

The New Partnership for Africa's Development: An Annotated Critique

The following pages include the original October 2001 text of the *New Partnership for Africa's Development*, accompanied by detailed footnotes analysing the document.

The final draft of the footnotes was compiled in May 2002 by critical intellectuals associated with the Alternative Information and Development Centre. The critique is heavily focused on South Africa in part because of the experiences and research backgrounds of the contributors. This is not an unnecessary intervention, for we *mainly* seek to inform other progressives in the rest of Africa, and across the world, about contradictions, controversies and hypocrisies associated with South Africa, *Nepad's* host (secretariat) country and catalyst. Because Pretoria politicians and Johannesburg capitalists will be the main African beneficiaries of *Nepad*, the phrase "subimperialism" is being increasingly applied to South African initiatives on the continent.¹

Nevertheless, what must be acknowledged immediately is that the freedom to write far-reaching commentaries of this sort reflects the strength of South Africa's democratic constitutional form, the still-fluid power relations in the society and the openness to democratic debate within the ANC-Cosatu-SACP "Alliance." This freedom we do not take for granted, and hence our exercise of robust criticism is a celebration of the space that exists to--in our view--continue speaking truth to power.

Three minor methodological points must be made at the outset. Firstly, *Nepad* is repetitive, and hence necessarily so must this annotated critique

¹ For example, an article in the business section of South Africa's (pro-*Nepad*) *Sunday Independent* (5 May 2002) even openly asked "Should South Africa be stopped or cooperated with? This is the debate raging in Kenya and other African countries as fears mount that South Africa may take control of the continent's business."

repeatedly dwell on core problems. Secondly, there were very minor editing changes made between October 2001 and the present version of *Nepad* (<http://www.nepad.org>), which mean that there are slight inconsistencies in numbering following paragraph 87. Thirdly, while *Nepad* is a relatively short document that does not seek to provide details in all its areas, we believe that it is already time to assess the *logic* of the document and extrapolate the likely detailed strategies from South Africa's own experience. In some ways, this is a best-case experience, given the relative wealth, resources, social mobilisation and international support the government has enjoyed since 1994.

Finally and most importantly, although the authors agree that top-down improvements in Africa's dire situation are welcome, this critique takes the viewpoint that *genuine solutions to the major problems affecting Africa will really only come from the bottom up*. It is for that reason that aside from citing a variety of popular statements of African developmental aspirations--including South Africa's own 1955 *Freedom Charter* and 1994 *Reconstruction and Development Programme*--we have not made any presumptuous attempt to lay out "the alternative" to *Nepad*.

The progressive alternative will come, as did the *Charter* and *RDP*, from the concrete social struggles of the organised popular forces, and from their eventual collection of campaigns and demands into a robust "African People's Consensus" (as the process has been termed in various continental meetings) and then a formal development strategy and programmes. That process is still unfolding, unless it is to be distracted by the *Nepad*.

*The New Partnership for Africa's Development*²

I. INTRODUCTION

1. This *New Partnership for Africa's Development* is a pledge by African leaders,³ based on a common vision and a firm and shared conviction, that they have a pressing duty to eradicate poverty and to place their countries, both individually and collectively, on a path of sustainable growth and development, and at the same time to participate actively in the world economy and body politic. The Programme is anchored on the

² *Nepad: An Annotated Critique*

³ In the formulation of *Nepad*, the word "leaders" refers exclusively to heads of state. Three men were most responsible for the document during 2000-01: Thabo Mbeki of South Africa (the catalyst), Abdelaziz Bouteflika of Algeria and Olusegun Obasanjo of Nigeria. The three leaders' governments have faced intense criticism for violating the human rights of their citizenries on a large scale, on the basis of what was sometimes described as a "genocidal" HIV/Aids policy (South Africa) and of rampant civil/military/religious oppression (Algeria and Nigeria).

To illustrate, in January 2002, Nigerian police teargassed a non-violent demonstration of workers protesting fuel price increases, and then arrested the president, two vice presidents and national auditor of the Nigeria Labour Congress (NLC), the presidents of the bank and public service unions and of the academic staff union of the universities, the chair and treasurer of the NLC's capital territory council and secretary of the NLC's state councils of Ogun, and the acting general secretary of the textile union.

During the formulation of *Nepad*, no civil society, church, political-party, parliamentary, or other potentially democratic or progressive forces were consulted by Pretoria. In contrast, extensive consultations occurred with the World Bank and IMF (November 2000 and February 2001), transnational corporations and associated government leaders (at Davos in January 2001), the G-8 (in Tokyo in July 2000 and Genoa in July 2001), the European Union (November 2001) and individual Northern heads of state. Only in April 2002 was the first major civil society consultation held, with the Congress of South African Trade Unions (Cosatu).

determination of Africans to extricate themselves and the continent from the malaise of underdevelopment and exclusion in a globalising world.⁴

2. The poverty and backwardness of Africa stand in stark contrast to the prosperity of the developed world. The continued marginalisation of Africa from the globalisation process and the social exclusion of the vast majority of its peoples constitute a serious threat to global stability.⁵
3. Historically accession to the institutions of the international community, the credit and aid binomial has underlined the logic of African development. Credit has led to the debt deadlock, which, from installments to rescheduling, still exists and hinders the growth of African countries. The limits of this option have been reached. Concerning the other element of the binomial – aid – we can also note the reduction of private aid and the upper limit of public aid, which is below the target set in the 1970s.⁶

⁴ The aspirations expressed are necessary, but the onus is placed immediately on Africa, even though it appears virtually impossible to fulfill conditions of "sustainable development" and good governance under the conditions of the current global regime. *Nepad* begins by framing the problems using phrases such as "exclusion" and "a globalising world"--instead of the critical language traditionally used by progressive African analysts, e.g., "neocolonialism" and "imperialism." And where at the outset a tough phrase does emerge--"eradicate poverty"--it is often supplanted later in *Nepad* with the mandate to merely "reduce" poverty.

⁵ The automatic presumption is that the "poverty" and "backwardness" of Africa are as a result of "exclusion" and "marginalisation" from "globalisation." A different presumption, not even considered, is that mass poverty is an intrinsic feature of globalisation, generated within the logic of the system, much as it was a corollary of apartheid in South Africa. Indeed, the presumption that globalisation correlates to growing poverty and inequality is now widely acknowledged as an entirely valid argument, given that the most profound, rapid cases of impoverishment (e.g. Argentina at present) occur because of excessive vulnerability and dependency upon global financial, trade and direct-investment markets.

⁶ Although convoluted, the argument is correct. The ambivalence of the *Nepad* critique of imperialist economic relations is here evident. But the implication of "the limits of this option" is, amongst progressives, to call for debt

4. In Africa, 340 million people, or half the population, live on less than US \$1 per day. The mortality rate of children under 5 years of age is 140 per 1000, and life expectancy at birth is only 54 years. Only 58 per cent of the population have access to safe water. The rate of illiteracy for people over 15 is 41 per cent. There are only 18 mainline telephones per 1000 people in Africa, compared with 146 for the world as a whole and 567 for high-income countries.
5. The *New Partnership for Africa's Development* calls for the reversal of this abnormal situation by changing the relationship that underpins it. Africans are appealing neither for the further entrenchment of dependency through aid, nor for marginal concessions.⁷
6. We are convinced that an historic opportunity presents itself to end the scourge of underdevelopment that afflicts Africa. The resources, including capital, technology and human skills, that are required to launch a global war on poverty and underdevelopment exist in abundance, and are within our reach.⁸ What is required to mobilise these resources and to

cancellation, repudiation, a debtor's cartel, and reparations. The problem, in short, is not (as *Nepad* has it) the *lack* of credit and aid. Official aid comes with neoliberal strings attached, often has a corrupting and wasteful impact, and mainly trickles back up to the country of origin, in the form of tied purchases of goods and services by home-country multinational corporations. As a result, progressive African civil society groups within the Harare-based African Debt and Development Network have been calling for aid to be canceled, along with the debt.

⁷ This is a radical statement. Its logic, however, is immediately forgotten.

⁸ This has been true, objectively, for around a century. There is no analysis in *Nepad* of why the contemporary period offers the best opportunity. On the contrary, given the prevailing power relations and the West's lack of interest in what *The Economist* recently labelled "the hopeless continent," the opposite is true. Until prevailing international power relations are changed, this may be the least hopeful conjuncture in which to propose partnership. However, were genuine African leadership in greater supply, it would be the most hopeful conjuncture to break the most exploitative international debt, trade and investment relationships that actively underdevelop Africa.

use them properly, is bold and imaginative leadership that is genuinely committed to a sustained human development effort and poverty eradication, as well as a new global partnership based on shared responsibility and mutual interest.⁹

7. Across the continent, Africans declare that we will no longer allow ourselves to be conditioned by circumstance. We will determine our own destiny and call on the rest of the world to complement our efforts. There are already signs of progress and hope. Democratic regimes that are committed to the protection of human rights, people-centred development and market-oriented economies are on the increase.¹⁰ African peoples have begun to demonstrate their refusal to accept poor economic and political leadership.¹¹ These developments are, however,

⁹ If "leadership" is the missing ingredient, *Nepad* should have a great deal to say about what caused the demise of strong African leaders during the era of independence struggles (1950s-80s). The topic is immediately dropped, unfortunately. But suffice to say, had the early stages of mid/late-20th century globalisation not been so effective--i.e., if colonial and apartheid prisons had not been so full of great men and women, coups not so easily arranged by Cold Warriors, and US government assassination lists not so ambitious--genuine African leaders would have been in greater supply.

¹⁰ It is sophistry--characteristic of *Nepad*--to imply, presumptively, that "protection of human rights, people-centred development and market-oriented economies" are mutually compatible, when evidence suggests that the latter venture typically trumps and eradicates the two former.

Interestingly, even the Nigerian government recognised this when Obasanjo's office issued a statement in March 2002 breaking with the market-oriented economics of the International Monetary Fund. The rationale was that Nigeria "values the benefits of political stability, democratic consolidation, credibility and accountability. It does not wish, therefore, to continue with arrangements where only narrowly defined macroeconomic targets come into play" (Agence France Press, 5 March 2002).

¹¹ The period of "IMF Riots" against literally dozens of corrupt, *comprador* African regimes began, in fact, in the early 1980s. In many cases, these immediately led to a change in regime, or catalysed a process by which democratic civil society and opposition parties took centre stage in African politics for the first time. In most cases, the IMF Riots were caused by the old

uneven and inadequate and need to be further expedited.

8. The *New Partnership for Africa's Development* is about consolidating and accelerating these gains.¹² It is a call for a new relationship of partnership between Africa and the international community, especially the highly industrialised countries, to overcome the development chasm that has widened over centuries of unequal relations.

II. AFRICA IN TODAY'S WORLD: BETWEEN POVERTY AND PROSPERITY

9. Africa's place in the global community is defined by the fact that the continent is an indispensable resource base that has served all humanity for so many centuries.¹³
10. These resources can be broken down into the following components:
 - The rich complex of mineral, oil and gas deposits, its flora and fauna, and its wide unspoiled natural habitat, which provide the basis for mining, agriculture, tourism and industrial development (Component I);
 - The ecological lung provided by the continent's rain forests, and the minimal presence of emissions and effluents that are harmful to the environment – a global public good that benefits all humankind (Component II);
 - The paleontological and archaeological sites containing evidence of the

regimes' implementation of IMF and World Bank policies. Later, we will see, *Nepad* calls for the present generation of African leaders to implement virtually identical IMF and World Bank policies. A new generation of IMF Riots can be safely predicted.

¹² In fact, the rise of democratic regimes in Africa was at its most rapid during the early 1990s. But then dramatic slippage occurred as more sophisticated modes of ruling-party endurance, repression and divide/rule strategies emerged in key 1990s sites of struggle such as Kenya, Namibia, Zambia and Zimbabwe.

¹³ This is a depressingly narrow perspective on how Africa serves humanity: merely as "resource base." Is Africa "indispensable"? Most of *Nepad* is devoted to explaining that Africa is "marginalised," not indispensable.

evolution of the earth, life and the human species. The natural habitats containing a wide variety of flora and fauna, unique animal species and the open uninhabited spaces that are a feature of the continent (Component III);

- The richness of Africa's culture and its contribution to the variety of the cultures of the global community (Component IV).¹⁴

11. The first of these, *Component I*, is the one with which the world is most familiar. The second, *Component II*, has only come to the fore recently, as humanity came to understand the critical importance of the issue of the environment. The third, *Component III*, is also now coming into its own, emerging as a matter of concern not only to a narrow field of science or of interest only to museums and their curators. The fourth of these, *Component IV*, represents the creativity of African people, which in many important ways remains under-exploited and under-developed.
12. Africa has a very important role to play with regard to the critical issue of the protection of the environment. African resources include rain forests, the virtually carbon dioxide-free atmosphere above the continent and the minimal presence of toxic effluents in the rivers and soils that interact with the Atlantic and Indian Oceans and the Mediterranean and Red Seas. The *New Partnership for Africa's Development* will contain a strategy for nurturing these resources and using them for the development of the African continent, while at the same time preserving them for all humanity.¹⁵

¹⁴ This is a poetic list, but the phraseology appears as a cry for Africa to be increasingly *exploited* by the rest of the world. Moreover, the main experiences of Africa's resistance to exploitation are ignored: the anti-slavery, nationalist, revolutionary, anti-apartheid and anti-neoliberal movements over the past two centuries.

¹⁵ At this point in the document, it would show integrity to concede that the country with the worst levels of greenhouse gas emissions per person, corrected for income levels, is South Africa. As discussed below, under the neoliberal macroeconomic policy that promotes foreign investment in minerals beneficiation, this problem has become worse since the demise of apartheid.

13. It is obvious that, unless the communities in the vicinity of the tropical forests are given alternative means of earning a living, they will cooperate in the destruction of the forests.¹⁶ As the preservation of these environmental assets is in the interests of humanity, it is imperative that Africa be placed on a development path that does not put them in danger.
14. Modern science recognises Africa as the cradle of humankind. As part of the process of reconstructing the identity and self-confidence of the peoples of Africa, it is necessary that this contribution to human existence be understood and valued by Africans themselves.¹⁷ Africa's status as the birthplace of humanity should be cherished by the whole world as the origin of all its peoples. Accordingly, the *New Partnership for Africa's Development* must preserve this common heritage and use it to build a universal understanding of the historic need to end the underdevelopment and marginalisation of the continent.
15. Africa also has a major role to play in maintaining the strong link between human beings and the natural world. Technological developments tend to emphasise the role of human beings as a factor of production, competing for their place in the production process with their contemporary or future tools. The open uninhabited spaces, the flora and fauna, and the diverse animal species that are unique to Africa offer

¹⁶ Here would be an opportunity to target the transnational corporations and banks involved in rainforest destruction (<http://www.ran.org>) but *Nepad* fails to do so.

¹⁷ *Nepad* here establishes a psychological auto-critique of the deconstruction of the organic "identity and self-confidence" of many Africans--a problem which can be traced in large part to the penetration of cheap, tacky Western culture associated with globalisation.

Tragically, important paleontological sites in Ethiopia, Kenya and even South Africa are not given sufficient resources and protection, nor is pre-colonial history sufficiently researched and promoted across Africa. Aside from structural adjustment programmes which have cut research, teaching and scientific budgets, the ideology of modernisation--which pervades *Nepad*--is also to blame.

an opportunity for humanity to maintain its link with nature.¹⁸

16. Africa has already made a significant contribution to world culture through literature, music, visual arts and other cultural forms, but her real potential remains untapped because of her limited integration into the global economy.¹⁹ The *New Partnership for Africa's Development* will enable Africa to increase her contribution to science, culture and technology.

17. In this new millennium, when humanity is searching for a new way to build a better world, it is critical that we bring to bear the combination of these attributes and the forces of human will to place the continent on a pedestal of equal partnership in advancing human civilisation.²⁰

¹⁸ What should also be admitted here, were *Nepad* to do an honest inventory of Africa's problems, is that the manner in which this occurs under present circumstances of globalisation is via: the commodification of nature, "biopiracy," eco-tourism generally limited to the very wealthy, big-game hunting, and the displacement of people and farmworkers (as capital-intensive commercial agricultural is intensified and as agricultural areas are converted to game-farming).

South Africa has been the most notorious site of these problems in recent years. To make matters worse, during the 1990s, both apartheid-era and post-apartheid authorities together lobbied against the CITES convention provisions that protected the elephant herds of Kenya, Tanzania and other African countries from ivory-seeking poachers.

¹⁹ A frank assessment of why Africa's cultural heritage is undeveloped would stress the opposite: the swamping of African culture by cheap imports associated with globalisation, along with the Bretton Woods Institutions' single-minded focus on African export-led growth through structural adjustment over the past two decades. Structural adjustment entailed debilitating state subsidy budgets for arts and culture, with the exception of very minor programmes to promote a few commodifiable cultural industries for tourists and international curio shops.

The South African government's own budget cuts in these areas, and failure to undo the damage that apartheid did to the historical record of indigenous culture, are exemplars of the problem.

²⁰ To strive for an "equal" international partnership requires, first and foremost, an analysis of power relations and how to change them, which is

- **The historical impoverishment of a continent**

18. The impoverishment of the African continent was accentuated primarily by the legacy of colonialism, the Cold War, the workings of the international economic system and the inadequacies of and shortcomings in the policies pursued by many countries in the post-independence era.²¹
19. For centuries, Africa has been integrated into the world economy mainly as a supplier of cheap labour and raw materials. Of necessity, this has meant the draining of Africa's resources rather than their use for the continent's development. The drive in that period to use the minerals and raw

what *Nepad* most studiously avoids.

For the sake of appeasing a post-war British public which was growing queasy about colonialism, "Partnership" was also the name of the idea for slightly-adjusted race-relations promoted by the leader of settler-colonial Zimbabwe during most of the 20th century, Lord Godfrey Huggins. Huggins explained to his white Rhodesian constituents that he meant the "partnership between the rider and the horse."

Likewise, the idea of partnership is unveiled in South Africa where the ANC government regularly comments on its good relations with its "social partners," big business and labour. In reality, labour is up in arms about neoliberal policies, while the biggest businesses have deserted South Africa, in order to establish their financial headquarters in London, where they drain profits and dividends, which in turn was the main cause of the rand crashing at an unprecedented rate during 2000-01.

²¹ Because this list says everything, it says nothing. Because blame is not explicitly attributed, the opportunity to make a case for reparations--as was done by many African government delegates and civil society activists at the UN World Conference Against Racism hosted by South Africa in September 2001--is missed.

Notably, Pretoria actively opposed Africa's attempts in these regards, and tried to suppress discussion of reparations. There were both ideological (*comprador*) and pragmatic reasons, as the South African government attempted unsuccessfully to prevent the low-level US delegation's walk-out, and succeeded in appeasing the European Union, in search of a much more moderate official statement against colonialism.

materials to develop manufacturing industries and a highly skilled labour force to sustain growth and development was lost.²² Thus, Africa remains the poorest continent despite being one of the most richly endowed regions of the world.

20. In other countries and on other continents, the reverse was the case. There was an infusion of wealth in the form of investments, which created larger volumes of wealth through the export of value-added products. It is time that African resources are harnessed to create wealth for the well-being of her peoples.
21. Colonialism subverted hitherto traditional structures, institutions and values or made them subservient to the economic and political needs of the imperial powers. It also retarded the development of an entrepreneurial class, as well as a middle class with skills and managerial capacity.²³

²² "This period" extends to the present time. Africa's industrialisation had increased dramatically in several parts of the continent during the deglobalisation period of the 1930s and elsewhere during the inward-oriented post-Independence years of the 1960s-70s. The structural adjustment era rolled back this progress.

Virtually all World Bank and IMF dictates during this era have included demands that African countries cut budgets; increase users fees for state services; privatise state enterprises (including even municipal services); lift price controls, subsidies and any other distortions of market forces; remove currency controls; devalue the currency; impose higher interest rates; deregulate local finance; remove import barriers such as trade tariffs and quotas; lower the social wage and funding for education/skills-training programmes; and promote the export of raw materials to increasingly-glutted world markets.

Perhaps the most notorious recent example was in Mozambique during the late 1990s, when the country's single largest industry, cashew nut processing, was destroyed by World Bank dictates, via debt-relief conditionality (privatisation plus liberalisation plus retraction of a 10% export tax on raw cashews). *Nepad* endorses more of the same, via HIPC and the Paris Club debt workout process.

²³ Colonialism also destroyed social structures and settler-colonialism deliberately drove Africans from their land so as to set up migrant labour-

22. At independence, virtually all the new states were characterised by a shortage of skilled professionals and a weak capitalist class, resulting in a weakening of the accumulation process.²⁴ Post-colonial Africa inherited

sourcing systems that particularly required the superexploitation of women. (Women had the roles, during male migrancy, of child-rearing, nursing sick workers and looking after pensioners, which in normal capitalist societies the state and employers would have subsidised--but African women were forced to provide these services on their own, so that once the usefulness of male workers ended, they were tossed back to "native reserves.")

Again, were it not for the *Nepad* authors' ideological opposition, a demand for reparations would be logical here. The "middle-class" that colonialism promoted, it should be mentioned, was characterised by *compradorism* (as Frantz Fanon brilliantly analysed): a subservient group of local Africans who served the interests of colonial *and* neocolonial exploitation, in part by refusing to speak truth to Western power--as also characterises *Nepad*.

²⁴ The use of phrases such as "capitalist class" should not disguise *Nepad's* profound conservatism. Contributing to the lack of skilled labour and an organic capitalist class was the inherited structure of the capitalist component of African economies, which was towards raw materials extraction whose marketing on international markets was mediated by international oligopolistic cartels of large transnational corporations. They, in turn, extracted far greater profits from the insertion of African economies into the world economy in this manner, than did Africans. It was in the interests of these firms and Western consumers that this system continue, and that it be labeled "globalisation" and made to seem inevitable. The destruction of skilled workforces, deindustrialisation of protected industries, denuding of national industrial policy, privatisation of major state-owned industry (often leading to their total demise), and defunding of the social wage were all universal characteristics of structural adjustment programmes imposed by the World Bank and IMF. The logical implication is to resist these programmes and demand the end of interference by the Bretton Woods Institutions.

The key economic problem at the point apartheid was defeated in South Africa, incidentally, is not "a weak capitalist class, resulting in a weakening of the accumulation process" but the opposite: a strong capitalist class which demanded austerity policies and liberalisation, so that its own narrow process of capital accumulation could be enhanced. (A weaker capitalist class during South Africa's transition to democracy would have been

weak states and dysfunctional economies that were further aggravated by poor leadership, corruption and bad governance in many countries.²⁵ These two factors, together with the divisions caused by the Cold War, hampered the development of accountable governments across the continent.

23. Many African governments did not empower their peoples to embark on development initiatives to realise their creative potential.²⁶ Today, the

most welcome, from the standpoint of social change and the redistribution of apartheid wealth.) This accumulation process has been most notable in two areas that have caused profound harm to the South African economy: financial profiteering/speculation, and the flight of funds to London and offshore banking centres. The post-apartheid government acquiesced to virtually all the wishes of that capitalist class: dramatically lower corporate taxes (from 48% in 1994 to 30% by 1999); much less onerous exchange controls; lower import tariffs; the demutualisation of the major insurers; permission to relist the largest companies in London; and no state resistance to the loss of more than a million formal-sector jobs.

²⁵ The phenomenon of neocolonialism, as critiqued by many great African intellectuals and leaders, deserves more comment. The near-universality of the experience in Africa, and in many other Third World settings, was functional to an earlier epoch of globalisation, as well as to geopolitical arrangements associated with formal decolonisation and the Cold War.

But the problems continue today, as witnessed in South Africa. The functionality of African corruption and malgovernance to the international capitalist system, was shown when Daimler-Chrysler arms-dealers allegedly bribed the second-ranking ANC official in parliament, Tony Yengeni, and when the then defense minister, Joe Modise, directly promoted an inexplicable \$6 billion arms acquisition deal which benefited a company in which he was involved.

As discussed below, there are rare efforts to address these problems--such as that by Lesotho to prosecute the beneficiary of bribes extended by some of the largest companies in South Africa (e.g., Anglo American Corporation) and Sweden (ABB)--which *Nepad* should celebrate, were the ongoing character of bribery and corruption in Africa not so embarrassing.

²⁶ The coy phrases "bad governance" and "failure to empower their peoples" cannot substitute for the harsh reality of African state repression under

conditions of worsening economic stress since Independence. Were *Nepad* honest, it would expose the propensity of African nationalist regimes--often propped up by the West, including during the 1990s--to murder, torture or otherwise oppress their political opponents, especially those promoting human rights and social justice.

The Zimbabwe African National Union is only the latest case of tyrannical repression of a labour-based opposition. Once Harare began implementing a standard structural adjustment programme in 1991, which failed immediately leading to protests by trade unions, students and social movements, the West contributed to the repressive regime. The British and US governments engaged in extensive military cooperation with the Zimbabwe Defense Force. The World Bank labeled the structural adjustment programme "highly successful" (the highest possible mark) in its first (1995) evaluation, in spite of the plummeting living standards and deindustrialisation. More recently, after falling out of favour with the West when he redistributed land and defaulted on Zimbabwe's debt during the late 1990s, Robert Mugabe benefitted enormously from Pretoria's ideological and material support since the upsurge in violence began in February 2000.

Some South African labour and social-justice movements have succumbed to intimidation by the ANC government, in part because of recent ruling-party propaganda attacks on: the leaders of millions of anti-privatisation strikers (August-September 2001); thousands of community residents in Soweto suffering from unaffordable services (who were labeled "thugs and criminals" in December 2001); three top ANC leaders (based in business) who were alleged to have plans to overthrow Mbeki (May 2001); and leading opponents of government HIV/Aids policies, who during 2000 were labeled by Pretoria (according to newspaper reports) as agents of pharmaceutical corporations and even of the CIA. Those Aids policies, which follow logically from the "dissident" (or "denialist") philosophy that disputes a link between HIV and Aids, were described in March 2002 by the head of the Medical Research Council as "genocidal."

Although in April, a U-turn apparently occurred on the use of anti-retroviral drugs for prevention/treatment in cases of mother-to-child-transmission and rape, this was widely seen as a manifestation of western pressure, not a sincere change of opinion by Pretoria. Immediately beforehand, a bizarre 114-page Aids-denialist document (allegedly written by Mbeki himself though credited to his close ally Peter Mokaba) was officially circulated throughout the ANC, suggesting that South Africa's ruling party retains an ongoing, debilitating division on the issue that most profoundly

weak state remains a major constraint to sustainable development in a number of countries. Indeed, one of Africa's major challenges is to strengthen the capacity to govern and to develop long-term policies. At the same time, there is also the urgent need to implement far-reaching reforms and programmes in many African states.

24. The structural adjustment programmes of the 1980s provided only a partial solution. They promoted reforms that tended to remove serious price distortions, but gave inadequate attention to the provision of social services.²⁷ As a consequence, only a few countries managed to achieve

affects the society.

²⁷ One test of robust analysis is to pose the opposite premise, to determine whether the subsequent hypotheses are worth exploring:

- What if structural adjustment represented not "a partial solution" but instead, reflecting local and global power shifts, a profound defeat for genuine African nationalists, workers, peasants, women, children and the environment?
- What if the structural adjustment programmes of the 1980s-90s were the result not of independent Africans searching honestly for "solutions," but instead mainly reflected the dramatic shift in power relations at both global scale (where financial and commercial circuits of capital were in ascendance) and within individual African states, away from lobbies favouring somewhat pro-poor social policies and (at least half-hearted) industrial development, towards cliques whose strategies served the interests of acquisitive, overconsumptive local elites, Washington financiers, and transnational corporations?
- What if "promoting reforms" really amounted to the IMF and World Bank imposing their one-size-fits-all neoliberal policies on desperately disempowered African societies, without any reference to democratic processes, resistance or diverse local conditions?
- What if the removal of "serious price distortions" really meant the repeal of exchange controls (hence allowing massive capital flight), subsidy cuts (hence pushing masses of people below the poverty line), and lowered import tariffs (hence generating massive deindustrialisation)?
- What if "inadequate attention to the provision of social services" in reality meant the opposite: excessive attention to applying neoliberalism not just to the macroeconomy, but also to health, education, water and other crucial state services? And what if the form of IMF/Bank attention

sustainable higher growth under these programmes.²⁸

25. Indeed, Africa's experience shows that the rate of accumulation in the postcolonial period has not been sufficient to rebuild societies in the wake of colonial underdevelopment, or to sustain improvement in the standard of living. This has had deleterious consequences on the political process and led to sustained patronage and corruption.²⁹
26. The net effect of these processes has been the entrenchment of a vicious cycle, in which economic decline, reduced capacity and poor governance reinforce each other, thus confirming Africa's peripheral and diminishing

included insistence upon greater cost recovery, higher user-fees, lower budgetary allocations, privatisation, and even the disconnection of supplies to those too poor to afford them, hence leading to the unnecessary deaths of millions of people?

- What if "inadequate attention to the provision of social services" is not anywhere correlated to the inability of countries to "achieve sustainable higher growth," but rather serves as a nice-sounding justification for "adjustment with a human face," as UNICEF coined the compromise that *Nepad* apparently seeks?

²⁸ Which countries? Botswana didn't undergo formal structural adjustment. The three main World Bank success stories of the 1980s-90s were Uganda, Ghana and Zimbabwe. All subsequently suffered major setbacks, especially the latter two, directly attributable to the distortions caused by reorientation of the economy away from people's needs, towards export-led growth which ultimately proved illusory.

South Africa adopted a home-grown structural adjustment programme in 1996, whose results were devastating to employment and the value of the currency, amongst other variables, as discussed below.

²⁹ The causality can be debated. In most African countries, the rate of profit for transnational corporate investment has been extremely high (in the 30% of equity range). It can be shown in case after case (perhaps most notably in the case of the Democratic Republic of the Congo) that a high rate of accumulation--not for the country, but for transnational corporations--*required* corruption and tyranny, so the looting would continue undisturbed by popular opposition.

role in the world economy. Thus, over the centuries, Africa has come become the marginalised continent.³⁰

27. The *New Partnership for Africa's Development* seeks to build on and celebrate the achievements of the past,³¹ as well as reflect on the lessons learned through painful experience, so as to establish a partnership that is both credible and capable of implementation. In doing so, the challenge is for the peoples and governments of Africa to understand that development is a process of empowerment and self-reliance. Accordingly, Africans must not be wards of benevolent guardians; rather they must be the architects of their own sustained upliftment.³²

● Africa and the global revolution

28. The world has entered the new millennium in the midst of an economic revolution.³³ This revolution could provide both the context and the

³⁰ The use of "marginalised" in this context is pernicious, for it makes it appear that the solution to Africa's problem is necessarily a more active embrace of globalisation--which in reality is the euphemism for the historical process (slavery-imperialism-colonialism-neocolonialism-neoliberalism) that is *most* responsible for the development of Africa's underdevelopment.

³¹ But none of these achievements--especially mass civil-society protests that threw off the yokes of slavery, colonialism and apartheid--are specifically mentioned in *Nepad*. Nor are the constructive, solidaristic suggestions made by an earlier generation of African nationalists in the *Lagos Plan of Action* mentioned, much less taken forward--on the contrary, *Nepad* celebrates the WTO, IMF, World Bank and transnational corporations.

³² This is, again, inspiring rhetoric. But *Nepad*, in reality, shuns "self-reliance" and the self-upliftment of the mass of Africans, as witnessed by the total lack of civil society consultation in the drafting of the document.

³³ Pretoria perpetually endorses technicist interpretations of international economics, including rhetoric about the info-communications "revolution." In reality, however, there are enormous problems of both sustainability and relevance associated with the alleged "New Economy" (a phrase that immediately went out of fashion with the massive dot.com crash of 2000). These include severe cutbacks in the sectors of the ICT industry most relevant

means for Africa's rejuvenation. While globalisation has increased the cost of Africa's ability to compete, we hold that the advantages of an effectively managed integration present the best prospects for future economic prosperity and poverty reduction.

29. The current economic revolution has, in part, been made possible by advances in information and communications technology (ICT), which have reduced the cost of and increased the speed of communications across the globe, abolishing pre-existing barriers of time and space, and affecting all areas of social and economic life.³⁴ It has made possible the integration of national systems of production and finance, and is reflected in an exponential growth in the scale of cross-border flows of goods, services and capital.³⁵

to mass expansion of services to low-income people. Moreover, the worsening digital divide in Africa allows elites and the middle classes to gain expensive access to cellphones and computers, distancing themselves further from the masses of the citizenry.

South Africa's own efforts to come to grips with ICT challenges are analysed below. They include the failure of the Universal Service Agency "telecentres," due to financial unaffordability, and the unsustainable expansion of unaffordable telephone lines (known as "churning") through the majority state-owned telecommunications monopoly, which has been dramatically reducing cross-subsidies.

³⁴ The effect of ICT on most Africans has been marginal on a day-to-day basis. However, the rapid rise of the sector over the past two decades has been central to the overall growth of international income inequality and distorted power relations associated with globalisation, which have had their mirror in Africa during the 1980s-90s in lowered standards of living for hundreds of millions of people, and more rapid environmental destruction.

³⁵ In reality, while there has been fairly rapid growth in world trade since the world recession of the early 1980s, the level of globalisation (measured by trade as a percentage of national output) is still in the range it was in 1913, long before the ICT revolution. More importantly, even prior to the dot.com crash and downturn in the world economy, global economic growth had already slowed dramatically during the two-decade period of the alleged economic revolution, compared to the prior two decades, and the lowest-income countries' economies were worst affected (<http://www.cepr.net>).

30. The integration of national systems of production has made it possible to “slice up the value chain” in many manufacturing and service-sector production processes.³⁶ At the same time, the enhanced mobility of capital means that borrowers, whether governments or private entities, must compete with each other for capital in global rather than national markets.³⁷ Both these processes have increased the costs to those countries that are unable to compete effectively.³⁸ To a large extent, these

³⁶ This is precisely the problem that Africa suffered during the era of colonial exploitation: being just a slice (raw materials) of a production process. The immediate post-colonial era at least included a few attempts at more balanced, self-reliant economic development, prior to their destruction due to structural adjustment policies imposed by the Bretton Woods Institutions.

³⁷ It is incorrect to argue that borrowers "must" search for capital in international markets. This is only true insofar as hard-currency resources are required. For most of the investment that is urgently needed in Africa, in basic water systems, roads, food security and the like, the hard-currency input is negligible and foreign capital is not required. Indeed, because of declining currencies, it is usually far more expensive to pay for African development projects using foreign loans, which must be repaid with increasingly-expensive foreign currency, hence requiring economies to shift increasingly to export-led growth rather than internally-balanced development. (The hard currency is then often squandered on wasteful luxury goods or used to repay illegitimate foreign debt.)

In the same vein, an enormous mistake was made by the South African government towards the end of the apartheid era, and amplified in the period 1998-2001, when Pretoria allowed the country's largest companies--Gencor/Billiton, Anglo American Corporation, Old Mutual, South African Breweries, Didata, DeBeers and others--to effectively change their location of ownership, from Johannesburg to London. The excuse used was, as in this *Nepad* paragraph, the alleged need to access capital more inexpensively in international markets. But this gift to the main beneficiaries of apartheid--white businesses who set up the migrant labour system--was repaid by the largest-ever drain on the current-account balance in South African history, as profit/dividend repatriation became extreme especially during 2000-01, leading directly to a crash in the value of the South African currency.

³⁸ The extremely high real cost of capital that prevailed during most of the

costs have been borne disproportionately by Africa.³⁹

31. While no corner of the world has escaped the effects of globalisation, the contributions of the various regions and nations have differed markedly. The locomotive for these major advances is the highly industrialised nations.⁴⁰ Outside this domain, only a few countries in the developing

1980s-90s was *not* caused by lack of competitiveness--as witnessed by the desperation with which Western financial centres offloaded credits to Third World borrowers (until the early 1980s) and then portfolio investments in emerging markets (during the 1990s). Instead, the cost of capital reflected, firstly, international monetarism catalysed by Paul Volcker's increase in interest rates at the US Federal Reserve in 1979; secondly, the transmission of the monetarist ideology through structural adjustment programmes across the world, simultaneous with financial liberalisation which gave financiers more outlets for their investible funds; and thirdly, higher risk ratings in Third World countries, which were generally unjustified, since only a very few (e.g., South Africa in 1985, Brazil in 1987, Russia in 1998, Zimbabwe in 1999, Ecuador in 2000, Argentina in 2001) failed to immediately service or reschedule their debts, accept IMF bailout loans to allow investor exit, or permit profit/dividend repatriation.

³⁹ At last, this sentence is based upon valid analysis. However, Africa's suffering mainly occurred because state elites--egged on by the Bretton Woods Institutions, like-minded conservative advisors, arms merchants and other transnational corporate sales agents--fell head over heels into the Third World debt trap. They then failed to organise collectively to demand better terms, or to establish a debtors' cartel--as Fidel Castro and Julius Nyerere had called for in 1983. *Nepad* continues the tradition of subservient African leaders by refusing to question the moral legitimacy of debt repayment, even though the Jubilee campaign has raised this issue to an unprecedented level of consciousness at the world scale. Post-apartheid South Africa is the most notorious of African countries for denial of its Third World debt crisis.

⁴⁰ Actually, the fastest-growing economies during the 1980s-90s were not those of the highly industrialised West or Japan, but the Newly Industrialising Countries of East Asia. As for the trajectory of the West's alleged economic "locomotive," it was certainly possible by October 2001 to remark upon the New Economy's train smash--but to do so would spoil *Nepad's* techno-driven story.

world play a substantial role in the global economy.⁴¹ Many developing countries, especially in Africa, contribute passively, and mainly on the basis of their environmental and resource endowments.

32. It is in the distribution of benefits that the global imbalance is most glaring. On the one hand, opportunities have increased to create or expand wealth, acquire knowledge and skills, and improve access to goods and services – in brief, to improve the quality of life. In some parts of the world, the pursuit of greater openness of the global economy has created opportunities for lifting millions of people out of poverty.⁴²
33. On the other hand, greater integration has also led to the further marginalisation of those countries that are unable to compete effectively. In the absence of fair and just global rules, globalisation has increased the ability of the strong to advance their interests to the detriment of the weak, especially in the areas of trade, finance and technology.⁴³ It has

⁴¹ South African elites like to consider themselves amongst this group. Indeed, since 1994, they have presided over the board of governors of the IMF and World Bank, the Non-Aligned Movement, the United Nations Conference on Trade and Development, the Commonwealth, the Organisation of African Unity, the Southern African Development Community (SADC), the World Commission on Dams, and a host of other important international and continental bodies. But the question that typically goes unasked in Pretoria, is what good has it done the people of South Africa, and the Third World, to have had the South African government playing this "substantial role in the global economy"--given that they have worked in the *comprador* spirit of *Nepad* rather than as strong advocates for poor people's interests.

⁴² This argument has been frequently debated. There is increasing evidence to show the opposite. Even in countries like China and India where proletariat, middle-class and elite populations have grown, so too have the ranks of the unemployed and deeply impoverished. Those countries celebrated as globalisation poster-children, like Southeast Asia, experienced horrendous crises during the late 1990s, whereas prior to liberalising investment and finance they boasted higher growth rates.

⁴³ This is a fine statement, but it bears asking, *if "fair and just global rules" are impossible to establish, as appears to be the case under prevailing power relations and rising US belligerence, then is it not time to question the imperatives of globalisation?*

limited the space for developing countries to control their own development, as the system has no provision for compensating the weak.⁴⁴ The conditions of those marginalised in this process have

Moreover, it also bears asking, *if the rules were not fair and just--e.g., in the Uruguay Round of the General Agreement on Tariffs and Trade (1993) and subsequent trade agreements, and in relation to international flows of financial capital--then why did South Africa's post-apartheid rulers join Gatt in 1994, sign on to various subsequent free-trade agreements with the European Union and United States in 1998-2000, and lift the country's main defense against financial capital (the financial rand) in March 1995?*

In 1999, Mbeki agonised over the rules of the game, in particular, just as the EU-South African trade deal was to be signed:

...the problem we are facing even as we stand here, of arriving at the point when we can conclude the bilateral agreement between our country and the European Union. Stripped of all pretence, what has raised the question whether the agreement can be signed today or not, is the reality that many among the developed countries of the North have lost all sense of the noble idea of human solidarity. What seems to predominate is the question, in its narrowest and most naked meaning--what is in it for me! What is in it for me!--and all this with absolutely no apology and no sense of shame. (Mbeki, T. (1999), "Speech at the Launch of the African Renaissance Institute," Pretoria, 11 October.)

Yet he and trade minister Alec Erwin subsequently accepted those rules (including silly provisions concerning use of the terms grappa, ouzo, port and sherry, at the insistence of Southern Europeans). This they did not only on behalf of South Africa, but on behalf of the entire Southern African region (because of impending SADC free trade), whose leaders *had not been consulted by Erwin*. The devastating consequences of trade liberalisation in SADC include South Africa's neighbours--Botswana, Swaziland, Namibia and Lesotho--in the regional customs union, whose tariff revenues have been slashed. In turn, this is forcing huge cuts in government budgets, which typically affect social spending, women and children.

⁴⁴ The main reason for this, which *Nepad* dares not say, is that the weak have very few threats to make against the powerful. Fake threats such as counterproductive radical-Islamic terrorism, which strengthened not weakened the forces of reaction in the United States, are no substitute for the potential threat of a united Africa which acts in its self-interest. The best example was the denial of consensus by the Organisation of African Unity at

worsened in real terms. A fissure between inclusion and exclusion has emerged within and among nations.

34. In part, Africa's inability to harness the process of globalisation is a result of structural impediments to growth and development in the form of resource outflows and unfavourable terms of trade.⁴⁵ At the same time, we recognise that failures of political and economic leadership in many African countries impede the effective mobilisation and utilisation of scarce resources into productive areas of activity in order to attract and facilitate domestic and foreign investment.⁴⁶

the December 1999 World Trade Organisation summit in Seattle.

In contrast, South African trade minister Erwin was notably peeved at the failure of Seattle to establish a new WTO round, and only joined the OAU caucus statement at the last moment, grudgingly, and demanding edits. He then actively pursued a new round during 2000-01 in meetings with both intransigent and weak African trade ministers, and according to press reports which went unrefuted, he worked very hard to split the African delegation in November 2001 at Doha to prevent another Seattle debacle.

⁴⁵ This is indeed the fundamental problem, added to which is that once Africa fell into debt-dependency, the Bretton Woods Institutions imposed inappropriate austerity policies which ruined the capacity of states to lead industrialisation, and which lowered effective demand in the economy, in part through lowering the social wage of the masses. For *Nepad* to criticise the structural constraints without mentioning the neoliberal policies associated with systematic economic disempowerment is cunning, but fraudulent.

⁴⁶ The phrase "in order to" implies that the objective is investment, rather than meeting needs. Often, the two are compatible, but often they are not. If private-sector investment in Africa's productive sectors has been weak, one problem may be inappropriate state policies. But another might be the intrinsic lack of profit in these areas given the low level of African consumers' buying power, a problem which can only be solved by replacing the profit motive with state production on a subsidised basis. This is certainly recognised in crucial areas in South Africa, such as water provision, where the government came under pressure (in part due to a cholera epidemic in 2000-01) to promise a lifeline supply of water to residents, which in turn has subsequently proven to be a major disincentive to private investors. This universal dilemma--the need for African state-led development due to the

35. The low level of economic activity means that the instruments necessary for the real injection of private funds and risk-taking are not available, and the result is a further decline.⁴⁷ In this self-perpetuating cycle, Africa's capacity to participate in the globalisation process is severely weakened, leading to further marginalisation.⁴⁸ The increasing polarisation of wealth and poverty is one of a number of processes that have accompanied globalisation, and which threaten its sustainability.⁴⁹

private sector simply opting out, or due to its own crises--goes unmentioned in *Nepad*.

⁴⁷ "Instruments" is a confusing term, because it might refer to financial institutions which mobilise savings for onlending to investors, or it might mean investors themselves. Yet where such instruments are "not available," the standard historical solution has been to introduce a state enterprise (a development-finance corporation, or a state-owned investment initiative) which mobilises private-sector funds, engages in joint ventures with the private sector, taxes the private sector for specific project-related reasons, or otherwise controls the contours of investment. Yet since the 1980s, Bretton Woods dictates have specifically prohibited such state interventions and indeed have decapitated states from establishing instruments that the private sector neglected to provide--a fact that *Nepad* is once again too diplomatic (and short-sighted) to mention.

⁴⁸ Again, *Nepad* reinforces the deceitful linkage between marginalisation and the alleged lack of globalisation--and in doing so, completely ignores the possibility of the contrary case, i.e., in favour of *deg*lobalisation so as to end the debt dependency, declining terms of trade and *comprador* relationships with the most exploitative international economic processes, that continue to destroy African economies, societies and environments.

⁴⁹ This last phrase is possibly the most important in the document, but also the most empty. *Nepad* fails to elaborate: How is globalisation's "sustainability" threatened? What can Africans do to ensure the West comprehends this threat, and that consequently a massive transfer of resources must occur? *Nepad* owes it to Africans and their supporters across the world to outline a non-terrorist means of translating globalisation's non-sustainability into a meaningful change in power relations. Because it does not, and probably cannot do so because of the authors' subservience, *Nepad*'s case for further

36. The closing years of the last century saw a major financial collapse in much of the developing world, which not only threatened the stability of the global financial system, but also the global economy as a whole.⁵⁰ One of the immediate effects of the financial crisis was the exacerbation of existing levels of deep, structural poverty in which about half of the world's population lives on less than US \$2 per day, and a fifth on less than US \$1 per day.
37. There also exist other factors that pose serious longer-term risks. These include the rapid increase in the numbers of the socially excluded in

participation in globalisation is weakened by such vague references to unsustainability.

As a footnote, the World Summit on Sustainable Development--the world's largest-ever official conference--is to be hosted by South Africa in September 2002, ironically in a globalisation-showcase setting (the opulent Johannesburg suburb of Sandton) that is probably the most unsustainable in Africa, for numerous environmental, social and economic reasons.

⁵⁰ This is the kind of "threat" that might, as argued above, make sense in order to show that globalisation is "not sustainable." But to do so would require *Nepad* to more forcefully hint that there will be more crises like those suffered by East Asia, Russia, Latin America and South Africa during 1997-99--where currency values fell by a third in most cases and repayment of foreign debt (or in South Africa's case forward-cover book liabilities) became onerous. The 2000-01 Turkish and Argentine crises suggest that the problem was not limited to "the closing years of the last century" and might be far more permanent.

However, to do so would in turn require *Nepad* to promote two other corollaries: collective default on African and Third World debt so as to again "threaten the stability of the global financial system"; and prohibition of developing country funds invested in the IMF/World Bank (e.g., South Africa's 1% share) to bale out Western investors, as would normally happen. In the next sentence, *Nepad* does not mention that while poverty increased dramatically in the wake of the 1997-99 emerging markets crisis, foreign investors (especially New York and London financiers) generally recovered their funds, and new US investors in debt-ravaged Asian firms were able to pick up assets at fire-sale prices.

different parts of the world, contributing to political instability, civil war and military conflict on the one hand, and a new pattern of mass migration on the other.⁵¹ The expansion of industrial production and the growth in poverty contribute to environmental degradation of our oceans, atmosphere and natural vegetation.⁵² If not addressed, these will

⁵¹ There is not, at this stage, a bona fide case to be made that the threat from the masses of excluded people needs taking seriously by the world's economic managers. The terrorist incidents of 2001 were not organised by the "socially excluded" but by wealthy, alienated Muslims. The "political instability, civil war and military conflict" that ordinarily and directly follow failed structural adjustment programmes--from Argentina to Zimbabwe, including most of Africa's basket cases--are sometimes slightly disruptive and embarrassing to the West. But they are just as often seen as excellent opportunities to sell expensive high-tech weapons.

South Africa itself demonstrates the point, with its unaffordable \$6 billion purchase of mainly offensive armaments from European producers. And mass migration is either welcomed by citizens of the West who are too lazy to engage in unpleasant manual labour, or repelled by xenophobes, depending upon the level of migration, balance of forces and ideological circumstances in particular countries.

There is little, in reality, to suggest that any of these problems represent threats to the "sustainability" of globalisation, as implied above. International neoliberal agents have found numerous ways to marginalise such threats, or insulate themselves. The Clinton Administration's model of malign neglect in the case of the 1994 Rwandan civil war, which was subsequently repeated with triple the number of unnecessary deaths in the Democratic Republic of the Congo during the late 1990s-present, should be ample illustration of the West's lack of compassion when it comes to African geopolitics. The rare exceptions (e.g., the success of British peacekeepers in Sierra Leone) prove the rule (e.g., the US debacle in Somalia).

⁵² Several contradictory processes are conflated in this pop-environmental reading of the relationship between poverty and ecological degradation. As noted above, Africa's main economic problem is not excessive pollution-intensive industrialisation, but insufficient industrialisation, which in turn leads to greater reliance for export earnings upon ecologically-destructive raw material extraction (e.g., the rain-forests and strip-mines, or the substitution of cash crops for food crops). Globalisation has exacerbated these processes, because the "environmental degradation of our oceans, atmosphere and

set in motion processes that will increasingly slip beyond the control of governments, both in developed and developing countries.

38. The means to reverse this gloomy scenario are not yet beyond our reach. Improvements in the living standards of the marginalised offer massive potential for growth in the entire international economy, through the creation of new markets and by harnessing increased economic capacity. This will bring with it greater stability on a global scale, accompanied by a sense of economic and social well-being.⁵³
39. The imperative of development, therefore, not only poses a challenge to moral conscience; it is in fact fundamental to the sustainability of the

natural vegetation" is mainly a function of transnational and local corporate irresponsibility: e.g., overexploitative EU and East Asian fishing trawlers, pollution-intensive South African mines and metal companies which defile the air and water without paying the externality costs, and forestry companies whose alien-timber plantations destroy the integrity of African soils.

In some cases, obviously, the colonial/apartheid displacement of large populations from good farms to infertile areas led to worsening soil degradation, for which the solution is a thorough-going land reform and rural development programme--i.e., the opposite of the extremely meagre efforts the South African government is making (less than 1% arable land redistribution during the first term of ANC rule, 1994-99, and an even slower pace since). But more generally, to ascribe environmental destruction to "growth in poverty" is, implicitly, to blame the victims: the masses whose poverty has worsened in part because of corporate-led globalisation.

⁵³ Most African societies require upliftment from majority poverty/starvation levels to basic-needs survival levels, so as to achieve the human right to food, clean water and sanitation, electricity and very simple household appliances, housing, simple clothing, good public health, primary and secondary education, childcare, roads and safe public transport, and other simple services, as well as gainful employment. For a rise in living standards to translate into "massive potential for growth in the entire international economy" is highly dubious, and would entirely depend upon Africa's input-output framework for goods and services. Very few of the desperately-required basic needs listed above would logically be satisfied by imports.

globalisation process.⁵⁴ We readily admit that globalisation is a product of scientific and technological advances, many of which have been market-driven.⁵⁵ Yet, governments – particularly those in the developed world – have, in partnership with the private sector, played an important role in shaping its form, content and course.

40. The case for the role of national authorities and private institutions in guiding the globalisation agenda along a sustainable path and, therefore, one in which its benefits are more equally spread, remains strong.⁵⁶ Experience shows that, despite the unparalleled opportunities that globalisation has offered to some previously poor countries, there is nothing inherent in the process that automatically reduces poverty and inequality.⁵⁷
41. What is needed is a commitment on the part of governments, the private sector and other institutions of civil society, to the genuine integration of

⁵⁴ As argued above, the case *Nepad* makes concerning the alleged threat to "the sustainability of the globalisation process"--in paragraphs 28-38--is unconvincing. The more profound threats to Western prosperity--most likely associated with international financial crisis, dire environmental damage or debilitating oil shortages--go unremarked upon in *Nepad*.

⁵⁵ The technological explanation, as well as the word partnership, is fundamentally apolitical, and disguises the reality of dramatic changes in class relations, especially the resurgent power of US and EU capital in relation to working classes there and across the world (as reflected in pro-corporate state "partnerships" and the decline of the social wage during the Reagan, Thatcher and Kohl administrations).

⁵⁶ Still, the case is a purely moral one up to this point, as other arguments do not bear scrutiny.

⁵⁷ Again, due to necessary conditions associated with globalisation such as the debt burden, declining terms of trade and *compradorisation*, and all the power relations thereby entailed, it would be more accurate to assert that "there is much inherent in the process that automatically increases poverty and inequality."

all nations into the global economy and body politic.⁵⁸ This requires the recognition of global interdependence in respect of production and demand, the environmental base that sustains the planet, cross-border migration, a global financial architecture that rewards good socio-economic management, and global governance that recognises partnership among all peoples.⁵⁹ We hold that it is within the capacity of

⁵⁸ The alternative case is that the responsibility of the world's citizens is to disempower the main agents of corporate-dominated globalisation (multilateral agencies, transnational corporations and imperialist states), and to allow the space for national authorities to *deglobalise*, in order to better serve the interests of their citizenries.

⁵⁹ Each feature in this sentence is controversial: "global interdependence in respect of production and demand" is a social construct which can easily be changed, as happened from the 1920s-40s, depending upon circumstances. Protecting "the environmental base that sustains the planet" is crucial--however, such protection will primarily depend upon the United States, EU and Japan reducing the emission of global warming gasses, and reducing pressure (mainly via their own transnational corporations) on trade in environmentally-fragile resources. There is little or nothing that can be done via the Kyoto Protocol or similar conventions if the balance of forces in the United States is not amenable. The same basic problems also holds true for "cross-border migration, a global financial architecture that rewards good socio-economic management" and many other issues. The United Nations (or any other vehicle of "global governance") may recognise "partnerships among all peoples." But such sentiments have so far proved useless at getting the most powerful rogue nations--especially the United States--to recognise landmine treaties, the World Court, the legacy of racism, its United Nations arrears, or any number of other human rights obligations.

It could be argued, thus, that the appropriate role for Africans is, therefore, to engage not in illusory global-governance exercises through a United Nations system that is debilitatingly compromised: geopolitically, by virtue of the Security Council power relations; and socio-economically, through its ideological proximity to the Bretton Woods system. The role for genuine African leaders, activists and humanists, is to establish much more durable and trust-building people-to-people partnerships with the aim of intensifying the lobbying capacity of progressive advocacy forces in the West and across the world.

The best example of this kind of internationalist people's partnership

the international community to create fair and just conditions in which Africa can participate effectively in the global economy and body politic.⁶⁰

is the 1998-2001 alliance between the Treatment Action Campaign and the Aids Coalition to Unleash Power (ACT UP) in the United States, joined subsequently by many other organisations across the world. In spite of the extremely uncooperative Aids policies of the South African government, international people's solidarity and protest succeeded in forcing the pharmaceutical corporations and the US government to back down from blatantly imperialist positions. But to embrace this successful model of solidarity would require a commitment to the *globalisation of people*--instead of *Nepad's* commitment to the *globalisation of capital*.

⁶⁰ The term "international community" is just as studiously apolitical, and hence pernicious, as the rest of the analysis of globalisation offered in *Nepad*. While several audiences--the governments of the US, EU and Japan, the G-8 as a group, the Bretton Woods Institutions' leaders, senior UN officials and the World Economic Forum--gave *Nepad* their endorsement during 2001, it would be naive to think that this was going to be anything more substantial than mere diplomacy. None of the substantial problems associated with trade, debt, investment or aid--all requiring far more than "marginal concessions" (paragraph 5 above)--will be seriously addressed in the near future given prevailing power relations and material interests.

To argue otherwise is both to harbour dangerous and fundamentally disempowering illusions, and to refute evidence that mounts daily:

- the ongoing decline of aid/GDP ratios;
- the IMF/World Bank refusal to engage in substantive debt cancellation, and to withdraw its neoliberal conditionality power and proclivities;
- growing protectionist tendencies in the United States, reflected in part in the early-2002 imposition of massive tariffs on imported steel;
- the insistence of the European Union that virtually all essential services be opened up for privatisation as part of its General Agreement on Trade in Services demands of South Africa and other countries;
- the Doha WTO Summit's refusal to make substantive changes in trade rules.

Where Doha made a minor concession, on intellectual property rights associated with public health emergencies, it was merely a confirmation of Gatt-era exemptions. Overall, Doha opened up for future negotiation many

III. THE NEW POLITICAL WILL OF AFRICAN LEADERS

42. The *New Partnership for Africa's Development* recognises that there have been attempts in the past to set out continent-wide development programmes. For a variety of reasons, both internal and external, including questionable leadership and ownership by Africans themselves, these have been less than successful.⁶¹ However, there is today a new set of

objectionable new areas of transnational corporate interference in Third World economies and societies.

⁶¹ As noted earlier, the problems of "questionable leadership and African ownership" remain very serious. The most respected South African newspaper, the *Mail and Guardian*, has repeatedly questioned Mbeki's "fitness" to lead, for multiple reasons, chief amongst which was his refusal to provide anti-retroviral drugs to people living with HIV/Aids. Influenced by Aids-dissidents he believes that "a virus cannot cause a syndrome," and that the Aids pandemic is primarily a function of poverty. The cruel insanity of Pretoria's policies included refusing an inexpensive drug, Nevirapine, to tens of thousands of pregnant HIV+ women each year who, as a result, needlessly transmitted HIV to their infants. Even after a reversal on that point in April 2002, the need to roll out a treatment regime to all HIV+ South Africans in need of antiretrovirals remains far off, due largely to the president's Aids-denialism.

The governments of Nigeria and Algeria have been characterised by extreme militarism, resulting in regular massacres of innocent people and high levels of social unrest. Tens of thousands of people have been killed in Algeria because Bouteflika's predecessors refused to recognise an election won by a Muslim party, which subsequently became extremist and terrorist; Pretoria sold Algeria millions of dollars worth of arms.

Another African leader who has a high-profile role in promoting *Nepad* (e.g. at the World Economic Forum in 2001), Tanzania's Benjamin Mkapa, oversees a state whose most recent elections were discredited and where police killed hundreds of protesters. The Tanzanian government's obeisance to the interests of transnational corporations was emblematised in 2001 by the repression of families protesting a World Bank-backed transnational corporate mining firm whose expansion of diggings coincided with the government's murder of dozens of small-scale miners.

On the other hand, progressive leadership by Obasanjo was

demonstrated at least twice recently, when he rejected a role for the International Monetary Fund in running the Nigerian economy (which has been interpreted as his desire for fiscal laxity in the run-up to an election), and when he led a surprise revolt against Pretoria's capitulation to US-European pressure at the World Conference Against Racism. The latter issue was the demand for reparations that are due the continent as compensation for slavery and colonialism. The South African host delegation was reportedly furious at Obasanjo's outburst because it nearly scuppered a final conference resolution.

As for African "ownership," it bears repeating that the first systematic attempt to sell *Nepad* (then the *Millennial African Recovery Plan*) to Africans on the African continent was in February 2001 in Mali, at a time when the chief executive officers of the IMF and World Bank, Horst Koehler and James Wolfensohn, were also visiting. Prior presentations of the African-"owned" plan during 2000 were to Bill Clinton in May in Washington, the G-8 in Tokyo in July, the UN in New York in September, a high-profile private meeting in Pretoria with Wolfensohn in November, a European Union meeting in Portugal in December, and the World Economic Forum in January 2001.

At the latter site, the South African presidential website provides the giveaway information in Mbeki's prepared speech: "It is significant that in a sense the first formal briefing on the progress in developing this programme is taking place at the World Economic Forum meeting. The success of its implementation would require the buy in from members of this exciting and vibrant forum!"

Commented former ANC councillor Trevor Ngwane (*Business Day*, 5 February 2001),

This sounds suspiciously like June 1996, when the *Growth, Employment and Redistribution* policy was launched prior to public debate, to parliamentary enquiry, to consultations with the people affected. And the exclusive club of Davos fatcats who use Third World leaders like Mbeki as figleaves will probably give the new program exactly the same support they have given *Gear*: currency speculation, capital flight, refusal to invest, free-trade deals filled with last-minute Northern protectionism, and pressure on our government not to provide desperately-needed cheap drugs to ward off HIV. Does Africa need a spruced-up continuation of the discredited policies of the World Bank, IMF and WTO, which have destroyed so many lives and subjugated so many states to the dictates of the multinational corporations and of imperialism?

As for "attempts in the past to set out continent-wide development

circumstances, which lend themselves to integrated practical implementation.

43. The new phase of globalisation coincided with the reshaping of international relations in the aftermath of the Cold War. This is associated with the emergence of new concepts of security and self-interest, which encompass the right to development and the eradication of poverty.⁶² Democracy and state legitimacy have been redefined to include accountable government, a culture of human rights and popular participation as central elements.⁶³
44. Significantly, the numbers of democratically elected leaders are on the increase.⁶⁴ Through their actions, they have declared that the hopes of

programmes," the main "external" forces opposing a genuine strategy for Africa--e.g., the *Lagos Plan of Action* and *African Alternative Framework to Structural Adjustment Programmes*--were the Bretton Woods Institutions and the major Western governments--the same group which *Nepad* begs for a partnership. Other African initiatives were more progressive than *Nepad*, and do not deserve the latter's sneering dismissal without a robust analysis of why they were undermined.

⁶² While it is true that progressive initiatives are being made, e.g. through the UN Human Rights Commission, to "encompass the right to development and the eradication of poverty," these have not had any impact beyond rhetoric--just as the constitutional rights to water, housing, healthcare, education and dignity did not halt the deprivation of the South African masses or even the state's concerted efforts, continuing into 2002, to cut off water, sanitation and electricity to deeply impoverished residents who could not afford their bills. Rather than relying, abstractly, upon "new concepts of security and self-interest," the only way to make human rights a reality is to engage in grassroots struggles, which necessarily include global-local linkages against the neoliberal dictates of the Bretton Woods Institutions.

⁶³ This is wishful thinking. Most African states are ruled by venal elites who know that their survival depends upon *denying* good governance to their citizenry.

⁶⁴ The main wave of post-nationalist regimes was elected or came to power in popular uprisings between 1988 and 1995 (often in the wake of serious IMF

Africa's peoples for a better life can no longer rest on the magnanimity of others.

45. Across the continent, democracy is spreading, backed by the African Union (AU), which has shown a new resolve to deal with conflicts and censure deviation from the norm.⁶⁵ These efforts are reinforced by voices in civil society, including associations of women, youth and the independent media.⁶⁶ In addition, African governments are much more resolute about regional and continental goals of economic cooperation

Riots). Their records in power, and subsequent democratisation processes, have been nearly universally unsatisfactory.

⁶⁵ In reality, the African Union was sponsored by the relatively wealthy Libyan dictator Moammar Qaddafi, in his eccentric quest for relevance, as the Organisation of African Unity fell apart due to member-states' arrears. The AU has done nothing to punish "deviation from the norm" in relation to one of the most notorious contemporary slides into dictatorship, Zimbabwe's. Within six weeks of *Nepad*'s launch, SADC foreign ministers meeting in Harare gave Mugabe a clean bill of health to continue his tyrannical oppression of rural and urban Zimbabweans, in spite of hearing evidence of more than 26,000 human rights violations in 2001 alone and seeing irrefutable signs of an unfree, unfair presidential election in 2002. In Zambia, the endorsement by African states--including the SADC observer mission, and especially Zimbabwe--of the deeply flawed, hotly-contested December 2001 election, reportedly rife with electoral irregularities, is another example of deviation from the norm, becoming the norm.

⁶⁶ In many cases, these voices are the decisive pressure-points on selfish elites--as in the case of brave Zambians who demonstrated in 2001 for Frederick Chiluba to stand down after his maximum term-length has expired. Yet working-class and popular civil society voices are invariably dismissed when in their quest for democracy, they request solidarity from neighbouring African elites. Zimbabwe democracy activists learned this from Pretoria in 2001 when they demanded "smart sanctions" against the Mugabe regime. The South African government was first and loudest to reject the request, even after it was made more explicitly in January 2002 once several Zimbabwean generals threatened a coup in the event of an opposition electoral victory.

and integration. This serves both to consolidate the gains of the economic turnaround and to reinforce the advantages of mutual interdependence.⁶⁷

46. The changed conditions in Africa have already been recognised by governments across the world.⁶⁸ The United Nations Millennium Declaration, adopted in September 2000, confirms the global community's readiness to support Africa's efforts to address the continent's underdevelopment and marginalisation. The Declaration emphasises support for the prevention of conflict and the establishment of conditions of stability and democracy on the continent, as well as for the key challenges of eradicating poverty and disease. The Declaration further points to the global community's commitment to enhance resource flows to Africa, by improving aid, trade and debt relationships between Africa and the rest of the world, and by increasing private capital flows to the continent. It is now important to translate these

⁶⁷ This was disproved by angry regional opposition to South African domination of Southern Africa's economy, and especially by Pretoria's imposition of the SA-EU Free Trade Agreement on the region without sufficient consultation. Indeed, in recent years, Zimbabwe and Zambia both imposed new, high tariffs against South African imports, as they found their economies being deindustrialised. Regional cooperation in Southern Africa was also reflected in Pretoria's ongoing brutal treatment of regional immigrants (e.g., at the notorious Lindela repatriation camp). The problem appears to be worsening. In December 2001, decisions were taken by South Africa to expel 15,000 undocumented guest Zimbabwean farmworkers, and by Mozambique to arrest and in many cases expel hundreds of Zimbabweans and even South Africans for alleged (but mainly imagined) immigration violations.

⁶⁸ All indications are that, measured by donor aid ratios, and Western respect for African governments' economic requests (e.g. at Doha in November 2001, or repeatedly in debt renegotiations), the opposite is more factual. Disregard for Africa's plight was confirmed in two panicky analyses by four top World Bank officials published in the *Financial Times* in October 2001. In the wake of the September 11 terrorist attacks, they begged their readers to not ignore Africa, and pledged support for *Nepad*. There is a real danger that aside from posturing about Zimbabwe sanctions and democracy, the Bush Administration will allow Africa to fall entirely off its radar screen.

commitments into reality.⁶⁹

47. The *New Partnership for Africa's Development* centres around African ownership and management. Through this programme, African leaders are setting an agenda for the renewal of the continent. The agenda is based on national and regional priorities and development plans that must be prepared through participatory processes involving the people.⁷⁰ We believe that while African leaders derive their mandates from their people, it is their role to articulate these plans as well as lead the processes of implementation on behalf of their people.⁷¹
48. The programme is a new framework of interaction with the rest of the world, including the industrialised countries and multilateral organisations. It is based on the agenda set by African peoples through their own initiatives and of their own volition, to shape their own destiny.⁷²

⁶⁹ Perhaps the realisation in this sentence, even though left undeveloped, suggests the true significance of the UN Millennium Declaration.

⁷⁰ In reality, there is probably no African ruling elite which has such a commitment.

Pretoria offers the prime example. In June 1996, he held a press conference to promote his homegrown structural adjustment programme (*Gear*) and confirmed the veracity of finance minister Manuel's boast to the press: "the programme is non-negotiable." Added Mbeki, "Just call me a Thatcherite." Regular mass protests against *Gear* have not persuaded Pretoria to reopen the neoliberal policy to negotiation.

⁷¹ This is logical in theory, under conditions of thorough-going democracy. But because *Nepad* is essentially uncritical of Africa's contemporary ruling elites, with no analysis about how they came to power and what tricks are used to remain in power, in practice the assumption of mandated leadership is both incorrect and profoundly delusionary.

⁷² Everything in this paragraph is untrue. *Nepad* offers nothing new, and the document represents the work not of African peoples but of a handful of elite technicians from South Africa (including an author of *Gear*), Nigeria, Algeria, Senegal and Egypt. Objectively, its core presumptions, proposals and processes contradict the interests of most African peoples.

49. To achieve these objectives, African leaders will take joint responsibility for the following:
- Strengthening mechanisms for conflict prevention, management and resolution at the regional and continental levels, and to ensure that these mechanisms are used to restore and maintain peace;⁷³

⁷³ These are ambitious and potentially progressive commitments. However, the generally dismal record in this area leads to the questions: are the existing mechanisms worth "strengthening"; or are the continent's ruling classes so profoundly undemocratic and prone to internecine warfare that their own elite-dominated institutions offer little or no hope?

There is a profound questionmark over the AU, given not only its origins with Qaddafi, but the financial unsustainability and uselessness of its predecessor--with the possible exception of the December 1999 Seattle WTO summit, where objections by the OAU Caucus to the process and anticipated outcomes managed to sabotage the meeting.

Emblematic of problematic regional peacekeeping is the Southern African Development Community's uneven initiatives since 1998. Extraordinary inconsistencies arose during interventions in the Democratic Republic of the Congo (DRC) and Lesotho, in part because of Pretoria's own mixed signals.

In the first case, the former Zaire had been liberated from rule by the dictator Mobutu Sese Seko in 1996 by a guerrilla force led by Laurent Kabila. A crucial component was regional geopolitics, through which Kabila received logistical and military support from the governments of Rwanda, Uganda and Zimbabwe, as well as from at least one North American mining firm anxious to exploit the country's great mineral wealth. At the instigation of Robert Mugabe, Kabila's application for DRC membership in SADC was successful. But when in 1998, Rwanda and Uganda withdrew their support from the DRC government and instead transferred troops to promote pro-Tutsi rebel factions, Kabila called for SADC's help. In July, South African defense minister Joe Modise initially agreed to a formal SADC military intervention, but then switched positions and, on principle, refused to participate in a SADC military alliance--consisting of Zimbabwe, Namibia and Angola--to prop up the controversial government.

(The rationale for the support that Zimbabwe, Angola and Namibia have given the unelected DRC governments of Kabila and Kabila Jr. was analysed by a United Nations agency in November 2001, and was found to be based on mercenary-type looting of minerals. Similar allegations arose about

- Promoting and protecting democracy and human rights in their respective countries and regions, by developing clear standards of accountability, transparency and participatory governance at the national and sub-national levels;⁷⁴
- Restoring and maintaining macroeconomic stability, especially by developing appropriate standards and targets for fiscal and monetary policies, and introducing appropriate institutional frameworks to achieve

the occupation of the DRC's eastern provinces by troops from Rwanda, Burundi and Uganda. Meanwhile, an estimated three million civilian lives were lost.)

However, reversing its principles in September 1998, Pretoria decided to intervene in Lesotho to unilaterally prop up the controversial government. (Botswana was later drawn in to make it appear based on a SADC mandate.) The Maseru government had, effectively, been overthrown in a coup following a controversial parliamentary election. That election gave the main opposition party just one out of 80 seats in a first-past-the-post system, notwithstanding the opposition's winning more than a third of the vote, leading to riots in Maseru and a loss of loyalty by the armed forces. The military mission was itself botched. Maseru was razed by anti-government protesters, who then turned to explicitly anti-South African rioting. Meanwhile, the SA National Defense Force murdered dozens of Basotho soldiers--some sleeping--at the Katse Dam because of an alleged (highly implausible) threat that it would be blown up by army rebels. (Subsequently, the anomalous British-style parliamentary system has been reformed, but ongoing personality conflicts and sharp feuding within the major parties promise further political crises, including the 2002 election.)

In sum, SADC's peacekeeping function has been the source of great disappointment. The organisation's entire senior secretariat was fired during the late 1990s as a result of a corruption scandal. In theory, it is possible to strengthen SADC peacekeeping capacity through an infusion of donor funds and clarity on rules of engagement, but this has not worked in the past, in part because there is little genuine will by regional leaders to work together when their geopolitical interests so obviously diverge. And it is the regional aspirant-hegemonic role of South Africa, ranging from military to economic to political terrains, that provides such strong grounds to doubt SADC's potential.

⁷⁴ These are noble aims, and correlate to demands from progressive civil society throughout Africa.

these standards;⁷⁵

- Instituting transparent legal and regulatory frameworks for financial markets and auditing of private companies and the public sector;⁷⁶

⁷⁵ This phraseology--especially the words "macroeconomic stability"--is invidious. Virtually all structural adjustment programmes in Africa generated instability (Zimbabwe is one of the most tragic examples). Is Pretoria able to make a convincing case based on its own experience? The South African government's determined, neoliberal fiscal and monetary strategies--maintaining the budget-deficit/GDP ratio at a target of less than 3% and imposing high real interest rates to reduce inflation to below 6%--were, along with trade liberalisation, contributing factors to the loss of more than 10% of formal sector jobs during the first seven years of ANC rule (the worst ever recorded in an industrialised country outside war and the Great Depression), and financial liberalisation was responsible for two crashes of the currency of 30% over several weeks (early 1996 and mid-1998) and the 60% crash that occurred during the 2000-01 period when *Nepad* was being prepared. The use of weasel-words like "macroeconomic stability" disguises the actual process, which is imposition of Washington's agenda, typically leading to macroeconomic instability and sustained misery.

⁷⁶ These provisions sound innocuous, and should be incorporated into standard capitalist operating routines. However, it should be borne in mind that the most forceful demands for financial "transparency" were made by Washington during the 1997-99 emerging markets crisis because New York, London and Frankfurt banks complained vociferously about being caught with loans to South Korean, Thai and Indonesian firms whose books did not properly reflect their full indebtedness. In that respect, the transparency demand from Washington was a form of "blaming the victim," because the Western banks were generally allowed to both claim a degree of innocence, and also then utilise the muscle of the Bretton Woods Institutions to more forcefully close down firms and banks across East Asia on grounds of transparency. The core complaint from progressive experts in these countries is that the premature bankruptcies and the sale of assets--often to transnational corporations--at huge discounts together meant that gains made over previous decades in establishing a productive national base were unnecessarily reversed. Additionally, with increased transparency in public accounts (e.g. rapid reporting of foreign exchange reserves), international financial speculators have a great deal more information and hence leverage with which to roil currency markets.

- Revitalising and extend the provision of education, technical training and health services, with high priority given to tackling HIV/AIDS, malaria and other communicable diseases;⁷⁷

To illustrate the complexity, the South African Reserve Bank recently backtracked from transparency in releasing financial information. Its failure to install an appropriate financial regulatory framework is a national scandal, both because of the crash of several badly-run small banks, and because the larger financial institutions systematically "redline" (discriminate against) desegregating and black areas. A law was finally proposed to force disclosure of such practices, but was not forcefully implemented by either the Housing and Finance Ministries or Reserve Bank.

Moreover, in relation to private-sector auditing, although some improvements were made during the post-apartheid era, South Africa is no model for the rest of the continent. Its firms are notorious for transfer-pricing--i.e., changing invoices to make it appear that imported inputs are more expensive--to overseas allies, which is of particular concern given the penetration of South African companies throughout Africa since the early 1990s. In the mining sector, Swiss intermediaries helped profits to be channelled externally as a result, and firms like Anglo American Corporation shifted funds into foreign accounts on spurious grounds. Such scandals were never addressed by the ANC government. The outflow of capital was identified in the South African business media during the course of the rand's crash in late 2001, but was never explicitly tackled by the neoliberal Reserve Bank and Finance Ministry.

⁷⁷ For most countries, whose real per capita spending on education and health has fallen--sometimes precipitously--over the past two decades, this would be welcome. Too often, the goals of alleged "macroeconomic stability" and tightened budget-deficit targets outweighed education and health spending for large segments of the population who, for all effective purposes, were redundant to the employment needs of Africa's shrinking capitalist sector.

As a result, South Africa led the way in recent years in denying education and healthcare to its rural masses. Although some minor improvements in school facilities were made and a few clinics were built in peripheral areas, the overall policy was to retain the main apartheid-era inequalities, and amplify these by permitting schools in wealthy, urban areas to augment ongoing grants with their own student fees (hence making it difficult for low-income families to enroll their children). In the field of healthcare, the shift to private-sector provision grew dramatically during the late 1990s, under

- Promoting the role of women in social and economic development by reinforcing their capacity in the domains of education and training; by the development of revenue-generating activities through facilitating access to credit; and by assuring their participation in the political and economic life of African countries;⁷⁸

the rubric of "managed care" which, again, had the effect of denying access to lower-income sections of the society.

Most notoriously, until April 2002, the South African government repeatedly refused to save the lives of tens of thousands of babies and rape survivors by providing anti-retroviral drugs. Refusal of comprehensive treatment so as to prolong the lives of millions of HIV+ citizens continues. The most common official explanation was "unaffordability," notwithstanding the capacity that the state had to either manufacture generic versions of these drugs or import the generic drugs from countries like Brazil, India or Thailand that had more effective health programmes and pharmaceutical manufacturers. (To do so would have offended the transnational corporations, which showed their displeasure with the mere option of parallel imports and compulsory licensing by suing the South African government from 1998-2001, until massive South African and international popular pressure forced the corporations to withdraw.)

"Tackling HIV/Aids" was not merely a low priority in government, due to the lack of financial return on prolonging people's lives. It correlated to the Anglo American Corporation's mid-2001 decision to make available anti-retroviral drugs to their senior managers but not to ordinary workers (all workers had been promised the drugs in April 2001). Tragically, such public-private cost-benefit analyses of South African workers' lives were ultimately determinant in the fight against Aids. (In the United States and other northern countries, where the cost-benefit analysis was different, HIV+ status became merely a chronic illness, rather than a certain fatality, thanks to anti-retroviral drugs.) Even more tragically, since South Africa's mass workforce is amongst the continent's highest-paid, it is logical to expect that South African-type cost-benefit analyses applied elsewhere in Africa would be even less forgiving.

⁷⁸ Rhetoric of this sort, while pleasing, has been uttered sufficiently--with no results--that cynicism has set in amongst women's groups. For example, from "Women-in-Development" to "Gender-and-Development" at the World Bank during the 1980s, a conceptual shift from mainstreaming women into existing capitalist structures evolved into a more nuanced concern with gender relations and women's empowerment. But little good that did most African

- Building the capacity of the states in Africa to set and enforce the legal framework, as well as maintaining law and order;⁷⁹

women, who suffered ever more extreme oppression because of the Bank's promotion of neoliberal economic policies--the same policies *Nepad* promotes. The problem was not merely the lack of an effective social safety net, even in countries like Ghana that were pilot projects for Bank programmes to mitigate the effects of adjustment, which were in reality ineffectual whitewash exercises. The problems of African women's oppression also stem from the way in which existing patriarchal relations--from traditional, colonial-era and migrancy-related oppressions--were amplified by increasing stress on the economy generated by neoliberalism. The stress took the form of the shutting down of industries that had supplied both men and women with at least some reliable formal income; budget cuts (and the introduction of cost-recovery utilisation fees) for basic state services; and the shift of as much productive land as possible away from food destined for the local consumption market, towards cash crops for export or game farms for wealthy tourists.

The World Bank's 1995 global strategy to recognise and address these problems through an expansion of microlending to women, as parroted by *Nepad*, was a *chimera*. Even the world's model microcredit scheme for women, the Grameen Bank in Bangladesh, began suffering crippling default rates due in part to excessively high interest rates and brutal debt collection methods, leaving the entire world's microcredit industry--7,000 organisations serving 25 million clients--"alarmed," according to a November 2001 *Wall Street Journal* report. Similarly in South Africa, there was enormous hype over women's microcredit during the 1990s, but the industry collapsed in 1998-99 when interest rates soared due to the financial crisis caused, in turn, by financial liberalisation and currency speculation. Pretoria neoliberals hence no longer speak with such great enthusiasm about microcredit in South Africa, and indeed recently the government even threatened to refuse the microcredit industry the most important mainstay of their business: a stop-order system to assure repayment from civil servant salaries prior to the salaries being paid. In hundreds of thousands of cases, civil servants were left with such tiny paychecks that they were unable to feed and house themselves.

⁷⁹ Regrettably, the capacities of states to enforce legal contracts (especially where transnational corporations were concerned) and to police the population were amongst the very few areas where increased resources were made available during the structural adjustment era. Complex investment-insurance schemes proliferated, not only from Washington but also within

- Promoting the development of infrastructure, agriculture and its diversification into agro-industries and manufacturing to serve both domestic and export markets.⁸⁰

IV. APPEAL TO THE PEOPLES OF AFRICA

50. The African Renaissance project, which should allow our continent, plundered for centuries to take its rightful place in the world, depends on the building of a strong and competitive economy as the world moves towards greater liberalisation and competition.⁸¹

Africa. But without internally-generated economic dynamism, however, these improvements in the enforcement of capitalist property relations did not realise their anticipated investment benefits. It would be naive and misleading for *Nepad* to oversell this strategy.

⁸⁰ The objective of "diversification into agro-industries and manufacturing" is essential. The tradition of neoliberalism has been to downplay the development of internal markets in favour of mythical export-led growth, so the mandate that more economic balance should be sought "to serve both domestic and export markets" is potentially misleading given *Nepad's* overall orientation to, e.g., "the genuine integration of all nations into the global economy" (paragraph 41). *Nepad* doesn't provide any evidence that *domestic* agriculture is taken seriously, and there is no proof that the export of food can eradicate poverty.

In South Africa's own case, the only successful manufacturing diversification occurred in highly vulnerable niche markets such as auto components and upmarket garments. Other heavy-industrial manufacturing outputs, including base metals and a few auto models, also rose in importance, but these successes had their own disadvantages, such as ongoing dependence on various state subsidies, lack of backward-forward linkage and environmental externalities which were not accounted for.

⁸¹ The *non sequitur* in this sentence is potentially debilitating. If Africa was plundered (generally by force) for centuries, thereby starting the 21st century from a position of artificial weakness, how can the "African Renaissance project" realistically build "a strong and competitive economy as the world moves towards greater liberalisation and competition" without compensation (e.g. massive reparations), and without significantly lower pressure to liberalise and to contribute to excessive international economic competition? *Nepad*

51. The *New Partnership for Africa's Development* will be successful only if it is owned by the African peoples united in their diversity.⁸²
52. Africa, impoverished by slavery, corruption and economic mismanagement is taking off in a difficult situation. However, if her enormous natural and human resources are properly harnessed and utilised, it could lead to equitable and sustainable growth of the continent as well as enhance its rapid integration into the world economy.⁸³
53. This is why our peoples, in spite of the present difficulties must regain confidence in their genius and their capacity to face obstacles and be involved in the building of the new Africa. The present initiative is an expression of the commitment of Africa's leaders to translate the deep

innocently, continuously posits that Africa's increased participation in the world economy will be its saviour, yet provides no marketing data, realistic economic analysis or any other rationale aside from its authors' surrender to the inevitability of globalisation.

⁸² This is probably true; as is the converse. Since *Nepad* was formulated in Pretoria, with reference initially to Washington, Davos, and the G-7 instead of to Africa, it can never be "owned" by the African peoples, and it will not be successful. Likewise, the phraseology "united in diversity" evaporates the struggles against local inequality and oppression.

⁸³ All evidence thus far is that "equitable and sustainable growth of the continent" and "rapid integration into the world economy" are mutually exclusive. Although Africa's *share* of world trade has declined during the 1980s-90s, the *volume* of exports increased. So "marginalisation" has occurred not because of *lack* of integration, but because other areas of the world--especially East Asia--moved to the export of manufactured goods while Africa's industrial potential declined thanks to excessive deregulation associated with structural adjustment. Likewise, while integrating more rapidly into the world economy through the 1980s-90s orientation toward "export-led growth," as demanded by Washington, Africa's ability to grow--either equitably and sustainably, or even inequitably--actually declined, in comparison to the period prior to structural adjustment.

popular will into action.⁸⁴

54. But the struggle they would be waging will be successful only if our peoples are the masters of their own destiny.⁸⁵
55. This is why the political leaders of the continent appeal to all the peoples of Africa, in all their diversity, to become aware of the seriousness of the situation and the need to mobilise themselves in order to put an end to further marginalisation of the continent and ensure its development by bridging the gap with the developed countries.⁸⁶
56. We are, therefore, asking the African peoples to take up the challenge of mobilising in support of the implementation of this initiative by setting

⁸⁴ *Nepad* could--but doesn't--document "the deep popular will" to build a new Africa. That will certainly does exist in various civil society initiatives, most of which stand in explicit opposition to *Nepad*. Across the continent, varied grassroots organisations--community-based groups, HIV/Aids support organisations, traditional and ethnic-based movements, progressive churches, women's and youth clubs, environmental groups and many others--have joined trade unionists and radical intellectuals in diverse struggles against neoliberalism and for democracy. Many of the strongest expressions of popular will exist in South Africa, for even the ANC's Alliance partners reject the same policies of alleged "macroeconomic stability" (fiscal and monetary austerity) and privatisation which *Nepad* promotes.

⁸⁵ The struggles that Africans *are* already waging *do* have the objective of controlling their own destiny, which requires a genuine break with--not accommodation to--the *compradorism* and imperialism (a.k.a. "partnership" and "globalisation") advocated in *Nepad*.

⁸⁶ The hypocrisy in this passage is breathtaking. Africans falling further into poverty as a result of leadership *compradorism* and globalisation do not need to "become aware of the seriousness of the situation," as much as do the elite rulers who generally live in luxury, at great distance from the masses. And when Africans in progressive civil society organisations express "the need to mobilise themselves," they are nearly invariably met with repression from the ruling elites.

up, at all levels, structures for organisation, mobilisation and action.⁸⁷

57. The leaders of the continent are aware of the fact that the true genius of a people is measured by its capacity for bold and imaginative thinking, and determination in support of their development.⁸⁸

58. We must not relent in implementing this ambitious programme of building sound and resilient economies, and democratic societies. In this respect, the African leaders are convinced that Africa, a continent whose development process has been marked by false starts and failures will succeed with this initiative.⁸⁹

⁸⁷ This is empty rhetoric: *Nepad* contains no suggested actions to be taken by the African peoples, no organisational resources, and no civil-society implementation plan. The document itself was available only through obscure internet websites and until April 2002 there were no leadership-catalysed discussions of *Nepad* within civil-society organisations in South Africa itself--which is perhaps partly explained by the fact that the ANC's Alliance partners were firmly opposing central neoliberal *Nepad* economic and infrastructure provisions in mass protests simultaneous to Pretoria's attempt to sell these in international and a few continental venues.

⁸⁸ In reality, *Nepad* cannot, by any stretch, be termed "bold" or "imaginative." The document's central characteristics are the rehash of mild-mannered pro-globalisation rhetoric and the promotion of tired, unsuccessful economic conditions--especially alleged "macroeconomic stability" targets for fiscal and monetary austerity, and privatisation of infrastructure--that have been imposed by Washington on Africa for at least two decades. Even the strong pro-democracy, good-governance rhetoric has become badly worn, as Washington and donor governments repeatedly reward authoritarian regimes with aid--most of which is spent in home countries or on outrageous expat salaries--that should instead be going directly to the masses through progressive civil society organisations. The alleged African leadership commitment to good government has been exposed through repeated, ongoing "Old Boys Club" missions--such as those by SADC to Zimbabwe in late 2001--that turn a blind eye to blatant repression.

⁸⁹ There is a dangerous degree of false *bravado* in *Nepad*, for if leaders are "convinced" that the initiative will succeed, and if it is instead yet another "false start and failure," where will that leave self-confidence? Even if *Nepad*

V. PROGRAMME OF ACTION: THE STRATEGY FOR ACHIEVING SUSTAINABLE DEVELOPMENT IN THE 21ST CENTURY

59. The *New Partnership for Africa's Development* differs in its approach and strategy from all previous plans and initiatives in support of Africa's development, although the problems to be addressed remain largely the same.⁹⁰
60. The *New Partnership for Africa's Development* is envisaged as a long-term vision of an African-owned and African-led development programme.⁹¹
61. The Action Programme includes the top priorities structured in the same way as the strategy outlined and these priorities may be revised from time to time by the Heads of State Implementation Committee. The Programme covers what needs to be done in the short term, despite the wide scope of the actions to be taken.
62. Although long-term funding, is envisaged under the initiative, the projects can, however, be expedited to help eradicate poverty in Africa and place African countries, both individually and collectively, on a path of

was not an objectionable rehashing of prior false starts and failures imposed on Africa by Washington, it would still warrant a greater degree of humility.

⁹⁰ It is true that *Nepad* differs dramatically in approach and strategy from previous organic, progressive, African plans and initiatives, such as the Lagos Plan of Action, as noted above. But it is not discernably different from existing Washington-imposed policies which have nearly universally failed. For that reason, as two leading Africa managers at the Bretton Woods Institutions wrote in the *Financial Times* (7 October 2001), "The IMF and the World Bank are doing everything possible to play a part" in *Nepad*.

⁹¹ It is true that "an African-owned and African-led development programme" is required. But *Nepad* does not qualify, given the lack of real ownership from the document's outset, the dubious leadership offered by the continent's current ruling elites, and *Nepad's* recipe for ongoing *underdevelopment* along familiar lines.

sustainable growth and development and thus halt the marginalisation of Africa in the globalisation process.⁹²

63. Although there are other urgent priorities, those selected here would have a catalytic effect for intervention in other priority areas in the future.⁹³
64. While growth rates are important, they are not by themselves sufficient to enable African countries achieve the goal of poverty reduction. The challenge for Africa, therefore, is to develop the capacity to sustain growth at levels required to achieve poverty reduction and sustainable development. This, in turn depends on other factors such as infrastructure, capital accumulation, human capital, institutions, structural diversification, competitiveness, health and good stewardship of the environment.⁹⁴
65. The objective of the *New Partnership for Africa's Development* is, to provide an impetus to Africa's development by bridging existing gaps in priority

⁹² This is a terribly confusing and contradictory formulation, which begs for "long-term funding" but claims simultaneously to be "sustainable." Moreover, the focus on *projects* is antithetical to the development of a genuine, well-constructed *programme*--based upon coherent, interlinked *policies* that in turn follow from a genuinely African development *philosophy*--for sustainable growth and development. In sum, the order of construction is backward.

⁹³ This claim cannot be believed without coherence and interrelationships spelled out in a programmatic manner, something *Nepad* does not (at this stage) attempt.

⁹⁴ There is, here, an annoying combination of progressive and neoliberal objectives: infrastructure, human capital, institutions, structural diversification, health and good stewardship of the environment in the first category, and capital accumulation and competitiveness in the second. Objectively, neoliberal policies have, during the past two decades, destroyed Africa's infrastructure, human capital, institutions, structural diversification, health and stewardship of the environment. The failure to come to grips with this contradiction is emblematic of *Nepad's* double-talk. And *Nepad* continually falls back upon discourses of commodification--e.g., "human capital"--instead of human rights concepts.

sectors to enable the continent catch up with developed parts of the world.⁹⁵

66. The new long-term vision will require massive and heavy investment to bridge existing gaps. The challenge ahead for Africa is to be able to raise the required funding under the best conditions possible. We therefore call on our development partners to assist in this endeavour.⁹⁶

67. Long-Term Objective

- To eradicate poverty in Africa and to place African countries, both individually and collectively, on a path of sustainable growth and development and thus halt the marginalisation of Africa in the globalisation process;⁹⁷
- To promote the role of women in all activities.⁹⁸

⁹⁵ The objective is worthwhile. The main economic features of *Nepad*--entailing more open trade and investment relations--will, however, probably exacerbate the continent's deterioration in relation to developed parts of the world.

⁹⁶ The bottom-line aim of *Nepad* is finally apparent, in begging for the required funding under the best conditions possible. If this is "the challenge ahead for Africa," compared to the popular removal of undemocratic regimes and establishment of well-balanced, self-reliant economies that meet everyone's basic needs, end gender inequity and restore the environment, then *Nepad* is little more than an appeal to the West for a last chance to undergird the *status quo*--and consequently should be rejected by people of conscience in the West.

⁹⁷ As noted earlier, poverty and "marginalisation" arise not from African countries' failure to take advantage of "the globalisation process," but on the contrary *because* features of international economic integration--especially declining terms of trade, the debt trap, multinational corporate looting through transfer-pricing, and the role of *compradors*--systematically impoverish Africa and make sustainable growth and development impossible.

⁹⁸ The pro-women add-on, as the second long-term objective, is not matched by any concrete commitments to gender equality in *Nepad*, suggesting that it is a contentless, politically-correct gesture of window-dressing, probably required by donor "partners." The natural gender concerns of Africa's patriarchal

68. Goals

- To achieve and sustain an average gross domestic product (GDP) growth rate of above 7 per cent per annum for the next 15 years;⁹⁹
- To ensure that the continent achieves the agreed International Development Goals (IDGs), which are:¹⁰⁰
 - To reduce the proportion of people living in extreme poverty by half between 1990 and 2015;
 - To enrol all children of school age in primary schools by 2015;¹⁰¹

leaders are reflected in the fact that virtually none have lifted a finger to improve women's conditions in substantive ways during the era of structural adjustment.

For example, only South Africa offers reproductive rights to women, yet even there the lack of public health facilities in low-income rural areas have limited access to the termination of only a few tens of thousands of unwanted pregnancies each year. To make matters far worse, Pretoria's stark refusal to provide generalised access to anti-retroviral drugs to rape survivors and HIV+ pregnant women, was one of the most indefensible acts of aggression against women in Africa. To add insult to injury, the government appealed to the Constitutional Court a lower court judgement requiring that his Department of Health reverse this specific onslaught on women and infants, less than two months after the launch of *Nepad*. Even even after changing policy direction in April 2002, the government continued attempting to bat down the Constitutional Court decision.

⁹⁹ By way of comparison, the *Growth, Employment and Redistribution* policy was launched in South Africa in June 1996, with the annual GDP growth prediction of 6%, to be sustainable by 2000. In reality, GDP grew by far less than *Gear* projected, and dipped below 2% at the outset of the 21st century.

¹⁰⁰ All the following goals are admirable, no doubt, but they are not likely to be achieved if *status quo* strategies and power relations are simply accepted and codified as "homegrown" African, as *Nepad* does.

¹⁰¹ As noted below, the double disincentives for primary school enrolment, namely cost-recovery provisions and exceedingly low state education budgets, are not explicitly addressed by *Nepad*, aside from an endorsement of community cost-sharing (which will probably exacerbate the situation) and a

- To make progress towards gender equality and empowering women by eliminating gender disparities in the enrolment in primary and secondary education by 2005;¹⁰²
- To reduce infant and child mortality ratios by two-thirds between 1990 and 2015;¹⁰³
- To reduce maternal mortality ratios by three-quarters between 1990 and 2015;
- To provide access for all who need reproductive health services by 2015;¹⁰⁴
- To implement national strategies for sustainable development by 2005, so as to reverse the loss of environmental resources by 2015.¹⁰⁵

vague promise to "Review levels of expenditure on education by African countries."

¹⁰² One of the most important barriers to ending gender disparity in education has been the imposition of cost-recovery ("user-fee") provisions in most African primary and secondary school systems, usually by World Bank and IMF dictate. *Nepad* is silent on this extreme disincentive to female education.

¹⁰³ The most crucial interventions towards this objective include the provision of free lifeline water/sanitation and electricity supplies, expansion of well-remunerated formal-sector employment, a stronger social security system (including a higher child support payment and a Basic Income Grant), and availability of free primary health care services such as free anti-retroviral drugs and related treatment for HIV+ pregnant women. *Nepad* is silent on all these, notwithstanding that they are all on the progressive political agenda in South Africa, perhaps in part because they have come to represent Pretoria's greatest potentials, and simultaneously its greatest failures.

¹⁰⁴ This would be remarkable, but depending upon how "reproductive health services" are defined (no doubt not to include reproductive rights such as safe access to abortion), will simply not happen in view of resistance by Catholic- or Muslim-dominated leaderships in many parts of Africa, and patriarchal control functions virtually everywhere else. However, it is certainly a laudable goal to articulate.

¹⁰⁵ Notwithstanding South Africa's hosting role for the World Summit on Sustainable Development in August 2002, Pretoria overrode civil society objections in late 2001 by publicly conceding that its own sustainable

69. The strategy has the following expected outcomes:¹⁰⁶

- Economic growth and development and increased employment;
- Reduction in poverty and inequality;
- Diversification of productive activities, enhanced international competitiveness and increased exports;
- Increased African integration.

70. Realising that unless something new and radical is done, Africa will not achieve the IDGs and the 7 per cent annual GDP growth rate, the African Heads of State propose the programme described below.¹⁰⁷ The programme is anchored on key themes and is supported by detailed programmes of action.

development strategy would not be in place by the time of the Summit.

¹⁰⁶ The following outcomes are all highly desirable, of course (although the export-led, competitiveness-oriented growth model is being universally questioned). What is important as a warning, however, is that the similar 1996 project for South Africa, *Gear*, also promised higher "economic growth... increased employment [and a] reduction in poverty and inequality." In reality, the homegrown policy delivered economic decline, increased unemployment and an increase in socio-economic polarisation--the opposite of growth, employment and redistribution. As for the promised "diversification of productive activities" and "increased African integration," a warning is also due that *Gear*, augmented by free-trade deals with Europe and the US, generated *less* diversification, and increased regional *dis*integration. Southern Africa after a generation of neoliberalism is more dependent upon raw materials and is much less industrialised and economically integrated than before. The main integration that has occurred is the domineering role of Johannesburg capital in Southern Africa, as South Africa's regional trade surplus soared since 1994, leading to plant closure and mass unemployment in the manufacturing sectors of neighbours such as Zimbabwe and Zambia.

¹⁰⁷ There is nothing in *Nepad* that can be described as new, much less "radical." The latter term derives from the Latin, "root," which would require much more profound commitment to challenging global, regional, national, local and household inequalities than Africa's elite leaders--and their supporters in the Bretton Woods Institutions, G-7 and UN--will ever contemplate.

A. CONDITIONS FOR SUSTAINABLE DEVELOPMENT¹⁰⁸

• The Peace, Security, Democracy, and Political Governance Initiative

71. African leaders have learnt from their own experiences that peace, security, democracy, good governance, human rights and sound economic management are conditions for sustainable development.¹⁰⁹ They are making a pledge to work, both individually and collectively, to promote these principles in their countries, sub-regions and the continent.¹¹⁰

(i) Peace and Security Initiative

72. The Peace and Security Initiative consists of three elements as follows:
- Promoting long-term conditions for development and security;¹¹¹

¹⁰⁸ The section contains three subthemes into which sustainable development "conditions" are summarised: The Peace, Security, Democracy, and Political Governance Initiative; The Economic and Corporate Governance Initiative; and Sub-Regional and Regional Approaches to Development. As argued below, the breadth (and lack of depth) of the first, the narrowness of the second and the lack of convincing information in the third together suggest that the *Nepad* authors are not yet serious about confronting the many political-economic biases in Africa that will prevent sustainable development.

¹⁰⁹ Aside from *Nepad* failing to show evidence that African leaders have learned that peace, security, democracy, good governance, and human rights promote sustainability--because more counterevidence than evidence exists--the adjective "sound" raises the same problems associated with "macroeconomic stability," as noted above. It is hard to show that there has been any economic payoff to the vast majority of South African people from the imposition of allegedly sound policies.

¹¹⁰ Crucially, *Nepad* offers no guarantee, beyond a non-binding "pledge," that African signatories will actually abide by the document's provisions.

¹¹¹ The only way to establish long-term conditions for development and security is to go to the foundations of Africa's economic problems. Through sophistry and word play, which are apparently required to both appease the

- Building the capacity of African institutions for early warning, as well as enhancing African institutions' capacity to prevent, manage and resolve conflicts;¹¹²
- Institutionalising commitment to the core values of the *New Partnership for Africa's Development* through the leadership.¹¹³

73. Long-term conditions for ensuring peace and security in Africa require policy measures to address the political and social vulnerabilities on which conflict is premised.¹¹⁴ These are dealt with by the Political and

major international institutions and donors and the one hand and unscrupulous African leaders on the other, *Nepad* systematically avoids grappling with the roots of Africa's problems. Those roots are today most powerfully intertwined as *compradorism* and imperialism (i.e., "partnership" and "globalisation").

¹¹² The "early warning" systems of economic breakdown, human misery and ecological destruction exist all over Africa already, in the experiences of ordinary people. Were *Nepad* serious about institution-building to these ends, it would address the question of how to better reflect their reality through democratised media, improved lateral communications and promotion of democratic mass organisations, all of which African leaders have shown they are wont to repress.

¹¹³ The *top-down* process of establishing peace, security, democracy, good governance, human rights and sound economic management has most often failed in Africa, via previous experiences of donor conditionality. A much more thorough-going, genuinely radical restructuring of society and economy is required, that nurtures the creativity of the mass of African producers, the grassroots leadership and mutual-support systems of women, the intrinsic democratic norms of progressive civil society organisations, and the enthusiasm of the youth. Were *Nepad* serious about its core values, the focus would be on unleashing the power of the people, through removing the barriers to genuine people-centred development, which are too often found in the ways that African leaders reproduce their systems of rule, as part of the reproduction of Africa's disempowered role in the international division of labour.

¹¹⁴ This is absolutely true; yet *Nepad* offers policies that lead to the *opposite* results as are allegedly desired.

Economic Governance Initiatives, the Capital Flows and Market Access Initiatives and the Human Development Initiative.

74. Efforts to build Africa's capacity to manage all aspects of conflict must focus on the means necessary to strengthen existing regional and sub-regional institutions,¹¹⁵ especially in four key areas:
- Prevention, management and resolution of conflict;¹¹⁶
 - Peacemaking, peacekeeping and peace enforcement;
 - Post-conflict reconciliation, rehabilitation and reconstruction;
 - Combating the illicit proliferation of small arms, light weapons and landmines.¹¹⁷

¹¹⁵ The regional institutions have generally proven themselves incapable of these tasks. The fundamental change required would entail scrapping most existing institutions--which are in many cases incurably corrupt and inefficient--and building ones that are in the image of the African people, not pale reflections of Western colonial- and neoliberal-era models.

¹¹⁶ The most important issues in conflict prevention are all off the *Nepad* agenda:

a) reconfiguring state boundaries in a manner that is not reliant upon the 1885 Berlin conference between the imperial powers, but that instead reflects functional, geographically-coherent and potentially ethnically-sensitive boundaries;

b) rejigging economic policies so that they achieve growth, sustainable inward industrialisation, and environmentally responsible production and distribution systems, instead of the debt-driven, conflict-generating over-exporting of raw materials that require territorial domination and environmental destruction; and

c) reducing the scope for monopolistic control of the state by ruling parties without reference to opposition parties, freedom of the expression and of the press, minority groups, and mass-popular interests.

¹¹⁷ With the exception of landmines, which South Africa once made and laid prolifically, Pretoria still takes great pride in arms exports. While small arms are a major problem, so too are large-scale weapons, such as the R66 billion in inappropriate offensive weapons that Pretoria contracted to purchase on the basis of specious, wildly inaccurate projections of job-creating "offsets" in South Africa that can not materialise. Were *Nepad's* authors serious about weapons proliferation, cancellation of Africa's single-largest arms deal would

75. The leadership of the *New Partnership for Africa's Development* will consider, within six months of its establishment, setting out detailed and costed measures required in each of the four areas above. The exercise will also include actions required of partners, and the nature and sources of financing such activities.¹¹⁸
76. The envisaged Heads of State Forum will serve as a platform for the *New Partnership for Africa's Development* leadership to seek to enhance the capacity of African institutions to promote peace and security on the continent, to share experience and to mobilise collective action. The Forum will ensure that the principles and commitments implicit in the initiative are fulfilled.¹¹⁹
77. Aware of that requirement, Africans must make all efforts to find a lasting solution to existing conflicts, strengthen their internal security and promote peace among the countries.¹²⁰

be the logical place to start.

¹¹⁸ The six-month deadline passed on 23 March 2002 without such documentation emerging. The discussion in Nigeria in March 2002 included more vague commitments to peace and security, unburdened by details or by anything resembling a genuine system of accountability.

¹¹⁹ The main institutional problem here is that the states most requiring intervention--those with collapsed or "failed" governments (e.g., in West Africa or the Horn of Africa)--are not part of the Forum. Aside from a few examples in which regional peacekeeping was attempted, generally unsuccessfully (e.g. through the West African Ecomog), African heads of states have been notoriously unwilling to make consistent *collective* interventions on behalf of political stability. To illustrate, when, in mid-1998, the Southern African Development Community was split by debates over the merits of interventions in the Democratic Republic of the Congo and Lesotho (both under threat of military take-over), Pretoria proved to be the most fickle and inconsistent of the participating governments. It initially opposed intervention on behalf of the threatened Kabila regime but soon thereafter invaded Lesotho to restore an overthrown government.

¹²⁰ Although "strengthen internal stability" might serve as an excuse for

78. At the Lusaka Summit, the African Union decided to take drastic measures in reviving the organs responsible for conflict prevention and resolution.¹²¹

(ii) Democracy and Political Governance Initiative

79. It is now generally acknowledged that development is impossible in the absence of true democracy, respect for human rights, peace and good governance. With the *New Partnership for Africa's Development*, Africa undertakes to respect the global standards of democracy, which core components include political pluralism, allowing for the existence of several political parties and workers' unions, fair, open, free and democratic elections periodically organised to enable the populace choose their leaders freely.¹²²

increasing the repressive apparatus within undemocratic regimes, these are useful sentiments. But in reality, the cases of election-related conflicts in Congo-Brazzaville, Madagascar, Zambia and Zimbabwe--all within six months of the launch of *Nepad*--suggest that African heads of state are entirely willing to support the political *status quo* even when illegitimate government is manifestly the main cause of internal conflict. There was no hesitation by any African head of state (with the exception of Senegal's Wade on Zimbabwe) to accept the self-declared victors in these stolen elections, even though conflict and insecurity are going to worsen in many of these sites, and even though the legitimacy of *Nepad* itself comes under question.

¹²¹ There is no evidence that the "drastic" revival of such organs is being attempted, or that the existing structures can be made effective, without changes in the attitudes and interests of participating regimes.

¹²² These are vital first-cut objectives, albeit of a purely bourgeois-democratic character. Far-reaching radical-participatory democratic objectives are apparently off *Nepad's* agenda.

But to reiterate, the most important test cases of bourgeois democracy, in Congo-Brazzaville, Madagascar, Zambia and Zimbabwe quickly proved the mettle of Africa's leaders. African leaders, especially from Pretoria, turned a blind eye to undemocratic processes in all settings and codified the outcomes of elections stolen by the ruling parties. South Africa, for example, refused to consider even mild "smart sanctions" against Zimbabwe's leaders,

80. The purpose of the Democracy and Governance Initiative is to contribute to strengthening the political and administrative framework of participating countries, in line with the principles of democracy, transparency, accountability, integrity, respect for human rights and promotion of the rule of law.¹²³ It is strengthened by and supports the Economic Governance Initiative, with which it shares key features, and taken together will contribute to harnessing the energies of the continent towards development and poverty eradication.¹²⁴

81. The Initiative consists of the following elements:

- A series of commitments by participating countries to create or consolidate basic governance processes and practices;¹²⁵

even though these were explicitly requested by the democratic opposition.

¹²³ These are valid aims and ambitions, and have been promoted by progressive civil society organisations for many years. But virtually all cut against the grain of most existing African heads of state and ruling parties.

¹²⁴ Again, under the structural internal and external constraints Africa faces, achieving both together is virtually impossible, the inappropriate conflation of democracy and free markets neglects evidence that while either one or the other is possible in the short-term.

¹²⁵ Such "commitments" could easily have been enumerated in this document, but have not been. A standard listing of governance commitments would have started with free and fair elections and moved to more detailed provisions, such as:

- greater accountability (financial and political) of public officials, including politicians and civil servants;
- transparency in governmental procedures and processes;
- a concerted attack on corruption;
- predictability in governmental behaviour and in the political system;
- rationality in governmental decisions;
- competent auditing of governmental transactions;
- drastic curbing of bureaucratic red tape
- elimination of unnecessary administrative controls, to plug avenues for rent-seeking;
- free flow of information;

- An undertaking by participating countries to take the lead in supporting initiatives that foster good governance;¹²⁶
- The institutionalisation of commitments through the *New Partnership for Africa's Development* leadership to ensure that the core values of the initiative are abided by.¹²⁷

82. The *New Partnership for Africa's Development* states will also undertake a series of commitments towards meeting basic standards of good governance

-
- encouragement of a culture of public debate;
 - institution of a system of checks and balances within the governmental structure;
 - decentralisation of government;
 - respect for human rights;
 - judicial autonomy and the rule of law;
 - establishment of a reliable legal framework;
 - protection of property;
 - enforcement of contracts;
 - capacity-building for technocrats; and
 - consultation and participation with all affected stakeholders.

(This list is from Mkandawire, T. and C. Soludo (2000), *Our Continent, our Future: African Perspectives on Structural Adjustment*, Dakar, Codesria; Ottawa, IDRC; and Trenton, Africa World Press, p.47.)

¹²⁶ With Pretoria as the key catalyst of *Nepad*, expectations for leadership were lowered when in March 2002 the Cabinet agreed with the South African Observer Delegation that the Zimbabwean elections were "legitimate" and "credible" (even if they were not free and fair).

¹²⁷ *Nepad* contains no meaningful sanctions or punishment for violating core democratic principles, rendering the ideas worthless, mere window-dressing, as demonstrated in various settings (Congo-Brazzaville, Madagascar, Zambia, Zimbabwe) just months after *Nepad*'s launch. And as a reflection of the lack of serious commitment to governance by another key *Nepad* spokesperson, Benjamin Mkaia presided over elections in Tanzania in 2001 which, in April 2002, were revealed by an investigation to have been massively flawed due to police violence against people of Zanzibar and other parts of Tanzania. Neither disciplinary procedures nor self-expulsion from *Nepad* were considered.

and democratic behaviour while, at the same time, giving support to each other. Participating states will be supported in undertaking such desired institutional reforms where required. Within six months of its institutionalisation, the *New Partnership for Africa's Development* leadership will identify recommendations on appropriate diagnostic and assessment tools, in support of compliance with the shared goals of good governance, as well as to identify institutional weaknesses and to seek resources and expertise for addressing these weaknesses.¹²⁸

83. In order to strengthen political governance and build capacity to meet these commitments, the *New Partnership for Africa's Development* leadership will undertake a process of targeted capacity-building initiatives. These institutional reforms will focus on:
- Administrative and civil services;
 - Strengthening parliamentary oversight;
 - Promoting participatory decision-making;
 - Adopting effective measures to combat corruption and embezzlement;
 - Undertaking judicial reforms.¹²⁹

¹²⁸ The phraseology employed here offers grounds for pessimism: "leadership," "recommendations," "appropriate diagnostic and assessment tools," "institutional weaknesses," "resources and expertise for addressing these weaknesses." In reality, most African elites run extremely undemocratic regimes. Even one of the best-case examples, South Africa, has recently exhibited bizarre leadership paranoia, for example, in permitting the use of state resources for internecine ruling party intrigue, as in the case of three business leaders allegedly plotting to overthrow the president. Even South Africa's democratic parliament suffered a debilitating deterioration in its ability to conduct critical oversight, when its Public Accounts Committee was reduced to farce while carrying out a multi-billion dollar arms-deal investigation, due to blind ruling-party loyalty.

¹²⁹ These are important ambitions, for across Africa all these institutional bulwarks of any effective state remain extremely weak or corrupted by ruling-party pressure. However, the only genuine guarantee of accountability in state-society relations is civil-society oversight, which goes unmentioned here. Below, the weaknesses in *Nepad's* conception of civil society are explored.

Moreover, the record of 1980s-90s governance according to the dictates of the Washington Consensus, with which *Nepad* concurs, is that the administrative and civil services were crippled under the pressure of fiscal

84. Countries participating in the initiative will take the lead in supporting and building institutions and initiatives that protect these commitments. They will dedicate their efforts towards creating and strengthening national, sub-regional and continental structures that support good governance.¹³⁰ The Heads of State Forum on the *New Partnership for Africa's Development* will serve as a mechanism through which the leadership of the *New Partnership for Africa's Development* will periodically monitor and assess the progress made by African countries in meeting their commitment

constraints; parliaments were denuded of the possibility of meaningful dissent against neoliberalism; participatory decision-making occurred in name only; corruption and embezzlement were aided and abetted by incoming foreign-currency loans and Washington-dictated financial liberalisation; and judicial reforms were invariably geared to strengthening property rights instead of human rights.

¹³⁰ Unfortunately, key *Nepad* founder-governments have been either unsuccessful or unwilling to assure improved governance in even the procedural aspects of democracy. This is particularly embarrassing in Algeria, where a lost election was simply not recognised by the current ruling party and in Nigeria, which continues to manifest numerous problems in ordinary democratic governance.

Even in South Africa, the past few years have witnessed centralisation of power extended to the point where virtually all major cities' mayors, as well as provincial premiers, are chosen by a small team from the ruling party executive, often with very controversial results. The same party passed national legislation in February 2002 to encourage minority parties to "cross the floor" with more than 10% of their elected representatives (a figure arrived at so as to hurt the opposition while effectively disallowing defections from the ruling party). The objective was to draw one of the opposition parties--the New National Party which had imposed apartheid in 1948--into an alliance. When in March 2002 the Zimbabwe elections were evidently rigged, according to unbiased observers (e.g., from the SADC parliamentary forum and a variety of NGOs), the South African ruling party's observer team overrode the minority parties in parliament so as conclude otherwise. In short, respect for the basics of good governance is often lacking amongst the rulers of South Africa's own ruling party.

towards achieving good governance and social reforms.¹³¹ The Forum will also provide a platform for countries to share experiences with a view to fostering good governance and democratic practices.

● The Economic and Corporate Governance Initiative

85. State capacity-building is a critical aspect of creating conditions for development.¹³² The State has a major role to play in promoting economic growth and development, and in the implementation of poverty reduction programmes. However, the reality is that many governments lack the capacity to fulfil this role. As a consequence, many

¹³¹ The commitment to "monitor and assess" is the closest that *Nepad* comes to acknowledging that there are, in fact, no provisions (aside from self-disqualification) for disapproval and punishment envisaged in the programme.

¹³² This is manifestly obvious. But it bears pointing out that the main *Nepad* authors in Pretoria desire capacity in some areas, but obviously not in others.

The challenge of building state developmental capacity in South Africa arose on two occasions in 2000-01, through citizen appeals to the courts that socio-economic and health capacity be improved. In the first case (*Irene Grootboom v. the state*, September 2000), the plaintiffs won their claim that the state (at national, provincial and municipal tiers) is obliged to provide shelter for the very poorest South Africans, but there was no corresponding change in housing policy--aside from Pretoria's counterproductive insistence during 2001 that to access a higher housing subsidy, beneficiaries would have to show substantial savings. In the second case (*Treatment Action Campaign v. the state*, December 2001), the plaintiffs won their claim that tens of thousands of infants' lives should be saved by state provision of anti-retroviral drugs to pregnant HIV+ women. Pretoria showed its commitment to state capacity building and citizen empowerment, by announcing a decision to appeal the case--not only on grounds Pretoria didn't want to allocate funds to save the infants' lives, but also because it didn't believe that the courts had such a powerful policy-overview role, notwithstanding an explicit mandate to that effect in the socio-economic rights clauses within the South African constitution's Bill of Rights.

In sum, without any explicit change in the attitudes of Africa's governing classes, it is unlikely that referring state capacity-building exercises back to those same governments will result in any change.

countries lack the necessary policy and regulatory frameworks for private sector-led growth. They also lack the capacity to implement programmes even when funding is available.¹³³

¹³³ This would be an appropriate place to identify and analyse various causes of state decapacitation in economic management: e.g., the neoliberal ideology of market-centred development, and the systematic defunding and desubsidisation, deregulation, fragmentation, corporatisation and privatisation of state functions (including even basic water provision) forced upon Africa by the Bretton Woods Institutions over a two-decades long period. *Nepad* ignores these universal causes of state decapacitation, either because of diplomatic considerations (in its request for meagre, highly conditioned HIPC debt relief and more loans) or because the document's authors don't really have a serious critique of this kind of decapacitation.

The *Nepad* authors' failure to provide analysis or details about building state capacity and combatting corporate malgovernance is probably no accident. Cases in point include South Africa's own deregulation and decapacitation of its financial regulatory apparatus, especially its 1985-95 dual exchange control system, its oversight and regulation of small banks (most of which went bankrupt during the late 1990s and early 2000s), and the urgent unmet need to compel its large banks to achieve more racial, geographic, class and gender equity in credit allocation. Pretoria's failure reflects both its commitment to neoliberal economic ideology, and prevailing power relations: especially, the "independence" (i.e. insulation from democratic oversight) of the Reserve Bank which remains under commercial bank ownership and whose board is heavily weighted towards banking and corporate interests. Likewise, ongoing malfeasance in corporate governance is not taken seriously in South Africa, as witnessed by numerous scandals in which the primary pressure point for reform is the neoliberal daily business paper, while Pretoria agencies remain silent and prosecutions remain extremely rare. This is a crucial defect at the very heart of *Nepad*, given the highly expansive role of South African firms in the region, mainly in the banking, construction, mining, retail, tourism and brewery sectors.

To illustrate the very real danger of worsening corporate malgovernance, Pretoria did not engage in any public investigation or prosecution associated with the blatant corruption case now under prosecution in Lesotho, in which the largest South African construction companies bribed the head of the agency overseeing Africa's largest public-works project, the Lesotho Highlands Water Project. The World Bank played a vital role in maintaining the corrupt head of the agency, by writing a

87. It is for this reason that targeted capacity building should be given a high priority. Programmes in every area must be preceded by an assessment of capacity, followed by the provision of appropriate support.

Objective

88. To promote throughout the participating countries a set of concrete and time-bound programmes aimed at enhancing the quality of economic and public financial management as well as corporate governance.

Actions

89. A Task Force from Ministries of Finance and Central Banks will be commissioned to review economic and corporate governance practices in the various countries and regions, and make recommendations on appropriate standards and codes of good practice for consideration by the Heads of State Implementation Committee within six months.¹³⁴

90. The Implementation Committee will refer its recommendations to African

threatening letter to the Lesotho government in 1994, six years after the corruption began (and four years before it ended), requiring that the corrupt executive be retained in his position, and in 2001 refused to comply with a commitment it had made to assist Maseru with financial support for ongoing prosecution of the firms involved. The Bank has also failed to debar the companies associated with the corruption, which was first exposed in press investigations in mid-1999. In sum, the evidence suggested by this emblematic, high-profile, multi-million dollar case is that neither Pretoria nor Washington can be trusted to promote good governance and state capacity-building.

Although South Africa is making some progress in relation to financial management and corporate governance, certainly in relation to the apartheid era, there are enormous gaps. Repeated financial bankruptcies and corporate scandals have regularly brought systematic irregularities in South African capitalism to light.

¹³⁴ By May 2002, there was no record of this objective having been achieved, notwithstanding the request by Mbeki himself (in August 2001) that the region's central banks make it a high priority.

states for implementation.¹³⁵

91. The Implementation Committee will give high priority to public financial management. Countries will develop a programme for improving public financial management and targets, and assessment mechanisms will also be set.¹³⁶

¹³⁵ Were *Nepad* serious about building state capacity and improving corporate governance, it would not leave the entire process up to African states, which in turn remain unduly influenced by the deregulatory-oriented Bretton Woods Institutions. A genuine effort would empower ordinary citizens to insist upon participatory roles in state capacity-building, through means such as the Porto Alegre participatory budgeting (as one well-known example). *Nepad* offers no mechanisms to this end.

¹³⁶ There is no question that, because of the structural tendency towards building patronage-oriented regimes dominated by powerful politicians, financial management across Africa is beset by inefficiency and corruption. Yet too often, the real barriers to raising revenues and providing financial resources lie in neoliberal ideology and programmatic dictates. Evidence includes the drive across Africa to lower tax and tariff rates associated with deregulatory regimes, vain attempts to attract foreign direct investment, and the mindless adoption of decentralisation, which in practice entails more responsibilities at lower levels of government but with fewer resources. Thus the codewords "public financial management" probably refer to the desire of *Nepad's* authors to centralise financial and fiscal power while decentralising responsibilities.

In South Africa, this arrangement has done enormous harm to both local-level democracy and to municipal financial affairs. Recent problems have included:

- the head of the political party (whether African National Congress or Democratic Alliance) now chooses the mayor in the major metropolitan areas;
- the consolidation of newly demarcated municipalities, from 843 in 1994 to 284 in 2001, which had limited redistributive benefits but crippling impacts on local democracy in areas where constituents and councillors alike must now travel many kilometres to the new central municipal headquarters;
- dramatic declines in central-to-local grants for operating and maintenance expenses on infrastructure during the 1990s (by an average

92. The Heads of State Implementation Committee will mobilise resources for capacity building to enable all countries to comply with the mutually agreed minimum standards and codes of conduct.¹³⁷

● Sub-Regional and Regional Approaches to Development

93. Most African countries are small, both in terms of population and per capita incomes. As a consequence of limited markets, they do not offer attractive returns to potential investors, while progress in diversifying production and exports is retarded. This limits investment in essential infrastructure that depends on economies of scale for viability.¹³⁸

of 85% in real terms);

- growing "unfunded mandates" to provincial and municipal governments;
- provisions to prohibit municipalities from borrowing and from raising property tax rates (notwithstanding huge apartheid deficits and unparalleled wealth/property/income inequality); and
- recent legislation that harshly penalises municipal managers for overspending on social and municipal services--in spite of a (laudable) ruling-party political mandate that municipalities offer a free lifeline amount basic services such as water and electricity to all citizens.

¹³⁷ To the extent that these resources will be mobilised via the same Washington financial agencies, the African Development Bank and donors who are already compelling African states to decapacitate, they will be contradictory in nature. If the South African case is indicative, an elite cadre will be established within the civil service, and paid vast sums more than their colleagues, so as to compete with other private and donor-sector employers of skilled financial managers.

¹³⁸ There is a great deal of truth in this comment. But other profound causes of insufficient markets could also have been noted, were the *Nepad* authors inclined. Declining living standards, destruction of Keynesian demand-stimulation, and excessive deregulation of tariffs and other industrial-policy tools are also very much to blame for the lack of buying power and competitive capacity which together have wrecked Africa's manufacturing base. However, these very real factors are not to be identified as problems in *Nepad*, and are not on its agenda for resolution.

94. These economic conditions point to the need for African countries to pool their resources and enhance regional development and economic integration on the continent, in order to improve international competitiveness.¹³⁹ The five subregional economic groupings of the continent must, therefore, be strengthened.
95. The *New Partnership for Africa's Development* focuses on the provision of essential regional public goods (such as transport, energy, water, ICT, disease eradication, environmental preservation, and provision of regional research capacity), as well as the promotion of intra-African trade and investments. The focus will be on rationalising the institutional framework for economic integration, by identifying common projects compatible with integrated country and regional development programmes, and on the harmonisation of economic and investment policies and practices.¹⁴⁰ There needs to be co-ordination of national sector policies and effective monitoring of regional decisions.
96. The *New Partnership for Africa's Development* will give priority to the capacity building in order to enhance the effectiveness of existing regional structures and the rationalisation of existing regional organisations. The

¹³⁹ Ideally, the first objective of regional integration would not be to improve "international competitiveness." Africa needs integration not so as to become an export platform, but primarily so as to meet the socio-economic and environmental needs of its citizenries.

¹⁴⁰ With a focus on "rationalising the institutional framework," rather than on the more profound dilemma of regional production/consumption complementarities, the anticipated "economic integration" will not be achieved. Examples of an excessive emphasis on institutional issues, to the neglect of *content* in regional economic development, are South Africa's Spatial Development Initiatives (SDIs). These are allegedly "common projects compatible with integrated country and regional development programmes," and they attempt to harmonise "economic and investment policies and practices." But the SDIs to date--whether within the region, such as the Maputo Corridor, or simply within South Africa--have been extremely disappointing, particularly insofar as promises of trickle-down benefits to local communities have been systematically broken.

African Development Bank must play a leading role in financing regional studies, programmes and projects.¹⁴¹

97. The sectors covered by the current Programme include the following priority areas:

- (i) Infrastructure, especially information and communications technology (ICT) and energy
- (ii) Human resources, including education, skills development, and reversing the brain drain
- (iii) Health
- (iv) Agriculture
- (v) Access to the markets of developed countries for African exports

98. For each sector, however, the objective is to bridge existing gaps between Africa and the developed countries so as to improve the continent's international competitiveness and to enable her to participate in the globalisation process.¹⁴² The special circumstances of African island and land-locked states will also be addressed in this context.

B. SECTORAL PRIORITIES

• Bridging the Infrastructure Gap

¹⁴¹ The African Development Bank, an aid-dependent institution, lends in inappropriate hard currency, fails to grant debt cancellation, parrots Washington's neoliberal philosophy, and nearly went bankrupt during the late 1990s, as senior management went into hiding. Its failure to perform in the interests of Africa's poor and working people requires a genuine cost-benefit audit to determine whether it can be salvaged or requires replacement by a genuine people's development bank.

¹⁴² As noted before, if the objective is merely "to improve the continent's international competitiveness and to enable her to participate in the globalisation process," there will be two problems: a) Africa is already too far behind the rest of the world to catch up on the terms of "globalisation," and b) to reduce the objective of development to international competitiveness will necessarily mean leaving out the masses of Africans who are not "competitive."

(i) All Infrastructure Sectors

99. The infrastructures considered include roads, highways, airports, seaports, railways, waterways, and telecommunication facilities.¹⁴³ However, only sub-regional or continental infrastructures will be the focus of the Plan.
100. Infrastructure is one of the major parameters of economic growth, and solutions should be found to permit Africa to rise to the level of developed countries in terms of the accumulation of material and human capital.¹⁴⁴
101. If Africa had the same basic infrastructure as developed countries, it would be in a more favourable position to focus on production and improving productivity for international competition.¹⁴⁵ The structural gap in infrastructure constitutes a very serious handicap to economic growth and poverty reduction. Improved infrastructure, including the cost and reliability of services, would benefit both Africa and the international community, which would be able to obtain African goods and services more cheaply.¹⁴⁶

¹⁴³ It makes little sense to isolate electricity and water/sanitation bulk supply systems from this list, but they are dealt with separately below.

¹⁴⁴ The most important question is whether the "level of developed countries"--particularly in relation to highways and airports--is necessary and desirable, for it implies the adoption in Africa of unsustainable, ecologically-damaging and socially-questionable Northern-style automobile and truck density, and the expansion of pollution/energy-intensive air transport.

¹⁴⁵ As it stands (and as *Nepad* soon acknowledges), most of Africa's infrastructure is *already* biased towards improving the continent's international competitiveness, as a result of the rail, road, shipping and air-transport links between the continent and its former colonial powers. Indeed, the "competitiveness" of Africa's raw material exports has been one of the reasons for the continent's *underdevelopment*, and *Nepad* should therefore have stressed infrastructure for internal coherence, not for exacerbating the export-led bias of Africa's economies.

¹⁴⁶ The excessively "cheap" (in all senses of the word) character of African raw materials is one of the systematic causes of the continent's economic

102. In many African countries, the colonial powers built the infrastructure to foster exportation of African raw materials and importation of industrial goods into Africa.¹⁴⁷
103. We recognise also that if infrastructure is to improve in Africa, private foreign finance is essential to complement the two major funding methods, namely credit and aid.¹⁴⁸
104. The Infrastructure Initiative comprises elements that are common to all the infrastructure sectors. It also includes elements that are sector-specific.

105. Objectives

- To improve access to and affordability and reliability of infrastructure

problems, as terms-of-trade data convincingly show.

¹⁴⁷ This is the essential problem with Africa's economy: its debilitating bias is its export-led character, inherited from extractive-colonialism and exacerbated during neocolonialism and neoliberalism. *Nepad* simply amplifies this bias.

¹⁴⁸ Investment by foreign firms in Africa's infrastructure has many untenable characteristics, as discussed below, which can be summarised as:

- inappropriate tariffing that observes only short-run costs (not longer-term benefits or positive externalities achieved by unprofitable provision to the masses, e.g., through state subsidies or cross-subsidisation);
- inappropriate hard-currency inputs for many features of infrastructure development (labour, local materials) which do not require hard currency;
- repatriation of profits to Northern centres (in hard currency), thus draining Africa's scarce foreign exchange reserves;
- use of overpriced Northern consultants and employees; and
- reliance upon inappropriate Northern technology for which the need to import expensive (hard-currency denominated) maintenance support and spare parts ensures Africa's ongoing dependency.

services for both firms and households;¹⁴⁹

- To enhance regional co-operation and trade through expanded cross-border development of infrastructure;¹⁵⁰

¹⁴⁹ Such an objective should be endorsed. However, if the means to achieve it include public-private partnerships, *Nepad* owes its readers an explanation of the profit motive in privatised infrastructure. Supplying to most of Africa at the 30%+ profit (remitted in hard currency) required by the typical infrastructure investor is unaffordable to the average, much less lower-income consumer.

Even in relatively low-risk South Africa, one investment fund sponsored by the African Development Bank in 1997 projected before-tax internal rates of return (IRRs) of 26-27% over the fund's "15-year life in constant US dollar terms," assuming that "10% of all investments will fail; 50% of all investments will generate an IRR of 30%; and 40% of all investments will generate an IRR of 35%." To earn such high rates of return on infrastructure investments that are often long-term in nature (often forty years before full social and economic returns on investment are realised), and on top of that to compress the high earnings into the early stages of investment (on average 7.5 years, given that this particular fund was to be shut down after 15 years), and to do so using a wide range of social infrastructure investments, implies an extremely high cost-recovery burden for direct infrastructure recipients, or dramatic cost reductions at the level of the enterprise. Amongst "potential project pipeline" investments were the hotly debated Nelspruit water treatment, Eskom electricity transmission lines, Empangeni water management, and Telkom's partial privatization, all of which entailed infrastructure aimed at bringing low-income people into the economy, and none of which proved sustainable. (African Development Bank (1997), "Investment Proposal: South Africa Infrastructure Investment Fund," ADB Private Sector Unit, Abidjan.)

¹⁵⁰ This is also admirable, but if the vehicles chosen include those that South Africa has been promoting--i.e., the Spatial Development Initiatives--then extreme uneven development can be expected: the nature of the projects is usually resource-extractive, and the existing regional power relations in some parts of Africa are overwhelmingly biased towards domination by a sub-hegemon (South Africa and Nigeria). The phrase "Africa's yankees" is often used of South Africans in Southern Africa. "Subimperialism" is a genuine problem.

- To increase financial investments in infrastructure by lowering risks facing private investors, especially in the area of policy and regulatory frameworks;¹⁵¹
- To build adequate knowledge and skills in technology and engineering with a view to installing, operating and maintaining "hard" infrastructure networks in Africa.¹⁵²

106. Actions

- With the assistance of sector-specialised agencies, put in place policy and legislative frameworks to encourage competition.¹⁵³ At the same

¹⁵¹ The privatisation of infrastructure requires higher regulatory barriers and tougher public policy, not lower and weaker regulations and policies as implied. South Africa is a case in point, in areas such as telecommunications where the 30% foreign investors (from Texas and Malaysia) have regularly attempted to cheat the public on fixed-line costs and roll-out of lines to millions of people who were denied access during apartheid, according to the national regulator. Policy has swung backward and forward, and the regulator has been disempowered on occasion, precisely because of the desire by the neoliberal faction of government to "lower risks facing private investors." The Texan/Malaysian firm has even publicly threatened to sell its stake in Telkom because of a strong regulator, in a debate that will continue.

¹⁵² Some infrastructure is enormously complex, costly and difficult to maintain (e.g. telephony), while others (e.g. postal services, roads, and the like) are relatively easy. *Nepad* fails to distinguish between these, and to rank priorities for infrastructure that would help unveil who benefits and at what cost to the national coffers.

¹⁵³ The introduction of "competition" implies privatisation of infrastructure. Yet the case for privatisation is not made within *Nepad*, either on the basis of past experiences or contemporary logic. This is extremely unsatisfying, given that most infrastructure is of a "natural monopoly" type, for which competition is unsuitable. Such natural monopolies include roads and railroads, telephone land lines (including optic-fibre), water and sewage reticulation systems, electricity transmission, ports and the like. *Nepad* cannot make a case for competition in these areas; there is, in contrast, an extremely strong case, based on the public-good and merit-good factors, for *state* control and non-profit operation, including cross-subsidisation to enhance

time, introduce new regulatory frameworks as well as build capacity for regulators, so as to promote policy and regulatory harmonisation in order to facilitate cross-border interaction and market enlargement;¹⁵⁴

- Increase investment in infrastructure, especially refurbishment, and improve system maintenance practices that will sustain infrastructure;¹⁵⁵

- Initiate the development of training institutions and networks which can develop and produce high-skill technicians and engineers in all infrastructure sectors;¹⁵⁶

- Promote community and user involvement in infrastructure construction, maintenance and management, especially in poor urban and rural areas, in collaboration with the *New Partnership for Africa's Development* Governance Initiatives;¹⁵⁷

affordability for poor consumers (which is also anathema to the private sector).

¹⁵⁴ The problem of "captive regulation" remains profound where states are weak and multinational corporations have extraordinary capacity. The failure of South Africa to establish effective regulation in crucial, life-and-death sectors undergoing privatisation, such as water and passenger transport, and the ineffectiveness of the National Electricity Regulator, together suggest that the one example of a strong regulator (in the telecommunications sector) is the exception that proves the rule.

¹⁵⁵ Costs, returns on investment and other crucial information are missing. The reluctance of foreign donors, private investors and states to invest in infrastructure to date cannot simply be willed away. As for maintenance, South Africa is one of the best examples of how quickly a commitment to fiscal austerity can undermine the budget for public-works maintenance. It is widely recognised in government that the backlog on refurbishing state-owned buildings, roads, bridges and many other state assets rose dramatically after 1994, *as a matter of policy*.

¹⁵⁶ This is important, but *Nepad* owes its readers an explanation of why such training institutions, which used to exist in greater quantities, were subsequently defunded, along with most state tertiary education, and how that condition can be reversed.

¹⁵⁷ Community participation in infrastructure is, in principle, a useful strategy. But in practice under neoliberalism, it has had the effect of placing financial

- Work with the African Development Bank and other development finance institutions on the continent to mobilise sustainable financing especially through multilateral processes, institutions and donor governments, with a view to securing grant and concessional finance to mitigate medium term risks;¹⁵⁸

and technical obligations that are the responsibility of the state in most civilised societies, onto the shoulders of impoverished communities.

In South Africa, the effect of requiring a greater role for communities in administering full cost-recovery rural water schemes, was to leave most of them broken due to lack of community affordability. This philosophy already prevails in many African settings, notwithstanding the extreme poverty, on mainly ideological grounds of full cost-recovery. The World Bank insists that African governments which aim to supply rural villages in desperate need of water and sanitation supplies, must follow the following neoliberal formula: "Promote increased capital cost recovery from users. An upfront cash contribution based on their willingness-to-pay is required from users to demonstrate demand and develop community capacity to administer funds and tariffs. Ensure 100% recovery of operation and maintenance costs." (World Bank (2000), "Sourcebook on Community Driven Development in the Africa Region: Community Action Programs," Africa Region, Washington, DC, 17 March, Annex 2.)

¹⁵⁸ Financing is one of *Nepad's* Achilles Heels, because existing institutions and processes are so destructive. The African Development Bank is an example of a failed institution. The World Bank's own internal assessments of African lending (e.g. the Wappenhans Report) are shocking, with a majority of projects considered failures. There is no logic to the African Development Bank and World Bank process of lending in hard currency for developmental goods and services--e.g., rural education--whose components are nearly entirely based on locally-sourced inputs (not requiring hard currency repayment). Many donor agencies, especially US AID, suffer from the same problem, of lending in extremely expensive hard currency--repayable with high effective interest rates as the value of African currencies falls--for projects with few foreign inputs. The hard currency is then utilised, in part, for import of luxury goods by African elites. If countries attempt to put on luxury goods import taxes (as did Zimbabwe in 1998), the International Monetary Fund and World Trade Organisation force the countries to remove them.

Will "concessional" loans solve Africa's financing problems? The existing external financing for most of Africa is already highly concessional, in

- Promote PPPs as a promising vehicle for attracting private investors, and focus public funding on the pressing needs of the poor, by building capacity to implement and monitor such agreements;¹⁵⁹

the form of World Bank International Development Administration loans at 0.75% or lower interest rate. But those cheap loans, repayable in hard currency, did not stop Africa from falling into an extremely painful and durable debt crisis. Servicing the full debt is truly impossible, and the payment of a "sustainable" 20% of export earnings, as determined by the Bretton Woods Institutions and Paris Club creditor/donor cartels, has drained Africa of desperately-needed resources.

The more important financing challenges are establishing institutions and regulations, including effective exchange controls, that would allow for the circulation and reinvestment of Africa's existing financial resources, too many of which are frittered away in speculative projects, luxury real estate development and capital flight via African branches of foreign banks (typically headquartered in London and Paris) and by corrupt, *comprador* local banks.

¹⁵⁹ The record of PPPs in South Africa doesn't foster optimism. In virtually all sectors of public asset disposal or contracting of public services, controversies have become debilitating:

- in water and sanitation, unacceptable problems recently emerged in key pilot projects run by the world's biggest water companies--e.g., the Eastern Cape town of Nkonkobe sued to cancel its disadvantageous long-term contract with Suez due to overpricing and underservicing (including ongoing use of the "bucket system" of sanitation), the KwaZulu-Natal town of Dolphin Coast where Sauer demanded--and won--a renegotiation of its contract in order to raise tariffs because profits were insufficient, and the Mpumalanga city of Nelspruit where Bewater was sharply criticised for failing to extend services and cutting off services to low-income residents;
- in electricity, privatisation of generation is being planned and commercialisation of the state utility Eskom--with the intention of selling a stake to private shareholders this year--has already led to higher tariffs for lower-income residential customers (as cross-subsidies came under attack), to the rejection by Eskom in both 2001 and 2002 of the ruling party's campaign promise of free electricity, to a slowdown in the extension of the electricity grid to low-income rural residents, and to the disconnection of tens of thousands of households who had fallen into arrears on inflated bills;

- in fixed-line telecommunications, the cost of local phone calls skyrocketed as cross-subsidisation from long-distance (especially international) calls was phased out, hundreds of thousands of disconnections have occurred due to unaffordability (termed "churning" of lines), a second fixed-line operator was first discouraged then encouraged under pressure from competing commercial interests (ensuring ongoing confusion as to regulatory intention), and attempts to cap fixed-line pricing by the state regulator were rejected by the Texan/Malaysian partnership through a court challenge and a threat to sell their 30% share of the telecommunications company;
- in cellular telecommunications, a collusion pact exists between the two main operators, and persistent allegations of corruption (of state officials) stymied the introduction of a third operator;
- in transport, unsatisfactory privatisation and corporatisation have included toll roads which local residents cannot afford, private "kombi" taxi transport (increasingly dangerous due to profit pressures), a corporatised rail service (which shut down many unprofitable but socially useful feeder routes) and the apparent breakdown in April 2002 of an agreement with the main trade union (Satawu) *not* to privatise key lines (as one *quid pro quo* for Satawu accepting 8,000 job cuts), air transport (the first state airline privatisation, of Sun Air, led to a quick bankruptcy, and South African Airway's disastrous mismanagement and the bankruptcy of its 20% Swiss shareholder required renationalisation in November 2001), and the airports themselves (where substantial security problems emerged repeatedly even in the wake of the September 2001 terrorist attacks);
- in ports, unsuccessful high-profile attempts were made from 1996-2002 to establish a public-private partnership for construction and management of a new deep harbour and container terminal at Port Elizabeth's Coega location (repeatedly delayed by the failure of government to establish a viable business plan and core tenant);
- in other PPPs, ranging from the Post Office (where the New Zealand service had to be fired for mismanagement of corporatisation), to forests (which attracted few or no bidders for state forests), to the state's holiday resorts (which were initially sold to a consortium that included trade unions, in a deal that fell apart when Malaysian partners backed out).

The "needs of the poor" were the last priority in virtually all of these privatisation and corporatisation experiences.

- In addition to these common issues, the following are sector-specific strategies for the different types of infrastructure.

**(ii) Bridging the Digital Divide:
Investing in Information and Communication Technologies**

107. Information and Communication Technologies (ICTs), driven by the convergence of computers, telecommunications and traditional media, are crucial for the knowledge-based economy of the future. Rapid advances in technology and the diminishing cost of acquiring the new ICT tools have opened new windows of opportunity for African countries to accelerate economic growth and development. The goals of achieving a Common Market and an African Union can benefit immensely from the revolution in information technology. In addition to fostering intra-regional trade, the use of ICTs could also accelerate Africa's integration into the global economy.¹⁶⁰

¹⁶⁰ As noted already, the faith in ICT technology is misplaced. The "convergence of computers, telecommunications and traditional media" offers little ground for optimism in relation to African development and democracy, because *existing power relations--especially North-South information flows, cultural norms and values, and consumption processes--are being strengthened in the process*. As is evident from even cursory examination of the roles of major high-tech corporations (Microsoft, General Electric, etc) in the mass media, *there is even less of a propensity for the Northern mass media to cover the issues facing Africa with seriousness and sympathy*.

The convergence of these technologies in Africa has not yet taken root, but to the extent they do, it is just as likely that biased public broadcasting and politicians on the one hand, and large-corporate private media plus wealthy business elites on the other, will continue to subvert democracy and development. The "rapid advances in technology" and "diminishing cost of ICT tools" are together excessively hyped, because dependency relations (in parts and maintenance, as well as in content provision), obsolescence of existing investments, foreign-exchange shortages, and crashing African currencies together mean that reliance upon high-tech solutions can do more harm than good, and just as easily close rather than open the windows of opportunity.

Moreover, while promotion of *appropriate* intra-regional trade is a notable objective, it is just as likely that *inappropriate* trade--controlled especially from centres of African affluence such as Johannesburg--will be enhanced,

108. Intensive use of ICTs can bring, unprecedented comparative advantages to the continent.¹⁶¹ It can:
- Provide an impetus to the democratisation process and good governance;¹⁶²
 - Facilitate the integration of Africa into the new information society, using its cultural diversity as a leverage;¹⁶³

and will in turn worsen the continent's uneven development. And the merits of "accelerating Africa's integration into the global economy" have yet to be demonstrated, given the problems of falling terms of trade and dramatic capital flight from Africa to international "hot money" centres.

¹⁶¹ *Nepad* provides no convincing evidence that alleged "comparative advantages" will come to Africa. The most important evidence is to the contrary, namely the efforts of South African ICT leaders Didata and rand-billionaire inventor Mark Shuttleworth to relocate their businesses offshore, along with the vast bulk of their financial assets. Comparative *disadvantages* will, instead, be more likely to increase, the more Africa relates to the world economy via ICT-driven integration.

¹⁶² There are certainly instances whereby ICTs can assist social movements for human rights and democratisation, most notably in the cases of China during the Tianenmen Square crisis of 1988-89, and in Zimbabwe during the 2000-02 era when electoral-based opposition was strongest. However, because in both cases state authorities were capable of repressing democratic organisations and restoring their own hegemony over the media (including ICT functions) it is not wise to raise expectations that ICT will inexorably lead to democratisation and good governance. Much more important are political power relations, which as noted above, *Nepad* is apparently incapable of changing for the better.

¹⁶³ There is no information provided as to how highly-fragmented African cultures can become a source of leverage. During past waves of technological change, the opposite occurred: Africa was looted more and more effectively thanks to military conquest, the diffusion of electricity, rail and air transport, and the rise of mass media through television and radio. There are, additionally, so many uncompetitive aspects of African culture--some of which are socially beneficial, others of which are repressive, patriarchal and superstitious--that instead of acting as leverage, it is just as likely that existing

- ICTs can be helpful tools for a wide range of applications, such as remote sensing and environmental, agricultural and infrastructural planning;¹⁶⁴
- The existing complementarities can be better utilised to provide training that would allow for the production of a critical mass of professionals on the use of ICTs;¹⁶⁵
- In the research sector, we can establish African programmes as well as technological exchange programmes capable of meeting the continent's specific needs, with particular regard to the fight against illiteracy;¹⁶⁶
- ICTs can be used to identify and exploit opportunities for trade, investment and finance;¹⁶⁷

cultural modes will serve as an anchor to Africa's economic advance in the information age.

¹⁶⁴ This is true, but in the process, ICTs enhance the power of those who are already powerful. *Nepad* offers no hope for changing such power relations, which are currently exploitative and parasitical in nature, and indeed on the contrary, promotes the *expanded* roles of transnational corporations and the Bretton Woods Institutions.

¹⁶⁵ This is another worthwhile ambition, but the legacy of brain drain in Africa--which *Nepad* ineffectively addresses below--suggests that unless the underlying conditions are changed dramatically, training African ICT professionals will not necessarily result in an upgrade of African-based capacity. Various modes of "bonding" recipients of training have been used in parts of the continent, but it is telling that in South Africa, nothing has been done to halt either outward brain drain or inward brain drain from other African countries.

¹⁶⁶ The suggestion is, again, laudable, but the harsh reality of opportunity costs suggests that *either* African governments focus their scarce resources on ending illiteracy, *or* they push those resources into training an elite in ICT skills. Doing *both* would be ideal, but there is no evidence in *Nepad* to suggest that this can be achieved.

¹⁶⁷ Under certain circumstances whereby states maintain control or investment (e.g. as in the case of Botswana's diamond policies), this objective is not unreasonable. However, liberalised African states are less and less capable of imposing such controls. The main ways in which the "opportunities" of trade,

- Can be used to establish regional distance learning and health education programmes to improve the situation in the health and education sectors;¹⁶⁸

- In conflict management and control of pandemic diseases, ICTs will help towards the organisation of an efficient early warning mechanism by providing the tools for constant monitoring of tension spots.¹⁶⁹

109. In Africa, poor ICT infrastructure, combined with weak policy and regulatory frameworks and limited human resources, has resulted in inadequate access to affordable telephones, broadcasting, computers and

investment and finance will, instead, continue *underdeveloping* Africa, are capital flight, transfer pricing and financial speculation. These are simply not addressed in *Nepad*.

¹⁶⁸ The limitations of ICTs are so great as to be cost/skills-prohibitive, when it comes to penetration into distant, impoverished rural areas. The application of ICTs has, according to various studies, simply not been economically sustainable where they are needed most. Even South Africa's own late-1990s Universal Services Agency programme of rolling out telephony and internet connectivity to low-income areas via "telecentres," is widely acknowledged as a failure because of the government's insistence upon cost recovery. Also illustrative about that case was the failure of the programme to integrate with the health and education sectors, which might have been the basis for additional recurrent-financing support. Once again, where there are enormous ambitions to change the ICT landscape of Africa, the inability of the South African government to do so at home--largely because of the neoliberal philosophy of financial sustainability without sufficient subsidies--is a bad omen for the continent.

¹⁶⁹ This is, again, a laudable objective, and one that has proven effective in some pandemics such as isolated Central African outbreaks of Ebola. However, even in South Africa, epidemics such as HIV/Aids, cholera and diarrhoea have been identified with a degree of rigour--in part through ICT--yet public policy has been extremely ineffective in curbing mortality and morbidity. In such cases, the main problem has been that people's human rights to healthcare (especially antiretroviral drugs) and sufficient clean drinking water have been determined to be too expensive for a government obsessed with meeting artificial fiscal deficit targets.

the Internet.¹⁷⁰ African teledensity remains below one line per 100 people. Service costs are also high: the connection cost in Africa averages 20 per cent of GDP per capita, compared with the world average of 9 per cent, and 1 per cent for high-income countries. Africa has been unable to capitalise on ICT as a tool in enhancing livelihoods and creating new business opportunities, and cross-border linkages within the continent and with global markets have been constrained. Though many countries in Africa have started ICT policy reforms, service penetration, quality or tariffs have not yet improved.¹⁷¹

110. Objectives

- To double teledensity to two lines per 100 people by 2005, with an adequate level of access for households;¹⁷²

¹⁷⁰ This sentence is tautological. More appropriate would be an assessment of prerequisite infrastructure (especially electricity), the high costs of equipment and training in relation to African incomes, foreign-exchange unavailability in many circumstances, the lack of economy of scales, and the systematic weakening of African states during the past two decades. But because these underlying prerequisite conditions are not likely to change, given prevailing socio-economic circumstances, it is easier for *Nepad* to blame the lack of African ICT infrastructure upon the lack of African ICT infrastructure.

¹⁷¹ There must be reasons that existing strategies--which are generally based on private-sector initiative--have not overcome the constraints noted. There is nothing in *Nepad* to suggest that the limits to market constraints are recognised or that any strategy will be adopted to change the market-related conditions. Such strategies have worked in many other settings, and if tried seriously in Africa could make the difference between continuing underdevelopment of ICTs, and moving towards universal access. These include free open source software, compulsory licensing, public access and public ownership of the infrastructure.

¹⁷² It is hard to see where, aside from penetration of some cellphone markets that are only now being set up, the doubling of teledensity can be achieved *without a dramatic change in the income of Africans*. A particularly important barrier remains the difficulty of achieving increased coverage through cross-subsidisation under circumstances when corporatisation and privatisation erode all internal subsidies. In South Africa, the evidence for this problem

- To lower the cost and improve reliability of service;¹⁷³
- To achieve e-readiness for all countries in Africa;¹⁷⁴
- To develop and produce a pool of ICT-proficient youth and students from which Africa can draw trainee ICT engineers, programmers and software developers;¹⁷⁵
- To develop local content software, based especially on Africa's cultural legacy.¹⁷⁶

111. *Actions*¹⁷⁷

exists in the partially-privatised South African parastatal Telkom, which has raised local-call costs, dramatically lowered internal subsidies, and "churned" (cut off) hundreds of thousands of new customers.

¹⁷³ While evidence suggests that private telephone operators are more reliable--in part because of new non-fixed-line technology--it is only through state provision that *prices* to consumers are typically lowered. Virtually all experiences are that in telephony, the private sector increases prices (even where it might have lowered costs).

¹⁷⁴ The objective is valid and indeed viable, but requires much more attention to prerequisite technologies in many African settings, ranging from electricity to reliable telephone lines. Obviously these are the objectives of *Nepad*, but as discussed, there is no basis for believing that these will be achieved given the strongly market-oriented characteristics of the programme.

¹⁷⁵ This is a valid objective, but as noted, there is no basis in *Nepad* to believe that the brain drain won't continue, or indeed be exacerbated.

¹⁷⁶ There are no details in *Nepad* to suggest that this is anything other than romantic rhetoric. The opposite effect of ICT penetration on African culture can be expected: its extinction under the pressures of Western consumerism. This, indeed, has been the effect across the world on local cultures, as a previous round of ICTs--television, radio and film--promoted US and European values and consumption norms, to the detriment of organic, non-commercial culture.

¹⁷⁷ The actions listed here certainly have potential, and should be pursued. But many of them, especially the G-8 DotForce, are still based upon the World Bank "Global Knowledge" ideology that attempts to commodify information. And there is no basis for believing that accomplishing these actions will

- Work with regional agencies such as the African Telecommunications Union and Africa Connection to design model policy and legislation for telecommunications reform, and protocols and templates for e-readiness assessments;
- Work with the regional agencies to build regulatory capacity;
- Establish a network of training and research institutions to build high-level manpower;
- Promote and accelerate existing projects to connect schools and youth centres;
- Work with development finance institutions in Africa, multilateral initiatives (G-8 DotForce, UN Task Force) and bilateral donors to establish financial mechanisms to mitigate and reduce sector risks.

(iii) Energy

112. Objectives

- Energy plays a critical role in the development process, first as a domestic necessity but also as a factor of production whose cost directly affects prices of other goods and services, and the competitiveness of enterprises. Given the uneven distribution of these resources on the continent, it is recommended that the search for abundant and cheap energy to focus on rationalising the territorial distribution of existing but unevenly allocated energy resources.¹⁷⁸ Furthermore, Africa should strive

generate any of the grandiose results that are claimed in preceding paragraphs.

¹⁷⁸ The rationalisation of massive energy overcapacity in some parts of regions, and debilitating electricity shortages in others, makes sense. But the context for the uneven development of energy resources in Africa is crucial to analyse, and the vehicles for redistribution are just as vital to understand.

Thus, imperial-sponsored geopolitical arrangements have allowed Nigerian and Angolan oil to flow to the West, no matter how environmentally destructive the process (e.g. to Ogoniland), or how undemocratic their regimes (e.g., mid-1990s attempts by Nelson Mandela to organise sanctions against the Abacha regime were foiled by the oil-dependent West). Nigeria's own brown-outs and petrol shortages demonstrate the irrationality of existing arrangements, which go unremarked upon in (and unchallenged by) *Nepad*. Likewise, the ability of a tiny Angolan elite to skim off the benefits of oil

to develop its solar energy resources which is abundantly available.¹⁷⁹

extraction for the purposes of personal accumulation are well known, but *Nepad* and African leaders avoid criticism of the extensive corruption associated with western oil companies' operations in Angola.

As for the process of energy-sector rehabilitation, if it is left to international energy corporations--e.g., the now-bankrupt Enron, which benefitted from US AID's power over the Mozambican government to win access to the Pande gas field--and the huge South African firm Eskom, the problems of uneven development will only intensify. Further environmental abuse and social upheaval will occur through World Bank-funded projects such as the Chad-Cameroon pipeline and Bujagali Dam in Uganda, as well as proposed hydroprojects at Epupa in Namibia and on the Zambezi River in Mozambique.

What *Nepad* appears incapable of doing is enquiring into the *utilisation* of Africa's energy, perhaps because South Africa's own controversial practices of extremely cheap electricity generation are crucial to Pretoria's export-led growth strategy. But South Africa consistently fails to incorporate the environmental, social and opportunity costs of the inexpensive power provided to large smelter operations (Mozal in Maputo, Alusaf in Richards Bay, Iscor at Saldanha, proposed Ferrostal smelters at Coega near Port Elizabeth, and many other existing and proposed aluminium, iron, stainless steel, platinum and zinc operations). *Nepad* neglects to acknowledge the vast contribution that utilisation of this energy in South Africa makes to the problem of global warming. Nor does the document engage in analysis of the temporal benefits of delaying exploitation of non-renewable energy resources. Until *Nepad* considers the uses to which Africa's energy is put, it is impossible to engage in debate surrounding the merits of regional rationalisation.

¹⁷⁹ There is enormous potential in solar, which should indeed be explored. However, the main problem associated with the application of solar energy in much of Africa--unremarked upon by *Nepad* but notorious for energy-development practitioners--is the low level of amps that can be obtained by virtually all the panels available through retail sources to individual households. While permitting a light and radio, the existing technology is not capable of allowing substitution of coal or firewood for cooking or heating. Maintenance and spare parts are also barriers to the widespread expansion of solar systems, and the energy-intensity of solar panel production processes has also been criticised.

- To increase from 10 per cent to 35 per cent *or more*, access to reliable and affordable commercial energy supply by Africa's population in 20 years;¹⁸⁰
- To improve the reliability as well as lower the cost of energy supply to productive activities in order to enable economic growth of 6 per cent per annum;¹⁸¹
- To reverse environmental degradation that are associated with the use of traditional fuels in rural areas;¹⁸²

¹⁸⁰ In arguing for "commercial" expansion, *Nepad* makes no provisions for the subsidisation that, in reality, will be required to accomplish this feat. The market simply is too small and affordability is too great a constraint to achieve that degree of expansion without massive subsidies, and *Nepad's* failure to take this into explicit account merely reflects its utopian tendency to make unfulfillable promises.

¹⁸¹ Although through greater efficiencies and new technologies, it should be easier to lower the cost of electricity generation, *Nepad* fails to spell out the precise relationship of cheaper energy to the desired growth rate (which, as a trivial footnote, is a per cent lower than promoted in paragraph 70). As argued above, it is in part the reliance of South Africa's "minerals-energy complex" upon cheap electricity that imposes barriers to less biased economic development and hence limits the country's growth, since South Africa has become far more dependent upon international minerals prices for its export revenues. (The seminal critique of South African economic development patterns during apartheid is by Ben Fine and Zav Rustomjee: *The Political Economy of South Africa: From Minerals-Energy Complex to Industrialisation*, Johannesburg, Wits University Press and London, Christopher Hirst.)

¹⁸² The need to halt deforestation cannot be denied. But South Africa has itself failed to extend its own massive electricity surpluses (of more than a fifth of capacity) to rural households, half of whom still are without electricity, and the other half of whom either utilise solar power which is not capable of replacing fuelwood for cooking/heating purposes, or are unable to afford sufficient supplies at present tariff levels (at least R0.32 per kiloWatt hour) to substitute electricity for fuelwood.

Nepad fails to even mention the far more environmentally-destructive use of existing cheap electricity supplies for minerals smelting, which the post-apartheid economy has come to rely upon even more thanks to the increased dependency of South Africa on the minerals-energy complex.

- To exploit and develop the hydropower potential of river basins of Africa;¹⁸³
- To integrate transmission grids and gas pipelines so as to facilitate crossborder energy flows;¹⁸⁴

¹⁸³ *Nepad* neglects to cite, much less rebut, the enormous controversies over new dams in Africa (e.g., Mohale, Maguge, Bujagali and Epupa):

- large dams in tropical settings have been identified as the cause of far higher global-warming gas emissions (due to decay of plant life) than other energy sources;
- displacement and socio-economic costs of large dams are very high (though rarely if ever incorporated into dam construction costs);
- downstream environmental implications are often severe;
- siltation and evaporation undermine the efficiency of dams;
- the economic benefits of large dams very rarely approach initial estimates; and
- there are a variety of other critiques of mega-dams and hydropower emerged during the late 1990s from the World Commission on Dams, which ironically was chaired by South Africa's then-water minister, Kader Asmal. (Notably, Asmal's replacement, Ronnie Kasrils, stirred a controversy in 2001 by effectively disowning the commission's report when it came to applications in Southern Africa, and himself attracted sharp criticism for endorsing the Three Gorges Dam on the Yangtze River, which is considered the worst-ever attack by humans on nature.)

The critiques apply to Africa's existing mega-dams (e.g., on the Nile, Upper Volta, Zambezi and Orange Rivers). Zimbabwe/Zambia and South Africa's own ineffective management of dams and run-off systems--in the Zambezi, Save, Limpopo and Crocodile catchments--have been cited as contributing factors to Mozambique's deadly 2000-01 floods, even though the dams were meant to prevent flooding. In short, without some acknowledgement that large dams have had an often devastating impact on societies, environments and economies, *Nepad* encourages the repetition of the problems associated with reliance upon inappropriate hydropower.

¹⁸⁴ The main sites for this sort of exercise appear to be Namibia and Mozambique, where the latter's Pande gas field is being integrated by Sasol into the South African energy grid, instead of providing cheap energy for impoverished Mozambicans. But questions are still needed about the manner in which additional excess capacity will be added, and the use to which it will be put, given the problem of excessively cheap electricity for smelting minerals

- To reform and harmonise petroleum regulations and legislation in the continent.¹⁸⁵

113. Actions

- Establish an African Forum for Utility Regulation and establish regional regulatory associations;¹⁸⁶
- Establish a task force to recommend priorities and implementation

and excessively expensive electricity for consumption by low-income households, as discussed above.

¹⁸⁵ As noted above, the most important point in relation to Africa's petroleum industry is to consider not the regulations and legislation, but the character of production (e.g., Nigeria's environmentally and socially unsound practices) and distribution (e.g., from Angola and Nigeria to the United States, instead of into the country and region).

¹⁸⁶ This idea is not necessarily new, nor deserving of the kinds of partnerships that exist between Northern agencies and African utilities at present. The case of the neoliberal African Water Utilities Partnership is taken up below.

The South African corporatised energy utility, Eskom, has long held a vision of regional domination. Its first steps included relationships with the Renamo terrorist organisation during the late 1980s and early 1990s which opened the possibility of exploiting Cahorra Bassa hydropower in Mozambique. Eskom gradually supplied electricity to Zimbabwe, which had fallen into payment arrears; the Zimbabwe Electricity Supply Authority uses Eskom management to run the main thermal power plant at Hwange in what is viewed as a precursor to privatisation. Eskom's vision of a regional power grid extends to the notion--attractive in theory--of installing Congo River turbines in run-of-the-river settings (i.e., without the need for dams). Eskom engineers estimate that it would be economically viable to export power as far north as Italy and as far south as Cape Town. The problems, as discussed repeatedly above and below, is the subimperial character of these kinds of interventions, and the parallel problem of privatisation pressure on Eskom (from South Africa's Ministry of Finance). The bottom line for regional electricity utility coordination, following water, is the opportunity for *profitable* sales. That opportunity cuts against the grain of service provision to low-income people.

strategies for regional projects, including hydropower generation, transmission grids and gas pipelines;¹⁸⁷

- Establish a task team to accelerate the development of energy supply to low-income housing;¹⁸⁸

- Broaden the scope of the programme for biomass energy conservation from the Southern African Development Community (SADC) to the rest of the continent.¹⁸⁹

(iv) *Transport*

114. *Objectives*¹⁹⁰

¹⁸⁷ A superior approach would be the establishment of regional strategies that have as a mandate not merely expanding energy supplies through additional projects, but rationalisation and more equitable sharing of existing generation capacities to promote more equitable and environmentally-appropriate development.

¹⁸⁸ Electrification of low-cost houses would be a long-overdue step, since such a huge proportion of grid electricity generated in Sub-Saharan Africa is captured for the sake of extractive industries. This has been an especially acute problem in places like the Zambian copperbelt, the Zimbabwe-Zambia-Mozambique hydro-electricity catchment area, where a tiny fraction of rural people have access to the massive Zambezi hydro-electric generation, and even South Africa.

Unfortunately, however, the South African government's 1998 *White Paper* on electricity and Eskom's own business plan together militate against the supply of electricity to low-income households, on grounds that such supply is not "cost-reflective" (the phrasing that both the policy and business plan rely upon to justify increasing commercialisation and eventual privatisation of Eskom). That remains the most fundamental problem across Africa, one which *Nepad* dare not concede, much less discuss.

¹⁸⁹ This approach is a valid one, but like solar, is not considered sufficiently powerful to generate the levels of amps required to allow for substitution of traditional fuels.

¹⁹⁰ These objectives are both valid and viable. However, in reality, severe limitations to intra-African transport have arisen due both to the market-led nature of transport and to African state policies that have proven extremely

- To reduce delays in cross-border movement of people, goods and services;
 - To reduce waiting-time in ports;
 - To promote economic activity and cross-border trade through improved land transport linkages;
 - To increase air passenger and freight linkages across Africa's sub-
-

urable. South Africa, in particular, does not appear to be taking sufficient steps to rectify problems in these areas that are of its own making.

For example, an increasingly market-based philosophy to transport makes it infeasible to break down spatial barriers effectively. Without sufficient state subsidies, attempts at gaining economies of scale in regional air transport arrangements--e.g., Air Afrique in West Africa and Alliance Air in Central Africa--were foiled, in part because South African Airways had predatory designs on the latter's Heathrow slot and therefore did not consider cooperation a genuine option, according to court documentation in a lawsuit against SAA. South Africa's post-apartheid government was similarly responsible for the termination of a decades-old passenger rail link between Southern Africa's two major cities, Johannesburg and Harare, because of a failure to cross-subsidise.

Most importantly, the authorship and leadership of *Nepad* comes from a country whose government's Home Affairs Department has a notoriously hostile relationship with immigrants from the rest of the continent, and whose people have fostered a world-class degree of xenophobia against alleged *makwerekwere* for stealing jobs--in a context where the post-apartheid government has adopted neoliberal policies that resulted in approximately one-fifth of all jobs disappearing.

Although Pretoria did take the important step, in 1995, of giving permanent residence to hundreds of thousands of migrant workers who had lived in South Africa for many years, it did not subsequently relax any of the onerous visa requirements that contribute to the rise of illegal immigration. And the Department of Home Affairs and South African Police Service's own treatment of illegal aliens--from random arrests of dark-skinned people, to detention particularly in the notorious Lindela repatriation camp--suggests that key elements in the South African state will sabotage the intra-African components of *Nepad*. Rarely if ever have *Nepad's* leaders raised these issues as problems to be solved internally, and given that African state patronage systems are most acutely dependent upon control of borders, it is difficult to imagine similar problems being resolved elsewhere on the continent.

regions.

115. Actions

- Establish customs and immigration task teams to harmonise border crossing and visa procedures;
- Establish and nurture PPPs as well as grant concessions towards the construction, development and maintenance of ports, roads, railways and maritime transportation;¹⁹¹
- Promote harmonisation of transport modal standards and regulations, and the increased use of multimodal transport facilities;
- Work with the regional organisations to develop transport development corridors;¹⁹²

¹⁹¹ The role of PPPs in South African transport is highly contentious. As noted above, controversies have raged over toll roads, which are inordinately expensive for low-income people traveling on traditional migrant-labour routes; over rail rationalisation, especially closure of unprofitable trunk lines by Spoornet, leading to the death of numerous small towns dependent upon rail links; and over the establishment of highly-subsidised ports, especially at the Coega/Nqura deep-water harbour where R5 billion of state investments are planned to attract foreign capital for an Export Processing Zone which will create very few jobs. It may indeed be possible for private-sector entrepreneurs to assist in catalysing more effective transport arrangements, although South Africa's kombi taxi industry shows the myriad dangers of unregulated private control of a key transport mode. However, the fact that port, rail and road infrastructures are all characteristic of a natural monopoly (like electricity and telephone fixed-lines), means that it is against the public interest to turn these over to a private-sector monopoly for long-lease or fully privatised contracts.

¹⁹² The primary example of this kind of corridor is the Maputo Corridor linking Johannesburg to the sea. It consisted mainly of upgrades on roads paid for by expensive tolls. Two serious problems emerged for low-income people along the corridor: no provision was made for short trips along the corridor, and no alternative non-toll route was available; and the promised state roads and public works contracting/subcontracting opportunities for low-income people were, in reality, negligible. Moreover, the focus on transport development corridors concentrates economic activities in these narrow areas, to the neglect of people living away from the corridors.

- Promote PPPs in the rationalisation of the airline industry and build capacity for air traffic control.¹⁹³

(v) Water and Sanitation

116. Objectives

- To ensure sustainable access to safe and adequate clean water supply and sanitation, especially for the poor;¹⁹⁴

¹⁹³ As noted above, the extent to which the Private in PPPs becomes dominant is a guarantee of problems, as South African Airways demonstrated with its roles in the destruction of both a competitor (Sun Air) and an ally (Alliance Air). As court documents show in both cases, the drive for profitability led to predatory behaviour, leaving air transport consumers worse off in terms of choice.

¹⁹⁴ This is an elemental objective. Without clean water, life itself is impossible. But beyond the rhetoric, there are reasons to doubt the seriousness of *Nepad's* commitment to provision of clean water.

Regional African evidence is presented in the next footnote. In particular, South Africa's own record is highly dubious. Promises by the ruling party of free lifeline water, made in the 1994 *Reconstruction and Development Programme* and the 2000 municipal elections campaign, were exemplary. But they are still not being taken seriously in most parts of the country, nor by key policy-makers in Pretoria.

Virtually all the lowest-income South Africans are still without a reliable, clean supply of tap water in their homes or yards. Although Pretoria claims that seven million people have been served by new communal-tap water schemes since the 1994 election, the reality is that a vast proportion of those schemes are not functioning anymore. The main reason that independent researchers have found for the breakdown of water schemes, is lack of affordability. (The alleged "culture of non-payment" has regularly been refuted by objective surveys.)

One reflection of this problem is the recent finding, drawn from SA Human Sciences Research Council household surveys, that ten million of SA's 42 million people have suffered water cut-offs. The epicentre of the cholera epidemic that began in August 2000--and that subsequently infected more than 130 000 people--was an area near the town of Empangeni, where a 17-year old free supply of water was converted to a metered system requiring a

- To plan and manage water resources to become a basis for national and regional co-operation and development;¹⁹⁵

R51 (then US\$7) connection fee, which thousands of residents could simply not afford. (Likewise, an estimated 40 000 diarrhoea deaths occur each year, unnecessarily, due to lack of clean, affordable water.)

As for sanitation, Pretoria has repeatedly conceded that since 1994 it has made practically no dent in the backlog of *18 million* people without decent sanitation. Again, excessive cost-recovery has been pinpointed as the main problem. In even dense urban areas--many of which have hilly topography, high water tables and dolomitic soils--severe fiscal constraints mean that pit latrines are installed instead of water-borne sanitation, leading to extremely high E.coli counts.

In sum, water and sanitation is a sector in which the South African government brags about progress. In reality the South African experience has been so profoundly, self-consciously based upon neoliberal policies, programmes and projects that it should instead be considered a disaster. While the recent commitments to free lifeline water may mitigate some damage in future, they are not being extended to South Africa's poorest people, who remain disconnected. In many cases where household water connections for low-income people do exist, arrears on water (or other municipal) bills have been used as grounds to disqualify households from receiving the free lifeline water. Water cut-offs still occur regularly, with the approval of Pretoria's water minister and leading bureaucrats.

¹⁹⁵ In a variety of areas, African regional water programmes and related international coordination of water are already underway, *but generally according to neoliberal principles* (with the close cooperation with or facilitation by the World Bank):

- the World Water Forum, co-chaired by the World Bank and UN Development Programme, which moved most decisively in its 2000 Hague meeting towards the commodification of water;
- the Global Water Partnership, which has the mandate of developing networks and knowledge for water resources management, and is based in Stockholm;
- the Water and Sanitation Program, a 20-year old partnership hosted by the World Bank, to improve the access of poor people to water and sanitation services;
- the Business Partnership for Development, hosted by the NGO Wateraid in London, to develop innovative mechanisms for ensuring that

private water contracts serve the needs of the poor; and

- the International Program for Technological Research in Irrigation and Drainage, hosted by the FAO in Rome, which has the objective of developing innovative technologies for irrigation and drainage.

In relation to Africa in particular, the Water Utilities Partnership, also facilitated by the World Bank, issued a "Kampala Statement" in March 2001. The Kampala Statement derives the problems of unaffordable access to clean water/sanitation services (WSS) by most Africans from one fundamental cause, namely, African bureaucrats get the prices "wrong": "The poor performance of a number of public utilities is rooted in a policy of repressed tariffs which leads to lack of investment, poor maintenance lagging coverage, and subsidized services reserved for the privileged who are connected to the network." The mandate for full cost-recovery and an end to cross-subsidies--with meagre subsidies allegedly to be available for poor people at some future date--follow logically:

- "the poor are willing and have the capacity to pay for services that are adapted to their needs"; and
- "an increased role of the private sector in Water/Sanitation/Services delivery has been a dominant feature of the reform processes of African countries as it has been recognized as a viable alternative to public service delivery and financial autonomy."

Yet in making the case for privatisation, the Kampala Statement notably neglects at least three aspects of water commodification and privatisation that have been responsible for disasters across the world, including South Africa (where several key pilot water privatisation schemes have failed):

- the high profit rate extractions, in hard currency, typically demanded by transnational corporations;
- the change in the incentive structure of water supply once private suppliers begin operating (especially in relation to pricing); and
- the difficulty of a private supplier recognising and internalising positive socio-environmental externalities.

Moreover, one of the most important issues associated with water resource management--abuse of water by large-scale agro-corporate irrigation and wealthy consumers--is barely remarked upon, and the word "conservation" is only used once, in passing. Politically, the Kampala Statement is extremely naive--or disingenuous: "Labour can also be a powerful ally in explaining the benefits of the reform to the general public. It is essential therefore that the utility workers themselves understand and appreciate the need for the reform." The Kampala Statement's bottom line: "an increased role of the private sector

- To systematically address and sustain ecosystems, bio-diversity and wildlife;¹⁹⁶
- To co-operate on shared rivers among member states;¹⁹⁷

in WSS delivery has been a dominant feature of the reform processes of African countries as it has been recognized as a viable alternative to public service delivery and financial autonomy." (Water Utilities Partnership [2001], "Kampala Statement," World Bank, Washington, DC, 14 March.)

¹⁹⁶ Although South Africa's 1998 *Water Act* and key programmes such as "Working for Water" have indeed moved to some extent towards an "environmental reserve" for the preservation of biodiversity and the ecological integrity of river basins, there remain many areas of water-related environmental problems that are getting worse, not better:

- pollution of surface and ground water;
- the large forestry plantations which have expanded unsustainably across wetlands and water catchments;
- the acceptance in Pretoria of genetically modified plants and foodstuffs; and
- other manifestations of weak environmental stewardship.

¹⁹⁷ South Africa's role in the Southern Africa region is particularly notable for lack of cooperation and unsustainable water development, as major controversies have arisen surrounding cross-border catchments and rivers:

- the repeated 2000-01 floodings of Mozambique can be attributed to lax South African environmental stewardship, such as the role of Mpumalanga forest plantations in changing water run-off patterns, and controversial dam release strategies in rivers upstream of Mozambique;
- Africa's largest dam system, the Lesotho Highlands Water Project (LHWP), drains water from the Senqu River for cross-catchment transfer to Johannesburg, but is enormously controversial on environmental, social and economic grounds;
- the LHWP will adversely affect water flows on the Orange River border between South African and Namibia, according to environmentalists; and
- periodic appeals are made to study prospects for the transfer of water from the Zambezi River to Gauteng Province in South Africa.

Rather than distorting natural water catchments so as to continue to allow Gauteng's hedonistic domestic and industrial consumers to waste water,

- To effectively address the threat of climate change;¹⁹⁸
 - To ensure enhanced irrigation and rain-fed agriculture to improve agricultural production and food security.¹⁹⁹
-

Pretoria could have redirected human settlement patterns and new investment more appropriately to areas that have abundant water. Instead, in accordance with the neoliberal, non-interventionist tradition of urban planning--acquiesced to the inherited apartheid skews that have made Johannesburg the world's largest big city located nowhere near a major river.

Typifying the lack of concern about socio-hydroecological problems, Pretoria's 1995 *Urban Development Strategy* laid out policy principles which remain in place today: "The country's largest cities are not excessively large by international standards, and the rates of growth of the various tiers also appear to be normal. Hence there appears to be little reason to favour policies which may artificially induce or restrain growth in a particular centre, region or tier." Moreover, "the growth rate is sufficiently normal to suggest that effective urban management is possible and there is, therefore, no justification for interventionist policies which attempt to prevent urbanisation."

¹⁹⁸ As discussed above, deriving energy from sources that generate global warming is highly controversial. The World Commission on Dams has recently documented the case that hydropower drawn from tropical dams causes very high levels of plant decay that last for years, often outstripping even coal-burning powerplants in CO₂ emissions per kilowatt hour. Yet the further development of hydropower is being planned, with large dams like Mohale (Lesotho), Maguga (Swaziland), Epupa (Namibia) and Bujagali (Uganda) blatantly violating Commission recommendations, including mitigation of global warming gas emissions.

¹⁹⁹ Small-scale irrigation and rainwater harvesting systems can indeed support agriculture, but it must also be acknowledged that the twin goals of improving agricultural production and assuring food security are typically in conflict, because of the neoliberal export-led growth model. It is no accident that, for example, during Zimbabwe's severe 1992 drought when maize production fell by more than 90%, the production of irrigated tobacco rose impressively. Corporate agribusiness too often has the resources necessary to pay both capital and recurrent charges for irrigation, leaving small farmers without sufficient irrigation. State policies exacerbate the bias, by prioritising the collection of foreign exchange through export-led cash crops, over the achievement of food security.

117. *Actions*

- Accelerate work on multipurpose water resource projects; for example, the SADC Water Secretariat's investigation of the utilisation of the Congo River, and the Nile Basin Initiative;²⁰⁰
- Establish a task team to make plans for mitigating the negative impact of climate change in Africa;²⁰¹

South Africa provides many examples of biased use of agricultural land, particularly in view of the historic apartheid-related subsidies to white farmers in the form of state irrigation schemes. It is notable that not only has there been practically no land reform--less than 2% of arable land--since 1994 because of the willing-seller/willing-buyer system adopted by Pretoria with the encouragement of the World Bank, but that progress in the expansion of irrigation to small black farmers has been even slower.

²⁰⁰ Unfortunately, the source of the Nile has already become the site of great controversy with the construction of the Bujagali Dam, and the Congo River remains fraught as a potential source of hydroelectricity given geopolitical problems.

²⁰¹ As noted above, Pretoria has not rigorously tackled its own contribution to global warming, which--albeit not stemming in a major way from hydropower generation--is the worst in the world corrected for income and population size. Unfortunately, post-apartheid industrial policy remains premised upon the apartheid-era strategy of minerals extraction and beneficiation, which require vast amounts of electricity and whose impact has been to contribute to the glutting of already-saturated metals markets.

By way of mitigation, Pretoria has authorised the development of a Clean Development Mechanism prototype, in part designed by the World Bank, so that South Africa can help to pilot the idea of carbon trading. Consistent with the most questionable characteristic of the Kyoto Protocol, this effectively means that wealthy countries and transnational corporations can *buy* the right to continue destroying the environment. The alternative would be stronger treaties and agreements on the need to reduce the production of global warming gasses by moving to genuinely sustainable development strategies--which is off Pretoria's agenda and which will thus probably not feature in the Task Team's mandate.

- Collaborate with the Global Environmental Sanitation Initiative (GESI) in promoting sanitary waste disposal methods and projects;²⁰²
- Support the UN Habitat programme on Water Conservation in African Cities.²⁰³

²⁰² As noted above, the South African government has been notably weak on its own sanitation initiatives, with deadly results. The continued failure to spend money on sanitation reflected, for example, an enormous requirement for co-payment by "beneficiaries," and hence another reflection of neoliberal cost-recovery ideology driving public policy.

Moreover, the standards for sanitation have been extremely low, with Pretoria's main water policies dictating that lowest-income households will receive only a "basic" Ventilated Improved Pit (VIP) latrine, even if they live in dense urban areas. VIPs rely on the soil on the site of the latrine to filter out contaminants from the water system, and treatment works for dealing with sludge off-site. Where the water table is high, such as in Cape Town, groundwater pollution due to pit latrines can be severe. In Winterveld, near Pretoria, the high water table allowed boreholes to serve as a reliable source of drinking water, yet the use of pit latrines by most residents resulted in dangerous groundwater exposure to biological contaminants such as fecal coliform bacteria and salmonella. On steep inclines, as in many residential areas of Natal, leakage to the surface can be expected, where people are directly exposed to the VIP sewage waste. Where the soil is excessively granular in character, even most of the bacterial contaminants that are filtered out well by most soils, along with the other contaminants, escape into groundwater. In even wealthy Sandton, boreholes began to show lethal levels of E.coli in 2001, requiring the installation of expensive purification systems in households and even schools. None of these environmental and public health considerations were taken into account by Pretoria's infrastructure planners, including the World Bank, in the early drafts (1994-96) which set policy directions.

²⁰³ Water conservation in African cities is desperately required where hedonistic consumption is the norm, typically by wealthy households and wasteful industries.

Again, however, post-apartheid South Africa is one site to consider the opposite phenomenon, namely the refusal to promote tough "demand-side management" conservation measures and instead promote construction of major supply-side water enhancements like the Lesotho Highlands Water Project's Mohale Dam for Johannesburg, and Skuifram Dam for Cape Town.

- **Human Resource Development Initiative including reversing the Brain Drain**

- (i) **Poverty Reduction**

- 118. Objectives*

- To provide focused leadership by prioritising poverty reduction in all the programmes and priorities of the *New Partnership for Africa's Development* as well as national macroeconomic and sectoral policies;²⁰⁴

In both cases, dam construction was chosen over the option of redirecting urbanisation patterns to more appropriate locations, and forcing wealthier Johannesburg and Cape Town residents and wasteful industries to conserve water. In both cases, community and environmental groups lobbied hard for demand-side management, but the Department of Water Affairs and Forestry in Pretoria overruled them, preferring to maintain relationships with the dam-building firms which were, at the very point decisions were being made, involved in corruption of authorities in the first major Lesotho Highlands Water Project dam. Instead of fast-rising household and industrial water tariffs that would have reflected the additional costs of dam building, most of the hedonistic and wasteful users of water in South Africa's largest cities have seen relatively low increases in their water bills. As even the World Bank was forced to admit, in an investigation of the Mohale Dam controversy, that whereas the overall cost of water had increased by 35% during the late 1990s, those Johannesburg households at the lowest-tier consumption level were made to pay a 55% increase in tariffs, thus disproportionately paying the costs of building mega-dams whose benefits accrued largely to transnational corporate dam-building companies and to the hedonistic water users of Johannesburg.

²⁰⁴ This would be a laudable advance, but typically the stress on "poverty reduction" is window-dressing for unchanged structural adjustment philosophy. Poverty reduction has also typically been incompatible with the privatisation of infrastructure.

In South Africa, where poverty has increased since 1994, attempts to "prioritise poverty reduction" especially in "national macroeconomic and sectoral programmes" such as the *Growth, Employment and Redistribution* programme were practically non-existent, aside from a small poverty-reduction fund which supports specific once-off interventions (such as job-creation

- To give special attention to the reduction of poverty among women;²⁰⁵
- To ensure empowerment of the poor in poverty reduction strategies;²⁰⁶
- To support existing poverty reduction initiatives at the multilateral level, such as the Comprehensive Development Framework of the World Bank and the Poverty Reduction Strategy approach linked to the HIPC debt relief initiative.²⁰⁷

through the removal of alien-invasive plants in both low- and higher-income areas).

²⁰⁵ As noted above, women have been the main victims of the turn to neoliberalism across Africa. Pretoria's own record includes grand vows about meeting women's socio-economic needs, but in reality, the establishment of national, well-funded programmes for women has been rare. Examples of Pretoria's approach to women's poverty include:

- a huge cut in the child support grant in 1996 (originally 44% but reduced to a 26% cut after church and social movement protests);
- the persistent failure of the state--as codified in even the Constitutional Court in 1999--to give women (like Irene Grootboom and her fellow Wallacedene squatter camp residents) vital constitutionally-guaranteed services like housing;
- the failure (until April 2002) to give HIV+ pregnant women Nevirapine to prevent transmission to their infants and to give rape survivors anti-retroviral drugs; and
- the continuation of traditional-authority control over the fate of many aspects of rural women's lives.

²⁰⁶ This would be desirable, but if the process by which *Nepad* was drafted and consulted is any indication, the poor will be last to be empowered, and to participate in the formulations of programmes. This is not a new problem, of course, because the systematic *disempowerment* of poor South Africans in the misnamed *Growth, Employment and Redistribution* programme (June 1996) was also confirmed by the process: 17 economists drafted the document, which was presented at the last moment to a few groups which have impoverished constituents (e.g. the Congress of South African Trade Unions and the SA Communist Party), but which were told by finance minister Manuel that the document was "non-negotiable." A similar phenomenon has been found in Poverty Reduction Strategy Programmes, as discussed below.

²⁰⁷ These type of initiatives have been termed by the Jubilee South movement

as "a cruel hoax." They are fundamentally committed to maintaining existing power relations and the neoliberal economic philosophy. They include only very slight adjustments to debt loads, and in return require lowest-income countries to further liberalise.

According to a May 2002 report by Jubilee Research in London (<http://www.jubilee2000uk.org>), "the World Bank has admitted that its own Heavily Indebted Poor Countries (HIPC) Initiative is failing." Because of overoptimistic export scenarios,

the average ratio of debt to exports in 2001 for the 24 countries considered is now estimated to have been a staggering 280%, almost twice the levels deemed "sustainable" by the World Bank and IMF. Even the four countries which had already passed Completion Point are estimated to have a Net Present Value of debt to export ratio of 156%. In total, 8 to 10 of the 20 countries which were between Decision Point and Completion Point at the time of writing can no longer be expected to have a NPV of debt to exports at Completion Point of less than 150% (Benin, Burkina Faso, Chad, Ethiopia, The Gambia, Guinea-Bissau, Malawi, Rwanda, Senegal, and Zambia)... For the first time, the World Bank is now admitting that its own initiative is failing: 31 out of the 42 HIPC countries are being failed by the initiative even according to the World Bank criteria.

Yet, the report continues, under the leadership of South African finance minister Manuel, "The Development Committee of the World Bank has even gone so far as to say that the HIPC initiative is making 'sustained progress' in their Communique following their 21st April [2002] meeting in Washington. Such self-delusion is almost unbelievable."

The additional costs of HIPC are also becoming evident. In Southern Africa, Mozambique's HIPC requirements included quintupling cost-recovery charges (user fees) at public health clinics, privatisation of urban and rural water supply systems, and the simultaneous liberalisation and privatisation of its largest agro-industry, cashew-nut processing, which destroyed the industry. President Chissano publicly complained about the low levels of debt cancellation and the pressure he was under to inappropriately liberalise the economy by the Bretton Woods Institutions.

The South African government had a major role in creating the conditions for Mozambique's suffering. During apartheid, Pretoria sponsored the Renamo terrorist activities that caused an estimated million deaths and wiped out the majority of formal economic activity. Yet aside from the

119. *Actions*

- Require that country plans prepared for initiatives in this programme of action assess their poverty reduction impact, both before and after

questionable Mozal aluminum mega-project investment--highly profitable to the main owners (Gencor in London and Pretoria's Industrial Development Corporation), South Africa's main post-apartheid contribution has been lending to Mozambique for self-interested reasons. The loans were used in Eskom's repair of electricity transmission lines destroyed by Renamo, and in the resettlement of Afrikaner farmers who could not adapt to South African democracy and who aimed to establish an apartheid-type enclave in Mozambique thanks to loans by the Development Bank of Southern Africa. Nelson Mandela's government did cancel illegitimate apartheid-era debt owed by Namibia, but refused to do the same for Mozambique.

As for the PRSPs, Jubilee South's Pan-African Declaration on Poverty Reduction Strategy Programmes in Kampala (May 2001, <http://www.jubileesouth.net>) criticised "structural adjustment programmes (SAPs) in their various guises, particularly as based on the feminisation of adjustment to the further detriment of women and children." Given that "the World Bank and IMF are facing a deepening crisis of legitimacy," the two institutions "introduced PRSPs mainly as a public relations exercise to demonstrate a supposedly new-found concern for the poverty in the poorest countries of the South, and to prove that they have a genuine desire to see the people of these countries 'participating' in finding solutions to their poverty." The Declaration argued that,

PRSPs represent nothing other than yet another attempt by the World Bank and the IMF to continue imposing their structural adjustment programmes on the people of our countries. In fact, the PRSPs will result in an even more comprehensive control by the IMF and World Bank--not only over financial and economic policies but over every aspect and detail of all our national policies and programmes. This will entrench the continuation of IMF and World Bank control over our countries, and contribute to the continuation of the global power relations, in which the rich overwhelmingly concentrated in the North dominate the South and the whole world.

implementation;²⁰⁸

- Work with the World Bank, the International Monetary Fund (IMF), the ADB, and the United Nations (UN) agencies to accelerate implementation and adoption of the Comprehensive Development Framework, the Poverty Reduction Strategy and related approaches;²⁰⁹

²⁰⁸ This would be an improvement, but once again the record of Pretoria is wanting. As one reflection of failure to publicise or monitor poverty, the *Growth, Employment and Redistribution* programme contained all manner of detailed targets for budget deficit ratios, inflation and investment--which are of greatest concern to bankers who monitor state populism and spending--but *no* statistics for poverty reduction or redistribution. Notwithstanding criticism on this point, the Reserve Bank continued to neglect the collection of such statistics or the targeting of poverty and inequality.

²⁰⁹ A more appropriate approach would be to follow the lead of Jubilee South's "Pan-African Declaration on PRSPs":

...on the basis of the long, deep and painful experiences of SAPs in our countries, we reject:

- SAPs in any form or with any cosmetic "adjustments";
- PRSPs as the latest version of structural adjustment;
- HIPC initiative as debt "relief";
- all SAP-HIPC-PRSP conditionalities in order to be granted debt "relief";
- "relief" of only a portion of debt and continued repayment of the remaining debt which will simply ensure continued control and domination;
- any attempt to use our organisations to legitimise structural adjustment, HIPCs, PRSPs or debt "relief";
- any further role or interference of the World Bank or IMF in our countries; and
- any further loans to finance HIV-Aids programmes which only serve to further indebt our countries, which increase our dependence on the institutional finance institutions, while millions of our people continue to suffer and die in the pandemic in our countries.

On the basis of our review in this workshop of a number of experiences of PRSPs in countries in Africa (and Latin America) and on the basis of in-depth analysis and wide-ranging discussion, we note that:

- PRSPs are located within the IMF and World Bank macro-economic framework and this is not open for debate. The poverty programmes are expected to be consistent with the neo-liberal paradigm including privatisation, deregulation, budgetary constraints and trade and financial liberalisation. Yet these have exacerbated economic and social crises in our countries.

- They focus only on internal factors and ignore the role of international/global factors and forces in creating economic crises and poverty in our countries.

- The only aspects of our realities that are open to consultation are those "outside" the macro-economic realm, and even the realisation of these is actively contradicted by the requirements and constraints of the macro-economic prescriptions.

- The neo-liberal paradigm is also not acceptable because it fails to explicitly locate programmes to tackle poverty and subordination within effective gender equity perspectives and gender frameworks. Mere gender "mainstreaming" is totally insufficient as a remedy.

- The World Bank and IMF are manoeuvring to regain their legitimacy by offering poverty "reduction" and debt "relief" whereas we demand full release from all debt bondage and the total eradication of poverty.

- These so-called poverty programmes have been imposed on countries in a manner which ignores and replaces existing anti-poverty and national development programmes. As such, they are an external intervention with little or no regard for national dynamics, and are an unacceptable intrusion. But they cannot easily be ignored given that countries have to implement these programmes as an additional conditionality even for the much criticised HIPC debt "relief."

The experiences of the functioning of PRSPs in our countries raise a number of additional concerns with regard to the involvement of organisations of civil society:

- The PRSPs are not based on real people's participation and ownership, or decision-making. To the contrary, there is no intention of taking civil society perspectives seriously; but to keep participation to mere public relations legitimisation;

- Establish a gender task team to ensure that the specific issues faced by poor women are addressed in the poverty reduction strategies, of the *New Partnership for Africa's Development*,²¹⁰
- Establish a task team to accelerate the adoption of participatory and decentralised processes for the provision of infrastructural and social services.²¹¹

- The lack of genuine commitment to participation is further manifested in the failure to provide full and timeous access to all necessary information, limiting the capacity of civil society to make meaningful contributions.

- The PRSPs have been introduced according to pre-set external schedules which in most countries has resulted in an altogether inadequate time period for an effective participatory process.

- In addition to all the constraints placed on governments and civil society organisations in formulating PRSPs, the World Bank and IMF retain the right to veto the final programmes. This reflects the ultimate mockery of the threadbare claim that the PRSPs are based on "national ownership."

- An additional serious concern is the way in which PRSPs are being used by the World Bank and IMF, both directly and indirectly, to co-opt NGOs to "monitor" their own governments on behalf of these institutions.

²¹⁰ As noted above, all evidence to date is that pro-women provisions such as these are simply not taken seriously, and have been reduced to lip service in documents, to meet the typical requirements of international donors which are themselves mainly interested in lip-service feminism.

²¹¹ Any such genuine efforts are welcome, obviously. But typically "decentralisation" has become a byword for the passing of responsibilities to lower tiers of government, with fewer resources. As hinted at above, the field of water provision is typical. Even in South Africa, "participation" occurred in neoliberal water projects that relied on full-cost recovery, without options for recurrent subsidies to support low-income people's consumption. When a "free" lifeline water promise was made by the ruling party in 2000, in the wake of an embarrassing and costly cholera outbreak, government bureaucrats ensured that the national politicians' promises were accompanied by no

(ii) Bridging the Education Gap

120. Objectives

- To work with donors and multilateral institutions to ensure that the IDG of achieving universal primary education by 2015 is realised;²¹²
- To work for improvements in curriculum development, quality improvements and access to ICT;²¹³

additional funding to allow municipalities to implement the free water. In both cases, an extremely high failure rate resulted.

²¹² The World Bank is an especially unreliable agency. The lead it took in April 2002 on education is disturbing given its damaging role across Africa during the 1980s and 1990s. During two decades of structural adjustment programmes, typically drafted in and imposed from Washington in exchange for new loans (used mainly to pay the interest on old loans), the Bank's double financial attack on the education system was top-down in the form of lower budgetary allocations for education, and bottom up in the form of user-fee requirements. The latter typically had a severe gender bias, as impoverished families scraping together fees would ordinarily invest in their sons' educations, ahead of their daughters. Official donor agencies by and large agreed with these schemes. It was only in 2000 when the US Congress expressly prohibited the World Bank and IMF from imposing user-fee requirements in education, that this damaging neoliberal philosophy began to wane. But with the Bretton Woods Institutions' and donor countries together refusing to cancel debt--so that they can retain financial and fiscal control over Africa--the progress in this area is illusory, and in most countries the payment of foreign debt (often contracted decades before by dictators) outstrips the education budget.

Even in post-apartheid South Africa, where education is the largest budget item (at more than 20% of state spending), repayment of apartheid-era debt came very close to education in monetary terms, and compelled the authorities to increase user fees via decentralising individual schools' budgets. Inequality between schools in wealthy and poor areas has sharply increased, as a result.

²¹³ These are fine objectives, but the likelihood of meeting them is slim, especially in low-income rural areas, under circumstances in which the broader

- To expand access to secondary education and improve its relevance to Africa's development;²¹⁴
- Promote networks of specialised research and higher education institutions.²¹⁵

121. Actions

- Review current initiatives jointly with the United Nations Educational, Scientific and Cultural Organisation (UNESCO) and other major international donors;²¹⁶
- Review levels of expenditure on education by African countries, and lead the process of developing norms and standards for government expenditure on education;²¹⁷

macroeconomic, fiscal and infrastructural constraints discussed above are likely to remain.

²¹⁴ This is a laudable objective, but will require specific increases in capital expenditure for secondary schools and recurrent expenditure for teachers' salaries, neither of which have been available in budgets determined in Washington. The World Bank's April 2002 commitment to education is based on primary (not secondary) schools so this power relationship is likely to continue. There is no indication in *Nepad* of how to get out of Washington's grip, and indeed *Nepad* generally allows for the tightening of Washington conditionality, and promotes the Washington Consensus institutions and ideology.

²¹⁵ The emphasis on higher education is welcomed, especially after a decade in which the Bretton Woods Institutions systematically downgraded universities from entitlements for qualified students, to a mode of elite-class reproduction, by insisting on subsidy cuts and extremely expensive student fees.

²¹⁶ The international donors have generally been part of the problem in getting increased expenditures and different policies (e.g. moving away from user fees). This would have been an opportunity to have *Nepad* make the point that donor-driven education programmes will now be taken back by African societies, but it does not do so.

²¹⁷ This would have been an opportunity for *Nepad* to commit to an *increase* in African educational expenditures, but it does not do so.

- Set up a task force to accelerate the introduction of ICT in primary schools;²¹⁸
- Set up a task force to review and put forward proposals for the research capacity needed in each region of the continent.²¹⁹

122. The key problems in education in Africa are the poor facilities and inadequate systems under which the vast majority of Africans receive their training. Africans who have had the opportunity of obtaining training elsewhere in the world have demonstrated their ability to compete successfully.²²⁰

123. The plan supports the immediate strengthening of the university system across Africa, including the creation of specialised universities where needed, building on available African teaching staff. The need to establish and strengthen institutes of technology is especially emphasised.²²¹

²¹⁸ The lack of telephony and electricity in Africa make this commitment extremely hollow. South Africa is notable for failing to provide telephones and electricity (much less ICT) in a large proportion of its rural schools.

²¹⁹ Such a proposal might start by recognising existing research institutions and official national bodies, which themselves are generally in dire need of refunding. To move to the subregional level in a context of systematic disinvestment in research, is like trying to stroll before learning to crawl.

²²⁰ This paragraph contains no explicit "actions," aside from the tragic implication that to "compete" requires an escape from Africa.

²²¹ Strengthening tertiary education would be laudable. However, Pretoria's own higher-education restructuring is indicative of a neoliberal orientation to universities and technical colleges, which stresses:

- an often irrational desire to rationalise above all else;
- the defunding of university budgets;
- the internal restructuring of universities in a neoliberal manner (particularly in relation to outsourcing);
- the rise of for-profit "universities" and foreign (especially Australian) institutions whose students seek emigration opportunities; and
- the collapse of many of the historically black universities.

Together these suggest that Pretoria has contributed to problems that will now

(iii) Reversing the Brain Drain

124. Objectives

- To reverse the brain drain and turn it into a "brain gain" for Africa²²²
- To build and retain within the continent critical human capacities for Africa's development²²³
- To develop strategies for utilising the scientific and technological know-how and skills of Africans in the diaspora for the development of Africa

125. Actions

- Create the necessary political, social and economic conditions in Africa that would serve as incentives to curb the brain drain and attract much-needed investment.²²⁴

have to be solved by *Nepad*, yet there is nothing in *Nepad* to provide any confidence that a more progressive, less neoliberal, approach will prevail.

²²² This would be an impressive accomplishment. However, one of the most important aspects of preventing human-capital flight is to prevent financial-capital flight. The latter lubricates the former. The relaxation of exchange controls across Africa during the 1980s-90s has made the latter possible. Pretoria embodies the problem, because of decisions in 1995 to end the financial rand mechanism, in 1996 to allow R750 000 in individual offshore financial repatriation, and in 1998 to allow the country's largest companies to delist their financial headquarters from Johannesburg to London. *Nepad* does not make the connection, and therefore it will not solve the brain drain problem. (Only in paragraph 148 does capital flight appear, and exchange controls are never mentioned as a policy option that would serve as a barrier to capital flight.)

²²³ Again, this is a laudable objective, but no concrete strategies yet exist for doing so.

²²⁴ The use of the carrot in *Nepad* follows the deregulation of commerce and investment over a period of two decades. This was the period that the brain drain increased most dramatically. In contrast, there are a variety of appropriate "sticks," ranging from exchange controls to the bonding of

- Establish a reliable data base on the brain drain both to determine the magnitude of the problem, and to promote networking and collaboration between experts in the country—of—origin and those in the diaspora.²²⁵
- Develop scientific and technical networks to channel the repatriation of scientific knowledge to the home country, and establish cooperation between those abroad and at home.²²⁶
- Ensure that the expertise of Africans living in the developed countries is utilised in the execution of some of the projects envisaged under the *New Partnership for Africa's Development*.

(iv) Health

126. Objectives

- To strengthen programmes for containing communicable diseases, so that they do not fall short of the scale required in order to reduce the burden of disease;²²⁷
- To have a secure health system that meets needs and supports disease control effectively;²²⁸

students who receive publicly-subsidised education, so that they work within the country to pay back their debt to society.

²²⁵ This is a worthwhile initiative which, thanks to the internet, should be easy to carry out. But its danger is that it will increase opportunities for brain drain and not brain gain, if resources continue to exist in Northern professional, scientific and academic communities, and not in Africa.

²²⁶ Again, this is a worthy suggestion at first blush, but runs the danger of uncritically celebrating the transfer of knowledge from exiled Africans, even in cases where Western norms and practices may be inappropriate.

²²⁷ This is a laudable objective, but as noted in the case of education, the last two decades have witnessed the systematic weakening of African health systems due to underfunding and the imposition of cost-recovery provisions. The result has been particularly onerous for women and girls, for whom the decline in health care utilisation rates is most damaging in both personal and social terms.

²²⁸ This is an appropriate objective. The same objective exists in many South

- To ensure the necessary support capacity for the sustainable development of an effective health care delivery system;²²⁹
- To empower the people of Africa to act to improve their own health and to achieve health literacy;²³⁰
- To successfully reduce the burden of disease on the poorest people in Africa;²³¹
- To encourage cooperation between medical doctors and traditional practitioners.

127. Actions

African policies, but whether Aids or diarrhoea or TB or cholera, the associated support systems and socio-economic requirements--e.g. lifeline water and electricity--for meeting needs and curbing the main diseases are simply not being provided to people who are too poor to buy them on the market.

²²⁹ Maintaining health system subsidies especially for impoverished rural clinics is obviously vital. Unfortunately, Pretoria has performed very poorly in this regard since 1994, and the difficulty in getting even simple essential medicines at rural clinics is evidence of the state's lack of commitment to its poorest citizens.

²³⁰ This is a powerful sentiment. However, it is also sometimes used as an excuse to lower state responsibilities. In the most important such initiative in South Africa, the water minister has recently attempted to disguise the state's notorious (ongoing) failure to provide adequate sanitation services, using health education as a diversion.

²³¹ To target the poorest would require a radical reorientation of the public-private combination of health services, as well as dramatic increases in water, electricity, nutritional and transport services (amongst others) to the poorest people. *Nepad* contains no information to suggest that this is a genuine objective, and indeed its orientation to public-private partnerships in the provision of infrastructure suggests that the poorest will actually be ignored.

Pretoria's own class-apartheid system of providing infrastructure on an "affordable" basis includes an income-segregated process for accessing water, sanitation and electricity, for example.

- Strengthen Africa's participation in processes aimed at procuring affordable drugs, including those involving the international pharmaceutical companies and the international civil society, and explore the use of alternative delivery systems for essential drugs and supplies;²³²
- Mobilise the resources required to build effective disease interventions and secure health systems;²³³
- Lead the campaign for increased international financial support for the struggle against HIV/AIDS and other communicable diseases;²³⁴
- Join forces with other international agencies such as the WHO and donors to ensure support for the continent is increased by at least US

²³² Judicious use of drugs--"treatment"--is one of the most crucial ways to address disease, and it is important to highlight drugs at the outset, alongside disease prevention. The single greatest advance in acquiring medicines at an affordable cost was the withdrawal (due to international public outrage) in April 2001 of 39 pharmaceutical companies, from a lawsuit against the South African government. The lawsuit, had it been successful, would have prevented Pretoria from implementing the 1997 Medicines Act provisions allowing for parallel import, compulsory licensing and generic production of lifesaving drugs. But in the year following that opportunity, Pretoria *failed to take advantage of the withdrawal* and made no efforts to activate the Medicines Act clauses.

If this is the leadership that *Nepad* offers Africans in the vital area of medicines access, then progress will be nonexistent. *Nepad* does not mention the options available through the Medicines Act, or the provisions in the World Trade Organisation's Trade in Intellectual Property (Trips) provisions which allow for patent violation in the event of a medical emergency.

²³³ The "resources required" are infinite, of course. But *Nepad* could attempt to specify ways in which the UN Global Fund (targeting Aids, malaria and TB) would be utilised in Africa. But *Nepad* doesn't specifically mention this fund, nor the long-standing debate over the Fund's need to prioritise the financing of treatment.

²³⁴ Ironically, finance minister Manuel announced at the February 2002 World Economic Forum that South Africa would not participate in the Global Fund. Pretoria's leadership on HIV/Aids will likely be as great a disaster for Africa as it is for South Africa.

\$10 billion per annum;²³⁵

- Encourage African countries to give higher priority to health in their own budgets and to phase such increases in expenditure to a level to be mutually determined;²³⁶

- Jointly mobilise resources for capacity-building in order to enable all African countries to improve their health infrastructures and management.

128. Africa is home to major endemic diseases. Bacteria and parasites carried by insects, the movement of people and other carriers thrive, favoured as they are by weak environmental policies and poor living conditions. One of the major impediments facing African development efforts is the widespread incidence of communicable diseases, in particular HIV/AIDS, tuberculosis and malaria. Unless these epidemics are brought under control, real gains in human development will remain a pipe dream.²³⁷

129. In the health sector, Africa compares very poorly with the rest of the world. In 1997, child and juvenile death rates were 105 and 169 per 1000,

²³⁵ The \$10 billion reference apparently refers to the UN's attempt to raise money for the Global Fund to address health crisis in *all* parts of the world (not just Africa). The more funding received, the better--but *Nepad* does not engage in the heated debates about where such funds should be prioritised, and who should control them.

²³⁶ The "mutual determination" of health budgets harks back to the structural adjustment era (1980s-present) in which budgets are determined in Washington. There is no indication in *Nepad* as to what sustainable health budgets are and should be, and in view of the systematic destruction of public health system capacity and the rise of private healthcare options for African ruling classes, the lack of detail and vague references to external funds is worrisome.

²³⁷ The only "action" implied here is bringing the diseases under control. But Pretoria's failure to address HIV/Aids, in part by promoting dissident analysis in South Africa's Presidential Commission on Aids, and the ongoing cholera and diarrhoea epidemics caused mainly by lack of clean water, suggest that *Nepad's* own authors are not serious about these problems.

as against 6 and 7 per 1000 respectively in developed countries. Life expectancy is 48.9 years, as against 77.7 years in developed countries. Only 16 doctors are available per 100 000 inhabitants against 253 in industrialised countries. Poverty, reflected in very low per capita incomes, is one of the major factors limiting the populations' capacity to address their health problems.²³⁸

130. Nutrition is an important ingredient of good health. The average daily intake of calories varies from 2384 in low-income countries to 2846 in middle-income countries to 3390 in the Organisation for Economic Co-operation and Development (OECD) countries.²³⁹

131. Health, defined by the World Health Organisation (WHO) as a state of complete physical and mental well-being, contributes to increase in productivity and consequently to economic growth. The most obvious effects of health improvement on the working population are the reduction in lost working days due to sick leave, the increase in productivity, and the chance to get better paid jobs. Eventually, improvement in health and nutrition directly contributes to improved well-being as the spread of diseases is controlled, infant mortality rates are reduced, and life expectancy is higher. The link with poverty reduction is clearly established.²⁴⁰

²³⁸ This is an obvious point, but contains no information about "actions" to be taken. Moreover, the phraseology here implies that individuals are responsible for their health status, which takes the burden off the state. Given that individuals' incomes are so low in most of Africa and that health status indicators have fallen so quickly during the era of structural adjustment, the logical conclusion is that market-failure requires massive state intervention, but *Nepad* notably fails to promote this conclusion.

²³⁹ Again, this point cannot be contested, but *Nepad* contains no information about "actions" to be taken. If nutrition was taken seriously as a component in *Nepad*, some additional state interventions in basic food markets and in food-related subsidisation would be on the agenda. But it is not.

²⁴⁰ This information is correct, but again contains no suggestions about "actions" to be taken. For example, if externalities associated with healthcare, water, sanitation and electricity were incorporated into national and local economic strategies, then increased subsidies would be a logical way to

• Agriculture

132. The majority of Africa's people live in rural areas. However, the agrarian systems are generally weak and unproductive. Coupled with external setbacks such as climatic uncertainty, biases in economic policy and instability in world commodity prices, these systems have held back agricultural supply and incomes in the rural areas, leading to poverty.²⁴¹

translate those externalities into real economic gains, but *Nepad* is silent about such implications. Likewise, were the system of national accounts in African countries to be recalculated to take into account the health-poverty linkage, and especially to calculate the importance of women's (unpaid) labour in maintaining the health of the society, it might make it easier to better compensate healthworkers and women, and to improve their status. Again, *Nepad* shies away from any such conclusion, and the document's lip service to gender equity is unveiled as mere rhetoric, when opportunities to improve women's wellbeing, such as this example, are ignored.

²⁴¹ There are many confused references in this sentence. Genuine "external setbacks" include "climatic uncertainty," but scientific evidence suggests that severe climate change can be attributed in part to disturbances caused by global warming, which is endogenous (and can be prevented) not exogenous (and accidental). If global warming is one cause of declines in agricultural productivity generated by floods and droughts, *Nepad* should call on the advanced industrial countries for solidarity with victims of global warming, including compensation for agricultural losses. The idea of the North paying the South its "ecological debt," however, is not mentioned in *Nepad*--notwithstanding its rising importance in international debates over debt cancellation and reparations.

As for "biases in economic policy," this phrase was typically used during the 1980s across Africa, as a Washington-Consensus justification for removing both state-operated agricultural marketing systems and subsidies on foodstuffs in urban areas. The ending of the marketing boards and subsidies together contributed to enormous suffering and to declining nutritional intakes.

The issue of "instability in world commodity prices" is misstated. The overall trendline in African agricultural exports is negative, with the only instability represented by how far and fast commodity prices decline. Since 1997, when East Asia went into crisis, for instance, the prices of raw materials

133. The urgent need to achieve food security in African countries requires that the problem of inadequate agricultural systems be addressed, so that food production can be increased and nutritional standards raised.²⁴²

134. Improvement in agricultural performance is a prerequisite of economic

(cash crops and minerals) fell very quickly, but the trend began in 1973 with no sign of reversal.

Worse, many African countries suffer from reliance upon a single product for at least 75% of their export earnings: Angola, Botswana, Burundi, Congo, Gabon, Guinea, Niger, Nigeria, Somalia, Uganda, and Zambia. The only countries which diversified their exports so that they claim at least 25% of their export earnings from more than four products are the Gambia, Lesotho, South Africa, Swaziland, Tanzania, and Zimbabwe. Generally, across Africa, four or fewer products make up three quarters of export revenues. More than three quarters of all Africa's trade is with developed countries.

The logical implication of this declining agricultural commodity price trend--sometimes unstable but mainly quite predictable--should be to end African countries' dependency upon export-led growth based on raw materials. However, while *Nepad* occasionally talks of industrial diversification, its logic is very much towards the *increase* of agricultural exports. Yet there is no guarantee that even if European Union and US tariffs and quotas on agricultural imports are lowered or even removed, the underlying negative price trend of commodity prices will change. On the contrary, such a process could easily lead to even greater reliance upon export-led growth, under the influence of small cartels of middle-men corporations, which would have negative effects upon "incomes in the rural areas, leading to poverty."

²⁴² This analysis is purely of a supply-side character. In other words, the assumption is that if agricultural producers improve their productivity and bring more food to markets, nutrition will improve. There may be some grounds for hope, but the past quarter-century of falling agricultural prices have done nothing to improve nutrition, given that the 1980s-90s also decimated the effective demand of both urban and rural consumers. In other words, if *Nepad* places its entire nutritional emphasis on supply enhancements, especially in a context of even greater ambitions for export-led cash-crop growth, the effect on most Africans could be a *worse* not better nutritional status.

development on the continent. The resulting increase in rural peoples' purchasing power will also lead to higher effective demand for African industrial goods.²⁴³ The induced dynamics would constitute a significant source of economic growth.

135. Productivity improvement in agriculture rests on the removal of a number of structural constraints affecting the sector. A key constraint is climatic uncertainty, which raises the risk factor facing intensive agriculture based on the significant inflow of private investment.

²⁴³ When the analysis now turns to demand-side issues, it assumes that the increase in supply-side output will generate increased incomes. In doing so it abstracts from the problem of the past two decades of supply-side agricultural policies, namely that when the IMF and World Bank persuaded all Third World countries to increase their output of agricultural products for the world market, the volume certainly increased, *but the gluts in world markets caused the prices of exports to fall far faster than the volume increases could compensate*. This was especially true in relation to terms of trade, because since 1980, the value of a basket of sub-Saharan export products has fallen by 50% compared to import prices of goods purchased from the North.

The question of which African countries will produce "industrial goods" is also of interest, but is unexplored in *Nepad*. Unfortunately, in the case of appliances, clothing, footwear and furniture (which higher-income rural people would presumably purchase more of once their incomes rise), the small-scale production capacity of the two key Southern African countries, Zambia and Zimbabwe, was decimated by South Africa during the early 1990s. The problems of excessive trade liberalisation forced upon these countries by Washington, and South African exporters' economies of scale, were temporarily but ultimately unsuccessfully countered by higher trade barriers. However, in turn, as South Africa lifted its import tariffs in 1993-95 once the apartheid regime signed the General Agreement on Trade and Tariffs, several industries--electronics, other appliances, clothing and footwear--were also devastated by cheaper imports, especially from East Asia. The logical implication is that Africa needs continent-wide and regional-scale industrial policies that include the protection and rationalisation of infant industries, and an explicit strategy to lessen uneven regional development so that the "bambezonke" polarisation that has characterised industry in Africa can be reversed. These sorts of interventions are, however, anathema to *Nepad*.

Consequently, governments must support the provision of irrigation equipments and develop arable lands when private agents are unwilling to do so.²⁴⁴ The improvement of other rural infrastructure (roads, rural electrification, etc.) is also essential.²⁴⁵

136. The institutional environment for agriculture also significantly affects the sector's productivity and performance. Institutional support in the form of research centres and institutes, the provision of extension and support services, and agricultural trade fairs will further boost the production of marketable surpluses.²⁴⁶ The regulatory framework for agriculture must

²⁴⁴ This is a very important statement, justifying enormous state interventions especially where (as in Zimbabwe) there were enormous tracts of underutilised land held by large-scale commercial farmers. As noted earlier, however, Pretoria has been probably Africa's *slowest* post-colonial government to implement either land reform or irrigation programmes for small-scale commercial farmers. Government policies often explicitly prohibit increased irrigation for key watersheds like the Orange River (which in turn justified the redirection of the Lesotho headwaters of the Senqu/Orange River to Johannesburg). It should be added that irrigation never justifies the construction of mega-dams.

²⁴⁵ It is *essential* to develop rural roads and electricity, yet *Nepad* promotes Public-Private Partnerships to do so *without disclosing the source of the effective demand required to make such development profitable*. As a result, *Nepad* will probably result in the continuing rural neglect that South Africa has witnessed since 1994. Road systems are in much worse repair today than in 1994, because as the Departments of Transport and Public Works admit, maintenance budgets have been systematically cut, leading to deeper rural impoverishment. Highways that have received new investment are invariably privatised toll roads linking urban centres.

Likewise, the rate of growth of rural electrification slowed dramatically during the late 1990s, as the failure of low-income people to afford extremely high tariffs led to much lower electricity usage than the state power company, Eskom, had estimated. In short, if Pretoria is a *Nepad* exemplar on rural roads and electricity, Africa has much to fear.

²⁴⁶ An increased state commitment to these kinds of support networks would be enormously helpful. Of course, however, the trend is that Africa's agricultural research capacity has withered under pressures of privatisation,

also be taken into account, including the encouragement of local community leadership in rural areas, and the involvement of these communities in policy and the provision of services.²⁴⁷

137. Too little attention has been paid by bilateral donors and multilateral institutions to the agriculture sector and rural development, where more than 70 per cent of the poor people in Africa reside. For example, in the World Bank lending portfolio, credits to agriculture amounted to 39 per cent in 1978, but dropped to 12 per cent in 1996 and even further to 7 per cent in 2000. The entire donor community must reverse such negative trends.²⁴⁸

budget cuts and deregulation, all of which *Nepad* implicitly endorses. In addition, the rising global problem of biopiracy includes the patenting of agricultural life forms which are unique to Africa. *Nepad* is silent about transnational corporate penetration of Africa's biogenetic pools, and indeed South Africa has been one of the least regulated and dangerous settings for the production of genetically-modified foodstuffs.

²⁴⁷ Without further details, the "regulatory framework" described here appears consistent with deregulation and decentralisation, in which, typically, more responsibilities are transferred from central government to lower tiers, with fewer resources. Pretoria's own record of decentralising unfunded mandates (such as free water and electricity) to impoverished rural areas, offers worrisome precedents.

²⁴⁸ The World Bank switched its overall loan portfolio from projects into sectoral and structural adjustment loans during the 1980s, which explains some of the negative trends in the agricultural portfolio. But more importantly, *Nepad* should have referenced the early 1990s Wapenhans report finding on the efficacy of World Bank rural development lending, which was below 50% even in cases where Bank staff applauded their work in evaluations as "highly satisfactory." The point is, that if World Bank agricultural sector lending was extremely ineffective, and if World Bank hard-currency loans for land reform and agricultural microfinance (e.g. to Zimbabwe, which failed spectacularly) were used to purchase land or grant credit in local currency--*yet left the entire society with a hard-currency debt to repay, with ever-declining currency values thus making the interest rates prohibitively expensive* (even when they were IDA low-interest loans), then the opposite conclusion should be reached than the one *Nepad* arrives at. Declining World Bank credits to African agriculture is a

• The Environment Initiative

138. It has been recognised that a healthy and productive environment is a prerequisite for the *New Partnership for Africa's Development*.²⁴⁹ It is further recognised that the range of issues necessary to nurture this environmental base is vast and complex, and that a systematic combination of initiatives is necessary in order to develop a coherent environmental programme. This will necessitate that choices be made, and particular issues be prioritised for initial interventions.²⁵⁰

139. It is also recognised that a core objective of the Environment Initiative must be to help in combating poverty and contributing to socio-economic development in Africa. It has been demonstrated in other parts of the world that measures taken to achieve a healthy environmental base can contribute greatly to employment, social and economic empowerment, and reduction of poverty.²⁵¹

140. It should be mentioned, here, that Africa will host the World Summit on

positive not negative trend.

²⁴⁹ A "healthy environment" means one that is not dying, and that is obviously a goal no one can object to. A "productive environment" has many different kinds of meanings, which might include strip-mined soil or a toxic-saturated piece of land or a switch from homegrown seeds to genetically-modified plants, all of which may be immensely productive of wealth--while destroying the resource for future generations.

²⁵⁰ *Nepad* shies away from naming, much less making, tough choices about the exploitation of Africa's wealth, versus the maintenance of ecological integrity.

²⁵¹ Again, without details about such successes, this appears to be so-called "greenwashing" rhetoric. The far more likely outcome of *Nepad* is intensified penetration of transnational capital, and the further degradation of the African environment. Pretoria's own current strategies for exploiting its cheap energy, and that of its neighbours, in places like Mozal, Pande, Coega and others, confirms that environmental concerns--*as well as sustainable economic development and job creation*--take a very low priority in planning.

Sustainable Development in September 2002, and that environmental management form the basis of the Summit. In this regard, we propose that the event put particular emphasis on the deliberations on this theme in the *New Partnership for Africa's Development*.²⁵²

141. The Environment Initiative has targeted eight sub-themes for priority interventions:

- Combating Desertification. Initial interventions are envisaged to rehabilitate degraded land and to address the factors that led to such degradation. Many of these steps will need to be labour intensive, along the lines of “public works programmes”, thereby contributing to the social development needs of the continent. The initial interventions will serve as best practices or prototypes for future interventions in this area;²⁵³

²⁵² This is a good proposal, of course, but the harsh reality is that the run-up to the WSSD has included a leaked G-8 Environment Ministers' report which does the opposite of what *Nepad* calls for. It promotes the WTO agenda of hyperliberalised trade, and dishonestly claims that this agenda is consistent with environmental protection. Well-regarded international NGOs such as Friends of the Earth and Greenpeace have already warned that the WSSD will drive standards even lower than the original Rio Earth Summit, and that the role of the United States in particular will limit the possibilities for any substantive changes that would benefit the African or indeed global environment. Pretoria's own intermediary hosting role in the WSSD debates, and its own weak environmental record, suggest that this paragraph is mere rhetoric.

²⁵³ Desertification is a terrible problem, and public-works type projects with high employment content would be most welcome. But one of the major factors behind desertification--overcrowding of areas beyond the ecological carrying capacity--should be immediately addressed here, in view of the fact that such overcrowding often has its roots in colonial (and apartheid) land acquisition, dispossession and forced removals. Neo-colonialism allowed land and migrant labour systems to continue virtually unchanged in both extractive and settler-colonial settings. The subsequent neoliberal-era transition from food cropping to cash cropping (often monocrops or timber, with adverse ecological implications) and later to game farming, has put even greater pressure on those rural lands which host displacees.

- Wetland Conservation. This involves implementation of African best practices on wetland conservation, where social and ecological benefits are derived from private sector investment in this area;²⁵⁴
- Invasive Alien Species. Partnerships are sought to prevent and control invasive alien species. These partnerships are critical for both the preservation of the eco systems and economic well-being. Major labourintensive initiatives are possible;²⁵⁵
- Coastal Management. In protecting and utilising coastal resources to optimal effect, best practices are again suggested from which a broader programme can be drawn up;²⁵⁶

²⁵⁴ The need to preserve and restore wetlands cannot be denied, in view of their degradation due to commercial agriculture and forestry, and their crucial role as sponges during times of excessive rainfall.

Again, however, Pretoria's own leadership in this area is highly dubious. The drive to convert Mpumalanga and KwaZulu-Natal wetlands into pulp-timber has destroyed many local eco-systems, according to environmentalists who have campaigned against the influence of huge agro-timber firms (Sappi and Mondi) over the Department of Water Affairs and Forestry.

²⁵⁵ In this one area, it is crucial to applaud Pretoria's leadership, through its Working for Water programme. However, concerns have been raised about the programme's extremely low wages and about the Department of Water Affairs and Forestry's lack of institutional commitment to Working for Water, and thus its reliance on faddish donors.

²⁵⁶ The major debate over coastal and maritime management in South Africa is worth noting, namely how to deal with rapacious fishing industry businesses which would otherwise decimate the country's fish stocks. Internally, Pretoria has turned to a black-empowerment mode of authorising fishing permits, but in a relatively deregulatory context which has been taken advantage of by unscrupulous operators. In an international context, Pretoria should be praised for keeping Taiwanese, Spanish, Portuguese and other European operators out of local fishing waters. However, Pretoria has justified the expenditure of hundreds of millions of dollars on corvette ships and submarines based upon the need to patrol the boundary waters against such fishing fleets. (Radar and light aircraft are just as capable of monitoring and deterring illegal fishing).

There are concerns, as well, that although Pretoria has banned the use of 4x4 vehicles on sand dunes, other modes of rampant, environmentally-

- Global Warming. The initial focus will be on monitoring and regulating the impact of climate change. Labour-intensive work is essential and critical to integrated fire management projects;²⁵⁷
- Cross-border Conservation Areas. This sub-theme seeks to build on the emerging initiatives, seeking partnerships across countries to boost conservation and tourism, and, therefore, create jobs;²⁵⁸
- Environmental Governance. This relates to the securing of institutional, legal, planning, training and capacity-building requirements that underpin

precarious coastal development continue unchecked ranging from Cape Town across the luxury Garden Route, through the Eastern Cape and into the northern coasts of KwaZulu-Natal.

²⁵⁷ This note is a stunning cop-out on one of the world's most important issues. As noted above, South Africa leads the world on production of greenhouse gasses, corrected for income and population size. The "monitoring" work on climate change is being done and should be expanded, but no details are offered on what "regulating" means, much less on whether Pretoria will face up to its responsibility to *cut back* its contribution to global warming. The one detail--"integrated fire management projects"--is highly unsatisfactory.

²⁵⁸ The cross-border conservation areas that Pretoria has put into effect, involving Botswana, Zimbabwe and Mozambique, appeared to be successful in their early stages. However, the Mozambican case was suddenly thrown into controversy in April 2002, as noted below.

Moreover, the full context of these have to be considered, including whether the booming eco-tourism market is sustainable, whether the replacement of farmland for game park farming has unacceptable social costs (mainly to farmworkers), and whether conservation is being used in a paternalistic way--as was common in colonial times--to prevent a higher-value use of land by local inhabitants. Typically, villages that border game parks and other conservation initiatives in Africa are amongst the poorest, notwithstanding some programmes (e.g. Campfire) that attempt to mitigate the extreme inequality, in which some of the world's richest eco-tourists come for a quick period to view wild animals who occupy land traditionally used by peasants for survival, with virtually no trickle-down of the \$1000+ spent per tourist per day.

all of the above;²⁵⁹

- Financing. A carefully structured and fair system for financing is required.

142. The Environment Initiative has a distinct advantage in that many of the projects can start within relatively short time frames, and they also offer exceptionally good returns on investment in terms of creating the social and ecological base upon which the *New Partnership for Africa's Development* can thrive.²⁶⁰

● **Culture**

143. Culture is an integral part of development efforts on the continent. Consequently, it is essential to protect and effectively utilise indigenous knowledge that represents a major dimension of the continent's culture, and to share this knowledge for the benefit of humankind. The *New Partnership for Africa's Development* will give special attention to the protection and nurturing of indigenous knowledge, which includes tradition-based literacy, artistic and scientific works, inventions, scientific discoveries, designs, marks, names and symbols, undisclosed information and all other tradition-based innovations and creations resulting from intellectual activity in the industrial, scientific, literary or artistic fields. The term also includes genetic resources and associated knowledge.²⁶¹

144. The *New Partnership for Africa's Development* leaders will take urgent steps to ensure that indigenous knowledge in Africa is protected through appropriate legislation. They will also promote its protection at the

²⁵⁹ There are many other environmental priorities not listed in the initiatives above, which also deserve training. The key problem, however, is to develop policies and programmes that are capable of achieving environmental justice, and to have appropriate training that involves communities, workers, environmentalists and experts in proper proportion.

²⁶⁰ Disappointingly, no details are provided as to which projects *Nepad* refers to.

²⁶¹ As noted above, the record of South Africa's own Department of Agriculture on genetically modified plant life is highly contentious.

international level, by working closely with the World Intellectual Property Organisation (WIPO).²⁶²

• Science and Technology Platforms

145. Objectives²⁶³

- To promote cross-border co-operation and connectivity by utilising knowledge currently available in existing centres of excellence on the continent;
- To develop and adapt information collection and analysis capacity to support productive activities as well as for exports;
- To generate a critical mass of technological expertise in targeted areas that offer high growth potential, especially in biotechnology and natural sciences;
- To assimilate and adapt existing technologies to diversify manufacturing production.

146. Actions

²⁶² It is important to have as an objective the protection of indigenous knowledge and other forms of what is often termed "local content" from commodification, distortion and expropriation, and to thereby offer knowledge, culture and entertainment alternatives to mind-numbing international commercial processes. However, *Nepad* should address, frankly, how it will fight the formidable forces arrayed against any such effort, especially in the World Trade Organisation's TRIPS provisions, where local-content rules and regulations have been declared WTO-illegal. *Nepad* contains no information that would give confidence in African leaders ability to contest these onesidedly "free-trade" dynamics.

²⁶³ These objectives are excellent (to the extent that they are not simply tautological). For example, there are many such centres of organic research, especially where technologies are being adapted to local conditions. *Nepad* should identify these, and provide information about how they can be supported, particularly in light of the threat by transnational corporations to capture knowledge through TRIPS, ranging from new pharmaceutical products to development of software (to cite two issues that have been hotly contested in South Africa).

- Establish regional co-operation on product standards development and dissemination, and on geographic information systems (GIS);²⁶⁴
- Develop networks among existing centres of excellence, especially through the Internet, for cross-border staff exchanges and training programmes, and develop schemes to assist displaced African scientists and researchers;²⁶⁵
- Work with UNESCO, the Food and Agriculture Organisation (FAO), and other international organisations to harness biotechnology in order to develop Africa's rich biodiversity and indigenous knowledge base by improving agricultural productivity and developing pharmaceutical products;²⁶⁶
- Expand geo-science research to enhance the exploitation of the mineral wealth of the African continent;²⁶⁷

²⁶⁴ This would be helpful, if *Nepad* clarified areas where the African regional standards--including GIS mapping--are notably different than those prevailing in international settings. It is not clear if the African standards would be higher or lower, or why they should be different, i.e., why Africa should have the burden of reinventing the wheel. If the provisions for science and technology in international standardisation systems reflect transnational corporate interests and agendas, this should be stated and clarified.

²⁶⁵ The difficulty in getting all appropriate researchers onto fast-speed internet connections should be obvious; and is discussed above in the section on ICT dissemination.

²⁶⁶ As noted above, *Nepad* should honestly confront the forces of transnational corporate capital that are already making such a strategy extremely difficult. If the strategy then entails a major attempt to acquire "exemption" clauses from the WTO (as exists for medical emergencies in TRIPS), the need for organising international solidarity (as with ACT UP and *Medicins sans Frontieres* on anti-retroviral drug access) should be clearly stated. The FAO and UNESCO simply do not have sufficient power to protect Africa from voracious transnational corporations. In addition, *Nepad's* faith that biotechnology can be harnessed should be rejected, given its dangers and given the weak role of regulation in South Africa itself.

²⁶⁷ As noted above, this may or may not be a wise economic development strategy, and should not be so blithely promoted. If *Nepad* did ultimately

- Establish and develop skills-based product engineering and quality control to support diversification in manufacturing.²⁶⁸

C. MOBILISING RESOURCES

● The Capital Flows Initiative

147. To achieve the estimated 7 per cent annual growth rate needed to meet the IDGs – particularly, the goal of reducing by half the proportion of Africans living in poverty by the year 2015 – Africa needs to fill an annual resource gap of 12 per cent of its GDP, or US\$64 billion.²⁶⁹ This

advocate a more thorough-going exploitation of minerals, what conditions should prevail so that the existing processes of *underdevelopment* caused by transnational mining capital, are not amplified? *Nepad* owes Africans an analysis of the international market conditions for minerals now and in the near future (very gloomy), the socio-environmental costs of mining (very high) and the potential for keeping non-renewable resources within African possession for longer, in the event that more productive and less environmentally-destructive extraction techniques emerge in coming years. Sustainable development, after all, is generally considered to entail a respect for future generations' inheritance of resources, rather than merely their "enhanced exploitation" in the short run.

²⁶⁸ Diversification in manufacturing is a necessary ambition. However, aside from this suggestion that more skills are needed, there are no other hints in *Nepad* that the underlying processes that have led to African *déindustrialisation* will be reversed.

²⁶⁹ Regrettably, *Nepad* offers no grounds for believing that the calculations of 7% growth, \$64 billion in resource flows and halving the population of poor Africans living in poverty are anything more than thumbsuck guesses.

Recall the last set of thumbsucks within a medium-term economic strategy emanating from Pretoria: the June 1996 *Growth, Employment and Redistribution* document whose macroeconomic model combined those of the World Bank, Reserve Bank and several others in South Africa. The *Gear* model predicted that growth would reach a steady 6% by 2000, but instead--even after a positive 1%+ rejigging of growth figures by the official statistical agency--the rates of GDP increase from 1996-2000 were 3.2%, 1.7%, 0.7%, 1.9% and 3.0% (i.e., net negative per capita GDP growth). Manufacturing

will require increased domestic savings, as well as improvements in the public revenue collection systems. However, the bulk of the needed resources will have to be obtained from outside the continent.²⁷⁰ The *New Partnership for Africa's Development* focuses on debt reduction and ODA as complementary external resources required in the short to medium term, and addresses private capital flows as a longer-term concern. A basic principle of the Capital Flows Initiative is that improved governance is a necessary requirement for increased capital flows, so that participation in the Economic and Political Governance Initiatives is a prerequisite for participation in the Capital Flows Initiative.²⁷¹

output in particular went sharply negative in 1998-99. Instead of achieving 126,000 new jobs in 1996, rising to 400,000 new jobs per year in 2000, as predicted in the June 1996 model, the actual job creation figure in 1996 was *negative* 71,000, and more than half a million jobs were lost in subsequent years. Poverty and inequality also soared during the late 1990s.

But perhaps of greatest importance in the comparison with *Nepad*, *Gear's* ambitions for direct investment by both foreign and domestic capital were not only foiled, but during several years there was distinctly *negative* net investment by both foreigners and South Africans. In other words, the authors of both *Gear* and *Nepad* have some explaining to do, about how they vastly overestimated both the performance of the South African economy and interest by foreign/domestic investors, and why the same problem won't happen again. (The explanation must transcend blame upon the East Asian crisis, because all the negative trends were evident prior to mid-1997.)

²⁷⁰ This is a dubious proposition, given both existing international realities and the need for Africa to capture and recycle its own resources. Most African countries are net creditors to the North, if capital flight is taken into consideration. South African financial institutions have become a major part of this problem, given that from the early 1990s they opened offices in the Cayman Islands, Jersey, Guernsey, Panama, the Isle of Wight, Zurich and other hot-money centres.

²⁷¹ As noted above, whether or not the various countries which have had unfree, unfair elections since 2001--Tanzania, Madagascar, Zambia, Zimbabwe and Congo-Brazzaville, to name the highest profile--will disqualify themselves from participation in *Nepad* is beside the point. The unveiling of *Nepad* leaders Mbeki and Obsanjo as uncommitted to good political governance occurred in March 2002, when both went out of their way to give the impression that the

(i) Increasing domestic resource mobilisation

148. To achieve higher levels of growth and more effective poverty reduction, Africa needs to mobilise additional resources, both domestic and foreign. Domestic resources include national savings by firms and households, which need to be substantially increased.²⁷² In addition, more effective

Zimbabwe elections were "legitimate."

²⁷² This is no doubt true, but in the classical 20th century debate in economics over what comes first, income or savings, *Nepad* appears to be taking the typical monetarist route, which is to try to increase savings extraction (typically through higher interest rates) and then expect higher savings to translate into higher investment. That philosophy underpinned the monetary policy associated with the Washington Consensus during the 1980s and 1990s, and in most African and other Third World countries led to the adoption of the highest interest rates in recorded history by "independent" central banks (typically under the thumb of Washington even when it came to appointment of top personnel). But savings typically did not increase, since financial liberalisation led to both capital flight and a string of banking-sector crises across Africa, and even where some new savings were drawn into formal financial institutions this was no guarantee of reinvestment in productive activities.

South Africa is a case in point, because of its wild deregulation of the financial sector beginning a decade before the country was liberated from apartheid. Unfortunately, instead of reregulating South African banks, the ruling party continued the deregulation, increased the interest rate (beginning in March 1995) to unprecedented real (after-inflation) levels, oversaw a string of important small/medium bank failures which left depositors without resources, failed to regulate the burgeoning microfinance sector and thus allowed the near-collapse of the industry (including runs on much larger banks with microfinance subsidiaries), and witnessed the *dis*saving of hundreds of thousands of working-class people whose bank savings accounts were too small for the major commercial banks to warrant holding. When the large banks closed offices in low-income areas, "redlined" desegregating neighbourhoods and townships, terminated the bank accounts of low-income workers, and refused to open accounts of informal-sector workers (or anyone without a payslip), Pretoria watched idly, refusing to intervene. So in all respects, it is worrisome to see *Nepad's* emphasis on increasing savings as a

tax collection is needed to increase public resources, as well as the rationalising of government expenditures. A significant proportion of their domestic savings is lost to African countries as a result of capital flight. This can only be reversed if African economies become attractive locations for residents to hold their wealth.²⁷³ Therefore, there is also an urgent need to create conditions that promote private sector investments

strategy for investment, given the recent appalling performance of financial regulation in even the most sophisticated banking market, South Africa.

²⁷³ Since currency volatility and unsafe banking systems mean that in the near future, Africa will *not* be an attractive place for elites to hold money, there is only one solution to capital flight: controls. The controls need to occur in both the source country, as well as in the international financial markets. The latter markets--especially hot money centres like Zurich, Panama, the Cayman Islands, Bahamas and several others--were perpetually "ungovernable," it was always claimed. As a result, African capital flight money parked in the French, British, Belgian, Portuguese and South African bank subsidiaries located in hot money centres, were always alleged to be beyond regulation and repatriation. However, three events changed this conventional wisdom recently, which *Nepad* should logically have celebrated: a) the Swiss banks' looting of Holocaust victims' accounts was uncovered internally, and world opinion forced the banks to open their books; b) campaigns against the Odious Debt that has been owed by post-dictatorship countries as varied as the Philippines, Haiti, Nigeria and South Africa, have meant that some progress in identifying illegal capital flight is being made, and Swiss and London banks are being held to account for laundering Third World elites' stolen assets; and c) the terrorists responsible for the September 11 attacks on the United States have had their financial assets frozen in even the most obscure of the hot money centres, showing that if there is political will it is feasible to gain the transparency necessary to track much of Africa's stolen loot. The financial sanctions against Robert Mugabe and his Zanu elites may uncover more such information.

It is quite telling that *Nepad* neither mentions nor even considers, subliminally, the possibility of correcting capital flight by a) imposing exchange controls (e.g. of the sort Pretoria had in place until deregulation in 1995); and/or b) joining the global humanitarian campaigns to have dictators and corrupt elites return money that should actually be utilised for reinvestment within African societies and economies.

by both domestic and foreign investors.²⁷⁴ Furthermore, there are other resources which can be mobilised within Africa, while, at the same time, requesting the developed countries to pledge their Treasury Bills to finance the Plan. By so doing they would not directly commit their liquid assets.²⁷⁵ Finally, we suggest the establishment of Special Drawing Rights for Africa.²⁷⁶

(ii) Debt Relief

149. The *New Partnership for Africa's Development* seeks the extension of debt relief beyond its current levels (based on debt "sustainability"), which still require debt service payments amounting to a significant portion of the

²⁷⁴ This same "urgent need" has been articulated for decades, and every effort made to attract large-scale foreign investment has failed, with the notable exceptions of extremely corrupt governments in oil-rich Angola and Nigeria, which together have gathered the most foreign investment in Africa. Foreign investors in Africa have been notoriously *extractive* in orientation, only rarely putting down roots so as to accumulate capital in secondary and tertiary industries.

²⁷⁵ This particular innovation is only hinted at, and requires a great deal more information. If *Nepad* is suggesting that the Northern government bonds serve as guarantees, this is not dissimilar to existing World Bank/IMF financing, by which if Southern governments cannot repay their loans, they receive more Bretton Woods credits so as to pay the interest on old loans; the Bretton Woods Institutions then go to Northern taxpayers for top-up recapitalisations, which in turn lowers the share ownership in those institutions by Southern countries, which then have even less power to (allegedly) democratise the institutions. The Northern governments thus stand security, in effect, for more and more ineffectual lending to Southern countries. The entire system is kept afloat, to the great disadvantage of ordinary Africans and Third World peoples and environments, and Northern taxpayers. There is nothing particularly innovative in taking some of the taxpayer payments ahead of time as guarantees via bonds for further portfolio investments that cannot and ultimately will not be repaid.

²⁷⁶ The implication is that the IMF would have more power over African finance than it does already.

resource gap.²⁷⁷ The long-term objective of the *New Partnership for Africa's Development* is to link debt relief with costed poverty reduction outcomes.²⁷⁸ In the interim, debt service ceilings should be fixed as a proportion of fiscal revenue, with different ceilings for IDA and non-IDA countries.²⁷⁹ To secure the full commitment of concessional resources – debt relief plus ODA – that Africa requires, the leadership of the *New Partnership for Africa's Development* will negotiate these arrangements with creditor governments.²⁸⁰ Countries would engage

²⁷⁷ This departs fundamentally from the position of the main African civil society groups which work on debt issues, namely that there should be full debt cancellation plus reparations.

²⁷⁸ The problem of conditionalities on debt relief (or in *Nepad's* word, the "link") is that the institutions with power to determine the linkages--the Bretton Woods Institutions plus the major aid agencies--are not interested in poverty reduction (notwithstanding some new-found rhetoric). Institutionally, they are still interested mainly in liberalising Third World economies so as to improve prospects for Northern exporters, and promote export-led growth of Southern raw materials so as to lower input costs for Northern producers, at the same time as rolling over existing loans and aid programmes so that their own personnel stay busy.

²⁷⁹ These are artificial approaches to "sustainability," which reflect classical Washington-style attempts to shoehorn countries in very different situations, into a single formula. So many African countries have such variable sources of "fiscal revenues," with many deriving the bulk from donor countries, that the incentive structure will immediately go askew. The only such universal debt "relief" formula that would work is total debt cancellation.

²⁸⁰ This suggests that leaders like Mbeki, Obsanjo and Bouteflika will suddenly adopt sufficiently powerful strategies and tactics to achieve remarkable negotiating outcomes that two decades of struggles have failed to achieve. Yet *Nepad* offers no clues about the power relationship changes that will be required to assure a positive outcome. Moreover, all prior evidence of renegotiation of South African, Nigerian and Algerian debt does not give confidence that *Nepad's* leaders have a record of success to build upon. The repayment of loans taken out by the Odious apartheid and Abacha regimes, for instance, suggests that the South African and Nigerian governments are actually quite weak negotiators.

with existing debt relief mechanisms – the HIPC and the Paris Club – before seeking recourse through the *New Partnership for Africa's Development*.²⁸¹ The Debt Initiative will require agreed poverty reduction strategies, debt strategies and participation in the Economic Governance Initiative to ensure that countries are able to absorb the extra resources.²⁸² In addition to seeking further debt relief through the interim debt strategy set out above, the *New Partnership for Africa's Development* leadership will establish a forum in which African countries will share experience and mobilise for the improvement of debt relief strategies.²⁸³

150. Actions

- The *New Partnership for Africa's Development* heads of state will secure an agreement, negotiated with the international community, to provide further debt relief for countries participating in the *New Partnership for*

²⁸¹ This chronology of debt-relief begging assures a degree of African disempowerment that the North will look upon favourably.

²⁸² This is an extraordinary assumption, namely that Africans who are losing 20% and more of their export earnings to repaying illegitimate debt, won't know how to use that funding, at a time when budget cuts are still wreaking havoc across the continent's social sectors. While state capacity (e.g. the civil service) has certainly been devastated by the Bretton Woods Institutions, there is no question but that restoration of subsidies on education and health (as two examples) would easily allow the rapid disbursement of additional resources.

²⁸³ This sentence is the one half-hearted attempt to suggest a collectivity of interest and power relations. But there is nothing in the behaviour of African ruling parties to date, to suggest that collective action will work under present circumstances. The last feeble effort of African ruling parties to protect their own self-interests was the OAU delegation's finding that the Zimbabwe election was legitimate, which was endorsed, in turn, by the South African and Nigerian governments. But a few tough words from Tony Blair and John Howard compelled the chastened Mbeki and Obasanjo to agree that the "legitimate" victor in the Zimbabwe election should be suspended from the Commonwealth for a year.

Africa's Development, based on the principles outlined above.²⁸⁴

- The leadership of the *New Partnership for Africa's Development* will establish a forum in which African countries may share experiences and mobilise for the improvement of debt relief strategies. They will exchange ideas that may end the process of reform and qualification in the HIPC process.²⁸⁵

(iii) ODA Reforms

151. The *New Partnership for Africa's Development* seeks increased ODA flows in the medium term, as well as reform of the ODA delivery system, to ensure that flows are more effectively utilised by recipient African countries. The *New Partnership for Africa's Development* will establish an ODA forum of African countries so as to develop a common African position on ODA reform, and to engage with the Development Assistance Committee of the OECD (OECD/DAC) and other donors in developing a charter underpinning the development partnership. This charter will identify the Economic Governance Initiative as a prerequisite for enhancing African countries' capacity to utilise increased ODA flows, and will propose a complementary, independent assessment mechanism for monitoring donor performance. The *New Partnership for Africa's Development* will support a Poverty Reduction Strategy Paper (PRSP) Learning Group to engage in the PRSP process together with the IMF and the World Bank.²⁸⁶

²⁸⁴ The World Bank, IMF and G-8 will no doubt be happy to extend the HIPC programme, so long as no African country takes the example of leaders of Zimbabwe and Argentina, and actually defaults, and so long as *Nepad* politicians continue to remove the default, repudiation and reparation options from the table.

²⁸⁵ The word "may" reveals a) how onerous this "reform" process really is; and b) the half-hearted character of the *Nepad* challenge to Washington.

²⁸⁶ Notably, in contrast, the leader of the respected NGO African Debt and Development Network (Afrodad) in Harare recently argued that "aid is a tool to serve the commercial, political, economic and strategic interests of donor countries." As a result, "The donor creditor countries must keep all their aid and against it write off all the debt owed by poor African countries... The bottom line would be elimination of both aid and debt because they reinforce

152. Actions²⁸⁷

- Constitute an ODA forum for developing a common African position on ODA reform, as a counterpart to the OECD/DAC structure;
- Engage, through the ODA forum, with donor agencies to establish a charter for the development partnership, which would embody the principles outlined above;
- Support ECA's efforts to establish a PRSP Learning Group;
- Establish an independent mechanism for assessing donor and recipient country performance.

(iv) The Private Capital Flows

153. The *New Partnership for Africa's Development* seeks to increase private capital flows to Africa, as an essential component of a sustainable long-term approach to filling the resource gap.²⁸⁸

the power relations that are contributing to the imbalances in the world." (Kapijimpanga, O. (2001), "An Aid/Debt Trade-Off the Best Option," in G.Ostravik (Ed), *The Reality of Aid Reality Check 2001*, Oslo, Norwegian Peoples Aid.)

See above for other critiques of aid and the PRSP process.

²⁸⁷ There is one Northern metaphor that captures the actions being contemplated: rearranging the deck chairs on the Titanic.

²⁸⁸ The issue of whether to support private capital flows to Africa is entirely dependent upon the character of capital accumulation that takes place as a result. It should be recalled that from the 1960s-early 1990s, the African National Congress called for *no* new fixed or portfolio capital flows to the apartheid regime. The reason was simple: transnational corporations and apartheid financiers were not only propping up the illegitimate government in Pretoria, but they were also making profits from oppression. Obviously with the change in government in 1994, South Africa was no longer a place to make profits from oppression, in the sense that the achievement of one-person, one-vote democracy was won. But just as obviously, there continued into the non-racial New South Africa many kinds of social relations that gave rise to enormously profitable investments during the height of apartheid: durable shopfloor racism, the migrant labour system, superexploitation of

154. The first priority is to address investors' perception of Africa as a "high risk" continent, especially with regard to security of property rights, regulatory framework and markets.²⁸⁹ Several key elements of the *New Partnership for Africa's Development* will help to lower these risks gradually, and include initiatives relating to peace and security, political and economic governance, infrastructure and poverty reduction. Interim risk mitigation measures will be put in place, including credit guarantee schemes and the strong regulatory and legislative frameworks. The next priority is the implementation of a Public-Private sector partnership (PPP) capacity-building programme through the African Development Bank and other regional development institutions, to assist national and sub-national governments in structuring and regulating transactions in the provision of infrastructural and social services.²⁹⁰ The third priority is

women, lax environmental and child labour regimes (especially in corporate farming), lax mining regulations, dramatic cuts in corporate taxes (from 48% in 1994 to 30% in 1998) and a variety of other benefits to international capital.

Does capital accumulation take a fundamentally different form today in South Africa because the state is now controlled by a democratic government? Obviously the answer is yes and no. The same is true across Africa.

²⁸⁹ The single most important challenge to property rights in Africa, in recent years, has been the invasion of white-owned farm land in Zimbabwe. There are very good reasons, and some bad politics, behind the need for thorough-going land reform in Zimbabwe. Interestingly, *Nepad* authors saw Zimbabwe's constitutional property rights protections violated over an 18-month period in the wake of a failed willing-seller/willing-buyer land reform programme which Pretoria also adopted in 1994 (leading, similarly, to practically no land reform). The contradiction here, as in so many other places, is startling, yet *Nepad* makes no effort to resolve it.

²⁹⁰ The extent to which this privatisation capacity-building leads to actual outsourcing, management contracts and sale of public assets, remains to be seen. As noted above, international investor interest in South Africa's various post-1994 privatisations has been minimal, and South Africa is the strongest site on the continent for privatisation to find roots, given the large high-income population. In any event, for a variety of reasons noted above, the desirability of foreign investment in these sectors is highly dubious.

to promote the deepening of financial markets within countries, as well as cross-border harmonisation and integration, via a Financial Market Integration Task Force.²⁹¹ Initially, this will focus on the legislative and regulatory environment for the financial system.²⁹²

155. *Actions*

- Establish a task team to carry out audits of investment-related legislation and regulation, with a view to risk reduction and harmonisation within Africa;²⁹³
- Carry out a needs assessment of and feasibility study on financial instruments to mitigate risks associated with doing business in Africa;²⁹⁴

²⁹¹ As noted above, the record of Pretoria in encouraging financial deepening was disastrous in relation to changing the distortions and biases--as well as protecting depositor funds--in some of the most important banks. The key barrier to achieving a more stable *and* equitable financial system is Pretoria's national Treasury, because its personnel are overwhelmingly neoliberal in ideological orientation.

²⁹² The South African legislative and regulatory environment became less onerous after 1994, leading to various financial disasters. In the sole area in which major lobbying for tighter regulation occurred, namely to halt discriminatory bank redlining, an extremely weak home mortgage disclosure bill was passed instead, with no changes whatsoever in financial sector consumer practices.

²⁹³ Notably, the enormous risks undertaken by African governments (and citizens and environments) in relation to the behaviour of transnational corporate capital--e.g., corruption, asset-stripping, transfer-pricing, the creation of dependency, the erasure of local culture, and the outflow of dividends and profits that far exceed inflows of new investment--are not flagged by *Nepad*.

²⁹⁴ To transfer investment risks from international capital back to home governments (e.g. through the World Bank's Multilateral Guarantee Agency programmes which are underwritten by Northern taxpayers) or even to African taxpayers, assumes that the merits of the investments made under such programmes are so enormous as to warrant the implicit subsidy. But this is yet to be proven.

- Establish an initiative to enhance the capacity of countries to implement PPPs;²⁹⁵
- Establish a Financial Market Integration Task Force that will speed up financial market integration through the establishment of an international standard legislative and regulatory framework and the creation of a single African trading platform.²⁹⁶
- Equally important, however, especially in the short to medium term, is the need for additional ODA and debt reduction. Additional ODA is required to enable least developed countries to achieve the international development goals, especially in the areas of primary education, health and poverty eradication. Further debt reduction is also crucial. The enhanced Highly Indebted Poor Countries (HIPC) debt relief initiative still leaves many countries within its scope with very high debt burdens, hence the need to direct more resources towards poverty reduction. In addition, there are countries not included in the HIPC that also require debt relief to release resources for poverty reduction.²⁹⁷

● **The Market Access Initiative**

²⁹⁵ Orders to privatise African infrastructure have been given by the Bretton Woods Institutions for more than a decade. If countries have failed so far, it is either because the local power structure will not allow it, the assets are too run down to be of interest, or the potential new greenfield projects would operate at such a low level of maximum profitability so as to be unattractive. Whatever the reason, it is unlikely that the barrier has been "capacity" problems in African governments.

²⁹⁶ Given the weaknesses of African regulatory capacity and the fragility of most African banking systems (including South Africa's), this is an extremely dangerous proposition. "Bigger" does not mean "better" when it comes to bank regulation, and indeed it is most likely that both African and international banks will manipulate what are bound to be very weak cross-border financial regulations, as did the Bank of Credit and Commerce International a decade ago.

²⁹⁷ This point is interesting, and probably refers to Nigeria, which has (unsuccessfully) asked for debt cancellation in part because of the Odious Debt inheritance from prior military regimes.

(i) Diversification of Production

156. African economies are vulnerable because of their dependence on primary production and resource-based sectors, and their narrow export bases. There is an urgent need to diversify production and the logical starting point is to harness Africa's natural resource base.²⁹⁸ Value added in agro-processing and mineral beneficiation must be increased and a broader capital goods sector developed, through a strategy of economic diversification based on inter-sectoral linkages.²⁹⁹ Private enterprise must be supported, both micro-enterprises in the informal sector and small and medium enterprises in the manufacturing sector, which are principal engines of growth and development. Governments should remove constraints to business activity and encourage the creative talents of African entrepreneurs.³⁰⁰

157. Objectives³⁰¹

²⁹⁸ It is absolutely true that diversification is urgently needed, but the *worst* place to start is the South African-style minerals beneficiation model, for all the reasons argued above. Instead, the best place to start is an economics strategy aimed at meeting people's needs for water, electricity, housing, public works opportunities, other consumption goods and many other examples of goods and services which also have economic benefits. This is the *opposite* of the industrial strategy pursued by the South African government.

²⁹⁹ The theory of economic linkage is correct, but it is highly dubious to begin this strategy from minerals and the capital goods sector, when so many basic-needs goods can be more readily produced to meet needs, with more labour intensity and hence greater multipliers, and less foreign dependency and hence far less foreign debt.

³⁰⁰ While many patronage-based African states have extremely onerous regulatory constraints, the lifting of burdens is also associated with a power shift that disempowers workers and endangers environments. It is important to note that Pretoria's record of supporting black small business has been a dismal failure, as even the minister publicly acknowledges.

³⁰¹ While all these objectives have merit, the unlikelihood of them being adopted and pursued with vigour is reflected in the fact that Pretoria's own rural people have heard them before (in various land and agriculture policy

- To improve the productivity of agriculture, with particular attention to smallscale and women farmers;
- To ensure food security for all people and increase the access of the poor to adequate food and nutrition;
- To promote measures against natural resource degradation and encourage production methods that are environmentally sustainable;
- To integrate the rural poor into the market economy and provide them with better access to export markets;
- To develop Africa into a net exporter of agricultural products;
- To become a strategic player in agricultural science and technology development.

158. Actions

- At the African level:³⁰²

- Increase the security of water supply for agriculture by establishing small-scale irrigation facilities, improving local water management, and increasing the exchange of information and technical know-how with the international community;
- Improve land tenure security under traditional and modern forms of tenure, and promote necessary land reform;
- Foster regional, sub-regional, national and household food security through the development and management of increased production, transport, storage and marketing of food crops, as well as livestock and fisheries. Particular attention must also be given to the needs of the poor, as well as the establishment of early warning systems to monitor

papers adopted since 1994). For the majority of low-income people, rural living conditions have become objectively worse since the neoliberal restructuring of agriculture was pursued, and since the capacity of the state to intervene on behalf of its constituencies was denuded (as state marketing boards were privatised).

³⁰² These are all important actions, but the likelihood of them being pursued is reflected in the fact that in South Africa, which is home to Africa's greatest rural contradictions, none of the suggestions listed has been pursued with any degree of vigour by Pretoria.

droughts and crop production;

- Enhance agricultural credit and financing schemes, and improve access to credit by small-scale and women farmers;
- Reduce the heavy urban bias of public spending in Africa by transferring resources from urban to rural activities.

- At the international level:³⁰³

- Develop new partnership schemes to address donor fatigue for individual, high-profile agricultural projects;
- Developing countries should assist Africa in carrying out and developing its research and development capabilities in agriculture;

³⁰³ These action items are all of very marginal importance. The main reason that African rural incomes remain low in relation to international forces, is the double problem of glutted global markets (associated with the export-led growth strategies foisted upon all Third World countries since the early 1980s) and the extremely high share of final product costs that are attributed to transport and marketing, but that really reflect oligopolistic power relations in international agricultural markets.

Although South Africa did not participate in "Development Box" advocacy at the Doha WTO ministerial summit, there were many more ambitious countries that tried to transcend the marginalism displayed in *Nepad*. Amongst them were Nigeria (others were Cuba, the Dominican Republic, El Salvador, Haiti, Honduras, India, Kenya, Nicaragua, Pakistan, Peru, Senegal, Sri Lanka, Uganda, Venezuela and Zimbabwe). Together, they condemned global agricultural trade rules in a manner that shames the limited actions and objectives of *Nepad*:

These talks remain dominated by the EU on the one hand, and the US and Cairns group of exporting countries on the other. As a result, these negotiations have ignored developing country concerns about the problems our small subsistence farmers are facing... Since before Seattle, we have been pushing for a "Development Box" to be included in the Agriculture Agreement, but our proposal has been sidelined. The WTO is supposed to ensure equity in trade, but the present agricultural trading system in practice legitimises the inequities, for instance, by allowing the dumping of agricultural products from the North. (Friends of the Development Box (2001), "Press Statement," Doha, 10 November.)

- Promote access for African food and agricultural products, particularly processed products, to meet international markets by improving quality to meet the standards required by those markets;
- Support African networking with external partners in the areas of agricultural technology and know-how, extension services and rural infrastructure;
- Support investment in research in the areas of high-yield crops and durable preservation and storage methods;
- Provide support for building national and regional capacity for multilateral trade negotiations, including food sanitation and other agricultural trade regulations.

(ii) Mining

159. Objectives³⁰⁴

- To improve the quality of mineral resource information;
- To create a regulatory framework conducive to the development of the mining sector;
- To establish best practices that will ensure efficient extraction of natural resources and minerals of high quality.

160. Actions

- **At the African level:**³⁰⁵

³⁰⁴ Aside from more "efficient extraction," there is nothing in these objectives to suggest any real changes in mining production are required. The mining sector is responsible for awesome environmental and social damage, and minerals have been subject to great degrees of market manipulation, not least of which is transfer pricing by international mining houses. Some of the worst cases of these problems are in South Africa, where aside from a minor degree of racial desegregation and a mine workers' safety and health law, virtually nothing has changed in terms of social relations on the mines. The most important mining houses in Africa, namely Anglo American and Gencor/Billiton, have relisted their primary financial headquarters to London, which means that the profits and dividends associated with the main African mining houses do not stay on the continent. Changing these relationships should have been the basis for *Nepad's* mining sector objectives.

- Harmonise policies and regulations to ensure compliance with minimum levels of operational practices;
- Harmonise commitments to ensure reduction in the perceived investment risk in Africa;
- Harmonise information sources on business opportunities for investments;
- Enhance collaboration for knowledge-sharing and value addition to natural resources;
- Enforce principles of value-addition (beneficiation) for investments in the African mining sector;
- Establish an African School of Mining System (for the development

³⁰⁵ As noted above, these are extremely mildmannered ambitions, and it behooves *Nepad's* authors to try to address much more profound problems in the mining sector, including the objective of assessing whether minerals and petroleum should *not* be mined in the short term, so that in future years, future generations have access to those resources in ways that might be much more beneficial than is immediate extraction. Issues associated with beneficiation were raised above, and relate to the relative merits of supplying high volumes of cheap energy to transnational mining corporations, versus using that energy for more eco-socially-beneficial domestic (household) purposes. Finally, the issue of blood diamonds and the various other minerals-related conflicts in western, central and southern Africa, all remind us that there is more to the geopolitics of mining than merely extraction issues. For *Nepad* to ignore controversies over blood diamonds, col-tan, oil and other precious metals, is telling.

Notably, unlike in the agricultural section just above, the mining objectives *do not include any changes to international minerals markets*. This is extraordinary, not only for the reasons noted above. In three of the major mineral groups (diamonds, gold and platinum) that South Africa and other African countries have come to rely upon, as well as petroleum, there exist periodic price fluctuations and market manipulations that suggest a lack of genuine competition. With diamonds, Pretoria has been particularly complicit in allowing a monopolistic arrangement (DeBeers and the Central Selling Organisation) to continue and indeed amplify its powers through its private delisted status, in contrast to the United States where DeBeers executives are unable even to visit as a result of their outstanding arrest orders for anti-competitive practices.

and production of education, skills and training at all levels). This could be achieved through collaboration among existing schools.

(iii) Manufacturing

161. Objectives³⁰⁶

- To increase the production, and improve the competitiveness and diversification of the domestic private sector, especially in the agroindustrial, mining and manufacturing sub-sectors, with potential for exports and employment creation;
- To establish organisations on national standards in African countries;
- To harmonise the technical regulatory frameworks of African countries.

162. Actions³⁰⁷

³⁰⁶ There have been numerous efforts over the past two decades to move African manufacturing up the value chain, in part by exposing small-run manufacturers to international competition. But the results have nearly invariably included mass deindustrialisation of small African countries' light manufacturing sectors. *Nepad* offers no basis for believing that results will be any different in the current, more hostile international climate.

Other objectives, on standardisation and regulation, probably relate more to international manufacturers' need for protection from bootleg products, which Pretoria takes extremely seriously (to the extent that long delays are experienced at the main South African port, Durban, as customs officials pore over every imported container in search of counterfeits).

³⁰⁷ The entire set of actions--at African and international scales--boil down to expanding bureaucratic institutions and networks that allegedly help "standardise" and "harmonise" the manufacturing sector. A less imaginative and bold programme for Africa's reindustrialisation has probably ever been put forth by Africans. There is nothing of the economic-linkage strategy that transcends banal neoclassical economic characterisations of "comparative advantage." Even where one action calls on Africa to "develop new industries, or upgrade existing ones," it is only "where African countries have comparative advantages," and there are no details provided whatsoever about how and where these new industries can emerge or revive. Taken together, the African and international actions proposed represent merely the advanced industrialised countries' trade-promotion agenda, via the WTO, for Africa to

- At the African level:

- Develop new industries, or upgrade existing ones, where African countries have comparative advantages, including agro-based industries, energy and mineral resource-based industries;
- Acquire membership of the relevant international standards organisations. Active membership would give Africa a stronger voice in these bodies, and would enable African industry to participate meaningfully in the development of international standards. Membership would also result in the transfer of copyright of international standards to the national associations;
- Establish national measurement institutions to ensure harmonisation with the international metrology system. Such activities will always remain the responsibility of government;
- Ensure that testing laboratories and certification organisations are set up to support the relevant national technical regulations. Such organisations should be established, as soon as possible, where they do not exist;
- Establish an accreditation infrastructure, such as the International Standards Organisation (ISO) system, which is acceptable internationally. Such an accreditation infrastructure can be nationally based where the industry is strong enough to maintain it, otherwise regional structures should be contemplated. Appropriate funding to ensure membership of international structures such as the International Accreditation Forum (IAF) and the International Electrotechnical Commission (IEC) should be made available;
- Pursue mutual recognition of test and certification results with Africa's major trading partners. Generally, this will only be possible if the

toe the line on "standards, technical regulations, measurement, tractability and accreditation" and to do so through "information-sharing" rather than anything so bold as an actual African industrial policy.

Likewise in South Africa, trade and industry minister Erwin is regularly criticised for not having an industrial policy, and his interventions in economic development projects have been understood to disproportionately favour--with enormous taxpayer subsidies--international capital. (See, e.g. <http://www.coega.com> for Erwin's largest industrial development zone, and <http://www.coega.org> for a critique.)

framework for standards, technical regulations, measurement, tractability and accreditation are in place and can be shown to meet international requirements.

At the international level:

- Facilitate partnership through the development of mechanisms, such as joint business councils, for information-sharing between non-African and African firms, and for working towards the establishment of joint ventures and subcontracting arrangements;
- Assist in strengthening African training institutions for industrial development, particularly through the promotion of networking with international partners;
- Promote the transfer of new and appropriate technologies to African countries;
- Develop and accept a best-practice framework for technical regulations that meets both the requirements of the World Trade Organisation's Agreement on Technical Barriers to Trade (WTO/TBT) and the needs of Africa. The technical regulation frameworks of the developed countries may be too complex for many African countries;
- Establish Standards Bureaux, which would provide the industry and government with the necessary information on international, regional and national standards, thereby facilitating market access. These centres should be linked to the relevant international, regional and national standards information centres so that the latter can act as the national WTO/TBT Enquiry Points;
- Ensure the development of appropriate regional and national standards through the establishment of appropriate technical committee structures representing the stakeholders of the countries, as well as managing such committees in line with ISO/IEC Directives and WTO/TBT Agreement requirements.

(iv) Tourism

163. Objectives³⁰⁸

³⁰⁸ These are all reasonable as minor modifications to existing strategies, but do nothing to ensure that tourism translates into sustainable development, and that local people are beneficiaries in ways other than through meagre trickle-down, low-paid unskilled labour. The list of actions below, do have some

- To identify key “anchor” projects at the national and sub-regional levels, which will generate significant spin-offs and assist in promoting interregional economic integration;
- To develop a regional marketing strategy;
- To develop a research capacity in tourism;
- To promote partnerships such as those formed via sub-regional bodies.

Examples include the Regional Tourism Organisation of Southern Africa (RETOSA), the Economic Community of West African States (ECOWAS) and the SADC.

164. Actions³⁰⁹

- At the African level:

provisions for community-based tourism, however they do nothing to assure Africans that *affordable access to local tourist facilities will be feasible*. *Nepad* appears to assume that all tourists are from outside the continent or are wealthy locals, for the strategy completely lacks any component oriented to democratising recreation.

³⁰⁹ The proposed actions appear benign. However, South Africa's domineering approach to subregional tourist initiatives is cause for concern. Zimbabwe's Victoria Falls is one example of the way the region is being utilised as merely a spin-off attraction for South African-centric tourism, to the detriment of other Zimbabwean features.

Another example is the South African role in the transfrontier game park associated with apartheid-era tycoon Anton Rupert. The park stretches from Kruger on the eastern border of South Africa, into Mozambique, and up to Zimbabwe. But in spite of corruption by South African consultants to the Department of Environmental Affairs and Tourism, and an undercounting (by a factor of four) and lack of consultation of tens of thousands of affected Mozambican peasants whose villages will be removed, Rupert's 84th birthday occasioned the high-profile release of Kruger elephants into Mozambique, with dire consequences for local inhabitants. The multiple scandals emerged in April 2002, but are consistent with much of the Mpumalanga region's approach to tourism, including the attempted sale of huge national parks to Middle Eastern investors during the mid-1990s.

- Forge co-operative partnerships to capture the benefits of shared knowledge, as well as provide a base for other countries to entering into tourist-related activities;
- Provide the African people with the capacity to be actively involved in sustainable tourism projects at the community level;
- Prioritise consumer safety and security issues;
- Market African tourism products, especially in adventure tourism, ecotourism and cultural tourism;
- Increase regional co-ordination of tourism initiatives in Africa for the expansion and increased diversity of products;
- Maximise our benefits from the strong interregional demand for tourism activities, by developing specialised consumer-targeted marketing campaigns.

(v) Services³¹⁰

165. Services can constitute very important activities for African countries in particular those that are well equipped in the field of ICT's (téléservices).

(vi) Promoting the private sector**166. Objectives**³¹¹

³¹⁰ Measured as a percentage of GDP and with respect to employment, services have become the fastest-growing sector in many African countries. The *Nepad* authors' failure to generate anything more than an absurd reference to ICT suggests exceptionally sloppy preparatory work.

³¹¹ The emphasis on improving conditions for capital accumulation, with no similar provisions for "third sector" (non-profit) enterprise, notwithstanding active cooperative movements and NGOs across Africa, unveils *Nepad's* biases.

Pretoria's own actions have been only somewhat successful, for after providing virtually all the "sound and conducive" elements requested by big business--a 60% cut in the tax rate from 1994-98; freedom to take money out of the country, both through primary relisting in London and relaxation of exchange controls; a low and declining budget deficit; full respect for property rights; very little new corporate regulation; no efforts to address the legacies of wealth accumulated due to apartheid (e.g. by a wealth tax); and many other

- To ensure a sound and conducive environment for private sector activities, with particular emphasis on domestic entrepreneurs;
- To promote foreign direct investment and trade, with particular emphasis on exports;
- To develop micro, small and medium enterprises, including the informal sector.

167. *Actions*³¹²

- At the African level:

- Undertake measures to enhance the entrepreneurial, managerial and technical capacities of the private sector by supporting technology acquisition, production improvements, and training and skills development;
- Strengthen chambers of commerce, trade and professional associations, and their regional networks;
- Organise dialogue between the government and the private sector to develop a shared vision of economic development strategy and remove constraints to private sector development;
- Strengthen and encourage the growth of micro, small and medium-scale

concessions--the largest firms in South Africa left for London. In the process they exported sufficient levels of profits and dividends to crash the value of the rand during 2000-01. Meanwhile, virtually no sustainable models of Black Economic Empowerment actually worked, given that most creative financing deals were established by merchant bankers--with the approval of the state--and crashed in mid-1998 when the stock market fell dramatically and interest rates soared. The small business sector was an even greater failure. In short, in spite of bending over backwards to generate *laissez faire* conditions that would assist private sector operators, Pretoria can claim mainly failures.

³¹² As in the case of manufacturing, none of the actions proposed amount to more than tinkering and institutional improvement. The extent to which such strategies have collapsed in South Africa is witnessed in the unseemly squabble by virtually all representatives of the private sector, who after years of attempting to pull together a non-racial business-interests grouping, still persistently fail.

industries through appropriate technical support from service institutions and civil society, and improve access to capital by strengthening microfinancing schemes, with particular attention to women entrepreneurs.

- At the international level:

- Promote entrepreneurial development programmes for training managers of African firms;
- Provide technical assistance in relation to the development of an appropriate regulatory environment, promotion of small, medium and micro-enterprises and, establish micro-financing schemes for the African private sector.

(vii) Promoting African Exports

168. Objectives³¹³

- To improve procedures for customs and drawback/rebate schemes;
- To tackle trade barriers in international trade through the improvement of standards;
- To increase intra-regional trade via promoting cross-border interaction among African firms;
- To improve Africa's negative image through conflict resolution and marketing;
- To deal with short-term skills shortages through appropriate firm-level incentives and training.

³¹³ What is most extraordinary about this list of extremely weak objectives, is that a grand rhetoric has emerged from Pretoria about changing the rules of world trade. Even minister Erwin has argued that the South must displace the North's "dinosaur" industries: agriculture and manufacturing. Yet the extent of the objectives are merely to fiddle with marginal problems: "customs and drawback/rebate schemes," "improvement of standards," "cross-border interaction among African firms," "improve Africa's negative image through conflict resolution and marketing," and "deal with short-term skills shortages." There is nothing in *Nepad* to suggest that the new African exporter is ready to displace extinct Northerners in agriculture, manufacturing or anything else.

169. Actions

- At the African level:

- Promote intra-African trade with the aim of sourcing within Africa, imports formerly sourced from other parts of the world;
- Create marketing mechanisms and institutions to develop marketing strategies for African products;
- Publicise African exporting and importing companies and their products, through trade fairs;
- Reduce the cost of transactions and operations;
- Promote and improve regional trade agreements, foster interregional trade liberalisation, and harmonise rules of origin, tariffs and product standards;
- Reduce export taxes.

- At the international level:³¹⁴

³¹⁴ Contrasting *Nepad* and the real interests of African countries in relation to international trade rules is a worthy topic with which to close this commentary. In the paragraphs that follow, *Nepad* requests a more liberalised international trade regime. The apotheosis of that approach was unveiled in April 2002 when the European Union's secret "hit list" of requests for trade concessions under the General Agreement on Trade in Services was leaked to the *Guardian* newspaper. Especially evident in the leaked reports was the arrogance with which EU negotiators aim to open all aspects of daily life to commodification by European firms, especially with respect to middle-income countries like South Africa (other African countries aren't worth wasting time with, it appears).

The problem, in sum, is that Pretoria essentially sides with international trade liberalisers, against those in Africa who want to retain sovereignty, dignity and the possibility of building an economy based upon human need, not profit. Several African trade negotiators have positioned themselves far to the left of South African trade minister Erwin, and until November 2001 they foiled his attempts to impose a South African-centric African economy based upon the investment and trade ambitions of Johannesburg corporations. The divisive role of Erwin in the Doha ministerial conference in November 2001 (*Mail and Guardian*, 9 and 16 November 2001) followed his setback at the Seattle summit in December 1999, when Pretoria adopted a position entirely distinct from that of the Organisation for African

Unity. (The angry OAU delegates were the main reason that the Seattle WTO summit failed, although Erwin took great pains to criticise the workers, environmentalists and other protesters who objected to the WTO's attack on democracy).

In contrast to Erwin, there were important African voices amongst those in the so-called "Like-Minded Group"--Egypt, Uganda, Zimbabwe, India, Pakistan, Indonesia and the Dominican Republic--which, joined by Cuba, Haiti, India, Kenya, Peru and Venezuela, called for radical changes to international trading rules just as *Nepad* was being drafted:

Developing countries have clearly not received the benefits they thought they would. Developed countries continue to be heavily regulated in the form of maintaining trade barriers especially in several sectors of interest to developing countries. For example, technical standards and licensing in certain professional services, is used to effectively restrict entry by developing countries into the industry...

The regulatory initiatives taken by developing countries would already seem to be having a negative impact on them since many developing countries have adopted regulations that have turned out to be more suited to the needs and level of development of services industries of the developed countries...

There is the danger that re-regulation as promoted in Article VI could in fact become deregulation [and that this] could be fundamentally incompatible with the requirement or the desire of many governments to provide basic public services for their people, especially since certain sections of their population may not be able to afford to pay market prices for these services...

Many services markets are dominated by only a few large firms from developed countries and a number of small players. The top 20 service exporters are mainly from developed countries...

Liberalisation under these circumstances of unequal competition has aggravated the alarming divide in supply capacity between developed and developing countries...

Developing countries' small suppliers are also disadvantaged in other ways, such as through discriminatory access to information channels and distribution networks...

Under conditions of liberalisation, privatisation of services could very easily happen since foreign corporations which are more competitive are likely to enter the new market and take

- Negotiate measures and agreements to facilitate market access for African products to the world market;
- Encourage foreign direct investment;
- Assist in capacity-building in the private sector, as well as strengthening country and sub-regional capacity in trade negotiations, implementing the rules and regulations of the WTO, and identifying and exploiting new trading opportunities that emerge from the evolving multilateral trading system;
- The African heads of state must ensure active participation in the world trading system, which has been managed under the auspices of the WTO since 1995. If a new round of multilateral trade negotiations is started, it must recognise and provide for the African continent's special concerns,

over from the local company. This could have consequences on access to basic services for those who may not be able to afford these commercial prices of services.

In addition, investments, when they come in, have often not been in sectors that could most benefit the host countries...

For the rural sectors in many developing countries, these basic services may not even be provided by the state, but by communities and local authorities which use currently common resources, such as water, minerals, fuels...

Through marketisation, previously available public goods are put out of reach of many when these are commodified in the process of privatisation. The experience of several developing countries with structural adjustment already shows that large segments of the population are having serious difficulties gaining access to basic commodities and services at prices they can afford. (Cuba, Dominican Republic, Haiti, India, Kenya, Pakistan, Peru, Uganda, Venezuela and Zimbabwe (2001), 'Assessment of Trade in Services,' Special Communication to the World Trade Organisation, 9 October.)

These very valid concerns conflict explicitly with *Nepad*, which *welcomes* the foreign investors whose privatisation agenda invariably limits access to services to those who have resources. While *Nepad* talks of the need for partnership, it asks for practically nothing. The critique of Gats offered by Kenya, Uganda and Zimbabwe, among others, is penetrating and rigorous. *Nepad* pales in comparison.

needs and interests in future WTO rules.

170. Participation in the world trading system must enhance:
- Open, predictable and geographically diversified market access for exports from Africa;
 - The provision of a forum in which developing countries can collectively put up their demand call for structural adjustment by developed countries in those industries in which the natural competitive advantage now lies with the developing world;
 - Transparency and predictability as preconditions for increased investment in return for boosting supply capacity and enhancing the gains from existing market access;
 - Technical assistance and support to enhance institutional capacity of African States to use the WTO and to engage in multilateral trade negotiations.
171. In addition to broad-based support for the WTO, African heads of state must identify strategic areas of intervention and, together with the international community, strengthen the contribution of trade to the continent's recovery. The strategic areas include:
- The identification of key areas in export production in which supply-side impediments exist;
 - The diversification of production and exports especially in existing and potential areas of competitive advantage, and bearing in mind the need to move towards higher value-added production;
 - An assessment of the scope for further liberalisation in manufacturing, given the concentration of access in low value-added sectors, and its restrictiveness in high value-added activities with the greatest economic and growth potential;
 - Renewed political action by African countries to intensify and deepen the various integration initiatives on the continent. To this end, consideration needs to be given to: (1) a discretionary preferential trade system for intra-African trade; (2) the alignment of domestic and regional trade and industrial policy objectives, thereby increasing the potential for intra-regional trade critical to the sustainability of regional economic arrangements.
172. Heads of State must act to: (1) secure and stabilise preferential treatment by key developed country partners, e.g. the Generalised System of Preferences (GSP), the Cotonou Agreement, the "Everything But Arms"

(EBA) initiative, and the Africa Growth and Opportunity Act (AGOA); (2) ensure that further multilateral liberalisation does not erode the preferential gains of these arrangements; (3) identify and address deficiencies in their design and application.

(viii) Removal of non-tariff barriers

173. African leaders believe that improved access to the markets of industrialised countries for products in which Africa has a comparative advantage is crucial. Although there have been significant improvements in terms of lowered tariffs in recent years, there remain significant exceptions on tariffs while non-tariff barriers also constitute major impediments. Progress on this issue would greatly enhance economic growth and diversification of African production and exports. Dependence on ODA would decline and infrastructure projects would become more viable as a result of increased economic activity.

VI. A NEW GLOBAL PARTNERSHIP

174. Africa recognises the centuries-old historical injustice and the need to correct it. The central injunction of the new partnership is, however, for combined efforts to improve the quality of life of Africa's people as rapidly as possible.³¹⁵ In this, there are shared responsibilities and mutual benefits for Africa and her partners.

175. The global technological revolution needs an expanding base of resources, a widening sphere of markets, new frontiers of scientific endeavour, the collective capacity of human wisdom, and a well-managed ecological system. We are aware that much of Africa's mineral and other material resources are critical inputs into production processes in

³¹⁵ The term "however" suggests that there is a contradiction between "correcting" the "centuries-old historical injustice" and the need to "improve the quality of life of Africa's people as rapidly as possible." There is no such contradiction, especially if full debt cancellation occurs immediately and if reparations are provided on the basis of well-constructed arguments and analysis, and are provided in forms not associated with the current regime of neoliberalism and aid dependency.

developed countries.³¹⁶

176. In addition to its indispensable resource base, Africa offers a vast and growing market for producers across the world.³¹⁷ A developing Africa, with increased numbers of employed and skilled workers and a burgeoning middle class, would constitute an expanding market for world manufactured products, intermediate goods and services.³¹⁸
177. At the same time, Africa provides a great opportunity for investment. The *New Partnership for Africa's Development* creates opportunities for joint international efforts in the development of infrastructure, especially in ICT and transportation.³¹⁹
178. Africa also provides prospects for creative partnerships between the public and private sectors in beneficiation, agro-industries, tourism, human resource development and in tackling the challenges of urban

³¹⁶ "We are aware" suggests a coy threatening tone, as does the statement that Africa's exports are "critical inputs into production processes" in the North. But *Nepad* fails to back up either sentiment, by documenting the (imagined) "critical" reliance of the North upon Africa or by sketching conditions for withdrawal of the inputs so as to make the threat real. For this reason, the term "sophisticated begging bowl" has come to characterise *Nepad*.

³¹⁷ The African market is neither vast nor growing; it is tiny and stagnant.

³¹⁸ More appropriately, *Nepad* should condemn the importation of Northern junk culture and luxury goods, when scarce hard currency should instead be used for import-substitution of basic-needs goods and importation of those vital requirements, such as some medicines and high-tech goods, that cannot be produced in Africa in the immediate future. To speak of Africa as a consumer for Northern commodities in such an uncritical manner, is merely to add to the world's problems.

³¹⁹ As noted above, these Public Private Partnership incentives are socially and ecologically dubious. Just as importantly, as the South African case shows, even the wealthier countries cannot really attract investors who have seen numerous failing post-apartheid precedents of privatised infrastructure.

renewal and rural development.³²⁰

179. Furthermore, Africa's biodiversity – including its rich flora and fauna and the rain forests – is an important global resource in combating the environmental degradation posed by the depletion of the ozone layer and climate change, as well as the pollution of air and water by industrial emissions and toxic effluents.³²¹
180. The expansion of educational and other opportunities in Africa would enhance the continent's contribution to world science, technology and culture, to the benefit of all humankind. After all, modern science recognises Africa as the cradle of humanity. Fossils, artefacts, artistic works and the versions of ancient human settlements are to be found throughout Africa, providing material evidence of the emergence of *Homo sapiens* and the progression of humanity.³²²
181. A part of the process of the reconstruction of the identity and self-confidence of the peoples of Africa, it is necessary that this be understood and valued by Africans themselves.³²³ In the same vein,

³²⁰ Aside from the PPP investment areas which are debunked above, *Nepad* has failed to spell out any instances where such investment is genuinely profitable.

³²¹ The role of Africa as a "sink" for Northern pollution has been discussed above, as has the problems of South African global warming gasses and of biopiracy. This would be the place to mention the massive ecological debt that the North owes the South for so grotesquely polluting the planet. *Nepad* is too impotent a document to mention such a debt, much less to follow it up as a means of unlocking more resources from the North.

³²² What *Nepad* should also state, at this stage in the Partnership proposition, is that Northern museums and private collections include precious art and artefacts that have been forcibly removed from Africa during periods of slavery, colonialism and neo-colonialism--and that these must be returned to their heirs as a matter of moral urgency.

³²³ The need to establish African dignity is obvious given that most of the current and recent African ruling classes have prostrated themselves to the West. However, the conception of dignity is terribly limited if it can be

Africa's status as the birthplace of humanity should be cherished by the whole world as the origin of all its peoples.

182. Africa's rich cultural legacy is reflected in its artefacts of the past, its literature, philosophies, art and music. These should serve both as a means of consolidating the pride of Africans in their own humanity and of confirming the common humanity of the peoples of the world.³²⁴
183. The *New Partnership for Africa's Development* has, as one of its foundations, the expansion of democratic frontiers and the deepening of the culture of human rights. A democratic Africa will become one of the pillars of world democracy, human rights and tolerance.³²⁵ The resources of the world currently dedicated to resolving civil and interstate conflict could therefore be freed for more rewarding endeavours.
184. The converse of such an initiative, that is the collapse of more African

restored, even "partially," through mere reference to fossils. In living memory, Western colonialists, financial/development agencies and corporations--in conjunction with African *comprador* leaders--have looted Africa, and genuine dignity requires that those relationships be broken and that reparations be paid. *Nepad's* failure to raise these issues forcefully ensures that African elites will continue to be subservient, and that dignity will be gained for Africa only through their replacement.

³²⁴ As mentioned repeatedly, *Nepad* would be more convincing in its celebration of African cultural legacies if it more systematically identified the past, present and future negations of African culture, and set out to rectify these. To the extent that *Nepad* turns to the West for investment, trade, loans and aid, it runs the danger that the negations of African culture will only intensify.

³²⁵ On the contrary, *Nepad* leaders Mbeki and Obsanjo demonstrated in March 2002, in the wake of the Zimbabwean election, that they prefer to see the African pillars of world democracy, human rights and tolerance crumble. As Wade of Senegal argued, the heads of state, ministers and parliamentarians in South Africa, SADC and other African countries who endorsed the stolen election formed a "trade union" of leaders defending each other no matter how much Mugabe rejected democracy, human rights and tolerance.

states, poses a threat not only to Africans, but also to global peace and security. For industrialised countries, development in Africa will reduce the levels of global social exclusion and mitigate a major potential source of global social instability.³²⁶

³²⁶ The problem of "exclusion" of Africa has not really bothered the West, even in the post-Cold War era. There are no serious challenges to "global security" from Africa. On the contrary, the most durable benefits of African underdevelopment to the West--e.g., continued export of ever-cheaper raw materials, and repayment of illegitimate debt--are occasionally threatened by popular uprisings ("IMF Riots"), yet the global economic system's exploitative relationships have become ever more burdensome for Africa. Recent initiatives in the WTO (trade) and IMF/WB (debt) have only enhanced the power relations and structural economic processes that leave Africa more "marginalised," the more exposed that the continent becomes to globalisation.

The lack of Western concern is especially evident in post-Cold War geopolitical trends. In Somalia during the early 1990s, Western (especially US and Belgian) atrocities were matched to only a tiny extent by a backlash and punishment for the "peacekeepers"--but the lesson to the West was unmistakable: African civil wars cause blowback. In Rwanda, the West basically ignored the inclement genocide, and indeed the World Bank not only exacerbated matters through its early 1990s imposition of structural adjustment but also funded the import of hundreds of thousands of machetes through a fast-disbursing structural adjustment loan just prior to the 1994 mass murders. In Sudan, Bill Clinton attempted to distract attention from his debilitating sex scandal by bombing a crucial pharmaceutical plant in the name of combatting terrorism, despite the lack of proof. In other cases of failed states, such as Liberia, the West looked on passively and expected West African troops to keep the peace. (Sierra Leone was the only exception to this rule, but even there the West resisted demands to boycott the "blood diamonds" trade through which South Africa's DeBeers empire has made billions of dollars in profit.) In Angola, US oil and diamond importers did not object to the destruction of the state from the mid-1970s to the present, and indeed the US government funded Unita's terrorism, because it made the corrupt government in Luanda more dependent upon transnational capital.

As noted above, the more genuine "threat" to the West would not come from dark hints about "global instability" due to "marginalisation." It would come, instead, when a continent's leadership and grassroots/shopfloor activists unite against the West's geopolitical and economic exploitation. Since *Nepad* invites more of both, the idea of an African threat via the present

185. Africa is committed to the development and strengthening of South-South partnerships.³²⁷

- **Establishing a new relationship with industrialised countries and multilateral organisations**

186. A critical dimension of Africans taking responsibility for the continent's destiny is the need to negotiate a new relationship with their development partners. The manner in which development assistance is delivered in itself creates serious problems for developing countries. The need to negotiate and account separately to donors supporting the same sector or programme is both cumbersome and inefficient. Also, the tying of development assistance generates further inefficiencies.³²⁸ The appeal is for a new relationship that takes the country programmes as a point of departure. The new relationship should set out mutually agreed performance targets and standards for both donor and recipient.³²⁹ There are many cases that clearly show that the failure of projects is not

leadership is farcical.

³²⁷ There may be many Africans with such a commitment. But as the debates over the Doha Round demonstrated, South Africa is one of the least committed countries in the South, in relation to joining other Southerners in coalitions against corporate-dominated "free trade."

³²⁸ Omitted from this list of problems with donor aid is one of the most important: the *compradorism* that compels African leaders to follow policy advice from Northern donors. *Nepad* is itself a reflection of this problem, insofar as it tells Western donors what they want to hear, no matter how inconsistent that message and its implications are for African realities.

³²⁹ There is very little or nothing here that represents anything "new," given that donor responsibilities are typically spelled out in their budgetary allocations and recipients are bombarded by conditionalities. The important issue for African aid relationships is not whether donors perform badly--of course they do--but whether aid should be used to cancel debts and cease being used for discrete projects, so as to instead form the genesis of a further-reaching, more consistent reparations programme.

caused only by the poor performance of recipients, but also by bad advice given by donors.

187. The various partnerships between Africa and the industrialised countries on the one hand, and multilateral institutions on the other, will be maintained. The partnerships in question include, among others: the United Nations New Agenda for the Development of Africa in the 1990s; the Africa-Europe Summit's Cairo Plan of Action; the World Bank-led Strategic Partnership with Africa; the International Monetary Fund-led Poverty Reduction Strategy Papers; the Japan-led Tokyo Agenda for Action; the Africa Growth and Opportunity Act of the United States; and the Economic Commission on Africa-led Global Compact with Africa. The objective will be to rationalise these partnerships and to ensure that real benefits to Africa flow from them.³³⁰

188. The African leaders envisage the following responsibilities and obligations of the developed countries and multilateral institutions:

- To support materially mechanisms for and processes of conflict prevention, management and resolution in Africa, as well as peacekeeping initiatives;³³¹
- To accelerate debt reduction for heavily indebted African countries, in conjunction with more effective poverty reduction programmes, of which the Strategic Partnership with Africa and the PRSP initiatives are an important starting point;³³²

³³⁰ *Nepad* does not mention the ideological strings attached here, mainly associated with expansion of the Washington Consensus through removal of barriers to Western investment, trade and finance. But there are two interesting admissions implicit in this paragraph: firstly, that the "partnerships" have a fragmenting effect, and secondly that at present "real benefits to Africa" do *not* "flow from them." Yet if these are serious problems, *Nepad* again shows its frailty by asking that these partnerships be "maintained."

³³¹ If recent and ongoing experiences with African peacekeeping were not so flawed, if the UN Security Council were run in a more democratic manner, if UN troops were not generally understood as an appendage of the West's interests, and if the West's own record of troop deployment in Africa were not so abysmal, this would make sense.

³³² The critique of the ongoing application of the Washington Consensus, via

- To improve debt relief strategies for middle-income countries;³³³
- To reverse the decline in ODA flows to Africa and to meet the target level of ODA flows equivalent to 0.7 per cent of each developed country's gross national product (GNP) within an agreed period. Increased aid flows will be used to complement funds released by debt reduction for accelerating the fight against poverty;³³⁴
- To translate into concrete commitments the international strategies

HIPC debt relief and PRSPs, is discussed above. *Nepad's* endorsement of the renamed structural adjustment programmes (PRSPs), its promotion of failed debt-relief plans that have extremist neoliberal conditions attached, and the failure of South Africa's own homegrown adjustment programme (*Growth, Employment and Redistribution*), together have provided justification for *Nepad's* nickname in South Africa: "*the Africanisation of Gear*."

³³³ Since there are no debt-reduction strategies for middle-income countries, any improvement would be welcome. But the most hopeful sign for middle-income countries escaping the debt trap is Olesgun Obasanjo's recent rejection of new IMF loans and conditions--albeit so that he is able to run a populist reelection campaign. Amongst the few African middle-income countries that provide the least hope for debt reduction, is South Africa, because Pretoria refused to challenge the inherited apartheid debt and instead is taking on more foreign loans--including from the World Bank--without reducing unnecessary foreign imports (luxury goods or manufactured products which should be manufactured locally) or forcing those financiers responsible for the Reserve Bank's forex-denominated forward-cover book to pay more of the costs.

³³⁴ As noted above, there is nothing in *Nepad* to suggest that the new aid will be used for anything new and different than the old project-based aid, which is so replete with neoliberal conditionalities as to ensure defeat in "the fight against poverty." When aid was used as a threat in the Doha Round to ensure that African countries signed a deal not in their interests, and when the EU's Gats negotiating strategy now includes forcing open Africa's water, electricity, healthcare and other services for capture by European corporations (in a context in which most European donor agencies peddle privatisation), it should be clear that an increase in ODA flows via existing channels may do more harm than good.

adopted in the fields of education and health;³³⁵

- To facilitate the development of a partnership between countries, international pharmaceutical corporations and civil society organisations to urgently secure access to existing drugs for Africans suffering from infectious diseases;³³⁶

- To admit goods into markets of the developed countries through bilateral initiatives, and to negotiate more equitable terms of trade for African countries within the WTO multilateral framework;³³⁷

- To work with African leaders to encourage investment in Africa by the private sector in developed countries, including the establishment of insurance schemes and financial instruments that will help lower risk

³³⁵ The most important such international strategy emerged in an October 2000 law from the US Congress, which prohibits the Bretton Woods Institutions from imposing cost-recovery on health and education programmes. *Nepad* ignores this major breakthrough.

³³⁶ Such partnerships have already sprung up as a result of massive social protest against Big Pharma's profiteering from 1999-2001, and in spite of the role of Pretoria--especially President Mbeki--in denying Aids as a problem that can be addressed by anti-retroviral drugs from 2000-02. If this is true, then to strengthen this partnership provision will require two simple ways forward: more protest and less Pretoria.

³³⁷ This paragraph implicitly concedes the failure of the WTO as a site for increasing Africa's market access (especially in view of EU agricultural subsidies), but *Nepad* has not shown that increased access will translate into a better deal for Africa. It is just as likely that an expansion of the world's agricultural and mineral trade will exacerbate glutted markets, falling prices and control by multinational corporate middle-men. Likewise, efforts within the WTO to improve terms of trade cut against the essential problem of global capitalism: declining terms of trade for the South the more that export-led growth ensures all countries attempt to grow.

In an April 2002 report by the UN Conference on Trade and Development, this problem was finally permitted to surface in international debate, when economist Richard Kozul-Wright conceded, "We have seen a decoupling of the trade engine from the growth engine in developing countries over the last two decades."

premiums on investments in Africa;³³⁸

- To raise consumer protection standards for exports from developed countries to developing countries as applicable to the domestic markets in the developed countries;³³⁹

- To ensure that the World Bank and other multilateral development finance institutions participate as investors in the key economic infrastructure projects, in order to facilitate and the secure private sector participation;³⁴⁰

³³⁸ Such schemes have existed for many years, e.g. in the World Bank's MIGA and the US OPIC deals. Merely adding a small Western-taxpayer subsidy to the investment calculus has done very little, thus far, to offset the broader problem of Africa's systematic looting, which in turn is responsible for the worsening standards of living and effective demand across the continent.

³³⁹ This is a good suggestion, but ignores the sweatshop role of Southern countries--especially in East Asia--which produce cheap manufactured exports to Africa with horrendous social, labour and environmental inputs. Changing those conditions cannot occur through the "Social Clause" strategy once favoured by South African minister Erwin, but can only happen through the self-activity of exploited workers (especially women) and liberation movements which take seriously the problems associated with their countries' insertion into the world economy. Very few African countries can claim movements, much less states, that have developed such a consciousness, so in the meantime it is crucial to raise the issue of production conditions associated with imported goods, and raise the profile of those trade unions and social movements which are struggling for social justice in the global assembly line.

³⁴⁰ The record of these institutions' investments is extremely poor, and systematic project flaws should be reversed and compensation paid for prior mistakes as a prerequisite to any further investments. These mistakes include:

- the systematic propping up of undemocratic African rulers during and even after the Cold War;
- the construction of colonial- and apartheid-era infrastructure whose beneficiaries were limited to *white* consumers and corporations;
- ongoing environmental damage associated with Washington-designed infrastructure (e.g., the Bujagali and Mohale dams, and the Chad-Cameroon pipeline); and
- ongoing corruption problems associated with transnational construction corporations funded by the multilateral institutions (e.g. the

documented bribery of a key Lesotho dam official, which the World Bank recently announced it would neither continue to help prosecute nor engage in "barring" measures against the implicated companies).

The alternative strategy in relation to the World Bank and other multilateral financiers like the IMF and African Development Bank was spelled out in the final "sentence" of the April 2002 International People's Tribunal on Debt (chaired by South African judge Dumiso Ntsebeza).

The International makes the following declarations:

1. All external debt being illegitimate should be immediately repudiated and cancelled.

2. In return for the wealth illegitimately transferred to the North from the South, the countries of the South should be provided reasonable compensation, to determine the magnitude and manner of payment of which a Global Commission on Debt should be constituted.

3. Since unnatural power is related to unwarranted size and reach, the banks, financial institutions, industrial corporations, landed interests and other economic agents who control assets which give them such power should be broken down and their power curtailed, so that the recurrence of the process of growth of illegitimate debt is foreclosed.

4. International institutions which serve as agents to coordinate, oversee and guarantee debt flows, such as the IMF and the World Bank, should be decommissioned and any residual useful role served by them should be handed over to more democratically-managed international institutions.

5. Neoliberal policy regimes that are designed to sustain and worsen debt and obfuscate the resulting process of economic aggrandizement at one pole and social deprivation at the other should be dismantled, to be replaced by more pro-people and pro-poor policies of development.

6. Besides social mobilization to pressurize governments in the North and the South to implement these recommendations, the Tribunal calls on people to use supplementary legal procedures such as petitions in the International Court of Justice at the Hague to bring individual instances of violation of individual social and human rights to trial and force governments to implement these recommendations. (<http://www.jubilee.net>)

- To provide technical support to accelerate the implementation of the programme of action, including strengthening Africa's capacity in planning and development management, financial and infrastructure regulation, accounting and auditing, and development, construction and management of infrastructure;³⁴¹
- To support governance reforms of multilateral financial institutions to better cater for the needs and concerns of countries in Africa;³⁴²
- To set up co-ordinated mechanisms to combat corruption effectively, as well as commit themselves to the return of monies (proceeds) of such practices to Africa.³⁴³

³⁴¹ Such capacity building is crucial, but South Africa provides good examples of where US and British aid agencies have self-interestedly prioritised their work: e.g., in promoting municipal privatisation on behalf of transnational corporate capital and in strengthening the ability of customs officials to intercept counterfeit East Asian imports of patented products.

³⁴² This provision apparently refers to the ability of the US government to veto any decisions of the IMF and World Bank with merely 17.8% of the voting shares, as a result of terribly unequal power relations that prevailed when the Bretton Woods articles of association were drawn up and later amended. But the most important question to ask is whether in the event that, for example, Africa's largest shareholder in the IMF/WB (South Africa) had a higher voting share, *would that make any difference to Bretton Woods policies?* Given the SA representatives' consistent votes on behalf of Bretton Woods policies, programmes and projects that undermine Africa, as well as the homegrown nature of Pretoria's own austerity programme, the answer is by no means clear.

³⁴³ The demand for the return of monies stolen from Africa by elites is welcome, given that such funding far exceeds the continent's outstanding debts, according to reliable research. In Nigeria, president Obasanjo has indeed asked that money stolen by military regimes--especially Abacha's--that received Bretton Woods loans should be returned, and that the debt should be cancelled. The Bretton Woods Institutions' refusal of that request (leading in part to Obsanjo's break with the IMF in March 2002) and the well-documented ability of London's banks to lie to the Chancellor of the Exchequer about their dirty-money hordes, together suggest that much tougher action must be taken against the institutions that fuel African corruption.

Sadly, as noted above, Pretoria lacks either capacity or political will to

VII. IMPLEMENTATION OF THE *NEW PARTNERSHIP FOR AFRICA'S DEVELOPMENT*³⁴⁴

189. Recognising the need to sequence and prioritise, the initiating Presidents propose that the following programmes be fast-tracked, in collaboration with development partners: (a) Communicable diseases – HIV/AIDS, malaria and tuberculosis; (b) Information and Communications

take leadership in this crucial area, as judged by evidence such as:

- the most extreme contemporary case of Odious Debt--\$25 billion of apartheid-era foreign loans--which Nelson Mandela agreed to repay in 1994, and which president Mbeki subsequently endorsed in Davos in 2001, at a time when church leaders were demanding cancellation and reparations;
- the decision by then deputy-president Mbeki, then-trade minister Manuel and then-deputy finance minister Erwin to allow the demise of the financial rand exchange control and relaxation of foreign investment regulations by local financial institutions in 1995-96, which allowed hundreds of billions of apartheid-era funds to be permanently shifted abroad; and
- the decision by finance minister Manuel to allow the offshore listing of the largest South African companies in 1998-2000, which led to a temporary inflow of foreign exchange but a permanent outflow of profits and dividends which will far outstrip the inflows and which contributed to South Africa's 2000-01 60% currency crash.

This record of allowing apartheid-era loot to flow out of South Africa at a time when massive investments could have been made in overcoming the apartheid infrastructural, housing and industrial legacy, suggests that this paraph cannot be taken seriously if Pretoria retains leadership of *Nepad*.

³⁴⁴ Any critique of Section VII would be premature, for several reasons:

- "projects presented below are for illustrative purposes only," are relatively meagre in scope, and are incapable of capturing the ambitious nature of *Nepad's* claims for a genuine "partnership";
- the "assessment of sub-regional sectoral needs" is still incomplete; and
- the Heads of State Implementation Committee and the *Nepad* Secretariat are still being formed and gaining capacity.

Technology; (c) Debt reduction; (d) Market access.

190. Work has already been done on all these programmes by a variety of international partnerships and institutions. However, Africa's participation and leadership need to be strengthened for better delivery. We believe that addressing these issues could fast-track the renewal of the continent. (Detailed proposals on each programme are available as annexes.)

• Projects

191. Much as the promoters of the *New Partnership for Africa's Development* appreciate the dangers of a project approach to development, they are proposing a number of projects that are crucial to an integrated regional development, as conceived by the *New Partnership for Africa's Development*. Not only will these projects strengthen country and regional development programmes, but they will also go a long way in kick-starting the regeneration of the continent.

192. The projects presented below are for illustrative purposes only. A detailed list of projects can be found on the web site of the *New Partnership for Africa's Development* (www.mapstrategy.com).

(i) Agriculture

193. Expand the ambit and operation of the integrated land and water management action plan for Africa. The project addresses the maintenance and upgrading of Africa's fragile agricultural natural resources base. Many African governments are already implementing these initiatives as part of this programme. Partners include the Global Environment Facility (GEF), the World Bank, ADB the FAO and other bilateral donor agencies.

194. Strengthen and refocus the capacity of Africa's agricultural research and extension systems. The project addresses the issue of upgrading of the physical and institutional infrastructure that supports Africa's agriculture. Technological innovation and technology diffusion hold enormous potential for accelerating agricultural output and productivity, but the continent lacks the research capacity that is necessary for major breakthroughs. Major players include the Forum for Agricultural

Research in Africa (FARA), the World Bank, the FAO and the Consultative Group on International Agricultural Research (CGIAR).

(ii) Promotion of the Private Sector

195. International experience suggests that one of the best practices in promoting enterprises in highly innovative areas is through the establishment of business incubators. This project will formulate required guidelines and policies for the establishment of such incubators at the national level, drawing on international experience and established best practice, tailored to African needs and conditions.

(iii) Infrastructure and Regional Integration

196. The *New Partnership for Africa's Development* process has identified many energy, transport, telecommunications and water projects that are crucial to Africa's integrated development. The projects are at various stages of development and require funding. The next step is to accelerate their continued development in collaboration with the African Development Bank, the World Bank and other multilateral institutions.

197. The view of the initiating Presidents is that, unless the issue of infrastructure development is addressed on a planned basis – that is, linked to regional integrated development – the renewal process of the continent will not take off.

Therefore, the international community is urged to support Africa in accelerating the development of infrastructure. Detailed infrastructure projects can be found on the web site of the *New Partnership for Africa's Development* (www.mapstrategy.com).

● Needs assessment

198. As part of assessing the required action in the priority sectors, a needs assessment will be undertaken, progressing from the national level, to the subregional and sub-regional levels. The aim is to assess the needs in the five priority sectors in terms of structures and staff.

199. The assessment of sub-regional sectoral needs will start from the national needs assessment. The proposal is that the experts and ministers in each

sub-sector meet in one of the sub-regional capitals. For each sector, national data would have been aggregated and used to elaborate a sub-regional sectoral plan. Once sub-regional sectoral needs are assessed in the five sectors, they can be aggregated to formulate over all regional plan.

200. It should be stressed that sub-regional sectoral needs are not to be simply added up – the starting point is a sub-regional perspective leading to at least two new elements:
- Specific needs of the sub-region perceived as a single space for all states in the sub-region. For instance, roads and railroads will not be conceived from a national perspective but from a sub-regional one;
 - Needs that should be rationalised on a sub-regional basis. For instance, the universities should be distributed according to a sub-regional territorial rationale;
 - Finally, the continent's needs will be assessed in the five sectors considered as priority sectors in the light of the global sub-regional plans. The details can be found on the web site of the *New Partnership for Africa's Development* (www.mapstrategy.com).

● **Management mechanism of the *New Partnership for Africa's Development***

The Heads of State promoting the *New Partnership for Africa's Development* will advise OAU on an appropriate mechanism for its implementation.

201. There will be a need for core technical support for the implementing mechanism in the areas of research and policy formulation.

Heads of State Implementation Committee

202. A Heads of State Implementation Committee composed of the five Heads of State, promoters of the *New Partnership for Africa's Development* and ten others, (2 from each region) will be appointed for the implementation.

203. The functions of the Implementation Committee will consist of:
- Identifying strategic issues that need to be researched, planned and managed at the continental level;

- Setting up mechanisms for reviewing progress in the achievement of mutually agreed targets and compliance with mutually agreed standards;
- Reviewing progress in the implementation of past decisions and taking appropriate steps to address problems and delays;

VIII. CONCLUSION

204. The objective of the *New Partnership for Africa's Development* is to consolidate democracy and sound economic management on the continent. Through the programme, African leaders are making a commitment to the African people and the world to work together in rebuilding the continent. It is a pledge to promote peace and stability, democracy, sound economic management and people-centred development and to hold each other accountable in terms of the agreements outlined in the programme.³⁴⁵

205. In proposing the partnership, Africa recognises that it holds the key to its own development.³⁴⁶ We affirm that the *New Partnership for Africa's*

³⁴⁵ The ambitions are impressive, but the process is flawed (no civil society), the commitment questionable (as witnessed by debacles in Zimbabwe and other countries), and the conflation of democracy and "sound economic management" (via Washington Consensus policies) incongruous. Most importantly, as this annotated critique has documented, the inability of the *Nepad* leader, Pretoria, to implement its ambitions at home, under far better conditions than exist elsewhere in Africa, is ominous.

³⁴⁶ *Nepad* earlier admits that "the bulk of the needed resources [US\$64 billion] will have to be obtained from outside the continent" (paragraph 147) as lubricant in the the keyhole of international economics. The alternative to such a begging bowl (for aid) or red-carpet (for irresponsible transnational corporate investors) would be genuine self-reliance, consisting of debt repudiation, demands for reparations and return of looted wealth, imposition of exchange controls, mobilisation of domestic resources through prescribed assets and other modes of financial regulation, nationalisation of banking systems that have become corrupt and/or instable, promotion of import-substitution, discouragement of luxury-goods imports, proactive state industrial policies and directed investments, regional coordination based on linkages not competition, and the international solidarity required--as in the case of anti-retroviral drugs and anti-apartheid sanctions--to make genuine

Development offers an historic opportunity for the developed countries of the world to enter into a genuine partnership with Africa, based on mutual interest, shared commitments and binding agreements.

206. The adoption of a development strategy as set out in the broad approach outlined above, together with a detailed programme of action, will mark the beginning of a new phase in the partnership and co-operation between Africa and the developed world.³⁴⁷
207. In fulfilling its promise, this agenda must give hope to the emaciated African child that the 21st century is indeed Africa's century.

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self-reliance and liberation possible.

³⁴⁷ Much of *Nepad* is, in reality, merely an extension of existing relations, but with Pretoria setting up the conditions for South Africa to play a more explicitly subimperialist role.