

Critical civil society perspectives: Yash Tandon on NEPAD

African civil society is gradually waking up to the New Partnership for Africa's Development - NEPAD. The reaction so far, from the more radical section of it, has not been very positive. One of these is the Bamako Declaration passed by participants from some 200 social movements, organisations and institutions from 45 African countries who met in Bamako, Mali, from 5 to 9 January 2001 in an African Social Forum. The relevant paragraph reads as follows: "The Forum rejected neo-liberal globalisation and the further integration of Africa into an unjust system as a basis for its growth and development. In this context, there was a strong consensus against initiatives such as NEPAD (New Partnership for African Development) that are inspired by the IMF-WB strategies of Structural Adjustment Programmes, trade liberalisation that continues to subject Africa to an unequal exchange between its exports and its imports, and strictures on governance borrowed from the practices of Western countries and not rooted in the culture and history of the peoples of Africa."

By contrast, international organisations such as the World Bank and the IMF as well as representatives of global capital appear to see in NEPAD a possible way out of Africa's stubborn poverty and underdevelopment. (See, for example, Mills, J. and J. Oppenheimer, "Partnerships only way to break cycle of poverty," Financial Times, 1 October, 2001; and Gondwe, G. and C. Madavo (2001), "New swipe at fighting poverty," Financial Times, 7 October, 2001). Also NEPAD has been welcomed by the G7/8 countries at their meeting in Genoa in July 2001, and by the Davos Conference in New York in January 2002, as well as by the African Union at its Lusaka meeting in October 2001.

From civil society, as stated earlier, it is still an early reaction. One of their gripes is that, although NEPAD talks about "ownership" of the process by the African people, and indeed exhorts the people to mobilise themselves behind NEPAD, they have not been consulted in the process.

After the leading African Heads of Government (those of South Africa, Nigeria, Senegal and Algeria) had discussed NEPAD among themselves, they appear to have gone first to the Western capitals and the representatives of international private capital before consulting with their own people. Presumably, the people will follow. But the mood in Africa is changing; and putting the representatives of the donor countries and international private capital ahead of the people of Africa in the consultation process was not, to say the least, a very wise strategy. It begs the famous question that Rene Dumont had raised in the 1960s about Africa's development: Is this yet another, "false start"?

We hope not. There are aspects of NEPAD that must be welcomed by African civil society, even if they have not been consulted. Maturity demands patience and wisdom, even if the leaders often make mistakes, for otherwise Africa would risk perpetually dividing itself. Therefore, let us first count the positive aspects of NEPAD.

Positive features of NEPAD

Some of these are:

- o The need to negotiate a new relationship with their development partners, which is the central idea behind NEPAD
- o Also central to the spirit of NEPAD is the idea that through the "African Renaissance" project, the African continent that has been "plundered for centuries" will "take its rightful place in the world".
- o Focus on "African ownership and management".
- o The notion of "self-reliance"
- o The importance of national and regional priorities in the formulation of development plans

- o The notion that these plans must be prepared through participatory processes involving the people
- o Some of the goals are the same as those set by the United Nations in several of its global conferences, such as, reducing extreme poverty by half by 2015; a sustained average gross domestic product (GDP) growth rate of above 7 per cent per annum for the next 15 years, etc.

The above principles and objectives are noble, and must be endorsed by all the people of Africa. Even if the people are not consulted in the process of formulating the above, one cannot deny that the above do summarise at least some of their most important aspirations.

As always, however, worthy aspirations often get confounded when it comes to the details. Exactly how are these aspirations going to be realised?

NEPAD in Practice

There can be no doubt that the path that NEPAD offers is the neo-liberal path that is espoused by the IMF, the World Bank and the WTO. Neo-liberalism has become a code word for the contemporary development theory. This theory puts "integration" into the globalized economy on the basis of the liberalisation of markets and the free movement of capital at the centre of the development paradigm. Thus, NEPAD's key strategy is encapsulated by the sentence: "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." Some might see in this an ironical conjugation between "African renaissance" and the "the building of a strong and competitive economy as the world moves towards greater liberalisation and competition." Can this "renaissance" really take place in further integration of Africa into an asymmetric globalised system that is dominated by a few countries?

NEPAD seems to think it can and should. The leaders of Africa do not see any other alternative to integrating into the neo-liberal globalised model of development. NEPAD appears to lean towards the creation of the "right" kind of conditions within Africa - good governance as understood by the Northern partners, open economy, and partial measures on debt relief, increase aid from the North, and greater access to their markets.

At one point (paragraph 7), NEPAD does recognise that globalization "has increased the ability of the strong to advance their interests to the detriment of the weak", but this brilliant and incisive observation on the current asymmetrical power relationship is quickly forgotten. It is only a descriptive statement; for NEPAD it has no strategic or tactical significance. Nowhere, for example, does NEPAD recognise that "liberalisation" and the "open economy" are practically forced on Africa, of which the fourth WTO Ministerial Conference at Doha was a living testimony.

NEPAD also admits, indirectly, that the Structural Adjustment Programmes (SAPs) have failed, in that they paid "inadequate attention to the provision of social services" [para 24], but it fails to recognise the claims of African people that SAPs have not just failed to pay attention to social services, they have been at the very root of Africa's economic and social crises.

The NEPAD-way and the People's Way

This is where we part company with NEPAD's authors. We endorse its noble aims, but we cannot endorse its chosen strategy. What, then, do we have to

offer as an alternative? The following are some of the elements of an alternative strategy to achieve the same noble goals of "self-reliance" and "ownership" of the process of development that NEPAD aspires.

The starting point should not be, as NEPAD suggest, further integration of Africa's economy into the process of globalisation. The starting point should be human needs. This is not a pedantic, but a profoundly strategic, difference. For example, the people of Soweto in South Africa need, among other things, access to drinkable water. There are two ways of going about it - the NEPAD-way, and the peoples'-way. In the NEPAD-way, you open this essential service of water provision to international competition; whoever is able to bring capital from outside can have control over the distribution of water, and must be able to charge "cost recovery" price to the water-users. If people cannot pay, then their water pipes must be closed until they are able to pay. In the process, the Government of South African must create a climate of confidence (above all, the ability of the investor to externalise his profits and eventually the capital value of his assets) so that an investor is induced to come to South Africa rather than to, say, Vietnam or Chile or Rumania (because capital is global, and must be induced with attractive terms to come to Africa, so say our leaders.) This is the NEPAD way.

The people's way starts with the recognition that whether or not foreign capital comes to South Africa to provide water to the people, water is a basic human right. Its provision to all households in Soweto (our example in this case) is Government's responsibility that cannot be turned on or off on the basis of the peoples' ability to pay for the water. Access to water is a human right not a privilege. And the same is true of food, adequate housing, electricity, basic education and essential transport. Subject these to the whims of profit, and you have subverted the human rights of the people.

NEPAD = SAP + GATS + DSB

NEPAD admits that the Structural Adjustment Programme (SAP) had paid "inadequate attention to the provision of social services." African governments knew, in advance, that SAPs would lead to the diminishing of social services to the people. The IMF was stringent in its demand that in return for accepting its money, it expected governments to cut down on budget deficits, which meant, in practical terms, expenses for things like health and education. In recognition of this, Governments were then advised to set aside a "social fund" to cushion the effects of SAPs.

In none of the countries in Africa that accepted SAP did the social fund prove adequate to fill the social gap that SAP created. This is what NEPAD is saying. So what is its solution? NEPAD's solution is to place these services in the globalization basket, and let private capital (foreign, as it would mostly turn out) to finance the provision of these services. African countries must attract foreign direct investments (FDIs) to finance the provision of these services. Thus, from a peripheral matter (as under SAPs), services now occupy a central place for investments on a competitive bid. African states must now fight amongst themselves to attract FDIs so that these can be employed to provide water, electricity and other services, to the population of Africa.

This is not only a pipe dream (such investments are not likely to materialise), but also a dangerous one. Why? Because in trying to attract foreign capital for essential services, African governments are going to be dragged into downward spiral of offering to the owners of capital competitive terms, including tax incentives or tax holidays, free land, borrowing in local currency, and so on. Indeed, such competition may take place not only between states but also between provinces within the same state. Thus, in South Africa, Gauteng may compete with Cape Town and with other provinces.

Furthermore, services are one of the mandated issues for negotiations under the General Agreement on Trade in Services (GATS) provision of the WTO. Countries are expected to make offers on the kinds of services they would want to put up front for negotiations under the WTO. In bringing services into the centre of its "vision" for the future of Africa, what NEPAD does is to risk the lives of African people, their access to basic essentials of life, into a volatile and fluid global investment situation. Does this sound too alarmist?

No, it is not being alarmist, for this is the precise logic of NEPAD. SAPs were "inadequate", says NEPAD, because they neglected social services, so let us put the services, too, into the investment basket. NEPAD thus is SAP+GATS. But it is more than that. Once a matter is brought under the purview of the WTO, it is subject to the provisions of the Disputes Settlement Body, with all its attendant legalism, appeal panels, and sanctions. The DSB, it is widely known, is a asymmetrical system, where the rich countries can both afford the legal costs and impose sanctions, but the poor can afford neither.

It is possible that the authors of NEPAD did not have the time or the necessary advice from those who should have known better that the route they have chosen to bring the "renaissance" of Africa could well be Africa's final and utter submission to the rule of the IMF plus the WTO. In effect, NEPAD is the sum of SAP, plus GATS, plus DSB.

Conclusion

The sentiment behind NEPAD is noble. It is to put Africa on a "self-reliant" path to development where the processes are owned by Africans themselves. But, as they say, the road to hell is often paved with good intentions. The intentions notwithstanding the practical effect of NEPAD would be to surrender the human rights of the people of Africa (their rights to food, water, energy, etc.) to the whims of a volatile and untrustworthy global capital. If the experience of Argentina does not give wisdom, then Africa sadly will learn, bitterly, from its own experiences.

It is, however, not necessary to go the NEPAD-way in terms of strategy. There are alternatives. NEPAD's noble intentions may be embraced, yes, but the strategy for self-reliance is .. Self-reliance. African governments must pledge to provide the basic services to the people - drinking water, basic food, essential housing and transport, and access to energy - as necessary elements of their basic human rights. They must then work upwards from there and see how the production and distribution (including savings and investments) are organised in order to meet these basic needs. Leave these matters to the whim of international capital, and Africa would find itself in a worse mess than it is in now.

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