



## ***Our Common Interest*** **The Report of the Commission for Africa**

**- A Review -**

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### **The Africa Plan**

A new North-South panel – the Commission for Africa – recently issued a 400-page plan on development in Africa. The report, *Our Common Interest*, sets out a series of proposals for the poverty-stricken continent that will be discussed this year at the G-8 and European Union meetings and other international conferences. Authored by Prime Minister Tony Blair, along with politicians and economists from nine African and five Western nations and China, the Commission for Africa report is a milestone in international development. Stressing the need for new leadership and participation in Africa, Blair's Africa Plan calls for a global partnership to end poverty and conflict, and increase economic growth in Africa during the next decade.

While many parts of the world are impoverished, the only region that is actually poorer than it was 30 years ago is Africa, where 43 of the 53 nations still suffer from chronic hunger and low-income levels. The reasons for Africa's economic regression seem endless. Famine and drought periodically plague large areas, leaving farmers overly dependent on good rains and good harvests. Mineral resources are often extracted by foreign companies that do not invest their profits back into the communities where they operate, resulting in weak economies and incompetent governments in many regions of Africa. Without responsible administration, people are driven to violence, ethnic conflict, and civil war. Life expectancy across Africa has fallen to 46. Although 45% of Africans are under the age of 15, their productive potential is diminished by hunger, cholera, yellow fever, malaria, tuberculosis, polio, and HIV/AIDS. Many boys who manage to escape the ravages of starvation and disease become soldiers, while healthy but uneducated girls have little choice but to raise large families and become poor farmers. Africa's share of global trade has been declining for several decades and the continent is increasingly dependent on foreign aid. The population – about 850 million – will increase to 1.9 billion by 2055, and, given current economic trends, in fifty years Africa will still be unable to produce enough food or earn enough money to import the agricultural products needed to feed itself. There is no denying that Africa has suffered immensely from the economic instability, endemic poverty, and collapse of infrastructure resulting from Western colonialism – and the utter failure of post-colonial attempts to help Africa during the past half-century.

Yet, as the Blair Report has noted, there are signs of hope. The internecine wars that have plagued the continent are declining. Dictatorships are also disappearing. In the past five years, 2/3 of the nations in Africa have held multi-party elections (some, admittedly, more free than others). Domestic investment in productive capacity has increased in recent years, resulting in 5% economic growth for 24 African countries in 2003. Africa has a young labor force that is willing and able to realize its earning potentials, given the chance to thrive with adequate food, better healthcare, increased education, and decent jobs. Africa's mineral wealth is vast and largely untapped. The continent has the ability to double or triple its crop yields, feed its people, expand its access to global markets, and even emerge as a strong exporter of agricultural products in a few decades. Many of its nations are committed to a new collaborative effort for economic progress – involving government, business, labor, civil society, and faith organizations – that is sensitive to Africa's religious and cultural beliefs, community needs, and individual rights. Many have also begun to organise grassroots development programmes, build cohesion through the continent's ten regional economic associations, and strive for trans-national unity and mutual accountability within the framework of the African Union and the New Partnership for Africa's Development.

*Our Common Interest* calls for a cooperative agreement between Africa and the global community for long-term development at all levels and across all sectors of African society. To meet its end of the bargain, African nations would commit to establishing accountable governance, initiate democratic reforms, root out corruption, end local and regional conflicts, strengthen the rule of law, guarantee human rights (especially the rights of women), provide free primary education, improve health services, expand the use of fertilizer, improve soil health, double the area of irrigated land, ensure clean drinking water and sanitation, build economic infrastructure (including housing, roads, railways, airports, electrical and telecommunication networks), increase its administrative capacity to absorb international capital flows, encourage entrepreneurship, and expand intra-regional trade.

If Africa begins to organise these programmes for internal development, says the report, the international community will support Africa with major external reforms. Developed nations will:

- cancel the debts of all nations in sub-Saharan Africa
- increase development assistance to 0.7% GDP, raising the annual flow of aid to Africa by \$25 bn before 2010, and an extra \$25 bn by 2015, with another \$25 bn to be generated within Africa after 2015
- boost investments in health (\$10 bn per year), education (\$8 bn per year), and infrastructure (\$10 bn per year)
- increase spending on fighting HIV/AIDS to \$10 bn per year by 2010
- create an International Financing Facility (IFF) to raise additional development funds on world capital markets
- encourage public-private partnerships to expand investment in Africa
- eliminate \$365 bn in agricultural and agribusiness subsidies for farmers in developed nations by 2010, including an immediate end to cotton and sugar subsidies
- lower trade barriers and other protectionist measures that restrict African goods from foreign markets
- return illegal funds invested in international accounts by African regimes, and ensure more transparent business arrangements to eliminate bribery
- negotiate an international arms treaty by 2006 to stop Western arms sales in conflict zones
- fund at least 50% of the peacekeeping budget of the African Union and improve the capacity of the United Nations to prevent and resolve conflict
- consider African representation on the decision-making boards of international financial institutions

Financially, the Africa Plan breaks down this way: if Africa contributes 1/3 of the necessary investment, the global community will contribute the other 2/3 through aid, investment, and technical assistance. As a result, says the report, Africa would increase its share of world trade in a few years, achieve an economic growth rate of 7% by 2010, and meet its Millennium Development Goals for poverty reduction and development by 2015.

### **A Second Brandt Report ... or a New Marshall Plan?**

When Tony Blair announced the formation of the Commission for Africa in early 2004, he observed that the new development roundtable would build on the earlier economic inquiry that was spearheaded by former West German Chancellor Willy Brandt. In its 1980 report, *North-South: A Programme for Survival*, the Brandt Commission made two interrelated proposals. It called for (1) an emergency development programme for the world's poorest nations, and (2) a thorough restructuring of the global economy in the areas of trade, finance, and monetary policy. If developing nations would demonstrate greater domestic responsibility in creating their own goals, organizing financial resources, building productive capacity, and introducing civil reforms to better manage their economies, Brandt declared, developed nations would provide developing nations with financial and technical assistance, and undertake measures to restructure the global economic system to ensure international economic equity and stability. Fighting poverty, raising economic demand, and maintaining macroeconomic balance are essential for all nations, North and South alike, the Brandt Commission argued.

Popular response to the Brandt Reports was significant, but developed nations soon adopted pro-market ideologies and the economic emphasis shifted from demand-side policies for human and social development to supply-side policies of finance and trade liberalization, privatization, and donor-driven development. For nearly two decades there was little progress in setting quantifiable goals for development or in raising funds to meet those goals. But in recent years, a series of steps have been undertaken to create and fund global poverty targets:

- establishment of development goals for 2015 (UN Millennium Development Goals, 2000)
- new methods in development finance (International Conference on Financing for Development, 2002)
- new institutional bridges across Africa (New Partnership for Africa's Development, 2001)
- agreement by developed nations to assist Africa (G-8 Africa Plan, 2002)
- major partnerships between the private and public sectors (World Summit on Sustainable Development, 2002)
- commitment to make development a priority in trade discussions and agreements (Doha Round of World Trade Organization negotiations, 2002-2005)

The latest in this line of development initiatives is the Commission for Africa report. Like the Brandt Report, it identifies areas of common interest and shared responsibility between rich and poor nations in the area of development. But because it does not address structural problems in global finance, monetary policy, and trade (beyond agricultural subsidies), *Our Common Interest* is not really 'a new Brandt Report'. The Blair Report is, rather, the *first step* in the Brandt Commission's recommendations – an emergency programme for the world's poorest nations modeled on the Marshall Plan, which Brandt envisioned as “a major international effort for the linking of resources to developmental needs on the one hand and the full utilization of under-utilized capacities on the other...an immediate action programme based in part on direct lending by surplus countries and their monetary authorities and in part on borrowing from the market guaranteed by governments, complemented by a measure of additional official assistance” (*N-S*, 254). With its sweeping proposals to end poverty and boost development in Africa, Blair's Africa Plan is in fact an updated version of America's Marshall Plan – the 1948-1951 relief effort

that provided \$12 bn in aid to rebuild Europe's war-torn economies, restore its fragmented societies, and establish a political buffer against Soviet communism. Similarly, economic recovery, social justice, and international security are at the heart of the Blair Report's relief programme for the African continent.

### **Too Ambitious ... Or Not Ambitious Enough?**

Despite its bold vision and practical solutions, implementation of the Africa Plan is far from certain. The US Administration has not committed its support to the Africa Commission proposals, noting that America is already helping Africa through its Emergency Fund for AIDS Relief and its Millennium Challenge Account. Nor are the measures for debt relief, the doubling of aid, creation of an IFF, and the elimination of agricultural subsidies especially popular with the US Congress, which is distracted by increased military spending, an escalating fiscal deficit, and divisive partisan debate. Canada and Japan have also been cool to significant increases in aid and establishment of an IFF, while Germany, Italy, and France have voiced caution about ending government subsidies for their farmers. The Blair Report's proposal for comprehensive debt relief was tabled by the G-8 Finance Ministers in February 2005, and its recommendation for more equitable African representation in multilateral institutions, including the IMF and World Bank, seems to have little support in Western capitals.

Big Business, which generally embraces the idea of Public-Private Partnerships, is skeptical of global regulation and accountability (the Africa Plan endorses PPP's, but skirts the issue of holding multinational corporations legally responsible for their labor, social, and environmental practices in developing nations). At the same time, NGOs in Africa, wary of Western failures to deliver on past promises, have expressed concern that the Africa Plan calls on wealthy nations merely to modify – not end – their policies of forcing liberalization on developing nations through 'conditionality' (*quid pro quo* stipulations) in debt relief, aid, and trade. It is also unclear if Russia, which chairs the G-8 in 2006, will sustain international momentum on these reforms for Africa into the future. Meanwhile, the global public – 'the world's second superpower' which responded so energetically to world injustice in anti-war protests two years ago – has been slow to recognize that ending poverty in Africa is not only in the interest of international equity, but also in the interest of global security, peace, and prosperity.

For these reasons, some observers say, the Blair Report is too radical and politically unrealistic. But others maintain that the Commission for Africa's proposals do not reach far enough. Noting that the Brandt Commission coupled its emergency relief programme for developing nations with comprehensive measures for restructuring the global economy, many analysts worry that the development reforms proposed in *Our Common Interest* may fail because they do not address the world's systemic macroeconomic problems. Hence, implementation of the Africa Plan would not be enough to change the economic balance of power and truly benefit developing nations.

For example, establishing a formal link between *debt cancellation* and poverty eradication is of crucial importance, say financial specialists; but even with comprehensive debt relief today, the clock on interest rates would start ticking again on new loans tomorrow, and in another 50 years debt levels would be back to where they are now. Likewise, the proposals to double *foreign aid* and reduce aid 'conditionality' are welcome, say critics, but without multilateral oversight of aid collection and dispersion, bilateral assistance will remain subject to the foreign policy objectives of contributing governments, the 'tying' of aid flows to commercial interests, ineffectual targeting by institutional donors, and the administrative incapacity of poor nations to absorb incoming aid. In the realm of *finance*, development economists warn that because the proposed International Financing Facility would borrow money through the sale of development bonds – scrupulously targeted to ensure maximum yields at a

minimum of risk – the necessary capital requirements would skew these funds toward safe commercial investments in the wealthier developing nations, discriminating against human and social development in poorer states and diverting future streams of development finance from governments in rich nations.

In the area of *trade*, development agencies point out that the initiative to end agricultural subsidies in developed nations is much needed, but its benefits to farmers in developing nations may be cancelled out by the continuance of IMF structural adjustment policies that require indebted countries to dismantle their own agricultural trade barriers; nor would major increases in foreign aid adequately compensate producers in developing nations for the depressed prices of their coffee, tea, spices, cotton, sugar, rubber, and other commodities in global markets, as the report seems to suggest. Finally, the proposal to repatriate *illicit funds* back to Africa is a brave step, many economists agree, but there is no legal or political leverage to require international banks to identify suspicious accounts or force companies to stop making shady deals with African strongmen – while many other problems in international finance must still be addressed, including the lack of oversight on global transactions, rampant speculation, unpredictable and unstable international investment flows, and volatility in exchange rates.

## **A Pivotal Year**

Systemic challenges aside, we have to start somewhere (after all, the world is spending *fifty times* more for arms each year than it does on development). Now, for the first time in 25 years, poverty is back on the global agenda and the international community must take advantage of this rare political opportunity. Africa is more than a moral test for humanity – it's a window on what is possible for the entire world, a crucible for the emergence of geo-democratic governance and economic coordination. Despite its detractors, the Africa Plan pushes the political envelop about as far as possible in today's market-driven climate, and with a good start on development reforms in Africa, a Global Marshall Plan and other global macroeconomic changes may follow in time.

One way or another, 2005 will mark a turning point in global development. With the massive humanitarian response to the tsunami disaster this past winter, the March publication of the Commission for Africa report, discussion of the Africa Plan at the G-8 summit and the European Union in June, the September UN Millennium High-Level Review, and resumption of the Doha Round of World Trade Organization negotiations in December, this is the best chance since the early 1980s for the global community to make genuine progress on poverty and development. It is vital that the world peace movement, international labor, the sustainable development community, civil society organizations, religious groups, government policy networks, multinational companies, the media, and world citizens join together – this year – to raise their voices on behalf of the African people.

Just as the Brandt Report had a powerful and lasting effect, the Africa Plan may have an even greater impact upon the nations of Africa, the field of international development, and global economic planning far into this century. Enabling the African continent to build up and develop its productive capacities – and realize its full human, social and economic potentials – is a monumental challenge, and whether or not this vast project succeeds in all respects, the entire world will be better off for the Africa Commission's profound determination to make a real difference for the families and communities across Africa. Leaders of the developed world must now demonstrate their own courage and statesmanship in implementing these recommendations, and the global public must stand up and support them before this unique political moment slips away. Now is the time to reverse economic stagnation and social upheaval in this long-troubled region. Either the Africa Plan shall become a clarion

call for our generation to mobilize the political will to end poverty in Africa – or a shameful symbol of our failure to deliver real change, condemning the African people to a future even more tragic than today.