GLOBALISATION AND AFRICA'S DEVELOPMENT AGENDA
FROM THE WTO TO NEPAD

Said Adejumobi[1]*

Abstract

The paper examines the impact of globalisation on Africa's development agenda focusing on the politics of the international trade regime and the efforts of Africa to influence the process through promoting a new initiative at development. It unravels the linkage between the international trade regulating institutions-GATT/WTO and the nature of the international trade regime, the politics inherent in the activities of those institutions and the current stride by African countries to re-engineer their developmental process through the New Partnership for Africa's Development (NEPAD).

The paper argues that central to Africa's contemporary underdevelopment is the structure and politics of the international trade regime, which is defined by the nature of power relations in the international political economy. This trade regime in theory is of a free market ideology, but its politics and practice is of a structured and lopsided market determined by power relations. This limits the scope and share of Africa in world trade, reduces its income level, and retards its development. The extent to which NEPAD would be successful will depend largely on the extent to which it can promote an inward looking strategy of development that increases the scope for intra-Africa trade; develops factor inputs and facilitate the process of local industrialization, as a basis for re-engaging the global economy and improving Africa's share of global trade.

We cannot turn back globalisation. Our challenge is to make globalisation an instrument of opportunity and inclusion – not of fear and insecurity. Globalisation must work for all.

(James Wolfensohn, President, World Bank, April 2001).

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[1] Said Adejumobi, (Ph.D.) teaches Political Science at the Lagos State University, Lagos, Nigeria but currently a Consultant to the United Nations Economic Commission for Africa (UNECA), Addis Ababa, Ethiopia, on its African Governance Report.

> *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. It has limited space for developing countries to control their own development, as the system makes no provision for compensating the weak. The conditions of those marginalised in this process have worsened in real terms. A fissure between inclusion and exclusion has emerged within and among nations.*
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> *(New Partnership for African Development, October 2001, p. 7)*

1. INTRODUCTION

The major multilateral institutions at the heart of the global economy, viz., the World Bank, IMF and the WTO, have become major objects of attack by concerned interest groups, especially western-based civil society organisations. Attention is drawn to the uneven development field that globalisation engenders and the perpetuation of poverty on an unprecedented scale in the Southern Hemisphere. The Seattle meeting of the WTO was disrupted in December 1999, followed by that of Quebec in Canada, Gotenborg in Sweden, and the latest was the mass rally organised against a World Bank conference in Oslo, Norway, in June 2002 (a conference which this author attended). What ordinarily was an academic gathering of development experts to an annual development conference of the World Bank attracted the wrath of the Norwegian and other European civil society groups. A coalition group by the name ATTAC organised an unprecedented rally of twelve thousand people in the city of Oslo against the World Bank conference. In addition, ATTAC also organised a counter or alternative conference at the University of Oslo on the theme, “The World Bank: Reform, Revolution or Cosmetic Change?” The Norwegian government in order to forestall any repeat performance of the Gotenborg experience had to deploy a high security alert to avert any breakdown of law and order or casualties arising from such a demonstration.

The peak of the anti-globalisation sentiments seems to have been the event of 11 September 2001. Whatever the motives of the terrorists, the choice of the World Trade Centre as an object of gruesome attack gives an image of anti-globalisation rebellion implicit in it.

The discourse on globalisation has evoked more heat than light, more ideology than reason and scholarship and more passion than objectivity. This is justifiably so because it forms part of the social experience of the people and depending on their geographical location and class interests, their reactions to the processes of globalisation would certainly differ. Africa has been largely a victim than a beneficiary of the globalisation process. Existing at the margins of the world concern and virtually on the verge of extinction with regard to global development, especially in the areas of trade, investment, finance, and production, Africa lurks in the dark in the new millennium. Indeed, some have derogatorily referred to it as the "hopeless continent". Yet the dismal performance of the African continent is not for lack of efforts. African leaders have put forward various development agendas in the last four decades of the continent's post-colonial history. The latest of it is the New Partnership for Africa's Development (NEPAD).

What this paper seeks to do is to underscore the politics of the international trade regime as a component element of globalisation. It unravels the linkage between the international trade regulating institutions (General Agreement on Tariffs and Trade (GATT)/ the WTO), and the globalisation process, the politics inherent in the activities of those institutions and its effects for Third World countries especially Africa. Further, the paper analyses the current stride by African countries to re-engineer their development process through a new initiative called the New Partnership for Africa's Development (NEPAD). What are the prospects and possibilities of NEPAD facilitating rapid economic development in Africa? What are the critiques against the new initiative and how far can it secure a better share of world trade for African countries? These are the issues addressed by the paper.

Globalisation: What it is and what it is not

Globalisation is a complex and dynamic process and has been analysed from various perspectives. These include the economic, political and socio-cultural dimensions. As the UNDP notes, "globalisation is a process integrating not just the economy, but culture, technology and governance" (UNDP 2000, 1). But the basic and of course underlying element of it is the economic dimension. The concept of globalisation ordinarily suggests a shift in the spatial form and extent of human organisation and interaction to a transnational or inter-regional level. It is conceived as a compression of time-space relations in which there are transnational networks involving world factories, labour flows, lending facilities, communications, new knowledge, information technologies, and cultural norms bridging the boundedness of territorial state with increasing rapidity (Goldhalt et al. 1997; Mittleman 1993; Rugumamu 2001, 14). Economic globalisation therefore denotes the widening and intensification of international linkages and interactions in trade, investments and economic policy orientation in the World (Adejumobi 2002; World Bank 1996; Rosenau 1997). It connotes the internationalisation of production, capital, and marketing in which the world is integrated into a “global factory”, “global money market”, and “global shopping centre” (Adejumobi 1993).

There are three issues that have arisen in the discourse on globalisation. The first is about the catalysts or agency of the globalisation process. The second issue has to do with whether there is anything new about the current process as different from the whole trajectory of capitalist development. In other words, is globalisation not a new euphemism for “internationalisation”, “universalism” and “worldism” which depict the trajectory in the history of capitalist development? The third issue centres on the spatial trade-offs and payoffs of globalisation. In other words, who are the losers and winners in the globalisation process, and to what extent is globalisation recreating the world from the “wealth of nations” to the “wealth of the World”?

With regard to the first issue, there are many complex variables that have facilitated the process of economic globalisation; however, it is possible to identify four of those. These include the collapse of the former socialist states in most parts of the world, which meant the hegemony of the liberal capitalist ideology, with far-reaching implications for economic policy outlook and orientation. The second is the unprecedented activities of multinational corporations (MNCs), with the phenomenon of mergers, acquisitions and interlocking relationships, which have effected a gradual transformation of the global economy. Indeed, MNCs control a large share of global trade, production and investment in the World. The third agency of the globalisation process is the revolution information technology, which has transformed the world into a “global village and global market place”, where ideas, goods and services are freely and fastly traded. This information revolution is increasingly deconstructing national barriers, facilitating unprecedented financial transactions, currency flow and trading and reconstructing the organisation and knowledge base of society. The fourth issue in the globalisation process is the rise of market reforms as a global economic creed grounded in a neo-liberal ideology. Market fundamentalism has become the standard policy framework and economic philosophy, which link most nations together and which define the configuration of domestic and international economic policies (Adejumobi 2002, 1).

The second issue in the globalisation discourse is on the originality of the whole process. On the one hand, some argue that globalisation is only a generic form of capitalism, and does not represent anything new. What is perhaps new is the “ideological mystification” of it. According to this viewpoint the global capitalist system has always been an integrated whole of which neither its structure, organisation nor function has been altered. Globalisation is only a phase in the trajectory of capitalist development (Wood 1997; Hoogvelt 1997; Held et al. 1999).

The counterpunctal view is that while it is true that globalisation is a phase of capitalist development, it is a phase that is markedly different from the other phases. It is an epochal or monumental leap in capitalist development that must be so studied. This is so because globalisation has brought about qualitative changes in the development of the forces and mode of production, which in turn have induced significant changes in the social relations of production. Also, it is a phase in which the role of national governments has been drastically diminished in the design of the rules of global governance, and where financial markets, corporate strategies, and consumption patterns have taken a global dimension in an unprecedented level (Sivanadan 1997; Giddens 1997; Rosenau 1997).

For the UNDP, while globalisation is not considered to be a new phenomenon, however, this era is different. The organisation identifies four areas where the new process is different. These are: (i) New markets –foreign exchange and capital markets are linked, globally operating 24 hours a day, with dealings at a distance in real time. More than $1.5 trillion is exchanged on the world currency market each day, with money assuming a commodity on its own. Currency speculation has become a global trade with calamitous effects on the economy of some developing countries. (ii) New Tools – Internet links, cellular phones, media networks; (iii) New Actors – World Trade Organisation (WTO), with authority over national governments; the MNCs, with more economic powers than many states, and the global network of non-governmental organisations (NGOs) and other groups that transcend national boundaries; (iv) New rules – multilateral agreements on trade, services, and intellectual property backed by strong enforcement mechanisms and more binding for national governments and reducing the scope for national policy (UNDP 2000, 1).

Undoubtedly, globalisation is a phase of capitalist development, yet it is an epochal phase that has reconfigured the nature of capitalist production and social relations, but not its essence.

The third issue in the globalisation discourse is about the spatial pay-off and trade-off of the globalisation process. While some argue that globalisation is a "win-win" game for all actors, providing a basis for increased wealth, production, standard of living and ultimately social welfare for all peoples of the world, the reality, however, is that globalisation neither offers a level playing field for all actors, nor radiates its gains on a global scale. The Norwegian Prime Minister, Kjell Magne Bondevik (2002, 4), drawing analogy between the game of soccer and globalisation has this to say:

The soccer players are fortunate to play on a level field, by the same rules, with referees to ensure their even-handed application. The development field is far less level. The rules are less clear, and more unevenly applied. Some refuse to play at fields not of their liking. The poor are mostly excluded from every field. There are no generally recognised referees. This is the challenge that the poor face.

The levels of spatial inequality, income and wealth concentration and social injustice have continued to deepen under the spell of globalisation. For instance, the income gap between the fifth world's people living in the richest countries and the fifth in the poorest was 74-1 in 1997, up from 60 to 1 in 1990 and 30-1 in 1960. These one-fifth in the richest countries have 86% of World GDP, 82% of world export markets, 68% of foreign direct investment, and 74% of world telephone lines. The world 200 richest people more than double their net worth in the four years to 1998, to more than $1 trillion. The assets of the top three billionaires are more than the combined GNP of all least developed countries and their 600 million people (UNDP 2000, 3). While the developed societies are in an 'age of affluence', about 1.2 billion people – one-fifth of the world population – are trapped in absolute poverty living below $1 per day. Half of the world's population lives on less than $2 per day.

Africa is the worst hit by the deepening crisis of survival under the orgy of globalisation. With a per capita income averaging $315 in 1997 more than 40% of its 600 million people live below the poverty line of $1 per day. In many countries, 200 out of every 1000 children die before the age of 5, and more than 250 million people lack access to safe water. More than 200 million have no access to health services (World Bank 2000, 7-11). Africa therefore represents the poorest of the poor, for which globalisation has not served as a link to its development. The truth is that globalisation is a capitalist enterprise that feeds on exploitation and domination, and generates spatial contradictions of wealth and poverty; affluence and squalor, development and its antithesis – underdevelopment. The structure of capitalism under globalisation, which has gotten more sophisticated and penetrating, makes global exploitation and domination less arduous, but more profound. The United Nations Institute for Social Development (UNRISD) (2000, 2) captures the damning effects of globalisation on developing countries in these telling terms:

Globalisation is splintering many societies and doing little to eradicate poverty. Grudgingly, the international financial institutions have conceded that the neo-liberal model has harmful consequences. But they prefer to mask the damage rather than to shift to more humane - and more productive - forms of development.

Globalisation and International Trade: The Role of GATT and WTO

The major planks of economic globalisation are international trade, investment and finance (Onimode 2000, 162). While between 1950-1985 the volume of world output increased about fifthfold, the volume of world trade rose ninefold for the same period (Williams 1991, 152). International trade in the liberal conception is not only germane to global specialisation, but also increases competition, imposes efficiency on local firms, boosts world productivity and increases wealth creation on a global scale. It is these benefits of international trade that make a compelling argument for free trade at the global level. Liberal international trade theory, which derives essentially from David Ricardo, emphasises the logic of comparative advantage as the cornerstone of free trade at the international level. The world would maximise the benefits of international trade if nations specialise in the production of goods and services in which they have comparative lower costs, and relative expertise to produce. It is this neo-liberal cliché of international free trade that provides the intellectual justification for Africa's role in the international trading regime and the capitalist system as a producer of primary commodity products that command low and depreciating price value at the international market. Africa's marginal role in the international capitalist system is influenced by and reinforced by this ideology of neo-liberalism.

Africa's share of world trade and global production is not only very low, but has continued to decline in the last two decades. Africa's share of international trade, which was about 5% in the 1980s, stopped to less than 2% in 2000. In addition, the continent has continued to record worsening terms of trade that creates serious balance of payment and debt problem for many African countries. The table below shows the trend in Africa's balance of trade between 1970-1996.

Table 1. Africa's balance of trade, 1970-1996 (US dollars, '000 million)

Trade Type	1970	1980	1990	1996
Exports (goods and Services)	13.6	91.7	84.4	94.4
Imports (goods and services)	15.6	91.7	92.2	116.3
Balance	-2.0	-	-7.8	-21.9

Source: International Monetary Fund, cited in Speaks (2000, 12).

As table 1 indicates, Africa has continued to record adverse terms of trade at a very alarming rate, the 1996 figure of which was over 250% higher than the 1990 figure. Also, Africa has been on the fringe with regard to foreign direct investment (FDI), which is one of the locomotive forces of production and the globalisation process. FDI flows to Africa (including South Africa) declined from $10.5 billion in 1999 to $9.1 billion in 2000. For sub-Saharan Africa, the same scenario is the case. FDI decreased from $8 billion in 1999 to $6.5 billion in 2000. Thus Africa's share of global FDI is less than 1% in 2000 (UNCTAD 2001, 19-20).

While Africa continues to record dismal performance on trade and economic development, the triad of United States, the European Union (EU) and Japan are consolidating their grip on the global economy. This triad controls over 80% of world trade, and a large chunk of FDI. During 1998-2000, the triad accounted for three-quarters (3/4) of global FDI inflows and 85% of outflows, and was home to over 50,000 MNCs and over 100,000 foreign affiliates (UNCTAD 2001, 9).

The major institutions that have set the tenor and context for international trade in the post Second World War era have been the General Agreement on Tariffs and Trade (GATT) and later the World Trade Organisation (WTO). They have provided the driving force, rules, and regime of incentives for free trade at the global level. GATT, like the World Bank and the IMF, is the outcome of inter-war dialogue on the shape of the post-war world economy, which took place between the American and British governments. Although GATT did not form part of the Bretten Woods institutions (Williams 1991, 142), it was created as an interim measure after the botched up attempt by the United States to push for the establishment of an International Trade Organisation (ITO) through the Havana Charter. The proposal which was deliberated on at a United Nations Conference on Trade and Employment in Havana, Cuba, between November 1947 to March 1948, and which produced the Havana Charter for the setting up of the ITO, could not secure the required signatories for it to be established. Even the American Congress later opposed the proposal, which was at the insistence of their president, David Truman. As such, the idea was to settle for an interim arrangement to organise and regulate international trade. GATT came into force in 1948. In the post Second World War era, GATT has provided the institutional basis for multilateral trade negotiations. The fundamental purpose of GATT was to achieve "freer and fairer trade" through reduction of tariffs, and elimination of other trade barriers. GATT has operated on the basis of three principles: (i) non-discrimination, multilateralism, and the application of the Most-Favoured Nation Principle (MFN) to all signatories, (ii) expansion of trade through the reduction of trade tariffs, and (iii) unconditional reciprocity among all signatories. GATT's goal was to establish world trade regime or universal rules for the conduct of commerce (Gilpin, 1987, 191). GATT has, however, not presided over a totally free trade regime. The contestation between protectionism and free trade amongst the leading members of GATT, depending on what they consider to be in their national interest at any point in time, determines where the pendulum of free trade would swing.

In the organisation of its activities, GATT has three interrelated parts. First, it provides a framework of rules and principles to govern the behaviour of states in the international trade regime. Second, it is a forum for multilateral trade negotiations. Third, it acts as a centre for the settlement of trade disputes amongst members (William 1991, 145).

Between 1948 and 1995 GATT undertook about eight rounds of trade negotiations. The interests of the developed countries, especially the United States, the EU and Japan, drove all of it. The Tokyo rounds (1973-1979), for example, had as its primary goal the stabilisation of trading relations among the OECD countries (Gilpin 1987, 196), while the Uruguay rounds (1986-1993) had the United States as the major actor in the negotiation process. The items for which tariff reductions are negotiated are usually manufactured goods, which benefit the Western nations. The interests of developing countries are either declassified or scantily attended to. For every little concession that is given to developing countries in GATT and its successor, WTO, a higher price is paid in further trade liberalisation of their economies. Williams captures this succinctly:

> *The second noteworthy feature of trade liberalisation under GATT is the uneven nature of the process. In other words, GATT's effectiveness has been limited mainly to trade in manufactured products. GATT has been successful in maintaining the commitment of the leading western countries to a system of embedded liberalism by skewing the benefits of trade liberalisation in their favour. The range of manufactured products that have benefited from trade liberalisation are products produced in the AICs.*
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> **(William 1991, 151).**

The Uruguay round of trade negotiations shows clearly how the developed countries appropriate space in multilateral institutions to further their parochial interests at the detriment of the less developed countries. Several new, but controversial issues were put up for negotiation and policy decisions at the trade talks. The agenda of the Uruguay rounds, as Williams noted, reflects the interests of the advanced industrial countries (AICs) with the developing countries fighting for the inclusion of some issues that affect their interests (William 1991, 167). The issues that arose for talks at the Uruguay rounds cover two main themes. These are, multilateral negotiations in goods and separate negotiations on multilateral mechanisms for "trade in services" (Onimode, 2000, 184). The two issues that affect developing countries, which came up for discussion with much resistance from the developed countries, especially the United States, is the trade in agricultural products, which hitherto was not under GATT agreement, and that of textile and clothing. The West had hitherto adopted protectionist policies in those areas, and kept their local producers from external competition. In the case of agriculture, the West – both the United States and EU – maintain a high level of subsidy to their farmers, while at the same time insisting that developing countries open up and de-subsidise their own agricultural sector. Indeed, one of the dubious logics on which the structural adjustment programme (SAP) was constructed was to remove market distortions and rent seeking in agricultural production and income through the removal of subsidy to the sector by the state. The same kind of market 'imperfections' and 'distortions', even of a higher degree exists in the western agricultural sector. Yet, such 'distortions' are protected and also given strong political cover by the state.

The high point of the Uruguay rounds was in the new issues that were placed on the table for negotiation by the developed countries, especially the US, which would fundamentally affect the interests of and struggle for development by Third World countries. These issues are:

i) Multilateral negotiation and agreement on "trade in services";
ii) Trade related aspects of intellectual property rights (TRIPs);
iii) Trade-related investment measures (TRIM).

The first issue relates to bringing the whole gamut of 'services' under the GATT rule for which trade barriers are to be dismantled and investments protected. The service industry is mostly in the finance and high-tech sector of infrastructure – telecommunications, information technology, etc. With globalisation there has been an increased trade in services. This is due to three main factors. The first is the impact of new technologies, which has led to a sharp rise in the nature and type of services that are tradable. Second, the service element in traded goods has increased. This is because of the increased complexity and specialisation of manufacturing goods. Third, increased interdependent trade and capital markets have contributed to a rise in demand for services (Williams 1998, 169). The western nations therefore decided that it would be worthwhile to give free reign to this sector in the global economy, which is primarily controlled by them. The sector is perhaps the fastest growing sector in the world and a veritable base of capital accumulation for the West. The conflict that arises between the developed and developing countries on this is well captured by Robert Gilpins:

> *The conflict between the advanced and developing countries over services and high technology industries has become intense. The United States and other developed countries believe that it is impossible for the developing countries to demand greater access to northern markets for their increasing output of manufactured goods unless they are willing to reciprocate by opening their own markets to the service and high-tech industries of the advanced countries. However, for the NICs and other LDCs free trade in services and high technology would mean unrestricted access for the multinational banks and corporations of the United States to the economies of the developing countries. This would deny them opportunity to protect and develop their own similar industries, and the LDCs argue that they would then be forever behind and dependent upon the more advanced economies in the expanding high tech-technology industries.*
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> **(Gilpins, 1987, 201).**

The second, TRIPs, is about patent rights, which is meant to protect the interests of the MNCS of the western nations. With the agreement, the urge by Third World countries for technology transfer through imitation or the production of generic types would be foreclosed. It is about monopoly rights to invention and technology, which is detrimental to the interests of developing countries. The politics of international trade therefore, as the Uruguay round demonstrates, is about a politics of denial of development for developing countries.

The last issue, TRIMs, is about providing a safe haven for western investments wherever they may be with favourable domestic conditions for them to prosper. Again, local laws on investments are being subordinated, to allow a free reign to western capital by developing countries.

On the whole, developing countries had little to cheer about after the Uruguay rounds in December 1993, and a product of the process was the setting up of the WTO in 1995, which has taken over and continued from GATT. WTO has worked within the parameters of GATT and has utilised the Uruguay rounds of negotiations and agreements as the basis for regulating international trade. Samir Amin and Bade Onomide's comments on the Uruguay round are quite apt. According to Bade Onimode, the Uruguay round has ushered in a new international division of labour, and a process of *de facto* recolonisation of the developing countries (Onimode 2000, 199). Samir Amin notes:

> *It is important to say it clearly: the common denomination for all the western powers, throughout this affair (Uruguay Round Negotiations) has been a marked hostility towards the Third World. The true objective of the Uruguay Round is to block the competitiveness of the industrialised Third World, even at the expense of the holy principles of liberalism, and thus to reinforce the five monopolies of the dominant centres. In this area, as in every other time, the double standard prevails*
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> **(Amin 1998, 28-9).**

Most developing countries, especially Africa, played marginal roles in the activities of GATT and also currently of the WTO. These countries are mostly sidelined, as issues pertaining to their economic interests are rarely put up for discussion and negotiation. The urgency of economic development which forms the primary goal of those countries is of little relevance to those organisations neither is the imperative of securing a meaningful share of world trade, especially for the poor countries. The decision-making mechanisms of GATT/WTO are skewed in favour of the developed countries that have greater voting power and control of those organisations.

The lopsided character of the WTO in global trade regime is attested to by recent events of the last five years. While the 2001 WTO Ministerial conference in Doha, Qatar held out high hopes that the development concerns of the developing countries will be put on the agenda of multilateral trade negotiations like the issue of market access, subsidy for agricultural products in developed countries, and Trade Related Agreement on Intellectual Property Rights (TRIPS) as it relates to life saving drugs, however, such expectations were shattered by the Cancun Ministerial Conference in September 2003. The developed countries remained adamant insisting on no meaningful reforms in the international trade regime, Currently, agricultural subsidy in the Western World is $300 billion, which undermines the competitiveness of Africa's primary products. Thus, while cotton farmers in Benin, Burkina Faso, Chad, Mali, and Togo have improved productivity and achieved lower production costs than their rich country counterparts, still they can barely compete (UNDP, 2003: 12). In 2001 alone, sub-Saharan Africa cotton producers lost $300 million in potential revenue because of declining world prices, occasioned in part by cotton surpluses in western countries as a result of the high level of subsidy granted to cotton farmers in the west. The United States of America spends $4 billion on its 25,000 cotton farmers and the EU maintains an equally high subsidy regime on various crops (Mutume, 2003: 3). Rather than accede to the demands of the developing countries at Cancun, the developed countries were urging the developing countries to further open up their markets. Aboulaye Wade, the president of Senegal puts the dilemma of African countries in the WTO in these terms:

> *I am convinced that agricultural subsidies, which ruin the lot of farmers in the Third World, are among the key factors of our impoverishment, since they destroy all our efforts and deprive us of the only income (emanating from trade) that could have changed our conditions.*
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> **(See, Africa Recovery, Vol. 17, No, 3, p. 3).**

The collapse of the Cancun talks was therefore inevitable. Although developing countries gained nothing from the talks, they maintained a resolute voice in opposing the tyranny of the developed countries in the WTO. At the meeting some developing countries formed the G21, which includes Argentina, Bolivia, Philippines, Nigeria, South Africa, Peru, Egypt, Indonesia and Brazil. This new coalition served as a good counter-balance to the developed nations-those referred to as the Quad countries (U.S., Japan, Canada, and the EU) that dominate the WTO.

The reality of the WTO is that the developed countries play the politics and shift the rules as convenient to them. They talk of free trade when it is convenient but play the card of protectionism when disadvantaged; eulogise free trade but relish in regionalist protectionism in the name of regional integration. The perception therefore is that GATT/WTO are a 'club of the rich', one of the mechanisms for continued western imperialism.

In summary, the interface between GATT/WTO and globalisation is that they are predicated on the same ideology of neo-liberal free trade of capitalist expansionism. An open door trade policy, in which trade barriers are dismantled, national borders are deconstructed, and capital, goods and services are allowed unfettered access in the global economy. Indeed, GATT/WTO constitutes agency for the globalisation process. There is another area where these elements also coalesce. That is in the area of structural inequalities and imbalances in the global economy. GATT/WTO and globalisation reinforce the spatial dialectical twist of development and underdevelopment; affluence and poverty; accumulation and misery between the developed and underdeveloped parts of the world.

Africa and the Challenge of Economic Development: From the Lagos Plan of Action to NEPAD

While Africa remains the most embattled continent on earth, dramatising all the indices of socio-economic decline, the continent's predicament is not for lack of ideas or efforts from the African people and its leadership on how to halt the drift and initiate sustainable development on the continent. Various ideas have been articulated, proposals put forward and blueprints developed on the path to economic development in Africa. African leaders, largely inveighed and qualified with various adjectives – patrimonial, strongman, roguery, etc. – have not been bereft of ideas on how to lift the continent out of its economic morass. Kwame Nkrumah's pan-African idea of a continental unity in the immediate post-independence era set the tone for a collective effort towards achieving development. After Nkrumah, a major step taken by African leaders to combat the problem of underdevelopment was the economic blueprint of the Lagos Plan of Action for the Economic Development of Africa (1980-2000) and Final Act of Lagos of 1980. The Lagos Plan of Action enunciated the goals of self-reliance and self-sustaining development based on the creation of integrated and dynamic national, sub-regional and regional markets. The five main pillars on which the Lagos Plan of Action rested, as Adebayo Adedeji, a major actor in the development of the Plan noted, are:

i) The deliberate promotion of an increasing measure of national self-reliance;
ii) The acceleration of internally located and relatively autonomous processes of growth and diversification and the achievement of a self-sustained development process;
iii) The democratisation of the development process;
iv) The progressive eradication of mass poverty and unemployment and a fair and just distribution of income and benefits of development among the populace; and,
v) The acceleration of the process of regional economic integration through co-operation (Adedeji 1985, 15).

The Lagos Plan of Action sought to adopt a new development strategy of inward looking pattern rather the inherited externally oriented pattern. It emphasised, amongst others, the development of domestic market in Africa rather than reliance on external markets, the control of natural resources by states, the role and importance of domestic factor inputs in development, the imperative of self-sufficiency in food production, the development of human capital and the provision of social infrastructure for the African people. The Plan in its broad layout adopts a sectoral approach in dealing with the challenge of development. The Lagos Plan of Action and the Final Act of Lagos constitute a major indigenous effort to address the problem of Africa's backwardness. It was a plan that was greeted with much enthusiasm and perhaps euphoria. Adebayo Adedeji captures the mood when the plan was being adopted:

> Indeed, the document has been described as Africa's economic Magna Carta. It is the first time in the history of the continent -and, for that matter, of the entire international community - that 50 independent states, which differ markedly in their levels of economic development, in their political ideologies, and in their social systems, have subscribed to a common set of development objectives and goals and have adopted a common development strategy. The Lagos Plan is also Africa's regional approach to the economic decolonisation of the continent. It provides a long- term bias for its socio-economic restructuring and development.
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> **(Adedeji, 1985, 9)**

The Plan envisaged that by the year 2000, the process of regional integration would have matured through the development of sub-regional economic groupings leading to the establishment of the African Economic Community (AEC).

The Lagos Plan of Action constitutes a major indigenous development initiative. The Plan was crafted by Africans working through two major institutions, the Economic Commission for Africa (ECA) led by Adebayo Adedeji and the secretariat of the Organisation of African Unity (OAU). About ten years of intellectual spadework went into the development of the plan. However, in spite of its rigour and clear vision the LPA achieved very little and was indeed scarcely implemented. What went wrong?

Two major issues conspired to undermine the LPA. First, the LPA was a victim of international economic politics. The western nations and its agencies, especially the World Bank, viewed the LPA as a radical choice that must be stalled. The Plan repudiates the whole logic of liberal economic theory about the efficacy of international trade and external markets, and talks about state control of natural resources as against the role of the market and private entrepreneurs. In other words, the LPA was considered to be an attack on *lassier faire* economy. Barely a year after the LPA was adopted, the World launched a report, which was counter to the LPA. The report was entitled, "*Accelerated Development in sub-Saharan Africa: An Agenda for Action*", otherwise known as the Berg report. The report was a scathing criticism of the LPA, eulogising the role of the market and external trade in economic development, with a spirited attack on the state in Africa. The path to economic development in Africa, the report concludes, was for Africa to liberalise its economy, cut back on the role of the state and privatise public enterprises. The Berg report later formed the crucible on which the structural adjustment programme (SAP) was constructed in Africa. The World Bank therefore used its leverage on many African countries for them to jettison the LPA.

The second factor that conspired against the realisation of LPA was the festering economic crisis in Africa during the period. Most African countries in the throes of economic crisis of debt burden, serious trade deficits, rising unemployment, industrial collapse, and social upheavals had little choice of manoeuvring than to turn to the international financial institutions (IFI) of the World Bank and the IMF for financial support. The conditionalities of the IFI were quite antithetical to the goals of the LPA. Rather than the goal of self-reliance, what the IFI prescribed through SAP was increased dependency through trade liberalisation and externally oriented development strategy. The result was that Africa recorded two decades of economic failure from 1980-2000.

While the LPA could not be achieved, Africa especially under an excruciating adjustment regime continued to tinker with alternative development strategy separate from the neo-liberal doctrine of SAP. There were for example, Africa's Priority Programme for Economic Recovery (APPER), 1986-1990, which was presented to the United Nations General Assembly as a blueprint for Africa's development, and subsequently modified and adopted by the UN General Assembly as the UN Programme of Action for Africa Economic Recovery and Development, 1986-1990 (UN-PAAERD). Also, there was a counter-proposal to SAP developed by the ECA titled "Alternative Framework to Structural Adjustment Programme for Socio-Economic Recovery and Transformation (AAF-SAP) in 1989. Furthermore, the African Charter for Popular Participation and Development was adopted in Arusha, Tanzania, in 1990. All these economic proposals for Africa's development remained merely statements of intent as the dominant forces in the global economy were either opposed to or gave cold reception to them. The tendency was to deploy their political and economic leverage on African countries to sway them away from such blueprints.

In the last three years a renewed urge to reclaim development in Africa by African leaders is being galvanised. Two parallel processes at the economic and political levels have been set in motion. These are the establishment of the African Union (AU), which came into effect in July 2002, and the evolution of the New Partnership for Africa's Development (NEPAD) in October 2001. NEPAD is the second major attempt by African leaders, after the Lagos Plan of Action, to muster a collective will to engineer economic development in Africa.

NEPAD, according to its authors, "centres on 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" (NEPAD 2001, 10). The origin of NEPAD lies in two separate economic proposals presented by two African leaders – Thabo Mbeki of South Africa and Abdoulaye Wade of Senegal. Mbeki, as part of his African renaissance project, had developed the Millennium Partnership for Africa's Economic Recovery (MAP), while Wade prepared the Omega plan. The harmonisation of the two proposals led to the creation of New African Initiative (NAI). The policy framework for the economic blueprint, NAI, was finalised in Abuja on 23 October 2001 at a meeting of the Heads of State of the implementation committee, and the blueprint was renamed NEPAD. In all, four African leaders have been critical to this new economic initiative. These are Thabo Mbeki of South Africa, Olusegun Obasanjo of Nigeria, Abdoulaye Wade of Senegal and Abdelaziz Bouteflika of Algeria.

The long-term objectives of NEPAD as the policy document states are:

i) 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;
ii) To promote the role of women in all activities.

The goals of NEPAD through which those long-term objectives are to be achieved include:

i) To achieve and sustain an average gross domestic product (GDP) growth rate of over 7% per annum for the next 15 years;
ii) To ensure that the continent achieves the agreed international Development Goals (IDGs), which are:
    - 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;
    - To make progress towards gender equality and empowering of women by eliminating gender disparities in the enrolment in primary and secondary education by 2005;
    - To reduce infant and child mortality ratios by two-thirds between 1990 and 2015;

- To reduce maternal mortality ratios by three quarters between 1990 and 2015;
- To implement national strategies for sustainable development by 2005, so as to reverse the loss of environmental resources by 2015.

Apart from the fact that NEPAD adopts a sectoral approach in enunciating its goals, which covers the areas of agriculture, manufacturing, export, mining, tourism, science and technology and the environment, the plan adopts a political economy approach to development. Political issues were considered to be central to economic development. Issues of peace and security, democracy and political governance were incorporated in the plan. In addition, an African Peer Review process was to be put in place to monitor these practices.

The question that may be asked is: what is new in NEPAD as distinct from previous plans? These are:

i) The seeming political will and commitment of African leaders to the project;

ii) Monitoring mechanism evolved in the plan - African Peer Review Mechanism;

iii) New set of African leadership with democratic orientation giving direction to the project;

iv) Its political economy approach, with emphasis not only on mere economism, but also on politics. Issues of good governance, peace, security and stability on the continent are dwelt on.

Peter Anyang' Nyongo views NEPAD as a major policy breakthrough in the search for Africa's development. According to him, the political issues, which NEPAD seeks to confront, have never been done so frontally by any other indigenous document. Issues of democracy, good governance, peace and security, which NEPAD not only touches upon but also seeks to set up institutional mechanisms to achieve, are highly commendable (Anyang' Nyong'o, 2002: 5-6). If political authoritarianism is not deconstructed in Africa, economic development cannot take place, so Anyang Nyong'o reasons. In addition, Anyang Nyong'o points to two other areas of strength in the NEPAD document. The first is that the NEPAD document while "fully conscious of the constraints that the world economic system places on the potential for development in Africa, it openly admits *engagement* into the system as the only realistic way out, and suggests *partnership* -rather than *dependence* and *subservience,* as the mode of this engagement". Secondly, the NEPAD document does not celebrate victimhood, as it does not engage itself in the lamentation about SAP and its effects on Africa or the role of the western world in the underdevelopment of Africa. These issues might have been avoided as possible causes of unnecessary self-pity (Anyang' Nyong'o 2002, 5).

While Anyang'Nyong'o appraisal of the NEPAD document is quite positive, and to an extent borders on romanticisation, there are fundamental critiques of the plan. This exists at the philosophical level and specific policy directions of the document. In terms of its foundation, the NEPAD document, as Adebayo Olukoshi (2002), argues is essentially neo-liberal in orientation. It is externally oriented, private sector driven and market- focused. Although, it gives a minimal role to the state in the economy, its thrust is basically market-driven. As such, it has proximity with SAP. In addition, the political conditionalities that it lays for African countries is a replica of the World Bank criteria of good governance that the Bank has pushed since 1989 with its publication of "*Sub-Saharan Africa: From Crisis to Sustainable Growth*". The details of those political conditionalities are basically the same, so is their content. As such, Adebayo Olukoshi suggests that what may be unfolding with NEPAD is the "voice of Jacob, but the hand of Esau".

Also, there are certain errors of facts or half-truths in the NEPAD document. These myths include the fact that the document claims that Africa has had a dismal economic performance since its entire post-independence history. This is not true. The immediate post- independence era was one of relative economic growth in Africa, in which many African countries recorded over 5% growth rate. Second is the claim that NEPAD is the first indigenous and comprehensive attempt to tackle the issue of African development. This is also not true. The LPA was very comprehensive and sought to promote Africa's development. The final myth is that NEPAD is market-friendly unlike other previous plans. This may also be inaccurate. Virtually all the previous plans embody public-private sector partnership. There is nothing in the previous plans to show that they were hostile to the private sector (Olukoshi, 2002).

The major policy areas that call for serious concern in the NEPAD document are:

i) Its heavy reliance on foreign finance to achieve its aim. NEPAD requires $64 billion annually in order to achieve a 7% growth rate in Africa's economy, the bulk of which is to sourced from outside the continent.

ii) Its position on the debt crisis. NEPAD talks about debt relief strategies in line with the World Bank initiative of debt relief for Highly Indebted Poor Countries (HIPC). This palliative would not solve Africa's debt problem. Indeed, the minimum expected of the NEPAD document is to insist on debt forgiveness or cancellation. The debt overhang is a serious impediment to Africa's development, and as Julius Nyerere notes, Africa does not have the capacity to repay those debts.

iii) Its uncritical endorsement of the WTO and pandering to the logic of comparative advantage in international trade that tends to condemn Africa as "hewers of wood and drawers of water" in the global economy. The urge for industrialisation should be uppermost for Africa, which ironically some WTO agreements tend to stultify as the Uruguay rounds of trade negotiation amply, demonstrates.

2. CONCLUSION: WHAT FUTURE FOR AFRICA?

Africa faces the most daunting challenge of development amongst all parts of the world. It is a continent whose share of world trade continues to dwindle, and its resources plundered by external actors, especially of war- torn countries like Sierra Leone, Democratic Republic of the Congo and Angola, where war merchants are making a fortune out of the misery of the African people. Africa remains at the depth of economic and political despair and frustration. This situation tends to undermine self-confidence and the ability of the African people, especially of its leadership, to think ingeniously and creatively on the way forward for the continent. Yet, the responsibility for Africa's development lies primarily with Africans themselves.

In enunciating the goals of economic development, Africa has vacillated from one extreme of the quest for self-reliance and self-sustaining development, to one of external dependence and externally-oriented policies and development plans. The currents of global development and the ideology and interests of the dominant powers have largely influenced the new development thinking in Africa. Yet, it is only an inward looking strategy of expanding domestic and regional markets, of promoting intra-Africa trade, of developing factor inputs, of encouraging local industrialisation, and of an interventionist role for the state in the economy and social sectors that can promote economic development in Africa. In other words, a nationalist approach rather than an uncritical market slogan is central to Africa's development. After all, the market is never a free or a level playing field contrary to the position of the neo-liberals. The market is an arena of power and political struggles, where dominant forces call the shots. NEPAD must come to terms with this reality. A nationalist approach must be incorporated into NEPAD that places the challenge of African development on the shoulders of Africans in an inward looking self-sustaining manner.

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