THE PARADOX OF ANTICIPATED HANDBOUT DEVELOPMENT AND AFRICA'S DOUBLE BIND: REVISITING NEPAD

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Abstract
This paper examines Africa's ambitions to deal with its various developmental challenges over the past decade. It explores how NEPAD intended to use the outward-looking approach, which is overwhelmingly premised on the idea of partnership with the developed countries of the west as solution to Africa's development crisis. The paper surmised that despite NEPAD's ambition to do too much too soon, the cost of compliance to the partnership project rendered its objectives as problematic and unrealistic. This is due in part to the ambiguities that are associated with developed countries response to Africa's plight.

Keywords: Africa's ambitions, Developmental challenges and Partnership

Introduction
Africa's participation in global economy has been on the decline over the past five decades in terms of Gross Domestic Product (GDP), exports and Foreign Direct Investment. Its share of global GDP in purchasing power parity terms fell by a third between 1950 and 2000 while its share of world export shrunk by two-third (Houngnikpo, 2006). In the late 1980s, development efforts in most countries of Africa have been a failure. Development plans had been prepared in most of these countries during the 1960s and 1970s. Some of them had really been little more than wishful thinking, others had been implemented, at least partially, resulting in some major achievement, but had proven powerless to relieve the crisis caused in particular by the continuing decline in the African economy (Ikeme, 1999). Other attempt at development initiatives at the regional scale was the 1980 Lagos Plan of Action (LPA) which emerged with the aim of resolving Africa’s wide vulnerability to global economic forces (Aggad, 2007).

Despite the greater hopes placed on the LPA's development strategy, it also clearly failed. This is evident in the emergence of NEPAD as a replacement. However, many observers questioned the difference about NEPAD initiatives that would lead to a happier fate than the one suffered by all the previous initiatives. It is almost two decades since NEPAD was constructed, and Africa have little to show in its developmental quest. It is against this background that this study intends to engage in the debate as to whether NEPAD's compliance with conditionality’s would enable it required development support going by the ambiguities that are associated with donor's interest in Africa.
Anticipated Handout
At the G-8 Kananaski summit in Canada 2002, donor nations and development agencies have declared NEPAD “a bold clear sighted vision.” They have pledged to provide greater support to the continent-from aid and debt relief to trade and investment-so that NEPAD can have a better chance of success (UNNADA, 2007). These constitute the rationale behind the concept of enhanced partnership.

Oda and Good Governance Criteria
NEPAD seeks increased ODA flows as well as reform the ODA delivery system (NEPAD, 2001:38). NEPAD’s proponents claim that as a partnership with donor nations, and against the background of declining ODA to Africa since the collapse of the Soviet Union, NEPAD has the ability to attract much need external aid to Africa (Akokpari, 2008). NEPAD is expected to fetch Africa $64 billion in aid annually, bulk of which will have to be obtained from the donor partners. Acknowledging the lack of reciprocity and complementarities that characterized Africa’s relations with the West, NEPAD claim that the partnership and ownership has strengthen Africa’s argument for a larger voice in the aid debate, which gives it advantage to increase pressure on donors to match Africa’s initiative (Akokpari, 2008; Fleshman, 2004).

Related to NEPAD’s attempt to increase ODA flows is its ambition to reform the ODA delivery system, which Ikome (2007:151) described as an attempt to internalise the reward for ideological allegiance instead of achieving development objectives (Africa Recovery, 2004). NEPAD sort to reform allegiance through the consolidation of good governance, so as to attract donors to pay off those countries that comply with its principle. For example, the G-8 countries pledged to establish ‘enhanced partnership’ with African countries whose performance reflects NEPAD’s commitment to good governance (UNNADA, 2007). This according to Bala et al (2003) gave NEPAD advantage over previous initiatives because it is the first tangible and visible commitment to democracy and accountability. Finally, NEPAD’s success in getting donors to increase ODA, and reform its flows is hoped to increase the prospect of attaining the optimum result of placing Africa on a path of sustainable development. Furthermore, G-8 selected emphasis on good governance could serve as measures for individual African countries to conform to NEPAD’s good governance principles.

Debt Reduction
NEPAD also acknowledged that a debt service is another major constraint to ODA flow in Africa, for example studies conducted by Cheru (1989:17) reveal that “total aid flows to Africa were $18 billion in 1986. Yet Africa paid out $15 billion in debt services.” In 2002 former UN Secretary General Kofi Anan told the General Assembly that developing countries transferred almost $200 billion to developed world in debt services, which is more than they received from all sources including aid, investment and debt relief. It was the sixth year poor countries have been the net exporters of capital to wealthy regions and the largest such outflow on record (Africa Recovery, 2004:18). The consequence of this trend for Africa is that funds that should War, ODA was often provided to secure commercial advantage in recipient countries or as be promoting investment and growth, or support other steps toward the MDGs are instead being transferred abroad (UNNADA, 2007).
This has been a major challenge of most African countries. NEPAD seek the extension of debt relief beyond its current levels (based on debt sustainability), the long term objectives of this is to link debt relief with costed socio economic development outcomes (NEPAD, 2001:37-38). While NEPAD claim that debt relief is dependent upon African governments adherence to NEPAD’s principles which are normally cited among conditions for external assistance, it is hoped that the benefit derivable from debt relief, would not only go a long way in filling a significant portion of the resource gap, but also encourage African countries to adjust their behavior in line with NEPAD.

**Investment Incentives**

Given that Africa need large infusion of FDI to increase economic growth and development, NEPAD was conceived to remedy most of these problems by pursuing the appropriate policies in order to increase FDI flows, which has the tendency of reversing the negative perception that Africa is high-risk investment zone (Tawfik, 2008). It is hoped that NEPAD’s conception of African Investment Climate Facility (AICF) would improve infrastructure and efficiency of economic and political institutions in the long-run and encourage increase in FDI inflows (UNRCM-Africa, 2007). For example, Japan’s establishment of enhanced private sector assistance programme that provides $4.12 billion to support small and medium enterprises, and France commitment to spend €70 million to develop a legal framework for promoting business in Africa is seen as NEPAD’s bold effort in increasing FDI inflows. This according to Ikome (2007) is strong economic incentives to African governments to align their behavior to NEPAD’s prescription.

**Fair Trade**

Donors also envisaged that engagement with NEPAD would increase Africa’s share of world trade. This, it is hoped, would reform Africa’s trade policies to increase its chances of increasing exports (UNRCM-Africa, 2007). Although, raw materials and finished goods produced in Africa encounter numerous challenges in gaining access to the most lucrative market in the developed countries. For example, WTO data for 2000 reveal that Africa’s share of global merchandise export was less than 4% of world total, a substantial reduction from the 6% share Africa had in 1980 (ibid). NEPAD press for greater access to market for African product by insisting on the reduction of subsidies to farmers in the developed world, and removal of tariff and non-tariff barriers on African product. NEPAD envisaged that this would increase African share of both raw materials and manufactured exports to 17% of its total exports (Africa Recovery, 2004).

Finally, although NEPAD has succeeded in providing a specific framework for its engagement with development partners, with a view to increase the level of ODA, FDI, trade, and reduce the level of debt, this engagement is encircling by inability or unwillingness, or both on the part of the donor to adhere to their obligations.

**Nexus between Good Governance and Oda**

While the support for NEPAD is tied to the concept of partnership bound by obligations that covers both Africa and the West, I argue that commitment to such obligation by Africa might not necessarily be the reason for the West to stick to its own part of the bargain. This is well captured by Yolandi, that the question of good governance does not play a deciding role in the decision of
western donors to award aid to African states. From 1995-1998, for instance there was only one electoral democracy among the eight African states that received the highest amount of ODA: Mozambique, Tanzania, Zambia, Kenya, Cote d’Ivoire, Ethiopia and Ghana, however can be considered as mere ‘pseudo democracies’… Nigeria, Algeria and Equatorial Guinea mange to attract a quarter of private foreign investment in Africa between 1994-1996, despite the fact that Nigeria ranks 81st out of 83 states on the Transparency International’s Corruption Index. While Algeria and Equatorial Guinea are not even ranked (Yolinda, 2002).

The determining factor here is oil and other related interests of the West, for example, the HRW (2010) observe that Nigeria as regional power and leading oil exporter, major contributor of troops to UN peace-keeping missions, made foreign governments in the West including US and the UK reluctant to publicly criticised Nigeria’s poor governance and bad human rights record. Talking of interests, for example, the G-8 pledge $12 billion as part of its annual contribution to NEPAD in 2006, this is one quarter of the $64 billion required annually, while at the same time pledge $20 billion to help Russia dismantle its nuclear arsenal and another $20 billion to fight terrorism (Africa Recovery, 2004). This raised the question as to why nuclear and war against terrorism is sacrosanct and the war against poverty and diseases equivocal? As Ikome (2007) argue that, even if governance issues were address in Africa, there is no guarantee that the West will stick to its promise.

Again on the issue of ODA flow, NEPAD must be too ambitious in its estimate to arrive at the $64 billion proposed from the onset, given the imbalance between the desire and willingness to deliver such funds. First, this amount is more than four times the $12.5 billion ODA that went to sub Saharan Africa in 1999; more than the $48.5 billion world ODA in 2000; and, more than the $58 billion global ODA in 2003-2004 respectively (Herbert, 2002, Fleshman, 2004). Against their initial pledge, the US, Japan and Russia, in a remarkable somersault reverse their promises to Africa, for example, the UNDP (2004) observe that these countries felt that they could not pledge more than they already had previously, partly because of domestic difficulties, specifically, the US claim in 2003 that previously announced initiative to provide $500 million to stop mother to child transmission of HIV/AIDS globally and $100 for education in Africa should be regarded as part of US support for NEPAD’s Action Plan. This according to UNNADA (2007) means, the most NEPAD can get from the G-8 would be an additional $6 billion annually. This also cast doubt as to whether donor partners will continue to uphold the so called enhanced partnership.

Debt: The Usual Rhetoric
While NEPAD sort to reform the process of qualification in the HIPC process, it sorts to assess the G-8 commitment based on the debt issue. As president Obasanjo puts it: “Africa expects more and would regard action on debt as a yardstick by which to judge the G-8 commitment” (UNNADA, 2007:4). However, HIPC is too limited and slow in delivering concrete relief. As of December 2001 only 10 HIPCs had part of their actual debt servicing suspended, and of those only 4 had major portions of their debts effectively cancelled by April 2002 (UNNADA, 2007). And by 2003, 34 African countries are eligible under the HIPC initiative, but only 7 countries received a reduction in their stock of debts. However, countries such as Cote d’Ivoire, The DRC, Central Africa and Burundi were regarded as too corrupt to be eligible for debt relief. While interim debt relief on service payment has been suspended in countries such as the Gambia,
Malawi, Guinea and Guinea Bissau, because of failure to comply with IMF conditionality’s (Loot, 2004).

Despite NEPAD’s claim of reforming the debt restructuring, the process proves to be too bureaucratically costly and create uncertainties about the fate of countries that have not reached the completion point. So far the HIPC initiative has not succeeded in removing the debt overhang from the majority of HIPCs in Africa (Jubilee Research, 2003).

**FDI Inflows**

Again there is no tangible evidence that African countries aligning their behaviour to NEPAD will attract the continent more FDI. For example, the general trend in FDI worldwide shows that, FDI inflows to developing countries decline to 27% in 2002, as compared to 39% received in 1997 (UNCTAD, 2006). For the period between 1997-2002 Africa received 5.1% of all the FDI inflow as against the 19% received in the 1970s (Loot, 2004:17). While the World Investment Report (2006) indicated that, the $31 billion Africa received in 2005 only represent 3.5% of the inflow of FDI to the developing world-most of which were narrowly confine to the natural resource extraction sector in few countries. For instance, only five countries accounted for 66% of the inflow of FDI in 2005. With the exception of South Africa, other countries received very little non-natural resource-related investment (UNNADA, 2007; UNRMC-Africa, 2007). This revelation indicate that development partners do not still find Africa favourable for investment, and where they provide such FDI, they concentrate on their traditional investment sector such as oil, diamond and other valuable mineral. Suffice it to say that, donor’s motive is profit and not complying with NEPAD principles as they claim. For instance, Nigeria is the second largest net FDI recipient in Africa despite its worst corruption record (Loot, 2004).

Overall, the G-8 plan selected certain part of NEPAD for special emphasis, most notably those relating to good governance, leaving out new public and private investment in road, railways, air transport, energy networks and other physical infrastructure-which are very prominent element in NEPAD.

**Access and Subsidy Issue**

NEPAD sort to break the dependency chain through reliance on export earnings by pressing for greater market access for African products. The G-8 pledge to do so, but made no new proposals at Kananaski. How realistic is this, because G-8 has repeatedly broken their promise to open up agricultural import from Africa, for example, in 2002 US government announced a $180 billion agricultural subsidy for its farmers; the EU commitment a total of $360 to subsidy. This shows that the US subsidizes each farmer an average of $21,000 per year, while the EU provides about $16,000, many times the annual per capita incomes of farmers in Africa (Bala et al, 2003; UNNADA, 2007). This has devastated the economies of many African countries, as UNDP (2004:3) observe that “Subsidies cost developing countries between $125-$310 billion annually in lost sales and lower world price-far more than they receive in ODA. Similarly, high tariffs on processed and manufactured products from Africa are common in industrialized countries”. Also World price of many of the crops, minerals and other primary commodities that the continent sell abroad have fallen drastically. This leads to argue as to whether or not the West will be willing to assimilate Africa into the global market.
Conclusion
From the above, it appears the criteria for qualification for ODA, FDI, debt relief and fairer trade is not contingent on conditionality’s, but rather the one-sided economic interest of the donors. Furthermore, NEPAD’s ambition of consolidating good governance with the motive of enlisting donors favour might prove abortive, given the inconsistencies surrounding developed partner’s interaction with, and perception of Africa. Bearing this in mind, NEPAD’s claim of Africanness should come along with a strong conviction that Africa’s desired destination is possible only when external reliance is equalised with self-reliance and orientation.

References

