly' states. Perhaps even more importantly, the political transition in post-apartheid South Africa became a major turning point in the development of the regional relations. The following section will analyse how the configuration of social forces that exercised power in South Africa advocated a regional approach to the development challenges, which had strong implications for its neighbours.

Throughout the 1980s relations in the region were strongly influenced by the apartheid regime's destabilization policies and the relationship between South Africa, and its neighbouring countries, often referred to as the Front Line states, remained highly hostile. There was a tandem development of the South African president Botha's 'total strategy', which was highly focused around securing the white majority rule in the country, and the Southern African Development Coordination Conference (SADCC), which sought to reduce South Africa's influence, both economically and politically in the region (Hanlon, 1996). This hostile relationship was materialised in

Mozambique through the apartheid regime's support to Renamo, while Frelimo allowed the ANC to set up military training camps along the border.

Throughout the liberation struggle the ANC was often considered to have socialist aspirations for the post-apartheid form of state. During the transition period radical fractions of the ANC, COSATU, and other parts of civil society established the Macroeconomic Research Group (MERG) to develop a socialist based macroeconomic framework (Guy, 2004). The outcome of MERG was to form the basis of the Reconstruction and Development Programme (RDP), that was adopted by the ANC shortly before the elections in 1994. RDP was based on the principles of growth through redistribution and stated that 'the democratic government must play a leading and enabling role in guiding the economy and the market towards reconstruction and development' (Terreblanche, 2003:108). Before the elections in 1994 there was much emphasis on the significance of the RDP.

Despite the socialist aspirations that the ANC emphasised externally, Terreblanche (2003) contends that the party became fractionalised in its ideological conviction in the mid 1980s, as ties between parts of the ANC elite and the South African business community grew closer. Chabane et al. (2006) describe how these groups, together with the influential forces in the international community, strongly opposed the RDP strategy. They note how particularly the high-profile businessman Harry Oppenheimer regularly met with Mandela and advised him on different issues on behalf of the business community. Furthermore, they describe how Oppenheimer was central in the South African Foundation's release of the *Growth for All* policy document, which vigorously (and successfully) attacked the redistributionist emphasis of the RDP and on the grounds of "macroeconomic stability" proposed an aggressive liberalisation and conservative macroeconomic policies (Chabane et al., 2003:572).

According to Guy (2004) the ANC's announcement of the new economic program Growth, Employment and Redistribution Programme (GEAR) in 1996 had a significant symbolic effect of ending the open ideological debates within the party. GEAR was strongly supported by the conglomerates in South Africa and emphasised the importance of setting the macroeconomic fundamentals in the economy and

adjusting the domestic policy environment to global challenges, in particular with regard to the trading system (Qobo, 2007). Central for the development aspect of investment led growth is the notion of the "trickle down" effect that ensures that all parts of society are able to gain from the growth. The "trickle down" effect implies that as certain groups gain from growth, they will spend money in their local environment and thus contribute to empowering the local economy as a whole.

At the same time, the ANC's regional policies changed considerably after they gained power in 1994. The ANC clearly stated their ambition to transform the role of South Africa in the region through chartering a new foreign policy that reflected their wish to become a 'responsible global citizen'. Mandela (1993:89) noted that this would include addressing development challenges as a collective enterprise of southern Africa's people and 'resisting any pressure or temptation to pursue its own interests at the expense of the subcontinent'. This rhetoric was continued after the ANC came to power and became particularly visible in 1996 through Thabo Mbeki's "I am an African" speech to the South African Parliament where he reignited the vision of the African Renaissance.

Going back to the notion of a middle power, as discussed in Chapter 2, one could argue that the ANC embraced a foreign policy that can be compared to Jordaan's (2003) description of the middle power: a state that seeks to promote 'cohesion and stability' in the region and promoting itself as an advocate of the well being of the region, rather than focusing on its national interests. By using such middle power rhetoric, one could argue that the ANC legitimized an expansionist foreign policy, both to its domestic constituency and to its neighbours, by referring to the good intent of the new regime.

One way the ANC manifested its concern for regional cooperation was through the development of the Southern African Development Community (SADC), based on an agreement centred on reducing the economic dependence of South Africa. The establishment of SADC was based on furthering the integration in the region and thus decreasing the economic dependence on the developed countries (Hammerstad, 2005). Article five of the treaty states that SADC is to promote common political values, systems and institutions, which have been reflected in the

setting up of institutional frameworks that has worked towards the implementation of the issues that is at hand. SADC has thus become strongly ideologically based organisation that has developed an extensive institutional framework for the implementation of its objectives.

Many of the systems and institutions that have been promoted through SADC have been related to facilitating for investment lead growth as advocated in South Africa's GEAR policy. This has particularly been visible in the South African lead Spatial Development Initiative (SDI) programmes, which had become an important part of the ANC's economic strategy and had been developed in close cooperation with the private business community. Jordaan (1998:718) explains that the 'SDIs are targeted interventions by central government for helping unlock economic potential and facilitate new investment and job creation in a localised area or region'. More specifically the SDIs are targeted at removing bottlenecks or constraints to investment, which are often infrastructural in nature (roads, ports, rail, etc.). The second prong of the SDI programme, according to Jordaan, is the identification of strategic investment opportunities in the SDI area. These are often directed at strengthening the performance of the key clusters in the local economy.

The SDIs are formed on the principle that projects are most efficiently implemented when they provide incentives for private business to invest in these projects. Rogerson (2001) explains that the South African government has strongly endorsed the notion of public-private partnerships (PPPs) to attract the sufficient amount of investment capital, particularly in infrastructure. He states that the South African government intends to leverage the private sector investment on the basis of a 1:9 ratio, i.e. for every 1 Rand spent by the public sector in SDIs, 9 Rand must be brought in by the private sector. In this way the private sector have become highly involved in these initiatives and have become a vital part of the regional development strategy.

The outcome of South Africa's regional development strategy has been highly lucrative for big business. Leysens (2001) points out that with the liberalisation of markets since the early 1990's, Southern Africa has become the main export market for South Africa's manufactured products. According to Adebajo and Landsberg

(2003), South Africa accounts for 80 percent of the SADC's GNP and has a six-to-one favourable trade balance with the other members of the organisation. Furthermore, the large scale development projects that have dominated the transnational partnerships have contracted big money and Mandela's assurances to the region with regards to their concern for mutual regional development has not materialised.

From examining the political transformation in the post-apartheid period one could argue that the economic elite in South Africa persuaded the ANC to pursue a strong regional approach to development. Furthermore I have argued that the ANC has used a middle power rhetoric to justify an expansionist foreign policy and through arranging the regional institutional mechanisms to promote market oriented cooperation consistent with the neoliberal consensus, thus perpetuating the values of the hegemonic force in the world order.

4.4 A feasible development strategy in Mozambique

Economic cooperation between Mozambique and South Africa is not a new phenomenon. The difference, however, is the increased magnitude of this relationship since the end of apartheid as South Africa has become the undisputed largest investment partner in Mozambique. This section will evaluate how social forces in South Africa have established strong links to the Frelimo elite and how they have influenced the development strategy in Mozambique.

As described above, the ties between Frelimo and South African businessmen were developed already in the early 1980s. However, the materialisation of these ties, through South African investment, did not take place on a large scale until the ANC came to power in 1994. Castel-Branco (2002:13) describes how the ANC, together with large conglomerates, developed a high level cooperation with Frelimo to facilitate the expansion of South African corporations in Mozambique. In particular he mentions Sasol and ESKOM's expansion of their control over energy sources and the location of Mozal, an aluminium smelter, in Mozambique as two areas where this cooperation has been of highest significance. He explains how these meetings resulted in the Maputo Development Corridor (MDC), which was launched in 1996 in Maputo by the presidents of South African and Mozambique and has become 'the most advanced international development corridor in Africa' (Mitchell, 1998:757).

The MDC was one of the first SDIs to be initiated and has worked as a model for many of the later projects. Soderbaum and Taylor (2001:681) explain how the initiation of the MDC had the objections of:

'(i) rehabilitate the primary infrastructure network, notably road, rail, port and dredging and border posts, with the participation of private sector in order to have minimum impact on government spending; (ii) to maximise investment and provide access to global capital, facilitate regional markets and regional economic integration; (iii) to maximise social development and employment opportunities and increase the participation of historically disadvantaged communities; and (iv) to ensure the sustainability by developing policy, strategies and frameworks that should ensure what is stated to be a holistic, participatory and environmentally sustainable approach to development'.

The strong role of private investment in the work towards development in the MDC became a model that had strong influence on the structuring of the Government of Mozambique's Action Plan for the Reduction of Absolute Poverty (PARPA) in 2001. This plan strongly emphasises a market dependent development approach and the need to 'foster the development of the national business community and create an environment favourable for investment' (paragraph 108). The strong political weight behind these programs is also evident through examining the terms of investment that they are given. Castel-Branco (2004) describes how the governments of both Mozambique and South Africa have worked closely to come up with a variety of means to ensure the profitability for investors. Firstly, he describes how Mozal has been given Free Industrial Zone (FIZ) status, which means that it is exempted from paying duties on imports of material inputs, equipment, parts and any other imports that are required for the company. FIZ status also means that industries are exempted from paying value-added tax and the corporate taxes are greatly reduced. In addition the governments subsidised variable costs which have greatly increased the profitability of these industries. This will be described further below.

The MDC is characterised by a few mega-projects that have a significant effect on the overall Mozambican economy. These projects have largely been financed by

foreign investments, where particularly Mozal and rejuvenation of the port of Maputo stand out in terms of size. Mozal alone attracted \$2.2 billion from a variety of foreign investors, while the construction in the port of Maputo attracted investments of an initial \$70 million (Thomas, 2005). Only four percent of the total investments made came from the Government of Mozambique. This means that the government has very little ownership to the projects initiated through the MDC. Rogerson's (2000) study reveal that in the demographic characteristics of the ownership in the process is remarkably homogenous. A very high proportion of the investors are white males from the economic elite in South Africa and many are related to the large conglomerates.

The benefits from the MDC have been spread. The foreign investors in Mozal have enjoyed highly favourable conditions for their investments as South Africa has agreed to subsidise energy, the single largest cost in aluminium production. Castel-Branco (2002:9) describes how at an early stage of manufacturing at Mozal, Mozambique's imports of energy from South Africa increased 20 times. South African transport companies have enjoyed increased business, as they have been awarded nearly all contracts related to the MDC. While the benefits for the Mozambicans are not equally apparent, there are certain groups that have benefited greatly from the MDC. First, the investments have enhanced Mozambique's reputation abroad, as they can use the MDC as a show case, demonstrating the countries viability and enhancing investor confidence. Secondly it is important to point out that the investments in the MDC have increased access to capital for big business in Mozambique through improve credit ratings.

The effect of the MDC projects on the Mozambican economy as a whole has been large. Mozal contributed to approximately 10 percent of annual growth in 2001, a number that has remained consistently high since then. At the same time the aluminium smelter accounted for more than 70 percent of the total exports in Mozambique in 2004 and has become a major source of foreign currency (Dibben, 2006). The overall impact on the economy has been limited because of Mozal's heavy reliance on acquisition on imported materials and services, mostly from South Africa (Castel-Branco 2004). Furthermore, Castel-Branco (2004) argues that out of

the net profits of Mozal, only 25% are actually retained by the Mozambican economy, when one accounts for profit repatriation, payments of investment services and transfer of wages of foreign workers. The net impact of this project is therefore much smaller than what its contribution to the growth in GDP might imply.

The MDC's effect on the broader economy has also been limited. Rogerson (2000:327) describes that one of the guiding principles of the MDC was to 'broaden the ownership base of the economy and maximise the impact of new investments for the development of the small, medium and micro-enterprise (SMME) economy. However, he notes that the vast majority of the investment has gone to the mega-projects, leaving little to the development of the SMMEs. At the same time these projects have been highly capital intensive and their net contribution to the employment rate in Mozambique have not come close to reflecting their weight of GDP (Mitchell, 1998). Because these projects employ such a limited amount of labour, the trickle-down effect is greatly reduced, as there are fewer workers to spend their wages in the local communities in the vicinity of the projects.

There are also important environmental issues that need to be pointed out. Besides the environmental aspects of the production of the vast amounts of energy that is required to manufacture aluminium, Soderbaum and Taylor (2001) argue that Mozal consumes nearly 40 per cent of the Maputo region's total water resources and also posing a threat to the ecological security, by discharging much of this water without adequately rinsing it for pollutants. These types of environmental damages are difficult to assess in terms of their absolute social costs for society as a whole and have typically been easy to large corporations to avoid in developing countries. To deal with such issues in an adequate manner, governments need to develop the necessary capabilities of both monitoring and implementing appropriate legislation to ensure that the cost are taken by the perpetrators.

By looking at the small impact that the MDC has had on human development in Mozambique one could argue that this development strategy has failed. Yet, by regarding the different social forces that have been involved in the forming of the strategy and the outcomes it seems more relevant to ask 'for whom is the MDC

failing, and how'. One element that one can draw from the evaluation of the impact of the social forces is that the economic and political elite in South Africa have promoted a regional development model based on a neoliberal approach with large scale private investment and a minimal degree of state involvement. While this study has shown that this has strengthened the control over production by big business in both South African and Mozambique, the lower social classes seem to only have been further marginalised.

4.5 Potential for structural change

The final part of this study will examine the potential for structural change in Mozambique. Earlier in the chapter I argued that the ruling authority in Mozambique did not assume power through a passive revolution and have not enjoyed hegemonic capacity, Frelimo has been able to navigate around an organic crisis without turning to repressive means. In these final paragraphs I will further describe how external forces play an important role in supporting the historic structures in Mozambique and maintaining the status quo. On the basis of this description I will evaluate potential rival groups that could challenge the current configuration of social forces and thus promote change.

As was described in Chapter 2, Gramsci (Cox, 1983) used the example of the Bolshevik Revolution to explain how an attack on the state by a war on movement would have failed if the civil society of the ruling party would have been more highly developed. Similarly, with the lack of hegemonic capacity in Mozambique, it would be reasonable to believe that the state would depend on using recessive authority to maintain power. Abrahamsson (2003) argues, however, that the organic crisis in Mozambique has been avoided because of the heavy intervention of the international society, where aid has provided the emerging national bourgeoisie with the possibilities for individual achievement. This argument follows from the assumption that the individuals that potentially could enter a war of position with the government have personal incentives in maintaining the status quo with weak market forces and inefficient allocation forces. This argument supports Pitchers (2003) description of powerful individuals in the government gaining power in the privatization process of previously state owned companies.

One of the leading foreign scholars on Mozambique, Joseph Hanlon, argues that the donor community is prepared to tolerate quite blatant corruption as long as Frelimo is willing to rapidly pursue 'market-friendly' policy changes (Hanlon, 2004). He uses the example of the BWIs strong support for the highly corrupt process of privatising the banking sector, where leading figures in Frelimo acquired personal control over the banking sector. Furthermore, Hanlon describes how major donor countries have ignored the corruption problem, and turned their backs on the honest bankers, journalists, prosecutors and civil society by arguing that 'investigating and prosecuting corruption requires resources that Mozambique cannot afford' (2004:760).

Going further than ignoring corruption in Mozambique, Castel-Branco (forthcoming) contends that the involvement of the donor community has strengthened the ruling government by creating a situation where it is heavily dependent on aid to provide basic services. He explains that the Mozambican government can shift the blame of reform by ensuring that those resisting the reform understand that the reform package is imposed by donors and that the policy space for initiative and institutional innovation is small. In this way the ruling elite, in cooperation with the international donor community, creates a situation that takes away the agency of the government and entrenches the sentiment that "there is no alternative".

So where does this leave us in terms of accounting for change? There are deep-rooted grievances among the population over the lack of change and development, which suddenly became apparent with the food and fuel crisis in 2009, when violent protests and riots took place in several places in the country. The government answered these protests by showing its willingness to use force, killing several protesters (M&G, 10 July 2009). Relying on material capabilities to maintain the current structure could further deteriorate the consent among both domestic and external forces. With the financial crisis gradually spreading around to the developing countries, it is likely to put further pressure on the poor, thus raising the demand for the delivery of vital services. A failure by the government to convince its external partners and the lower social forces domestically that it is working to their benefit might produce conducive conditions for the development of rival historic

blocs. Furthermore, the current crisis has large implications for the distribution of finance, which could change to production relations in Mozambique, thus change the configuration of forces in the current structure.

The potential for structural change will ultimately largely depend on the different social forces' ability to create a new historic bloc. One way this could happen is through a strengthening of civil society and their capacity of creating new communal images that shape production relations and thus the power structure in Mozambique. Today this capacity is highly limited and the report *Index of Civil Society in Mozambique 2007* finds that the development of civil society is limited because it is highly complicated to register organisations and that the legal framework makes it difficult to run such organisations. An alternative source of rival communal images could develop from civil society outside Mozambique. One example of such an influence is the Centre for Civil Society in Durban, who is in frequent contact with various Mozambican counterparts. The changes in leadership within the ANC could affect such interregional relations, but it is still too early to tell.

4.6 Conclusion

This chapter has attempted to explain the ways in which the form of state in Mozambique has changed as related to changes in social forces and how these forces have played a role in shaping the Mozambican development strategy. The main argument has been that the leading figures in Frelimo, that assumed power over production relations after independence, were quickly integrated into the transnational hegemonic class and adopted policies consistent with the Washington Consensus. Although this was initially explained through describing the relationship between the leading figures in Frelimo and the Bretton Woods Institutions in Washington D.C., it was argued that the political changes in South Africa had a big impact on the regional dynamics. More precisely, it was contended that the South African economic elite, the ANC and the Government of Mozambique collaborated closely in developing a regional development strategy, which was largely based the achievement of high growth through investment led mega-projects. This strategy, however, was described to have limited effects for the human development prospects of a large proportion of the Mozambican population. The last section of

the chapter examined the historical structure that the current state rests upon and evaluated the potential for structural change in Mozambique. Although it explained that current historic bloc seems stable, it was argued that financial crisis could have major implications for the development of rival social forces in the region.

In the concluding chapter I will discuss the implications of this case study, both with regards to the usefulness of CCT as a theoretical framework in this context and in terms of what recommendation can be drawn to achieve structural change and improve Mozambique's chances of achieving the Millennium Development Goals.

Chapter 5

Conclusion

The essence of this study has been about structural change and how it is affected by competing social forces. Based on the assumption that the theoretical framework used in analysing a social context has implications for how one assesses this context, I have attempted to understand how the Mozambican development policy has been shaped by different social actors. The main argument has been that the hegemonic neoliberalist ideology has been perpetuated in Mozambique by external social forces and has become the mainstay of the development approach in the country. By acknowledging that theory is used by different social groups for various purposes, I have tried to depart from the common assumption of considering the Mozambican development example as a success, and rather ask 'for whom it has been a success'.

The objective of this study has been twofold. First, I argued that IPE theory has largely neglected the African context and that this has resulted in the underdevelopment of tools available to analysts. Furthermore I argued this lack of attention has led to a lack of understanding of African relations and thus to bad decisions on how to deal with security issues and development challenges. My first objective was therefore to find a theoretical framework that allowed for different points of entry so that it could be used in an African context. I then wanted to apply this theoretical framework to the analysis of the Mozambican development strategy to be better able to evaluate its strengths and weaknesses with the hope of improving this framework and thus contributing to improving the understanding of African IPE. My second objective was to use this newly gained insight into the Mozambican development strategy to assess how this strategy has been formed and whether there are any alternatives to the current situation.

To attain these objectives I structured the study in three parts. In Chapter 2 I attempted to find a suitable theoretical framework and argued that CCT contained many of the elements that more traditional schools of IPE lack to understand the

African context. The initial part of the study was used to describe the different elements of CCT and its implications for this text. In the following chapter I evaluated how this framework had been applied by various scholars (Cox, 1987; Abrahamsson, 1997; Taylor, 2001; Leysens, 2002) on a world order, regional and domestic level. Through this evaluation I wanted to get an understanding for some of the strengths and weaknesses of the application of CCT. Finally, in Chapter 4 I attempted to apply the theoretical framework to understand how social forces at different levels of society influence development policy in Mozambique.

5.1 Main Findings

In the evaluation of IPE theories that are suitable for analysing African state/society complexes, I found that some of the criticism against traditional schools of IPE fell short of addressing the underlying problems. More precisely I argued that the critique presented in Dunn and Shaw's (2001) volume was directed at adjusting concepts that are central to the neorealist schools of thought, rather than questioning fundamental ontological and epistemological problems. Furthermore I argued that CCT addresses these problems through questioning the role of theory itself and the nature of the entities that included in the analysis. There are two important implications from these arguments. Firstly one needs to take into account how theory itself is used to maintain a particular social order and cannot be seen as being a description of an objective "truth". Perhaps of even more significance for this study is that one can move away from analysing the "state" as a single actor and rather understand how a structure continuously changes through exposure to social forces at different levels in society.

From this point of departure I explained the way CCT regards production, power and world order to be closely related and interlinked. More precisely how production enables the formation of historical structures, in which certain individuals gain power, in turn affecting the composition of the world order. This relationship is not unilinear and can work the other way as well. Inspired by a Gramscian notion of hegemony, I described how CCT explained the rise of strong powers in the world order based on consent by the subordinate groups is central, thus making the use of force to maintain the order minimal. Furthermore, I explained that such a world

order consists of different spheres of human activities, Cox emphasises three important spheres: social forces (related to production), forms of state and world orders. When analysing relations in Africa I suggested that the inclusion of a regional sphere in the analysis could prove relevant to the analysis.

At the end of the second chapter I included an evaluation of middle power theory. Moving beyond characterising states as middle powers on the basis of their physical characteristics, it was described how middle powers can be defined according to their foreign policy behaviour, where they often seek to morally elevate their actions as being in the interest of the international community. Although this differs from the way Cox (1989) uses the term, I argued that such an approach is valuable to the extent that it is used by various social forces to influence the historic bloc. In Chapter 4 I described how the post-apartheid ANC formed foreign policy, morally elevating their objectives beyond national interests, to include the responsibility of the region as a whole. In this way, I argued, they gained international acknowledgement for their policies, and in this way affected the domestic communal images of an expansionist role of the state.

In the analysis of the implementation of CCT in Chapter 3 I found that Cox (1987) managed to describe the evolving nature of the world orders through combining a functionalist synchronic analysis with more historically based (diachronic) approach. In this way he is able to explain the transition from the liberal order, to the time of rival imperialisms, and finally to the neoliberal world order by illustrating how the forces that make up the historical structures produce and reproduce situations that are conducive to structural change. I put particular emphasis on Cox's description of how the neoliberal order was characterised by the internationalisation of production and the internationalising of the state. This description is important because it gave a logical explanation to how the different spheres in the world order interact, which becomes important in understanding the logic of the case study presented in Chapter 4.

In the analysis of how CCT has been applied in case studies linked to Africa I look at the strengths and weaknesses of applying the framework from different points of entry. From the evaluation of Abrahamsson's (1997) study I found that he gains

significant explanatory power by combining his analysis of the effect of the world order with an examination of the post-colonial power-structures in Mozambique. However, I argued that Abrahamsson could connect these two approaches even further and deepen his analysis of how they are influenced by each other. Another shortcoming in Abrahamsson's study that I pointed out was that his description of social forces is not sufficiently nuanced, particularly in relation to the hegemonic power. I found that Taylor (2001) addresses this issue to a larger extent in his description of the political transformation of post-apartheid South Africa. In this study he examines the how various social forces influence the economic policies of the ANC and its effects. I note, however, that Taylor does not explore the rival forces adequately and therefore fails to capture the full dynamics of the political complex situation in South Africa. I finally proceed to examine Leysens' (2002) text regarding the potential for revolt amongst the marginalised groups in Third World countries. I argued that his study provided useful insight to the social forces that are often considered to be an emancipatory class and underlines the importance of including a bottom up perspective in the analysis.

The findings generated by the analysis of these various studies were of importance to the structure of the case study presented in Chapter 4. First, I evaluated how the colonial period impacted on the form of state set up by Frelimo after independence. Similarly to Abrahamsson's (1997) study, I then proceeded to evaluate how Mozambique was influenced by external actors. In addition to considering the influence of the hegemonic power in the world order, I included a regional approach to the analysis, thus capturing the significant role that South Africa has played in the post-apartheid period. Inspired by Taylor (2003), I put emphasis on explaining how various social forces influenced the formation of a development approach in Mozambique and the consequences of this. I finally evaluated the potential for structural change in Mozambique. This evaluation included a bottom up approach, as advocated by Leysens (2002), in order to capture the perspective of marginalised groups.

This study brought me to a three main conclusions. Firstly, that Frelimo have failed to create a broad based consensus for its rule among different social forces in

Mozambique and that the historic bloc in Mozambique has been fragile. Secondly, that the economic elite in South Africa and the ANC collaborated with Frelimo in structuring the development strategy in Mozambique, and through this collaboration perpetuated values consistent with the hegemonic neoliberal consensus. Finally, that the historic structure in Mozambique is strengthened by the international community and that structural change is unlikely to take place without a stronger civil society.

5.2 Implications of the study and prospects for further research

The objectives of this study were highly ambitious: to improve the IPE framework to better capture social relations in the African context, and to contribute to improve the understanding of the historic bloc in Mozambique, in order to be better positioned to evaluate alternatives. So to what extent have the findings generated by the various chapters addressed the objectives of the study? With regards to improving the IPE framework, I believe that the main contribution of this study has been to evaluate how CCT has been applied in Africa, thus being able to draw conclusions regarding the strengths and weaknesses of this theory. I would argue that CCT answers some of the shortcomings of neorealist and neoliberalist schools of IPE by providing a reasoning that focuses on how production enables both domestic and external forces to influence the social order rather than relying on a state centric that argument. CCT also provides an explanation of how structures change, and provide understanding of alternative structures in Africa.

I would argue that the most important finding in this study is that the logic that Cox provides through his theoretical framework remains valid in the African context. What more, I would argue that his theories are highly compatible with other social theories and that it is possible to create synergies by combining them. One example would be to use include Tashfeld's understanding of social psychology to improve the understanding of how a group identity is formed and how it affects the decision of the individuals in it. There are also a number of interesting post-colonial studies that have captured important aspects of relations in Africa. Three important scholars have been briefly mentioned in this text, Chabal, Hydén and Mamdani, but a further exploration of how to use these theories together could prove fruitful.

When elevating the achievement of improving the objective of understanding of alternatives to the current development strategy in Mozambique, the case study in Chapter 4 has provided some findings. Although the scope of this study is too limited to generate conclusive evidence, the case study indicated first, that the involvement of external social forces have contributed to maintaining the current social order in Mozambique, and second, that rival forces are unlikely to pose a challenge to the historic bloc. The importance of these findings, however, is that they illustrate the importance of a theoretical perspective analysis and that they create a starting point for further and more comprehensive research.

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