PROPOSALS ON THE ROLE OF TRADE WITHIN THE NEW PARTNERSHIP FOR AFRICA'S DEVELOPMENT (NEPAD) – CHALLENGES AND QUESTIONS

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An examination of the trade dimensions within NEPAD, and their direct and indirect implications, has to be undertaken at three levels – trade-related proposals in other spheres, specific proposals on trade, and perceptions and proposals on Africa's approach to and location within the global trade system. These all pose a number of significant challenges and questions for trade unions in Africa.

A. TRADE-RELATED DIMENSIONS OF NEPAD

Amongst the many dimensions of NEPAD that have some bearing on trade, the most directly relevant for the purpose of this analysis are the following

1. Infrastructural inter-linkages within Africa

NEPAD correctly points out that the building of cross-border and transAfrican road networks, railways, and other means of transport and communication, and the consolidation of joint energy, water and other systems will all be far more effective by benefiting from "economies of scale" [para 93]. The creation of such "essential regional public goods" [para 95] and inter-linkages are, in fact, essential to "enhance regional cooperation and trade" [para 105] and crucial to integrated African development [para 196]. These have to be "addressed on a planned basis – that is, linked to regional integrated development – [without which] the renewal process of the continent will not take off" [para 197]. NEPAD sees a major aim of such infrastructures to be "improving productivity for international competition", and enabling "the international community to obtain African goods and services more cheaply" [para 101]. **BUT**

1. 1 The first problem is that such huge infrastructural projects spanning regions, and even the entire continent, are not primarily conceived as developmental instruments tailored to the needs of specific sectors, regions or sub-regions in Africa. This would entail careful joint cross-country and cross-border planning and inter-governmental negotiations. NEPAD, however, is basically promoting these as the main attractions to be marketed to draw foreign investment into Africa. These are offered as "great opportunities for investment" [para 177] together with the guarantee of governmental supports, particularly through "public-private partnerships" (PPPs) [paras 106, 178], and with promises of "lowering the risks facing private investors" [para 105]. However, under PPPs it is the private sector that reaps the fullest benefits while the public side will carry the burdens and risks - as elsewhere in the world.

1.2 In addition to having to provide essential support facilities and - on current international investment terms - to guarantee favourable or 'flexible' labour conditions within such 'joint' endeavours, Africa would also have to carry the related financial costs arising from the profit 'repatriations' or capital exports by such investors. The bigger the project and the foreign investment involved, the greater will be the

[1] Extracted from a fuller analysis in "NEPAD and the AU – Integration within Africa? Or Integration of Africa into the Global Economy?", AIDC, Cape Town, October 2002.

adverse pressures on Africa's external balance of payments, and on its external indebtedness. Foreign 'credit' or loans will add to these costs, even if ODA grants are also applied. And, as history has shown, net financial outflows will prevail for long periods before the creation of such infrastructures begin to have their full developmental impact and generate positive financial returns.

1.3 Furthermore, the building of such essential 'sinews' for development in Africa will undoubtedly be evaluated, taken up and located by gigantic transnational technological, construction and service corporations within the framework of their own global investment strategies in these and related sectors. With vastly greater financial and technological resources, management and other skills - than the whole of Africa combined - it is such international corporations and investors that will determine not only the technical features but also the very functioning, the commercial orientation and overall character of such projects as profit-making enterprises; whatever may be the other – declared - intentions of African governments.

1.4 In addition to the above problematics, the most fundamental question to be posed concerns the sequential and functional relationship between such infrastructural provisions and the economic development and trade that it is presumed will therefore be created and stimulated. The question is whether the provision of sophisticated transport, communication, power and other infrastructures will provide the means to economic 'renewal' in Africa; or whether such infrastructures, themselves, have to be created out of real economic development, and have to be an organic part of, reflect and accompany the substantive economic needs, forms and levels of economic activities within countries, regions and the continent, as these unfold. Setting up sophisticated structures in advance of and to stimulate such economic processes, without the necessary systems and appropriate infra-structures to maintain and service them, and without the economic agents and activities to fully utilise or effectively employ them, could simply create more vast 'white elephant' projects in Africa. The inter-relationship or inter-actions between infrastructural provisions and general economic or specific trade development entail much more complex development dynamics than seem to be acknowledged in NEPAD's simple correlations.

2. The encouragement of capital flows within Africa

There is certainly much to be done within and between the respective African countries and regions to eliminate procedural and bureaucratic impediments to productive capital flows, particularly to geographical regions and sectors deficient in the necessary financial resources. NEPAD recommends "the <u>promotion of intra-African trade and investments" through "the harmonisation of economic and investment policies and practices" [para 95].</u> **BUT**

2. 1 Although NEPAD devotes a fairly considerable section to Mobilising Resources [paras 147-155], it offers little in the direction of mobilising domestic resources within Africa. This reflects it's a *priori* conviction that "the bulk of the needed resources will have to be obtained from outside the continent" [para 147]; although elsewhere it points to "an urgent need to create conditions that promote private sector investment by both <u>domestic</u> and foreign investors" [para 148]. In the section specifically devoted to Private Capital Flows [paras 153-155], NEPAD defines the priorities as: offering the necessary incentives to international investors, especially with respect to their concerns over "security of property rights" and the need to provide them with governmental insurance schemes [para 188], and other guarantees that go with PPPs. But all of these are located in the context of "the deepening of financial markets within countries, as well as cross-border harmonisation and integration" [para 154]. Thus, such measures will not only draw foreign investors into Africa but will facilitate the movement of capital around Africa; with the entire continent turned into a vast integrated and secure field for international investors.

2.2 However, it must also be noted that such financial 'harmonisation' or liberalisation will also be advantageous to South African companies and investors and, through the repatriation of their profits back to SA, will contribute to the further domination of the South African economy within Africa. South Africa alone already accounts for more than two thirds of the combined GDP of sub-Saharan Africa, and a third of the GDP of the whole continent. Financial liberalisation within and between African countries could, conversely, also encourage the flow or 'flight' of domestic capital from other African countries to the (relatively) greater security and profitability of South African financial markets., and thus reinforce further the imbalances.

2.3 In the light of such polarising tendencies reinforcing existing imbalances within Africa, it is also significant to note that NEPAD attaches no importance to the active and proactive role of the kind of regional and continental development funds and other public financial instruments that both the 'African Alternative Framework to SAPs" (AAF-SAP) and the plan for the African Economic Community propose[2]. These could provide the compensatory and redistributional mechanisms to re-direct or at least influence the nature of capital flows towards disadvantaged geographical areas or social groups, or into strategically important sectors; a vital requirement for more balanced development, equity and stability in Africa. In similar vein, NEPAD makes no recommendations on the role of public investment strategies and agencies, in and of themselves, as central players in driving and directing major projects and targeting key areas or sectors requiring development. NEPAD only sees such a role for the state in supporting and empowering private investors, whether in PPPs or not. Thus, although at various points apparently promoting the 'role of government', NEPAD's conception of this is in the kind of 'enabling role' to private capital or 'market forces' that the World Bank also now recommends as it has gradually moved to recognise (and promote its own version of) 'the role of the state' in development in Africa .

3. Common and coordinated regulatory frameworks

NEPAD recommends that agreed public regulatory terms will be important to facilitate cross-border cooperation and "coordination of national sector policies and effective monitoring of regional decisions" [para 95]; and "the promotion of policy and regulatory harmonisation [is necessary] to facilitate cross-border interaction and market enlargement" [para 106]. Thus, regulations would deal with manufacturing processes and standards and trade regulations, such as agreed rules of origin, and "the harmonisation of economic and investment policies and practices" [para 95]. Such regulatory oversight by designated national and regional public regulatory bodies are necessary in all technical spheres, from maritime, rail and road traffic, and telecommunications regulations, to environmental controls; and in all social service spheres, such as labour rights and conditions and safety regulations, education and health standards, especially the monitoring of human disease and animal pest controls and so on. NEPAD clearly recognises the importance of harmonised and coordinated regulatory frameworks for intra-regional and inter-regional cooperation and integration. **BUT**

3.1 What would be most significant is the actual content of such regulations, not only in technical but in comprehensive developmental terms. Will such regulations also be designed to encompass the monitoring of the business operations and general economic, social, labour and environmental impacts of corporations

[2] See footnote 1 above

and other private agencies, in order to make them more financially transparent, socially and environmentally responsible and democratically accountable? This is what trade unionists and other civil society campaigners demand when they call for obligatory corporate codes of conduct through the democratic public (re)regulation of all corporations and other economic agencies, nationally, regionally, and globally.

3.2 There could also be potential tensions between concerns about designing and promoting a wide range of joint national, regional, and continental regulations, appropriate to the situations within Africa and the needs for planned African developmental integration, on the one hand; and, on the other hand, the observance of existing international regulations basically in order to achieve 'more effective external trade'. In terms of the latter, NEPAD seems to be concerned to "improve the standards of exports" [para 158], by "conforming to international standards" [para 161] and by generally measuring up to the – often biased - rules and regulations set in the WTO. These include, for example, terms in the Agreement on Trade Related Investment Measures (TRIMs) specifically constraining governments from setting what are defined in TRIMs as internationally 'distorting' developmental regulations on FDI; meaning obligatory labour rights and conditions, labour training, technology transfer, local content inputs and so on.

4. Complementary and/or combined cross-border production

NEPAD observes correctly the long-recognised dilemma of most African economies that they are "vulnerable because of their dependence on primary production and resource-based sectors, and their narrow export bases [and that] there is an urgent need to diversify production" [para 156]. In this regard, it notes the importance of African countries "pooling" or combining their resources within regional production strategies [para 94], "cross-border interactions among African firms" [para 168 –vii] and cross-border "inter-sectoral linkages" [para 156]. NEPAD proposes <u>"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"</u> [paras 171-172]. **BUT**

4.1 NEPAD's proposals for industrial development stand in clear contrast to the plan of African Economic Community to explicitly prioritise "collective self-reliance" and employment generation - rather than 'export competitiveness' as NEPAD does (see sections 6 and 7 below). And, in the AEC plan, such industrial development is to receive public financial and technical support, drawing on local components and other inputs, and to be characterised by "industrial specialisation in order to enhance the complementarities of African economies, and expand the intra-community trade base [with] due account being taken of national and regional resource endowments". NEPAD avoids any suggestions about state subsidies and other supports to industrialisation, other than through PPPs and these basically to support of the private sector (see also 5 below).

4.2 It is also significant that, where NEPAD does elaborate on modalities for economic diversification, these are based on "harnessing Africa's natural resource base" and increasing "value-added in agro-processing and mineral beneficiation [and] a broader capital goods sector" [para 156]. These certainly all have a role to play in internal production dynamics within all economies, but these sectors tend to be based on larger-scale, capital-intensive and even very high-tech enterprises. NEPAD's vision seems to emulate the economic and technological patterns of the most industrialised economies, aimed as it is at "bridging the gap between Africa and the developed countries" [para 98]. It's proposals in the sphere of industrial development within Africa do not explicitly prioritise labour-intensive projects and will not, in practice, necessarily encourage employment creation. NEPAD does not stress economic development and diversification, deliberately based on human resource mobilisation and capacitation – which both the AAF-SAP and the AEC plans prioritise.

4. 3 In so far as NEPAD does deal with the human factor in development, it is to focus on "Promoting the Private Sector" [para 166]. Although there are some useful pointers to "both micro enterprises in the informal sector, and small and medium enterprises in the manufacturing sector [as] the principal engines of growth and development" [para 156], it is not so much these but larger internationally connected enterprises that will be the main beneficiaries of the partnerships proposed between African and non-African firms [para 162]. In dealing with broader human resource development, this is mainly based on the "poverty-reduction" (not eradication!) policies of the IMF and World Bank for the masses [paras 118-119], and mainly concerned with "reversing the brain drain" of skilled professionals from Africa [paras 124-125]. This latter is indeed yet another serious resource outflow from Africa to the rich countries. But, although NEPAD deals also with expanding education and skills training, its approach, seems to be based not on the inherent human rights of the people of Africa in these spheres, but rather on the view of the WB that people are 'factors of production' and that more skilled people will attract and service more productive foreign direct investment.

5. Agricultural development, and food security within Africa

NEPAD correctly states that "(i)mprovement in agricultural performance is a prerequisite of economic development on the continent. The resulting increase in rural people's purchasing power will also lead to higher effective demand for African industrial goods. The induced dynamics would constitute a significant source of economic growth" [para 134]. It notes the "structural constraints" affecting the sector, such as uncertainties in climactic conditions, and refers to the necessity of infrastructural and institutional supports, and even direct governmental support, such as in the provision of irrigation but this only "when private agents are unwilling to do so" [para 135]. It also provides some pointers to the crucial issues of access to land, water and rural credit, although it does not spell them out in detail. **BUT**

5.1 Although making some important references to small scale and women farmers [para 157], the weight and significance of these references have to be evaluated also in the context of an emphasis on larger scale "intensive agriculture based on a significant flow of private investment" [para 135], with a call for donor aid to go to "individual high profile agricultural projects" [para 158].

5.2 In the section on Market Access, NEPAD makes it clear that its aim is to <u>"integrate the rural poor into the market economy and provide them with better access to export markets</u>", in terms of the broader aim <u>"to develop Africa into a net exporter of agricultural products"</u> [para 157]. Not only is there totally inadequate detail on how this is to be achieved, but NEPAD's writers seem impervious to the well-known fact that there are clear tensions between such cash crop export orientation, on the one hand, and on the other hand, the production of food crops for family, community, national and regional food security; which NEPAD seems to be concerned with [para 158].

5.3 Similarly, while actively promoting increased commodity exports from Africa, NEPAD's brief reference to "the instability in world commodity prices" [para 132] does not even try to provide counter-proposals to this, which the plan for the African Economic Community does at least try [3]. Nor does NEPAD seem to recognise the increased vulnerability of African economies to external price shocks that will accompany the increased dependence on agricultural exports; or the downward pressures that have been exerted upon commodity prices by ever-increasing agricultural exports from the poor South into the rich North. Once again, NEPAD seems in tune with World Bank instructions to African countries to increase and diversify their agricultural production …. but oriented towards the needs and tastes of the consumer markets in the rich countries.

5.4 More broadly, NEPAD is not only weaker than many existing governmental and non-governmental plans and programmes for agricultural and general rural development in Africa, but it does not even acknowledge, endorse and try to benefit from the important proposals and demands being jointly posed by the Africa Group in their endeavours in Geneva within the WTO negotiations on the Agreement on Agriculture. This also reflects the more general inconsistencies and weaknesses of NEPAD's recommendations on how Africa should engage with/in the multilateral trade system and more specifically the WTO (see 8. below).

5.5 NEPAD even lags well behind the widely accepted arguments by European NGOs, and major institutions such as the World Bank, which deplore and call for an end to the dumping of EU, US and other industrialised economies' subsidised agricultural exports into Africa and elsewhere in the Third World. The impacts of such export-dumping are as damaging as other internal 'structural constraints' within Africa. Furthermore, the forced removal of agricultural tariff and quota protections in Africa against such unsustainable competition will actually pre-empt the internal problems being effectively dealt with. NEPAD's silence on such Northern government agricultural policies is a clear indication of the diplomatic constraints required in dealing with the policies of governments that NEPAD's promoters would like to become aid 'partners' with Africa (see also 7.3 below).

B. SPECIFIC TRADE DIMENSIONS WITHIN NEPAD

The proposals within NEPAD explicitly on trade illustrate even more directly the influence of the dominant trade and other economic theories within this programme.

6 The promotion of trade within, and between, African regions

NEPAD supports "the promotion of intra-African trade and investments" [para 95] and the need to "promote and improve regional trade agreements" [para 168], and it even refers to "the creation of a single African trading platform" [para 155]. It seems to understand the developmental potential in promoting intra-African trade "with the aim of sourcing within Africa, imports formerly sourced from other parts of the world" [para 169], and the potential for creating backward and forward linkages within and between African economies (although it does not use these terms) through "increased intra-regional trade via promoting cross-border interactions among African firms" [para 168]. It even suggests at one point, although rather tentatively, "that consideration needs to be given to a discretionary preferential trade

[3] The AEC plan suggests "protecting the prices of export commodities on the international market by means of establishing an African Commodity Exchange", and proposes "the protection of regional and continental markets primarily for the benefit of African agricultural producers".

system for intra-African trade" [para 171] which, if acted upon, could provide some tariff policy supports to encourage inter-African trade, and towards more internally oriented economic interactions. **BUT**

6.1 There is a major challenge posed to such potential internal African trade and mutual development by two other dimensions of NEPAD's strategy. The first is that, while apparently aiming to create larger and more integrated markets within Africa to stimulate African producers and provide larger and guaranteed markets for African exporters, NEPAD also explicitly offers up Africa "as a vast and growing market for producers across the world" [para 176]. This offer would have to be based on generous access into African markets as a *quid pro quo* or reward for the increased foreign aid that NEPAD is seeking from the home governments of such companies and international exporters. But such an "expanding market for world manufactured products, intermediate goods and services" [para 176] would create further insupportable competitive pressures on African producers and providers of such goods and services. The tensions are once again evident within NEPAD between intra-African developmental proposals, on the one hand, and, on the other hand, susceptibility to the requirements of international 'partnerships' .

6.2 But there are also other tensions within this plan, reflecting tensions and differences on the ground in Africa. As with financial market liberalisation which will create more favourable conditions in Africa for South African – and not only international – investor interests (see 2.2 above), the "inter-regional trade liberalisation" proposed in NEPAD [para169.5] will, without other deliberate countervailing programmes and corrective measures, also work mainly to the benefit of the stronger economies in Africa - such as Egypt, Kenya, Mauritius and, above all, South Africa. This happens with 'free trade' everywhere, and the effects of even the free-er trade imposed under SAPs is already evident in the vast and rapidly growing trade imbalances in favour of South Africa in relation to all its neighbours in SADC and further afield in Africa.

6.3 In recognition of such country differences, and different vulnerabilities to trade liberalisation, provisions for the promotion of intra-regional trade have to be internally designed for differing rates of tariff reduction between diverse economies, with respect to different sectors, and even for specific products, according to the needs of the respective member states, and especially for the LDCs and Small Island and Landlocked States (SILS), as the AEC plan proposes. Member states of specific regions need to design their tariff policies to give preferential, if qualified, treatment to fellow members' trade. This is important to prioritise inter-African trade in relation to exporters from outside Africa, which is a legitimate development strategy. However intra-regional preferential trade also affects exports from other countries or regions within Africa, and this requires similarly negotiated inter-regional preferential trade agreements. NEPAD does not enlarge on these challenges and is almost totally silent on the various forms and phases of trade integration on the continent, which the AEC plan outlines in great detail.

6.4 It has also not been lost on African observers of South Africa's energetic promotion of NEPAD that even the 'preferential' trade terms suggested for African exporters within Africa could, in fact, serve to make Africa a privileged reserve for the few stronger African economies (and their companies that are not internationally 'competitive'). If that is what Africa is to be turned into, it would confirm the claims of neo-liberal theorists that such preferential policies are exploited by the strong to the disadvantage of the less strong [4]. In this light, too, the proposed "sourcing" of imports and intermediate inputs "from within

[4] Although neo-liberal theorists do not point out that 'free trade' is even more advantageous for the strong over the weak, whereas preferences can be modulated to take these unevennesses into account

Africa" [para 158] and "the higher effective demand for African industrial goods" [para 161] would also be most advantageous to the production and export sectors of more industrialised South Africa.

7. 'Market access' for the increase of international trade from Africa

NEPAD stresses the "importance of increased investment in order to strengthen Africa's external trade [para 166]. In this regard, too, it identifies "market access to the developed countries for African exports" as one of its top priorities [para 97], and concludes also that this is one of "the programmes to be fast-tracked in collaboration with our development partners" [para 189]. With respect to the trade policies of these 'partners', NEPAD notes that "(a)lthough 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" [para 173]. NEPAD would thus seem to be making important proposals to ensure that Africa's development is supported by the expansion of it's external trade. **BUT**

7.1 Adoption of 'improved market access' has become the new glib 'answer' to Africa's development problems. After many years of argument on this by African governments in their separate and joint official positions, this has more recently been picked up and promoted by Northern development NGOs and even the 'new' World Bank. From all these directions, however, this is a thoroughly inadequate response. In the apparent acceptance and most practical expression of this by various European governments and by the EU, 'market access' is not what it seems to be in Brussel's propaganda. Even the generous 'tariff-free and quota free' access to the EU for 'all' the exports (except arms) of all LDCs - the much publicised Everything But Arms (EBA) agreement, which NEPAD welcomes - is actually hedged around with exceptions and postponements until the year 2006, and some until the end of the year 2009. And 'safeguards' will, anyway, continue to protect European producers against the threat of 'import surges' from the weakest and poorest countries in the world, whose export trade is supposedly being encouraged by the EU.

7.2 What is more, even such qualified access is not on offer to the 'non-LDC' or so-called developing countries in Africa. Yet, even were they included, and even under the most optimum of 'market access', this is not the simple 'solution' to Africa's economic problems that it is presumed to be, even apparently by NEPAD. Although trade barriers are discriminatory and are a serious impediment, the more basic problems for most African countries reside in their 'supply capacities', their low levels of production, volumes, quality and price 'competitiveness', infrastructures, trade financing and commercial information etc. NEPAD seems to recognise this [para 171]. What NEPAD does not give explicit emphasis is that market access may be necessary but it is certainly not sufficient. In other words, the problems of African countries are about all-round development more than trade. The former drives the latter and, although trade in specific sectors can be useful under certain circumstances, it does not, in and of itself, create development; nor does trade necessarily even create quantitative 'growth'.

7.3 NEPAD does see other impediments to effective African export trade, but its solutions [para 168 -169] focus on technical and 'marketing' deficiencies, and at one point it even seems to blame Africans' trade limitations on their own 'low standards'. However, what NEPAD does not enlarge on, are the high tariff peaks in the richest countries, and their deliberate tariff escalations that are increased in proportion to the degree of processing or manufacture of African exports. These protectionist barriers are constantly criticised by African trade analysts and representatives in international meetings, such as the WTO, but NEPAD does not even endorse let alone build on such public African positions. The inadequate observations by NEPAD on the long-standing role of such policies in deliberately impeding industrial development and diversification within Africa either reflects a seeming lack of appreciation of this by the creators of NEPAD, or - yet again - a diplomatic reluctance to confront the Northern 'partners' with the fuller realities of their role in constraining economic diversification and development in Africa.

7.4 Although NEPAD appears to support trade diversification , it tends to focus Africa's external trade on those traditional areas of export in which it has, according to the World Bank and to NEPAD, itself, "comparative advantage" [paras 162, 171, 173]. NEPAD promotes more trade in African food and agricultural products, although also in processed form [para 158]. This last is important. But it also reinforces Africa's attention on its traditional 'trading partners', that is, mainly the countries of Europe. Although NEPAD at one point recommends negotiations to "facilitate market access for African products to world markets" [para 169], and it even makes a token reference to encouraging South-South partnerships [para 185], the main focus and orientation of its recommendations to African Heads of State is that they do all they can to "secure and stabilise" what it calls "preferential treatment by key developed country partners" [para 172].

7. 5 Such tariff 'preferences', together with financial and technical aid from Europe to their ACP (African Caribbean and Pacific) 'partners' under the auspices of the Lome Convention, have reflected and reinforced the orientation and long dependence of these countries on Europe. Yet NEPAD calls on African leaders to defend and extend such relations of dependency - not only through the Cotonou Agreement that is now replacing Lome, but also under Washington's African Growth and Opportunities Act (AGOA). Although NEPAD makes a passing mention of the fact that there may be "deficiencies in their design and application" [para 172], it has not even begun to take on board the more developed positions of the ACP in their negotiations with the EU; let alone the even more advanced positions of ACP civil society organisations, particularly in challenging the 'reciprocal trade liberalisation' that the EU is demanding. Nor does NEPAD's position even begin to question the outrageous invasions of African policy autonomy by Washington in return for the very limited 'special' access to the US market that it offers under AGOA. [5]

7.6 NEPAD apparently fails to understand the ways in which these agreements reflect the real aims and self-interests of the most powerful industrialised countries. These agreements cannot be viewed and treated as benign 'partnership' agreements or mere diplomatic relations. The extremely weak engagement and the weak positions of NEPAD on such centrally significant economic agreements between Africa and its major investment, trade and aid 'partners' holds out little hope for the continent. This thoroughly questionable approach by NEPAD may, in fact, already reflect the realities of how African governments will deal with the 'new partnerships' with these Northern governments within the framework of this plan. Similar cautious accommodations are to be expected, and are already indicated in how NEPAD advises that Africa engage with the same 'partners' in the context of the multilateral trade system and the World Trade Organisation.

[5] In a significant contrast, the plan of the AEC cautions against such bilateral trade agreements countering intra-Africa trade and development [Article 37]

C. LOCATING AFRICA WITHIN THE 'MULTILATERAL TRADE SYSTEM' AND ENGAGING WITH THE WTO

In touching on the multilateral trade system at various points, the NEPAD document makes references to the "absence of fair and just rules" [para 33] and the "unfavourable terms of trade" facing Africa [para 34], and it even mentions the "biases in economic policy and instability in world commodity prices" that affect Africa negatively [para 132] . It calls for "active participation" by African leaders [para 169] to ensure "(o)pen, predictable" market access for Africa's exports [para 170], the usual code words referring to the multilateral system of trade under WTO rules. In section VI on "A New Global Partnership" NEPAD declares that "African leaders envisage the following responsibilities and obligations of the developed countries and multilateral institutions"; including, *inter alia,* their 'obligation' to "negotiate more equitable terms of trade for African countries within the multilateral framework" [para 188]. NEPAD is, therefore, encouraging an active engagement by African governments within the multilateral system of rules and regulations being created by and implemented under the WTO. **BUT**

8.1 In the half dozen brief sentences/clauses focused specifically on the multilateral system and the WTO, NEPAD exhibits an inadequate grasp of the nature, complex functioning and effects of this system. Despite some earlier passing observations on the inequities of the global system (see 9 below), NEPAD welcomes "the new trading opportunities that emerge from the evolving multilateral trading system" [para 169]. This new system is 'evolving' and has been given an enormous boost through the Uruguay Round Agreements (URAs) that were created out of the GATT round of negotiations, finalised in April 1994. But, already in the penultimate stages of that round, the United Nations Conference on Trade and Development (UNCTAD) calculated and warned that, despite the predicted vast expansion of global trade, Africa would actually lose out to the tune of some US$ 2.5 billion to US$3 billion in the years immediately following. This has since been born out in practice, and even accepted, in general terms, in studies by other 'reputable' mainstream institutions, such as the World Bank and the OECD.

8.2 In the years following the signing of the dozens of URAs, and the establishment of the WTO in 1995, it soon became clear to governments throughout the 'developing' world - as they tried to implement these agreements, and as the detailed terms of the URAs were subject to meticulous examination by both governmental and independent trade lawyers and development analysts - that there were gross imbalances, deficiencies and inconsistencies within and between the respective agreements[6]. These not only militated against the interests and needs of the developing countries but reflected the pervasive bias towards the interests of the most developed[7]. NEPAD, however, simply refers to the need for the rules and regulations of the WTO to be implemented [para 169] and makes no mention of the almost one hundred specific 'implementation issues' relating to problems within virtually all the URAs. The governments of the developing countries, individually and collectively, have been trying over the past five years to make these issues the priority matters on the agenda of the WTO for "review, revision and rectification"; only to be intransigently blocked by the more powerful players in the WTO, particularly the notorious Quad consisting of 'The Majors', the EU, the US, Canada and Japan.

[6] B.L.Das, former negotiator for India in GATT, "The WTO Agreements – Deficiencies, Imbalances and Required Changes" in T*rade and Development Issues* Series of the Third World Network, Penang, Malaysia, 1998
[7] This is even recognised today in some quite mainstream newspapers, such as the Financial Times in London, 10-11/11/2001, and even the conservative Business Day in Johannesburg, Editorial of 7/11/2001.

Even in so far as it mentions problems of ‘implementation’, NEPAD does not in any way bring out the fact that these are not only about the difficulties facing the weaker developing countries, especially in Africa, in ‘implementing ’ the legal and institutional requirements of the WTO. It is such ‘failures’ that the powerful governments and the WTO Secretariat constantly criticise. At the same time, again like the latter, NEPAD ignores the fact that it is the most powerful industrialised country governments, themselves, that have tactically avoided implementing those URA terms that they consider to be inimical to their interests. On the part of the US this is particularly blatant in that country’s skilful evasion of its UR undertakings to remove its tariff and quote restrictions on textile and clothing exports from developing countries. With regard to both the US and the EU such protectionism is most notoriously evident in their resistance to removing agricultural production and export subsidies. NEPAD diplomatically avoids any explicit mention of this.

8.3 These countries – the proposed ‘partners in Africa’s development - have also postponed the fulfilment of their undertakings to provide financial and technical assistance to the LDCs and other countries that would (or that the Quad insisted “might”) be adversely affected by the new global regime. Such compensatory measures were promised by the powerful governments at the last moment before the signing of the Treaty of Marrakesh that concluded the UR. These were part of the *quid pro quo* terms of the ‘deal’ to secure the acceptance of the whole UR package - about which many developing country governments had strong reservations, even at that stage. Such evasive strategies and tactics by the rich and powerful governments reinforce serious doubts about their preparedness for an honest and supportive ‘partnership’ with Africa. But, NEPAD’s failure to point to the tendentious maneuvers and blatant failures of the governments of the richest countries in the WTO points, once again, to the political constraints placed on the promoters of ‘partnership’ with such governments.

8.4 Alternatively, or additionally, it can be concluded that the technical formulators and political promoters of NEPAD are unaware of such outrageous abuses. But, if they are so unaware, then it has to be said that they are ill-equipped to formulate a historic strategy for the whole of Africa. For example, NEPAD blandly suggests that the expansion of the WTO “must recognise and provide for the African continent’s special concerns, needs and interests in future WTO rules” [para 169]. It repeatedly calls on African Heads of State to ensure this [para 169], and urges them to persuade the developed countries to “negotiate more equitable terms of trade for African countries within the WTO multilateral framework” [para 188]. But the writers of NEPAD patently fail to understand the real nature of the WTO as an extremely tough negotiations arena where ruthless hard bargaining is driven by powerful corporate and national vested interests, not the polite diplomatic positioning or posturing of Heads of State. And, with the WTO Secretariat clearly biased towards the interests and demands of the most powerful member states, and the expansion of the liberalised global trade regime, the WTO is not a neutral open forum or assembly of nations where world leaders gather to debate and ‘influence’ each other’s positions.

8.5 On the other hand, in addressing itself to African Heads of State in this connection, NEPAD also fails to acknowledge that it is precisely the political leaders of African countries, far removed from the realities and extreme complexities of the WTO negotiations in Geneva, that frequently undermine African efforts in the WTO. This is because many top political leaders in Africa are far more susceptible to the pressures and persuasions of their Northern aid and trade ‘partners’, who are known to contact them directly and ‘confidentially’ outside of the negotiations processes and behind the backs of the African negotiators on the front line, in order to counter and undermine African negotiating positions and negotiators. Even many African trade, industry, agricultural, environmental and other ministers are often less in touch than their own WTO negotiators are with the full complexities of the negotiating issues and arguments, and the delicate tactical positionings and strategic alliances being created in Geneva.

8.6 Such disjunctures and divisions within and between African governments, between the negotiating teams in Geneva and their home ministries, and between detailed technical, legal and economic arguments on the one hand, and broad political/diplomatic positions, on the other hand, are also clearly evident in NEPAD's approach to the WTO. It refers to "strategic areas of intervention" in the abstract [para 171] but does not, for example, acknowledge the concrete Africa Group positions in Geneva, such as their comprehensive and ground-breaking proposals on the review and revisions of the WTO Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs)[8], or on the Agreement on Agriculture. This latter has direct implications for NEPAD's agricultural development projects, but it may be that it is ignored in this document because South Africa identifies with the Cairns Group of big agricultural exporting countries, led by Australia, New Zealand, Canada, Chile and other larger, more developed countries in the WTO. Nor (not surprisingly) does NEPAD acknowledge the even more advanced positions of many Third World peasant organisations and small farmer organisations (even in the North), and development NGOs, South and North, arguing that small-scale agriculture, and production for food security and food sovereignty be placed outside of the demands and trade disciplines of the WTO.

8.7 But NEPAD's failure to endorse, or even acknowledge, the specific collective Africa positions in the WTO, may also reflect the position of the South African government[9] towards the Africa Group in Geneva, and SA representatives' distance, and independent interventions apart from the officially endorsed positions of the whole of Africa. The major difference between South Africa and the jointly agreed African positions - both for the 4th WTO Ministerial in Seattle, in December 1999, and the 5th Ministerial in Doha, in November 2001 – is that Africa officially opposed the introduction of a range of 'new issues' for negotiation in the WTO, whereas South Africa's official position was to accept most of these as legitimate and necessary bargaining issues. In this way, too, the issue of Industrial Tariff Liberalisation in the WTO, that the joint African position opposes, is nonetheless subtly alluded to in NEPAD as the need for "further liberalisation in manufacturing" [para 171]. It would seem that South Africa has also tried to use the NEPAD programme to gain endorsement - in what is a key African document - for the introduction of a multilateral investment agreement into the WTO. This is carefully coded as "transparency and predictability as a precondition for increased investment" [para 170], and offered as a trade-off with the governments of the industrialised countries "in return for boosting supply side capacity and enhancing the gains from existing market access". It has to be seen how the Africa Group in Geneva and African governments in general will respond to this NEPAD ploy. It is, furthermore, not lost on other African countries that South Africa - with its banks, private companies and even parastatal corporations keenly looking for investment opportunities in Africa and elsewhere - has its own 'national interests' in promoting the kind of 'global rights' of corporations in all countries and (almost all) sectors that an investment agreement in the WTO is aimed at.

8.8 In response to African complaints about the pressures of the day-to-day functioning of the WTO, and especially the extreme difficulties that a complex new round of negotiations would confront them with, NEPAD proposes "technical assistance and support to enhance the institutional capacities of African states to use the WTO and to engage in multilateral trade negotiations" [para 170]. Such offers are a

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[8] Although this ground-breaking position paper has gained civil society support throughout the world and even widespread endorsement by other developing country governments within WTO processes.

[9] See "The Official Position and Role of South Africa in Promoting the WTO", AIDC, Cape Town, May 2002

standard Quad and WTO Secretariat inducement and misleading reassurance to African governments in order to get them to accept proposals contrary to their own considered judgements. After the recent Doha Ministerial, South Africa proudly reported that it had obtained "a strong commitment" by the powerful countries to provide such technical assistance; an expectation flying in the face of their long-standing failures to fulfil such promises. It also ignores the fact that many countries had and have objections to the nature and implications of the new issues, and the dangers of the proposed expansion of the remit of the WTO. Their problem is not merely one of 'lack of capacity' to understand or negotiate the issues. But the further problem with such 'technical' assistance is that it is never neutral, and the content of the instructions and advice given will reflect the opinions and orientations of the pro-WTO institutions and agencies providing the 'capacity building'.

8.9 Alongside the failure of NEPAD to take up and support specific established African positions in a and on the WTO, there is another omission in the NEPAD plan that is particularly significant in a document that claims to be providing the guidelines and basis for regional integration between and development within the countries of Africa. NEPAD is totally silent is on the terms and constraints imposed on 'regional trade arrangements' (RTAs), as they are defined by the WTO. These constraints are designed to ensure that RTAs do not 'raise barriers that discriminate against third parties' in the world economy. And countries in regional economic communities, such as those in Africa, are further advised to lower their individual and collective tariff provisions, and remove other external 'barriers', in order to 'integrate into the global' 'for their own good'. What this means, in practice, is that the kind of preferential trade terms and common external tariffs that such groupings of countries might wish to use for their mutual benefit, and to in order reduce heavy pressures from external 'third parties' [as described in 6 above], are severely limited by the WTO's Article 24. Even the African Ministers of Trade call for this contentious article to be reviewed and revised in terms of the development needs and aims within African Regional Economic Communities (RECs) and on the basis of the 'special and differential terms' (SDTs) that the WTO supposedly allows for the special needs of LDCs and other developing countries. The aim of improving and using such potential WTO 'rights' to legally secure the REC's as effective 'spaces' for internal and intra-African development utilise the legal terms and are situated within processes in the WTO, and they are hardly radical positions. Yet NEPAD's perspective on Africa's engagement with the global economy does not even extend to this.

8.10 Although NEPAD ignores the details of Africa's officially agreed positions on the WTO, the writers of the NEPAD programme have had to take care not to be seen to be explicitly supporting the launch of a new multi-sectoral round of WTO negotiations. Thus NEPAD carefully suggests that "if " a new round of multilateral trade negotiations is started [para 169], African countries must be prepared. But it also states, without qualification, that African governments must, and do, give "broad-based support" to the WTO [para 171]; whereas many African government ministers and even more government officials, and most African civil society organisations engaged on issues around the WTO, are very dissatisfied with the both the substance and the *modus operandii* or functioning of the WTO. NEPAD, however, encourages African governments to see the WTO as a level "forum in which developing countries can collectively put up their demands." [para 170], and does not point to the extreme difficulties the governments of Africa and the rest of the developing world face in engaging with the powerful governments in formal and informal WTO negotiations. This is due not only to the imbalances of power between the different players but to the un-transparent, inaccessible, exclusionary and thoroughly undemocratic nature of this organisation, and the blatant bias within the WTO Secretariat towards the demands of the global powers and the assumptions of the neo-liberal trade paradigm. Yet, although

NEPAD, makes, at least, one small mention of the need for reform in the multilateral finance institutions [para 188.12], there is no equivalent reference to the equally urgent need for reform of the WTO; let alone to the proposals from civil society organisations for the closure of all these undemocratic 'multilateral' institutions which together have assumed the role of a new system of *de facto* global government.

9. NEPAD and the 'integration' of Africa into the global economy

In all the above positions, NEPAD is seriously lacking in its apparent grasp of the nature of the WTO. This is not merely a trade institution but a new global executive body, and the central component of an emerging but undeclared system of global government. The WTO is the main institutional instrument for the restructuring and (re)regulation of an emerging globalised economy. NEPAD is similarly lacking in its understanding and characterisation of the processes of 'globalisation', and this is reflected in its proposals on how Africa should relate to these processes.

In its introductory contextualising section dealing with the globalising world economy [paras 1-41] NEPAD does make some critical comments on the "increased costs" imposed by globalisation on "Africa's ability to compete" [para 28], and observes correctly that the costs of global processes "have been born disproportionately by Africa" [para 30]. It even notes that "in the absence of fair and just rules" globalisation has "increased the ability of the strong to the detriment of the weak" [para 33], and that "increasing polarisation of wealth and poverty is one of the number of processes that have accompanied globalisation" [para 35]. These remarks are testimony to the extent to which even the writers of NEPAD have been affected by the exposure by UN agencies, above all the UNDP and UNCTAD, of the uneven, polarising and destabilising impact of globalisation. These and other 'revelations' about the 'negative as well as the positive effects of globalisation' have even entered into mainstream discourse. This also reflects, and may be an attempt to outflank, the wide-ranging and increasingly influential criticisms from the international peoples movements leveled against the anti-democratic, divisive and damaging effects of neo-liberal governmental and corporate-driven globalisation on people and communities throughout the world, and the world.

However, the greater influence of other agencies, such as the World Bank, on the NEPAD writers' fundamental approach to globalisation are expressed in the more pervasive views in the NEPAD document endorsing globalisation on the grounds of "the unparalleled opportunities that globalisation has offered to some previously poor countries" [para 40], and that "pursuit of greater openness of the global economy has created opportunities for lifting millions of people out of poverty" [para 32]. The significant centrality of such views in NEPAD are evident from its opening statement deploring the "malaise of under-development" in Africa caused by its "exclusion" from the globalising world [para 1]. The supposition that the "marginalisation" of Africa from the processes of globalisation has been the cause of its underdevelopment [para 2], and that "Africa's potential has been untapped because of its limited integration into the global economy" [para 16] runs throughout this document [paras 26, 33, 50, 52, 55 et passim]. Thus, in NEPADs view, what Africa needs is to end its 'marginalisation' and "rapidly integrate" into the global economy [para 35]. NEPAD argues not only that globalisation is the *de facto* "context" but that it "provides the means for Africa's rejuvenation" [para 28].

There are a number of profound misconceptions in NEPAD's approach to globalisation and Africa's location within it, and thus misdirections on what should be done:

9.1 The so-called **'marginalisation' of Africa** is the first misconception in NEPAD, and is actually an inversion of the realities of Africa's location in the international capitalist economy. NEPAD accepts the views of neo-liberal agencies, such as the World Bank, that Africa's internal problems and 'inhospitable policy environment' cause it to be 'marginalised' from the beneficial effects of international flows of investment and trade. On the face of it, Africa does have a minuscule share of about 1% of international trade and receives an equally minute percentage of the flows of international capital. Whether 'more' would necessarily be 'better', as NEPAD unquestioningly accepts, is a highly debatable matter born out by long experience and analysis. But the most fundamental problem for Africa is <u>not</u> its exclusion but rather the longstanding, subordinate and exploited nature of its inclusion in a profoundly assymetrical international economy, from its enforced 'integration' into international circuits of trade and finance through colonisation down to the present day. As Samir Amin, the eminent Africa economist, observes "The concept of marginalisation is a false one which hides the real questions, which are not 'to which degree the various regions are integrated' but rather the ways in which they are integrated"[10].

9.2 The consequent necessity, according to NEPAD, for the "**rapid integration' of Africa** [para 52] into the global economy completely misses the significance of the existing forms and the extent of the integration of Africa into the global economy. African countries are deeply dependent upon and locked into the workings of the global economy. Their economies are characterised by contrived and excessive extroversion [turning outwards] to international markets, with extremely limited internal backward and forward trade and production linkages within, let alone between, African economies. The more commercialised sectors of African production are heavily externally oriented; and, at an average of 43% of GDP (and more than 50% in LDCs), trade carries a much great weight in African economies than in the supposedly highly globally-integrated industrialised economies (where external trade has an average weight of only 20% of their GDPs). Clearly, it is not external trade *per se* but the role of trade within multi-layered, multi-dimensional, internally integrated and largely self-sustaining economies that should be the prime concern. The basic character of most African countries is that they are internally disarticulated and are mainly shallow 'trading economies'; whereas they need to be transformed into rounded, internally integrated and more soundly-based production economies. This concern is reflected to a considerable extent in the AAF-SAP and AEC approach, in contrast with NEPAD's overriding concern with the expansion of 'efficient' production to feed into 'competitive' external trade.

9.3 In NEPAD's view **liberalisation and openness** [para 32] are the main instruments for the expansion of trade within Africa and between Africa and the rest of the world, and such 'openness' is the means and measure of Africa's 'integration' into the global economy. This misses the fact that it is the extensive liberalisation of the external trade and investment policies of most countries in Africa, imposed under structural adjustment programmes, that have been major factors in the de-industrialisation, economic decline and social crises in Africa. It is the enforced 'opening up' of African economies that has made them even more vulnerable to damaging external pressures and reinforced foreign controls and increased influences within their economies. The formulations in NEPAD point, indirectly, to the fact that neo-liberal injunctions about 'integration <u>into'</u> are actually and very dangerously about 'opening <u>up to</u>' the global economy, meaning the highly competitive trading forces and self-serving investment interests emanating from the rest of the world.

[10] S. Amin, Director of the Third World Forum, Dakar, "Africa: living on the fringe", *New Agenda South African Journal of Social and Economic Policy*, # 7, p 20; Cape Town, Third Quarter 2002

9.4 In so far as NEPAD notes the **polarisation or "widening wealth-poverty gap"** within and between countries in the 'globalised' world, it refers to such growing inequalities and inequities as being amongst the outcomes "accompanying" globalisation [para 35]. In fact, such patterns are not coincidental, nor are they incidental side-effects of globalisation. They are intrinsic to the globalisation of 'free market' economies. While enabling and encouraging the already strong, well-endowed, well-placed, favoured, fortunate – or ruthless - to prosper, the removal of protective regulations for the more vulnerable, in order to allow 'open' competition, simultaneously plays upon and intensifies the disadvantages of the weaker countries, communities, and social groups. Such uneven effects and social and economic imbalances are intensified and magnified under conditions of unfettered globalised competition. These polarising effects between <u>and</u> within countries (including the richest, such as the USA) have been powerfully and authoritatively documented in the UNDP's Human Development Reports throughout the 1990s. The 'survival of the fittest' and 'the devil take the hindmost' have always been, and are now more than ever, the two sides of the coin of capitalist ideology and practice. Thus, contrary to NEPAD's statement that "there is nothing inherent in the process of globalisation that automatically reduces poverty and inequality" [para 40], it is more correct to state that there is much that <u>is</u> inherent in the uncontrolled globalisation of capitalism that automatically <u>increases</u> unemployment, human marginalisation, poverty and inequality throughout the world.

9. 5 In the context of such growing inequalities - which it cannot fail to see between Africa and the rest of the world - NEPAD's response is not to question this system but to suggest a **more effectively managed integration** of the world [para 28]. This would create more "fair and just rules" [para 33] to ensure a "more equitable and sustainable" development in Africa [para 52] and the world. According to NEPAD, this effective management through "the cooperation of governments and private institutions" will ensure that the "benefits of globalisation are more equitably spread" [para 40]. NEPAD's writers see that "governments – particularly those in the developed world – have, in partnership with the private sector, played an important role in shaping the form content and course of globalisation" [para 39]. In this, NEPAD is correct in noting that it is not just 'science and technology' that drives globalisation but political and economic forces. What it does not seem to understand is that globalisation reflects the intrinsic expansionary needs of the most highly industrialised economies, and is essential to the very functioning of the capitalist system. The driving motivation for the alliance between the governments of the industrialised economies and their global corporations has been, and is, to restructure international economic relations and <u>re</u>-regulate both international and national economic policies, as required, in order to optimise their advantages and maximise their access and rights all over the world. Thus the 'form, content and course' of globalisation has been determined by, and in the interests of the very forces that NEPAD seems to believe will cooperate in the creation of a more just global system. This reflects and is part and parcel of NEPAD's entire belief in its capacity to persuade such neo-liberal and thoroughly self-serving governments (particularly the unilateralist global superpower, the USA) into a 'new partnership' with Africa. This presupposes a far-sightedness and preparedness of such short-sighted, deeply prejudiced and totally self-serving and corporate-serving governments to compromise their own economic interests and needs in any real way in order to respond in the interests of Africa…. humanity…. or the world.

9. 6 In the same vein, NEPAD fails to point to the **policies and role of the rich and powerful countries** in actively contributing to and even creating Africa's extreme problems. To the contrary, NEPAD seems to attribute Africa's failure to 'benefit' from 'globalisation' to factors and failures within African economies and societies. Thus NEPAD identifies the "low level of economic activity" in African countries "creating a self-perpetuating cycle" that "severely weakens Africa's capacity to participate in the globalisation process, leading to further marginalisation" [para 35]. It also goes into some of the detail of the interaction of internal factors in "Africa's peripheral and diminishing role in the world economy" [para 26]. There are some elements of truth in such observations about internal weaknesses in Africa [para 18], but such 'explanations' fail to point also to powerful external factors, such as national protectionism in the industrialised economies and their external trade strategies that have deliberately blocked African trade access and undermined its potential to move up the ladder of productive development [see above]. Nor do NEPAD's references to the negative effects of colonialism in Africa touch more than superficially on the profound social disruptions, economic distortions and structural imbalances created in Africa during the process [para 21]. In fact, NEPAD diplomatically skips over the long decades of direct and destructive neo-colonial economic, political and military interventions by the major powers in 'post-colonial' Africa that targeted and actively undermined or deliberately destroyed any African efforts to introduce national economic strategies to deal effectively with their internal weaknesses, transform their societies, and definitively end their external subordination and exploitation. NEPAD clearly believes in their will and capacity now to be disinterested partners to Africa.

D. SOME CHALLENGES AND QUESTIONS

1. Will NEPADs proposals for infrastructural projects in Africa be appropriate for the development levels and evolving needs within Africa? Or are they mainly intended to attract foreign investment, and will they, in turn, be shaped by the interests of such international investors?

2. Are NEPAD's proposals on liberalisation of capital flows within Africa, without appropriate regulatory and compensatory mechanisms, conducive to the most effective distribution of investment and more balanced and equitable development between countries and regions, and across the continent?

3 Are NEPAD's proposals for PPPs a sound means to bring private enterprise into co-operation with the public sector on defined developmental terms? Or are PPPs simply another means for the state in Africa (as elsewhere) to under-write and reinforce the operations of private capital, using public resources ?

4 Will regulatory frameworks in NEPAD be designed to reflect and promote economic, social, labour, environmental and other needs specific to African countries, regions and the continent? Or will these regulations accommodate to (or simply adopt) inappropriate and biased 'international' regulations?

5. Will the development of agricultural production in Africa serve to increase family and community food security, and national food sovereignty ? Or will NEPAD's promotion of agricultural exports, on the basis of Africa's so-called "comparative advantage", increase dependence on costly food imports.

6. Can NEPAD's focus on greater 'market access' for African exports into the richest economies serve as an effective means for increased output and export earnings? Or will the encouragement of Africa's traditional agricultural exports into established markets simply reinforce Africa's long dependence and vulnerability to continued economic manipulations and political pressures ?

7. Will economic diversification and industrial development under NEPAD be fundamentally based on local resources, and be extensively labour-intensive in order to generate employment? Or will it rely largely on external financial resources and be mainly capital intensive, with further attendant external costs, and further pressures on external balances of payments ?

8. Does NEPAD provide for strategically conceived trade policies to be utilised as effective instruments and components of industrial strategies? Or does NEPAD subscribe to the neo-liberal theories of liberalised trade, *per se*, as being a necessary and sufficient 'engine of growth' and providing the 'stimulus of international competition' ?

9. Is trade integration within Africa seen within NEPAD as an important means to stimulate local producers and provide them with larger and guaranteed markets? Or is liberal international access to such African markets - and insupportable competitive pressures on African producers and providers of goods and services - the *quid quo pro* that NEPAD is offering in return for international aid and investment ?

10. In so far as NEPAD supports trade liberalisation and/or preferential trade arrangements to encourage intra-African trade, will this work in equitable and mutually beneficial ways ? Or will these trade measures, without accompanying supportive programmes, operate to the benefit of the stronger economies and companies within Africa, and especially South Africa ?

11. Will NEPAD further the longstanding African aspirations towards greater self-reliance and more self-sustaining development within the continent ? Or will NEPAD reinforce the excessive extroversion of much African commercial production through its support for greater 'international competitiveness' and export-led growth, and excessive reliance on external financing?

12. Will NEPAD act on its own observations about "deficiencies in the design and application" of the various reciprocal free trade agreements that are being foisted upon Africa, especially by the EU and the US ? Or will NEPAD's explicit endorsement of such unequal agreements be allowed to further reinforce global imbalances through comprehensive 'trade-related' agreements between the strong and the weak ?

13. Can NEPAD continue to promote the WTO as a conducive "forum" for negotiation with international 'partners' on Africa's needs, despite all the biased uses and blatant abuses by the majors ? Or can NEPAD be changed to promote the demands by African and other developing countries for reviews and reforms of the one hundred-plus 'implementation issues' in all the WTO agreements, and challenge the WTO itself?

14. Will NEPAD give prime emphasis and act practically on its observations about the inequities and costs of globalisation on the weak, and especially Africa? Or will NEPAD follow its more pervasive beliefs in the "unparalleled opportunities" provided by globalisation, and thus encourage African countries and regions to "integrate rapidly" into the global economy ?

15. Is 'the integration' of Africa about 'participating' more effectively in the global economy? Or is 'integration' actually about the <u>opening up</u> of Africa to the reinforced penetration and renewed domination by powerful international economic and political forces over the continent; and is globalisation thus better described as "recolonisation"? And where does NEPAD stand on this ?

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