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Highlights:

SAIIA

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Is it Naïve to Believe in the G8?

RECENTLY African leaders ventured to the Group of Eight (G8) summit in Evian, France, to discuss the New Partnership for Africa's Development (Nepad). The world media were awash in criticism of insufficient generosity by the world's rich. Clearly, the G8 rejected calls for new debt relief. The water initiative seemed a washout. Intriguingly South African President Thabo Mbeki observed that Africa needs an implementation agency to begin actual delivery on Nepad. This may reflect G8 opinion that Nepad has not yet delivered enough, or it may signal a needed re-think of the Nepad Secretariat, which is focused on co-ordination without any implementation capability.

This issue of *eAfrica* looks at some of the key developments surrounding the G8. Africa held critical discussions in Evian, which will be carried forward in July at the African Union summit, on building a credible African peacekeeping capacity. This issue analyses the key questions and problems. The animosity between Europe and the US over Iraq was subdued in Evian. Economist Mills Soko analyses how the fallout from Iraq may affect global trade and Africa's quest for change, particularly in agriculture.

The mission of this journal and the South African Institute of International Affairs (SAIIA) is to gather different perspectives on the nature of Africa's challenges and solutions. In May, SAIIA held an intensive three-day dialogue among top African, North American and European officials, academics and business people on Nepad and the way forward. Ugandan President Yoweri Museveni presented a hard-hitting analysis, 'Can Africa Claim the 21st Century?' which is presented as this month's special feature.

eAfrica also looks at what Uganda is doing to build its own coffee marketing outlets in high-value markets and sell its own instant and organic coffees. This issue also looks at an Ethiopian effort to build self-reliance, the new faces appointed to run Africa's peer review system, and a new survey asking what African leaders really know about Nepad.

We welcome comments, letters to the editor and contributions from across the continent. ■

Courtesy of The Sowetan

SPECIAL FEATURE

Africa's Claim to the 21st Century

BY YOWERI KAGUTA MUSEVENI, PRESIDENT OF UGANDA

CAN Africa claim the 21St century? The answer is that Africa can, although it may not. I will explain later.

However, for now I would like to point out that we cannot chart Africa's possible progress without looking at why Africa has marked time for the last 500 years.

By the time black Africa came in contact with Europe in the year 1434 when the Portuguese explorer Gil Eanes sailed along the coast of Sierra Leone and the Cape Verde Islands, Africa, like Europe, was a three-class society: feudalists, artisans and peasants.

Since that time, European society has metamorphosed into a middle class and then into an industrial working class while Africa socially regressed into almost a mono-class society of peasants. There is now a narrow stratum of Africans speaking European languages with a cacophony of accents, wearing European suits, eating European foods but who are divorced from both traditional production modes of Africa as well as the modern ones.

In terms of historical relevance, they tend more towards irrelevance. Historical relevance here refers to the justification of one's role. How useful are the black elite (the African speakers of European languages) to Africa? Black Africa is under-performing in all aspects of human endeavour: GDP per capita, infant mortality rates, literacy rates, average life expectancy, per capita protein consumption, HIV infection rates and so forth.

This is in spite of the presence of the English-, French-, Portuguese- and Arabic-speaking black elite on the sea of African peasantry. Of the roughly 800 million Africans, about 120 million are Arabs or black people of Arab origin. The remaining 680 million are black people. If we extrapolate Uganda's example where 82% of the people are peasants, then one can assume that approximately 560 million black people in Africa are peasants. This is the scale of the social regression in the last 500 years. The population of Africa, including Arabs, was 140 million in 1900. Therefore, more Africans are peasants now than in 1900.

The feudal class was wiped out because it was in competition with the colonialists for power and did not want to give up African sovereignty. Many African kings fought the colonialists and, therefore, the African feudal class had to be eliminated.

'Black Africa is under-performing in all aspects of human endeavour'

The African artisan class also had to be eliminated because the items they were making for use in households – as weapons or capital items – had to be replaced by European-manufactured goods: e.g. plates, spoons and cups supplanted *enyabya* (clay bowls) and *endosho* (wooden spoons); buckets replaced *amachuba* (wooden pails); Gillette razor blades substituted for *orumwaiso* (shaving knives) and African war implements declined substantially after the Europeans took over defence responsibilities.

The artisan class was nearly wiped out, though there were certain categories which survived, e.g. musical instruments. In Uganda today, indigenous instruments are gaining hegemony over imported ones due to their sophistication. These are *endingiri* (violin); *enanga* (harp); *endongo* (big harp); *engoma* (drum) as well as *amadinda*; *embuutu*; *enjebajebe* and *esheegu* – none of which have a European equivalent.

As you all know, the entire human race originated from Africa. During the 6 million years of human evolution, the hominids (human-like creatures) including the most advanced *Homo sapien sapien* (the wise man) only lived in Africa. The first human beings to leave Africa for other continents left only about 100,000 years ago. Hence, all of you are Africans but have lost your pigmentation because of your stay for prolonged periods in the cold climates of your 'new homes'.

Why is it then that this cradle of humanity, nay the cradle of civilisation, could capitulate to the colonialism of the returnees? Why has Africa lagged behind?

Most of Africa, especially sub-Saharan Africa, is a plateau. The rivers in much of Africa cascade from the interior to the coast by way of waterfalls, cataracts and rapids, which do not permit easy navigation. Given these non-navigable rivers, plus the forests and the deserts, one can see that communication in the past was not easy. Without easy communication, trade, mobility and the spread of ideas became very difficult.

The climate in most of sub-Saharan

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Africa did not exert enough pressure on Africans in the way that the harsh northern hemisphere climate forced the Europeans and Asians to become more innovative. Similar conditions would have forced our ancestors to look for ways of manipulating nature to ensure survival. In sub-Saharan Africa, however, people merely depended on the bounty of nature. They did not have to work hard in order to live.

Because of conditions in which many diseases could spread easily, the African population did not grow as rapidly as it did on other continents. Thus there was no pressure on people to become aggressively competitive and no need for political expansionism of the African kingdoms because each unit was self-sufficient in terms of natural resources.

Thus, Africa's weak micro-states and backward technology made the continent easily susceptible to foreign domination by more organised societies. While the Arabs were encroaching on African sovereignty and resources from the north, the Europeans started plundering from the west, south and east. In time, this created an additional two problems: the slave trade which further depopulated the continent and the social, economic and political cohesion that had been achieved was completely disrupted. The subsequent loss of sovereignty meant that Africa's main occupation was to serve outsiders' interests. This combination of factors explains why Africa has lagged so far behind other continents over the last 500 years.

But since the defeat of colonialism, Africa has continued to stagnate. This time it is a shared responsibility between the colonialists and the black elite who took leadership after independence. There are three words we need to remind ourselves about: nation, country, state.

A country is a sovereign political unit recognised by the international community under one national government.

A nation is a people who are homogeneous culturally, linguistically, or historically, whether they are organised in one country or not. The Slav nation, the Arab nation and the Jewish nation are examples of nations dispersed in many countries.

A state is the package of pillars of power and authority that enable the exercise of control over any one given country. These are the army, police, prisons, judiciary, civil service, the executive, parliament and the organs that regulate the professions and the economy. Normally a country must have a state over it to enable law and order and economic activities to be realised. However, in rare historical circumstances, one may have a country without a state. Somalia and Congo-Kinshasa are examples.

The colonial state in Africa had a dual character: the brains were the Europeans; the muscles comprised African auxiliaries (clerks, primary school teachers, interpreters, chiefs and colonial sergeants). With independence, the colonial state was decapitated by removing the brains and leaving the trunk and the muscles to fend for themselves. Many of these colonial auxiliaries had little or no education. They were, therefore, hopelessly out of their depth. This is how you get your Amins, Mobutus and Bokassas. Without any equivocation, I can say that this was the responsibility of the colonialists. In Uganda's case, we had to wage a war for 13 years to dismantle the remnants of the colonial state and build a new one led by the new Ugandan intelligentsia and the peasants.

There were, however, a few African countries that were, right from the beginning, managed by intellectuals – Tanzania, Senegal, Kenya. This is why these countries have never collapsed as happened with many of the other countries. Indeed, Tanzania played a most decisive role in the forward march of decolonisation southwards. This time the Africans had to use arms to liberate Mozambique, Zimbabwe, Angola, Namibia and South Africa itself. Unlike Singapore, however, even the African countries led by intellectuals have not made the transition from Third World to First World yet. This was mainly due to the mistake of interfering with the private sector because of socialist beliefs.

Democracy Watch

GNASSINGBE Eyadema, Africa's longest-serving ruler who has reigned since a 1967 military coup, claimed another five years after winning 1 June elections that the opposition charged were rigged. Togo's human rights record is one of Africa's worst. The constitution was amended to allow him more than two terms while his main rival, exiled Gilchrist Olympio, was barred from competing in the elections.

NIGERIAN President Olusegun Obasanjo's inauguration on 29 May was the first time a civilian government succeeded another since the country gained independence in 1960. Every other transition was by military coup. The elections were marred by violence and accusations of widespread fraud and vote rigging. A court challenge to postpone the inauguration was rejected.

RWANDANS said yes in a referendum on a new constitution that is intended to prevent another genocide by requiring the president and the prime minister to be from opposing parties. However, most opposition parties have been suppressed on grounds they incited division. The system severely limits human rights and favours the ruling Rwandan Patriotic Front.

ERITREA celebrated 10 years of independence in May amid calls for the country's administration to 'return to the basic values of democracy and human rights, as it has repeatedly committed itself to do'. Eritrea is still a one-party state headed by President Isaias Afewerki, who refused to implement multiparty democracy as promised. In 2001, the private press was shut down and journalists and government critics were arrested and are still being detained without charge. Now 13 opposition groups have formed a military wing to topple Afewerki.

GUINEA-Bissau's government has been unable to pay salaries for six months. The government is accused of corruption, inciting ethnic animosity and abusing human rights and press freedom. Teachers are striking and soldiers called for cabinet to resign. The country fought a civil war in 1998 and held its only multiparty election in 2000.

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Kenya and Senegal were never socialist. It seems, however, that the leaders there concentrated on import substitution industries rather than export-oriented ones. Even in these so-called pro-western countries appreciation of the role of the private sector was not thorough-going. You could, for instance, encounter the demonisation of the Asian or Lebanese immigrant communities by the very African elite. 'Asians are suckers – *wanyonyaji*', you hear the African petty bourgeoisie mourning and lamenting. Yet these immigrant communities are playing a very decisive modernisation role.

Hence, you find that African countries across the entire ideological spectrum have not transformed from Third World to First World like Singapore, Malaysia, Thailand and South Korea did in one generation. The immediate causes of this stagnation were: interfering with the private sector and neglecting the emphasis on exports.

The whole of the African market, were it united, would be worth $500 billion. Yet the American market is $11 trillion – 22 times the size of the African market. The African market could be much bigger than the US market, but is small and fragmented by political boundaries, lack of infrastructure and so on.

Following Uganda's example, much of black Africa, in varying degrees, accepts a private sector-led growth strategy. However, elements of the parasitic elite in many of these countries have not really grasped the implications of this vision. They clearly do not understand that the private sector is also sovereign: I generate income; consume some of it. What remains is profit. I accumulate these profits over the years; I then make investments. Other than producing something poisonous (or sub-standard) for the consumers and damaging the environment, the politicians must know that I have sovereignty over my money because I am the one who earned it.

I will, therefore, not appreciate any interference in my sovereign decisions as an investor. This understanding by the African elite of the role of the private sector is a *sine qua non* of whether our continent can claim the 21st century or not.

Land is not readily available for investors; infrastructure is archaic if not absent altogether; power is expensive; licensing procedures are cumbersome; there is a lot of corruption. All these raise the cost of doing business in many African countries. There is a pervasive attitude among the black elite that they are doing a foreign investor a favour by allowing him/her to invest in their country. Many government employees are indifferent to the fate of businesses. They still fail to establish, in their vision, the link between the private sector, investment, employment, widening the tax base and the generation of revenues to support human resource development (education, skilled labour, health for all) and modernising the infrastructure (roads, railways, electricity, piped water, safe drinking water, telephones, and facilities to support a modern aviation industry). If there was this conceptual link then there would not be the type of 'anti-business bias' you find in many African bureaucracies.

'The Europeans should not continue with the tranquillisers of "aid". Aid without trade is a lullaby.'

'If Africa cannot earn money from agriculturally-based products from which other source will she be able to earn money?'

Once the grasp of the pivotal role of the private sector is thorough and consolidated, then Africa must deal with three other factors:

- Access to lucrative foreign markets;
- Ending of Africa's balkanisation; and
- Adding value to Africa's raw materials.

The talk of aid is a lot of hot air. Aid has never developed a single African country to the stage of social transformation. Aid helped India. This was, however, because India was, at the same time, busy building an integrated national economy. India also has a huge internal market of one billion people, which enabled it to become an industrial power within one generation.

Through the World Trade Organisation, Africa must demand the ending of protectionism in Europe. In particular, trade in agricultural products must be free. Of the $1.2 trillion that was used on agricultural products worldwide, only $13 billion (1%) came to Africa. If Africa cannot earn money from agriculturally-based products from which other source will she be able to earn money?

Market access for agriculture-based products is a must for African countries. The Europeans should not continue with the tranquillisers of 'aid'. Aid without trade is a lullaby – a song you sing to children to get them to sleep. Africans must stop being children. It is trade access to the huge American market that enabled Singapore, Thailand and South Korea to transform from Third World to First World.

You cannot, however, trade if you cannot bargain. You cannot bargain if you are too small or if you are not in a strategic area. The South East Asian countries were accorded trading opportunities by the US because they were frontline states in the anti-communism struggle. African countries could not benefit from that phenomenon. At the same time they are not big like China to negotiate from a position of strength. Although Africa is almost four times the size of China in land area, Africa, with 53 states, is the most politically fragmented continent in the world. North America has only three countries: Canada, US and Mexico; South America has only 16 states and the Indian

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subcontinent has three states. The Australian continent has only one state. The numerous sub-optimal states of Africa cannot individually negotiate for trade access or for other benefits.

In the short term we may use improvisations like the New Partnership for Africa's Development (Nepad). However, the ultimate answer to Africa's marginalisation, in my opinion, is the amalgamation of these states into fewer but more viable states. In East Africa we always talk about an East African Federation involving Uganda, Kenya and Tanzania. It would be logical for Rwanda and Burundi to join such a grouping. Such an amalgamation would create an African country with a population slightly over 100 million – that in land area is larger than Iran but smaller than India.

Only Sudan and Congo-Kinshasa are each about the same size as India. Sudan though is bedevilled by serious structural problems because of the Arab chauvinism in the north. These fewer but more viable African states, having addressed the question of emancipating the private sector, can credibly fight for market access to the lucrative economies of the West.

We must also take into account strategic considerations. Who will defend Africa against future invaders? We must develop defence capacity to guarantee the sovereignty of our continent forever. Which of the present states has the capacity to provide the leadership for defending our continent? There is no African country that can provide a centre of gravity for Africa's security in strategic terms. The Western alliance has benefited from the umbrella provided by the US, which saved the Western system twice during the last century. Who will provide this umbrella for Africa?

The other big weakness in Africa has been the massive export of African value in the form of unprocessed raw materials. When you export a kilogram of lint cotton without turning it into garments, you only get one tenth of the value. When you export 2.5kg of unprocessed coffee, you only get one twentieth of the value; when you export a kilogram of silk, you only get one fiftieth of the value. When you export an ounce of unprocessed gold, you only get one part out of 15. Africa must stop allowing this robbery. We should, mainly, export finished products. The returns will go up dozens of times.

Very soon the population of Africa will be over 1 billion. If we deal with the wrong attitudes to the private sector, if we think of exports rather than import substitution, if we think of Pan-Africanism rather than parochialism, and if we think of adding value to our products rather than exporting raw materials, then Africa will claim the 21st century.

These measures will enable us to produce more goods and services, create employment, generate revenue for the state so that the government can expand and modernise the infrastructure and develop human resources through education and improved health for all.

Uganda has made strides in the areas of import substitution, foodstuff production, improved housing, improved transport, expanded primary school, secondary school and university intake. We are now going into the area of exports beyond raw materials (coffee, cotton, tea, tobacco, skins and hides, unprocessed gold, sim sim, and so forth). We are exporting frozen fish to the EU and US, cut flowers to the EU, and items such as cement, soap, steel products, plastics, foam and textiles to Rwanda, Burundi, Congo-Kinshasa, southern Sudan, Kenya and Tanzania. We export bicycles to parts of Africa and electricity to Kenya, Tanzania and Rwanda.

Uganda was ruined by Amin and Obote. We started, in 1986, from zero or below zero, yet we have moved this far. The real breakthrough will come with the exports to the US through the African Growth and Opportunity Act (AGOA) and to the EU through Everything but Arms (EBA).

Recovery and social transformation are possible. Uganda has proved it. ■

BUSINESS BRIEFS

AFRICA'S 2002 growth declined to 2.8% from 3.5% in 2001, the African Development Bank (ADB) reported. Per capita income growth dropped from 1.1% to 0.5%. The slowdown stems from a global economic downturn, AIDS, drought and conflict. Capital flows improved dramatically from $14.6 billion in 2000 to $20.1 billion in 2001. Africa made strong progress cutting inflation from 12.7% in 2001 to 9.7% in 2002. ADB president Omar Kabbaj said Africa must improve governance, especially the judiciary, reduce budget deficits and improve private sector growth.

IN A GLOBAL survey of CEOs, PricewaterhouseCoopers and the World Economic Forum found that confidence in the future was highest in Africa among all regions: 55% of African CEOs were very confident compared to a global average of 26% being very confident.

ANGLOGOLD and Ashanti, the largest gold mining firms in South Africa and Ghana, respectively, are in merger talks that could create the world's largest gold mining company.

TANZANIA in May opened the Dar Es Salaam Stock Exchange to foreign investors, who are now allowed to purchase up to 60% of shares floated in each company.

THE Kenyan security minister's openness about the possibility of terrorist attacks started a chain of events that led the US and UK to advise citizens against travel to Kenya and the suspension of British Airways flights to the country. The ban, which badly hurt tourism, is also hitting vegetable growers and exporters, as many fresh vegetables sold in British supermarkets are grown in Kenya and flown over in cargo holds of scheduled flights.

SABMILLER, **South Africa's** largest and the world's second largest beer brewer, is seeking a majority stake in Italy's Birra Peroni. In 2002, SAB acquired Miller Brewing, the second largest in the US.

South African heavy equipment company, Bell Equipment, is expanding with a $6.5 million assembly plant to open in Germany later this year to cater for the European and North American markets.

Uganda Takes Initiative in Coffee Crisis

African coffee labourers, like these pictured here, earn pittances compared to the soaring profits realised by multinational coffee companies

PRICES paid to coffee farmers have plunged to their lowest level in decades.

So serious is the global coffee crisis that the International Coffee Organisation (ICO) asked the G8 Summit held in Evian from 1 to 3 June 2003 to consider action to address the issue. This drastic move was motivated after members of the ICO met in London from 21 to 23 May 2003 and highlighted the need for urgent attention to increase coffee consumption in producing countries, traditional markets and other potential markets as a way to address the crippling effects of the crisis.

Uganda, however, is taking the initiative, and plans to break with the tradition of exporting raw coffee by manufacturing the instant form in Uganda. A feasibility study is in an advanced stage and a report, regarding the project, is expected to be released in July 2003 according to officials of the Uganda Coffee Development Authority (UCDA), the local regulatory body.

The study was commissioned after a project to produce soluble coffee by a consortium of exporters at the Bukoba plant in neighbouring Tanzania proved profitable. The Star Café brand is manufactured from pure Uganda Robusta and is currently competing favourably with imported brands on the local market.

According to the UCDA, Uganda is capable of earning a gross revenue of $15 from every 3kgs of green coffee after it has been processed into instant coffee compared with only $1.5 when exported in its raw form.

In a move to revitalise the coffee roasting industry the Uganda Coffee Roasters' Association has been formed – a move which producers believe will help roasters identify problems and improve the quality of their product.

And in line with the ICO's ideal, private Ugandan investors and their foreign counterparts are marketing Uganda's coffee internationally. There are already two markets in China and Egypt. In China, a roasting facility and three coffee shops that serve Ugandan coffee are fully operational after opening in April 2002.

Uganda considers China a virgin market, which, if nurtured, could become one of the leading consumers of its coffee.

In Egypt during March this year Egyptian firm Tesco Union, together with the Uganda Coffee Farmers' Association, clinched a deal to market coffee in Egypt. The Uganda Coffee Traders' Association and UCDA are also shareholders in the deal.

There have also been private initiatives to market Uganda's coffee in foreign countries where it has traditionally not sold well. In Denmark and a number of Scandinavian countries, Uganda Coffee House is selling its product; while the local Bugisu Cooperative Union in partnership with Twin Trading-Café Direct operates in the United Kingdom. Kawacom also sells its coffee in England and Select Savings has outlets in Switzerland.

Abdul Dedya, director of Uganda Coffee House ApS, said they have adopted a combination of lower prices, high quality branding and in-store sampling to penetrate the market.

One of the big problems facing coffee farmers is that because coffee beans must be harvested throughout the year it is not easy to switch to an alternative crop when prices are plummeting. Right now, in many cases, prices do not even cover the costs of production.

A positive development for Uganda is that with funding from the Swedish International Development Agency, the German Technical Co-operation and Twin Trading; local companies are producing and exporting organic coffee. This year so far 1,350 tonnes of Ugandan organic coffee have been sold to specialised overseas markets.

The conditions in many of Uganda's growing areas favour growing organic coffee, but the process of becoming certified is lengthy and expensive.

'With 3.5 million of the country's 24 million people directly earning a living from coffee, Uganda's emphasis is on production for specialised markets in the US and Europe where organic coffee fetches a better price,' said Henry Ngabirano, the UCDA's managing director.

Organic coffee is grown without the use

of fertilisers and pesticides. At least 15,000 farmers produce it and have joined the organic coffee production organisation under Krav Kontrol, a Swedish certifying body. More than 1,000 tonnes of organic coffee were exported last year and fetched a price premium of $300 per tonne.

A major plan to boost the main coffee production is a replanting programme to counter the effects of the coffee-wilt disease that has affected 44.5% of the Robusta crop since 1995. The farmers will replace old and infected trees with high-yielding and early-maturing clonal Robustas. It is expected to increase the number of seedlings or cloned cuttings planted from 20 million to 80 million a year.

The Robustas are the most common crop grown in Africa and accounts for more than 60% of Uganda's yield. – **By Wairagala Wakabi, Kampala**

Coping with Collapsing Prices

THE coffee crisis is a worldwide phenomenon. In developed countries the coffee business is booming, with vast quantities of the beverage consumed. But in developing countries prices paid to farmers have collapsed, which is causing immense hardship.

COFFEE PRICES SLUMP, BUT FARMERS STILL GET ROASTED

US cents per pound

	Farm gate price of Uganda Robusta coffee	Retail price in US of roasted coffee	Percentage of retail price farmer receives
Sept. 1997	73.3	461.7	16%
Sept. 1998	88.3	362.0	24%
Sept. 1999	58.1	339.3	17%
Sept. 2000	32.9	333.9	10%
Sept. 2001	17.6	302.5	6%
Sept. 2002	20.9	292.1	7%

Source: International Coffee Organisation, June 2003

In Uganda, Africa's second main producer of coffee and the world's eighth major coffee exporter, the current estimated income for coffee farmers is 62 to 69 cents a day. In the Congo coffee labourers earn as little as 20 cents a day. Nearly a quarter of Uganda's 24 million people depend on coffee for their livelihood.

Domination of the world market by four multinationals – Nestlé, Kraft, Sara Lee and Procter and Gamble – has significantly contributed to declining coffee prices. British aid organisation Oxfam is calling on the four main coffee roasting companies to give 'a fair price' to farmers and end what it calls exploitation.

'How can the coffee market be so rigged against the poor that they lose money for growing coffee, while the coffee giants' profits soar?' said Oxfam's head of advocacy Phil Bloomer.

'This opportunity to help the 25 million people who depend on coffee must not be missed.'

The value of retail sales exceeds $70 billion but coffee-producing countries only receive $5.5 billion. Prices on world markets, which averaged around 120 cents/lb in the 1980s, are now about 50 cents, the lowest in real terms for 100 years. The drop in earnings is particularly severe for countries such as Uganda where coffee provides a large portion (over half in this case) of export revenues.

This situation has been caused by the current imbalance between supply and demand. The total production for 2001/02 (October-September) is estimated at around 113 million bags (60kg bags) while world consumption is just over 106 million bags. World stocks of unsold coffee amount to some 40 million bags. Coffee production has been rising at an average annual rate of 3.6%, but demand has been increasing by only 1.5%. The main reason for the coffee glut is the rapid expansion of production in Vietnam and new plantations in Brazil, which are harvesting a record crop in the current season.

Although consumers might expect to benefit from low prices this is not the case with coffee. The amount accruing to the farmer from the retail sales price of a cup of coffee in a coffee shop is tiny. The farmer who normally pays harvesters to go through the coffee trees three times during a harvesting season to pick the ripe cherries now sends them through once only, picking unripe and overripe beans with the ripe ones, which results in an inferior quality. – **By Wairagala Wakabi**

OPINION

Post-Iraq Fallout Hits Africa Hardest

THE already explosive trade relationship between the two major economic powers, the US and European Union (EU), has been aggravated by differences over the war on Iraq, heightening growing pessimism about the future of the multilateral trade regime, and Africa's precarious position within it.

There were high expectations that this year's G8 summit in Evian, France (1 to 3 June 2003) would make up for the failure of the Kananaskis meeting in 2002 to adequately address Africa's trading needs, and address the massive subsidies provided to Western farmers and the high duties levied on African products by developed markets.

The poorest developing countries view the current Doha round of trade negotiations as an opportunity to redress long-standing injustices over textiles and agriculture, accounting for 70% of their exports. But recent acrimonious US-EU exchanges over how to tackle Africa's plight show that Evian was yet another damp squib.

There was no agreement on a French suggestion for a moratorium on export subsidies on agricultural goods to Africa. Some allege that Africa was sacrificed to mend the frosty Franco-American relationship, a spillover from the pre-Iraq diplomatic wrangling.

Following this February's successful Franco-African Heads of State Summit in Paris, French President Jacques Chirac tabled an ambitious plan to end dumping of surplus Western agricultural exports in Africa. The US opposed this plan, and American President George W. Bush accused the EU of causing hunger in Africa by refusing to import genetically modified foods, and lambasted its record on fighting AIDS.

Given the French government's record of staunchly protecting its farmers, and its delays in radically reforming the Common Agricultural Policy, will it be genuinely committed to ditching this touchstone policy? And are the US administration's intentions sincere? The promise of $15 billion over five years to combat AIDS in Africa may be offset by the estimated $20 billion still paid in farm subsidies.

Rivalry over Iraq has caused several latent US-EU bilateral trade disputes to flare up, including multibillion dollar US-granted corporate tax breaks to exporters like Boeing and Microsoft, the extra-territorial Sarbanes-Oxley fraud law in the wake of the Enron accounting scandal, and the EU moratorium on imports of American genetically modified food.

Undoubtedly it is Africa that will emerge as the biggest loser from the potential transatlantic stalemate. The impasse has come at the worst time for the continent. In Doha, industrialised nations agreed to redesign global trade rules to provide poorer states with greater access to rich country markets. Yet concrete actions have not materialised: the deadline for agreement on farmer subsidy cuts has passed. So too have two crucial milestones set at Doha: on freer access to life-saving HIV/AIDS and malaria drugs; and special trade rights for developing countries. Failure to reach agreement has cast doubts on success at the September 2003 World Trade Organisation (WTO) ministerial meeting in Cancun, Mexico.

African leaders and the international community must urgently address Africa's rapidly deteriorating position in the world economy. The World Bank says that sub-Saharan Africa now accounts for less than 1% of world GDP, and about 3% of global investment flows. Of the 49 least developed countries (LDCs), the overwhelming majority are African.

The share of LDCs in total investment inflows to developing countries decreased from 2.2% during 1986-1990 to 2% during 1996-1999. Since the onset of the debt crisis in 1982, Africa's foreign debt has rocketed from $84.1 billion to $235.4 billion. Africa harbours 33 of the 41 countries classified as heavily indebted in terms of the Highly Indebted Poor Countries (HIPC) initiative, and 19 of the 26 countries that have fulfilled the conditions for debt relief under this debt forgiveness scheme. However one interprets these statistics, they are alarming.

The success of the post-1945 international economic order has depended on American leadership and its co-operation with the major West European powers through multilateral institutions. This relationship propelled the development, albeit unevenly, of an open international economy that has underpinned the global order for over five decades. This multilateral system has underpinned progressive trade liberalisation under the auspices of the General Agreement on Tariffs and Trade (GATT) and its successor after 1995, the WTO. Alas, the potential collapse of the once unassailable transatlantic alliance imperils the future of multilateralism, with dire implications for poor countries.

For all its foibles, the multilateral model of global governance has served Africa well. In the past, collective diplomacy and agitation by the weak African states on economic issues played a vital role in persuading advanced industrial nations to implement specific initiatives and policies.

These included the reduction of public debt for the HIPCs, the improvement of the IMF's compensatory financing facility for export-earning shortfalls of developing countries; the agreement on overseas development aid targets; the creation of special drawing rights by the IMF; commodity agreements for certain products such as cocoa and natural rubber; and the agreement on a global system of trade preferences for developing countries.

Granted, some of the gains made through these initiatives have since been reversed, but they do show what can be achieved when poor nations pursue their interests collectively in a multilateral setting. – **By Mills Soko, doctoral candidate in the Department of Politics and International Studies at the University of Warwick, UK**

So what does the cream of Africa think of Nepad?

WHILE Nepad has been marketed intensively to the developed world, little has yet been done to sell its ideas to Africa.

To gauge what Africa understands and believes about Nepad, the Centre for International and Comparative Politics (CICP) at the University of Stellenbosch, South Africa, in co-operation with the Konrad-Adenauer-Stiftung, conducted a survey in seven key countries of 1,309 African opinion leaders. The preliminary findings were published in The African Opinion Leader Survey on Nepad and AU-2002.

These elites formed an average of 126 per country – excluding South Africa where 566 were interviewed.

Opinions of leaders were specifically sought to provide insight into 'elite perspectives' with regard to the African Union and Nepad. People polled hold the most authoritative positions in influential institutions which include the private sector, NGOs, CBOs, civic organisations, the public sector, professionals, academics or analysts, trade unions, politicians, the media and the church.

The findings cannot be used to draw conclusions about attitudes of the whole population but rather reflects their ability to discern particular trends among the most influential decision makers in both the public and private spheres.

The survey was conducted in South Africa, Nigeria, Senegal, Algeria, Kenya, Uganda and Zimbabwe, the first four of which are among the five founding Nepad members (with Egypt).

Respondents were asked to rate their knowledge of the Nepad strategy on a scale of 1 (know nothing) to 5 (know a great deal). South Africans, Nigerians, Senegalese, Kenyans and Ugandans thought that they had an above average knowledge.

Knowledge of Nepad on a Scale of 1 (know nothing) to 5 (know a great deal)

South Africa*	3.62
Nigeria*	3.16
Senegal*	3.56
Algeria*	2.5
Kenya	3.24
Uganda	3.09
Zimbabwe	2.99

*Founding members of Nepad

Three of the five founding members (South Africa, Nigeria and Algeria) were in agreement that the eradication of poverty was the most desirable benefit to be derived from Nepad.

A common criticism of Nepad is that it was formed without proper consultation with civil society. When elites in the survey were asked if it is only the ruling elite who are actively involved in promoting Nepad, the majority of respondents in all countries (except Zimbabwe) agreed.

Another perceived weakness of Nepad is that it is merely an attempt to comply with conditions laid down by international donors. Did respondents agree that Nepad was an authentically African programme? In South Africa, Nigeria, Senegal and Kenya, most respondents decided that it was. The Zimbabwe and Ugandan elite disagreed while the Algerian elite took a largely neutral stance.

In testing to what extent Nepad embodies the economic aspirations of all Africans, the majority of participants in the survey in South Africa, Nigeria and Kenya said that it did – reflecting a great deal of confidence in the capacity of the Nepad policy in this regard. On the other hand the majority of elites in Algeria, Senegal, Uganda and Zimbabwe expressed doubt in the capability of Nepad to address the economic needs of the African population.

The surveyors caution that the opinions of this small group of elites do not necessarily reflect the levels of knowledge or opinions among the general population. For example a Markinor survey in April and May 2002 found that knowledge levels about Nepad among the general South African public were extremely low. Only 14% of those interviewed were aware of Nepad's existence, while 80% of respondents said that they possessed no knowledge of the programme. – **By Silla Grobbelaar**

The Peer Review Team

The Nepad Heads of State Implementation Committee in May announced a panel of the following six eminent persons who will oversee conduct of the African Peer Review Mechanism.

GRAÇA MACHEL: (Mozambique) Wife of former South African President Nelson Mandela; she is involved with various charities and United Nations activities.

ADEBAYO ADEDEJI: (Nigeria) Former UN under secretary-general and executive secretary to the UN Economic Commission for Africa, he has also served in government.

BETHUEL ABDU KIPLAGAT: (Kenya) Chairman of the Nairobi Stock Exchange, he has also served in the Kenya government.

MARIE-ANGELIQUE SAVANE: (Senegal) Former director for Africa in the UN Population Fund, she is co-founder of the Association of African Women for Research and Development.

DOROTHY NJEUMA: (Cameroon) Vice-president of the Executive Board of the Association of African Universities, she has also served in government positions.

CHRIS STALS: (South Africa) Monetary policy expert and a former governor of the South African Reserve Bank.

G8 Summit Highlights

AFRICAN leaders, hailed as VIP guests at the G8 summit in France this week, departed with many promises. Critics suggested that the G8 had failed to deliver yet again, but African leaders claimed some successes.

SOUTH African President Thabo Mbeki asserted that Africa has bitten off as much aid as it can chew, adding that the ball was now in Africa's court to ensure delivery. He said there were concerns over Africa's capacity to effectively spend the monies already committed, and Nepad needed an implementation organ to interact with African countries and ensure that they could effectively absorb the funds.

PATRICK Nicholson of British aid agency Catholic Agency for Overseas Development said the '$400 million spent on the summit would have been better spent on ending poverty in Africa. Evian spelt backwards is naïve after all, and perhaps I was naïve in thinking the G8 could deliver.'

AIDS Funding: The most positive action came on AIDS. The US pledged $15 billion over five years to fight AIDS, of which the Global Health Fund will receive $1 billion. This was matched by a new $1 billion EU commitment to the Global Fund.

TRADE: The G8 leaders failed to reach agreement on granting Africa access to cheaper generic medicines. That was deferred to the Word Trade Organisation (WTO), which means the decision will remain tangled up in other trade negotiations unlikely to be settled before the end of 2005. France proposed but the US rejected a moratorium on in-kind food aid (that distorts local markets), and on agricultural export subsidies to Africa (but not general-purpose farm subsidies). Critics say France sought to deflect serious WTO demands for change to EU subsidies by proposing separate rules for Africa.

WATER: The G8's water plan was criticised as being ill-defined and pushing for privatisation of water services. Friends of the Earth called the plan 'undrinkable'.

DEBT Relief: African hopes for a review of debt sustainability were dashed. Nigerian President Olusegun Obasanjo declared that there had been 'little giving, too late', with progress on the Highly Indebted Poor Countries Initiative being piecemeal and having little impact.

African Peacekeeping: A Mandate Without Money?

MONTHS ago, African leaders brokered a deal calling for Uganda to withdraw its troops from the Ituri region of the Democratic Republic of Congo (DRC). Leaders knew that a longstanding tribal war between Hema and Lendu would erupt in bloodshed as soon as Uganda withdrew, yet neither Africa nor the UN was able to mobilise sufficient peacekeeping troops to be ready when Uganda pulled out in April 2003. The predicted bloodbath ensued, graphically highlighting one of the most critical and complex decisions that the African Union (AU) must make at its Maputo summit in July 2003.

Proposed Structure of an ASF

To deal with crises, African leaders have proposed the creation of a combat-ready African Standby Force (ASF), which can be speedily and credibly deployed. Given the lethargic response of the international community to many African crises, there is broad consensus in Africa of the need for an African force able to react quickly to a crisis. In May 2003, African military officials debated a concept paper on an ASF, but many problems need to be addressed.

The AU is considering a UN-style force able to deploy on a 'traditional' peacekeeping mission within 30 days and a complex mission within 90 days. The AU has mooted a single ASF made up of five sub-regional standby brigades; where the regional chairpersons of its Peace and Security Council (PSC) – military powerhouses in East, South, North, West and Central Africa – will be responsible for providing the bulk of peacekeeping forces, with smaller nations making additional contributions. The exact size and skills of the brigades has yet to be agreed.

The plan attempts to balance difficult politcal and military concerns. Operationally, if each brigade were drawn from a single nation's army, it could be more cohesive and effective. However, the political interests of that nation might at times make it unwilling to deploy in a given conflict. Also, AU funding of a single force might be viewed as a subsidy to the armed forces of that host nation. Involving more nations in the force composition makes it less likely that any one nation's interests would immobilise the AU, but militarily combining units from many nations into one force is far more difficult. The multinational nature of the regional brigades will require significant training to ensure interoperability and effective command and control.

If Africa takes on the job of financing its own force, will it not make it even easier for the developed world to ignore the continent?

This falls short of more ambitious plans put forward by Saif Al Islam Al Qadhafi, heir apparent of Libya. In May 2003 he proposed an ASF comprising mechanised and light infantry brigades requiring 20,000 personnel as well as naval and aircraft squadrons, each requiring 4,000 staff.

The ASF concept paper envisages six types of intervention: military advice to political missions; stand-alone observer missions; observer missions partnered by the UN; AU peacekeeping forces for preventive deployment; AU peacekeeping forces for complex multidimensional missions; and AU interventions in genocide situations where global organisations do not act promptly.

Obtaining an Effective Mandate

A key long-running problem with UN peacekeeping and the Ituri situation is how to secure a clear mandate from the Security Council. In Ituri, only a small contingent of Uruguayans was deployed. There were also 600 Congolese police who fled when the violence began. The

UN did not mandate the use of force by peacekeepers, who consequently remained huddled in their compound doing nothing to contain ethnic massacres. Such UN decisions are often driven by how much developed nations are prepared to pay, not by military needs. Delays often occur when the donors are simply not interested enough in a particular crisis. Within Africa indecision is often compounded by deep divisions among politicians over whether a given situation truly constitutes crimes against humanity of sufficient magnitude to warrant intervention.

Financing the ASF

A crucial debate at the Maputo summit is likely to be the issue of how the ASF will be financed and the level of contributions (resources and personnel) that can be provided by its member states.

The G8, at its Evian summit in June 2003, pledged technical and financial support for the establishment of an ASF by 2010 – possibly modelled on the UN's Standby High Readiness Brigade (SHIRBRIG) – but no specific figures were discussed. South African President Mbeki confirmed this, adding that 'we have to say what our operational and equipment needs are, and they (G8) will finance that.'

Despite the G8 pledges, financing the ASF is likely to be a long-term challenge for the AU because peacekeeping is extremely expensive. For example, UN peacekeeping operations in the DRC cost $608.3 million between July 2002 and June 2003. The AU has a limited budget and is already experiencing difficulties with unpaid dues, raising the question as to whether its intention to establish a credible peacekeeping force is too ambitious. Also, if Africa takes on the job of financing its own force, will it not make it even easier for the developed world to ignore the continent?

Funding for peacekeeping is often arranged on an *ad hoc* basis. This often results in delays while nations decide whether to contribute. A peacekeeping fund has been proposed that can be drawn on when the PSC needs to act rapidly.

The international community has promised an initial infusion of donor funds, and bi-lateral training of African peacekeepers is already taking place. There are indications that the G8's failure to commit specific funds at Evian arose from a G8 view that five brigades were too many and too expensive. Proponents of the five-brigade view argue that a single force might tend to be dominated by the narrow interests of the country where it is based. Some African military personnel are also leery of G8 funding as this will effectively put foreigners in the driving seat of ASF development and deployment.

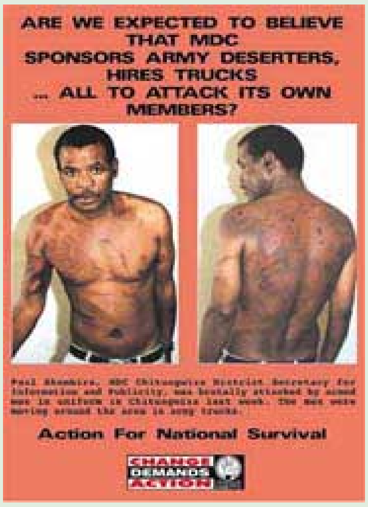
However, AU officials and other experts have also mooted several possibile sources of alternative funds that Africa could control, including: increasing contributions of member states (effectively increasing the budget contribution to the Peace Fund from 6% to 10%); soliciting individual donations; taking out a policy with insurance companies; creating a Pan-African visa in which visitors to Africa contribute a solidarity tax of $10; levying a tax on air tickets; and levying a peace tax on African citizens or on imports from outside Africa. Some of these suggestions may be viewed as unrealistic, particularly in resource-poor regions that would consider the visitor- and air-taxes as impediments to tourism.

A key consideration is the composition and operating rules of the PSC. The plan calls for states contributing troops to meet their on-the-ground subsistence and operational costs for 14 days after deployment; thereafter ASF funding and support would kick in. Small states fear that larger states (owing to their greater financial and technological input into the ASF) may dominate PSC decisions, while large states fear perpetually being stuck with the bills.

Also, there is a trend for the AU to defer action to regional bodies, but it is unclear how these unwritten rules would work if the PSC believes action should be taken but the regional body – because of allegiance to the nation in question – decided not to take action. – **By Gail Wannenburg and Ayesha Kajee, SAIIA**

Conflict Watch

ZIMBABWE'S opposition turned up the heat on President Robert Mugabe with a week of protests and a national work stoppage. Police and the army attacked peaceful protesters and flogged university students. A second treason charge was brought against opposition leader Morgan Tsvangirai over the protests, but he remained defiant, calling for new elections.



Zimbabwe civil society printed advertisements showing victims of police torture. Government claimed this MDC leader was beaten by the MDC to discredit Robert Mugabe

LIBERIAN President Charles Taylor has been indicted by the UN Sierra Leone war crimes tribunal for crimes against humanity he allegedly committed in Sierra Leone's 10-year civil war. Taylor was in Ghana, holding peace talks with Liberian rebels, when Ghananian officials were asked to arrest him. They did not. Ghana's Foreign Minister Nano Akufo-Addo was quoted as saying they had not received a formal request to extradite Taylor by the time he left the country.

ETHIOPIA, Mozambique and South Africa were supposed to send 3,000 soldiers to Burundi but only 248 have been deployed. Ethiopia has sent 21, Mozambique sent 11 technical staff and South Africa has sent 232 soldiers in addition to 700 others sent in December 2001.

PYGMIES in the Democratic Republic of Congo last month appealed to the UN to set up a court to investigate charges of cannibalism allegedly committed by government and rebel fighters against their people.

Drumming Up Support for Self-Reliance

Ethiopia is embarrassingly reliant on international handouts. But Ethiopians wish this wasn't so. In their own small way they are trying to make the difference to lessen reliance on foreign aid

THERE are few countries in Africa where reliance on foreign aid is as blatant as in Ethiopia. About 15% of the country's GDP comes from aid, and in 2002 the country asked for about $500 million in food assistance.

Ethiopians, though, are ashamed to hold out the begging bowl, said the head of the country's Disaster Prevention and Preparedness Commission (DPPC), Simon Mechale. A small group of private individuals is trying to do something to change this image.

Led by articulate former government spokesperson Selome Tadesse, they have organised a fundraising event called A Birr for a Compatriot.

The main thrust of the fundraising campaign was a huge open-air concert in Ethiopia's capital, Addis Ababa on 25 May 2003.

About 20,000 people packed Meskel Square for the five-hour concert, which featured internationally acclaimed singer Teddy Afro. Flags waved wildly as the concert was broadcast live on Ethiopian state television. About $1 million was raised.

'There is this passion in Ethiopia about being independent,' Tadesse says, 'but at the same time we should be passionate about not being poor.'

She remembers when she was speaking for the government, during the recent border war with Eritrea, that the whole country seemed ready and willing to make sacrifices, but when it comes to poverty, people don't seem to speak out.

The comparison with times of war is echoed in the campaign's theme song. Eight of Ethiopia's best-known vocalists got together to record *Negarit*, which means drum – but it is a drum associated with calling people to war.

The lyrics, which include the words, 'Let's fight the enemy with hoes and spades, and other better ways and means to change our name from receivers to achievers', are a clear attempt to get people thinking about the current crisis. The song has received a lot of air-play on the radio.

The question is, however, what is going to happen to the money once it is given to the DPPC, which is co-ordinating the country's response to the food crisis? The local branches of the DPPC have been questioned about their distribution policy.

In some areas farmers who have oxen, for example, will not receive food aid as they still have 'assets'. This means they would be forced to get rid of their livestock to qualify for aid.

The campaign has been compared with the LiveAid campaign – which raised $60 million – in the mid-1980s to help deal with the Ethiopian famine then.

LiveAid organiser, Sir Bob Geldof, visited Ethiopia the day after the Meskel Square concert. His visit – the first since 1985 – focused attention on what had changed in the last 20 years.

Not a lot, it appears. More people are more in need of food aid now than then. The best that can be said is that at least now there is infrastructure to deal with the food problem, but the economy itself is not growing fast enough to sustain the population.

Geldof was scathing. He equated the lack of food with 'criminal negligence'.

Leading Ethiopia economist, Dr Berahanu Nega, said that foreign donors' plans are not suitable for the country. Solutions have to be found by Ethiopians. That is exactly what this fundraising campaign intends to accomplish. – **By Damian Zane, Ethiopia**

Briefly

ZAMBIAN President Levy Mwanawasa warned Zambians that 'there will be no free food this year. If you are lazy, it is not the function of the government to feed you'. This followed a government ban on aid food in order to stabilise maize prices and also protect farmers. Only southern districts, which had partial drought and late rains in the past year, will still receive food aid.

FORMER South African President Nelson Mandela, an amateur artist, was working on a sketch when he got his hands dirty and wiped them on a piece of card, leaving a perfect imprint of Africa in his palm.

A $1 BILLION technology project that will help astronomers probe far deeper than ever before into the cosmos could be hosted in Africa, if South Africa wins the bid. The project would create a radio telescope covering a square kilometre able to peer deep into space. Its location has to be a remote site with at least a 100km radio interference-free diameter. South Africa is 'selling' the sparsely populated Northern Cape as the ideal location. The decision will be known in 2005.

AFRICA HAS cloned its first animal, Futi the calf, a carbon copy of South Africa's champion milk cow. The effort was a collaboration of South African Embryo Plus Centre and scientists at the Danish Agriculture Institute.

SOUTH African game warden, Sibusiso Vilane, has become the first black climber to reach the top of the world's highest mountain, Mount Everest, after making it to the summit last month.