eAfrica

The electronic journal of governance and innovation

Highlights:

This journal is part of the South African Institute of International Affairs Nepad and Governance project, funded by the Royal Netherlands Embassy to South Africa.

To subscribe:
eafrica-subscribe@saiia.wits.ac.za
Send comments and suggestions to
editor@saiia.wits.ac.za
www.wits.ac.za/saiia

ISSN: 1728-0621

Volume 1, August 2003

On Trade Africa Must Act Now

THIS is a crucial time when Africa must begin to think and act more forcefully on the world stage and in managing Africa's internal affairs. In September 2003, trade ministers will gather in Cancun, Mexico for what promises to be an explosive meeting to advance the Doha Round of talks within the World Trade Organisation. The most hotly contested issues surround calls to end destructive agricultural subsidies in developed countries.

No single issue has as much potential to benefit Africa by boosting agricultural prices and ending the dumping of subsidised exports. The end of American cotton subsidies alone could bring more value to many African countries than they receive in US aid.

Other critical issues include fighting for better access to medicines and ending the system where raw materials attract low tariffs while steep tariffs are applied to African manufactured goods exported to the developed world. Unfortunately, Africa has not prepared well for Cancun and remains hugely understaffed to cope with the intense demands of the negotiations. Africa urgently needs to boost the quantity and quality of diplomatic, technical and legal expertise dedicated to Doha. It also needs to work hard to retain solidarity among African nations and strike alliances with other like-minded states.

This issue of *eAfrica* examines the critical issues and the demands for trade-offs that Africa can expect from the defenders of unfair trade. It outlines two aggressive tactics that Africa could use to win a better deal, and how Africa needs to make fundamental changes if it is to exploit even the modest trade access it has now.

This issue also examines fundamental changes in US Africa policy under President George W Bush. It also looks at decisions at the July African Union summit, where a more forceful diplomacy was in evidence by key reformist states.

Other articles examine anti-corruption efforts in Zambia and Kenya, Aids policy and two new UN studies that offer a report card on Africa, sprinkled with successes but strong warnings that the continent faces further stagnation without more dramatic action. – **Ross Herbert**

The African Union summit met in Maputo in July, where Zimbabwe was elected to the Bureau of the Union, which, until the Peace and Security Council is ratified, continues to serve as the Central Mechanism for Conflict Prevention, Management and Resolution.

Verbatim

"LIKE God in heaven … who has all power over men and things, he can decide to kill without anyone calling him to account and without going to hell because it is God himself with whom he is in permanent contact, who gives him this strength." – Presidential spokesman explaining on state radio why Equatorial Guinea's President Teodoro Obiang Nguema should rule without restraints on his power. He has been in power since 1979, after overthrowing, trying and executing his uncle, the only other president the former Spanish colony has had.

"WE don't have slavery. We have abductions." – Sudanese Foreign Minister Moustapha Osman Ismail when asked at the AU summit about persistent reports of slavery practised by Arabs against black Sudanese.

"I WANT to build the Africa of our dreams, an Africa that carries hope ... a space of rights, solidarity and democracy." – Alpha Konare, chairman of the AU Commission.

"AIDS, Aids, Aids. We hear about nothing else. This is terrorism. This is psychological warfare. Aids is a peaceful virus. If you stay straight there is no problem. It will not aggress you…

Aids, malaria and the tsetse fly are God's forces defending Africa. The First World is laughing at us and pretending to be sorting out our problems. …We are not pupils. We are not children. They say we were not civilised and we did not know God. This is not true. It proves their ignorance." – Libyan leader Muammar Gadaffi in a 40-minute vote of thanks at the close of the African Union summit.

"I have offered to be the first to declare my wealth." – President Mwai Kibaki of Kenya on a recently passed law requiring all politicians to declare their wealth on entering office and upon leaving.

"There is no political will in the Great Lakes, with some deliberately promoting hostilities for personal gains." – Aldo Ajello, EU special envoy to the Great Lakes.

"One of the largest migrations of history was also one of the greatest crimes of history. For 250 years the captives endured an assault on their culture and their dignity. The spirit of Africans in America did not break. Yet the spirit of their captors was corrupted …

Small men took on the powers and airs of tyrants and masters. Years of unpunished brutality and bullying and rape produced a dullness and hardness of conscience. Christian men and women became blind to the clearest commands of their faith and added hypocrisy to injustice. A republic founded on equality for all became a prison for millions. With history's lessons learned, America will not desert Africa." – President George W Bush, in Senegal at the start of his five nation African tour.

"We, as a church, have been witness to and buried our people who have starved to death due to food shortages; watched as the level of poverty has increased ... with our own eyes, watched as violence, rape, intimidation, harassment, various forms of torture have ravaged the nation. Yet some perpetrators have been set free...

While the church has noted all these developments, and while we have continued to pray, we have not been moved to action. James says, '… and I by my actions will show you my faith!' We as a Council apologise to the people of Zimbabwe for not having done enough at a time when the nation has looked to us for guidance." – The text of a statement released in July by the Zimbabwe Council of Churches apologising to the Zimbabwe people.

"It was time to clear the air for a peaceful political engagement. Despite the barbaric acts of provocation from progovernment supporters we have decided to lower the threshold on tensions in Zimbabwe and to encourage Zanu-PF to turn its back on violence and work for peace and resolution of the crisis." – Statement by Zimbabwe's Movement for Democratic Change.

"The call to all of us, including the MDC, is to work together...in parliament and outside parliament. You may not like our faces. You may say I am an old man, it doesn't matter ... I am still your old man. Let's work together." – Zimbabwe President Robert Mugabe.

"The UN and the rest of the international community can appoint envoys, urge negotiations and spend billions of dollars on peacekeeping missions – but none of this will solve conflicts if the political will and capacity do not exist in Africa …

Lasting peace is far more than the absence of war. It is sustainable only if accompanied by democratic transformation and good governance. The more we expand the number of countries built on democracy, the greater our chances for sustainable peace in the region as a whole. Democracy also means alternating government. The value of peaceful and periodic change in government has been proven time and again. Democracy is a constant struggle, but a struggle by peaceful means. If term limits are necessary to make this possible, so be it." – UN Secretary General Kofi Annan.

Assessing George W Bush

BY ANY measure the US is, as the French complain, a hyper-power imbued not only with unparalleled economic, technological and military prowess but also mindsets with critical diplomatic implications for Africa.

However, African diplomats, heads of state and academics are, by and large, trapped in an outdated mindset. It dwells on fear of outside domination, simplistically labels the US as a bully to be resisted, and glosses over genuine US interest in democracy and human rights in the belief that all US policy is crudely determined by desire for oil or minerals. That mindset has blinded African leaders and analysts to a crucial emerging trend: American policy towards Africa is undergoing fundamental, albeit still inchoate, change.

From the beginning of his administration, President George W Bush has not reacted to Africa as much of the world expected. Republicans, according to the pundits, were said not to have Bill Clinton's affinity for Africa, and thus, Bush was widely expected to ignore the continent. Instead, Bush has been far more substantively and forcefully engaged in Africa than Clinton was. That engagement may be flawed, but it deserves careful scrutiny nevertheless.

In the wake of 11 September, Bush did not ignore Africa. On the contrary, he applied intense pressure on Sudan to end its civil war and pressed Uganda and Rwanda to pull their troops out of the Democratic Republic of Congo. On trade, Bush proposed a significant extension of the African Growth and Opportunity Act and embarked on free-trade negotiations with Morocco and the Southern African Customs Union. The US has set up a military base in Djibouti, engaged in patrols with Ethiopia, pledged $100 million to improve security in East Africa, is negotiating new military bases in Tunisia and Morocco and has scheduled more naval patrols in West Africa.

In the first few months of his administration, Bush observed that it made no sense to continually fund the poorest nations with World Bank debt, which traps them in a continuous cycle of debt rescheduling and negotiations. Rather, he said, change the World Bank policy so it gives more grants to the poorest – a change that would be hugely beneficial to Africa.

To hear what advocates of greater aid to Africa had to say, Bush sent his Secretary of the Treasury to Africa with rock singer Bono. Despite a supposed Republican antipathy to aid, Bush announced a 50% increase in aid and a $15 billion commitment to fight HIV/Aids. Concerned about aid ineffectiveness, Bush proposed a radical new system, the Millennium Challenge Account (MCA), which reflects many of the changes proposed by the New Partnership for Africa's Development. Instead of the US determining the specific uses for aid, the MCA will be an independent foundation that issues grants in response to proposals written by African governments or non-governmental organisations. Countries that meet basic standards of good governance and democracy would pre-qualify according to a published set of indicators, and the MCA will be governed by an independent board to prevent its decisions being affected by the kinds of geostrategic interests that often warped US aid policy during the Cold War era.

The most significant inconsistency in US-Africa policy stems from its hesitancy to engage in Liberia. Commentators suggest Bush's reluctance to put troops on the ground signals a lack of concern for Africa. A more plausible explanation for Bush's sudden timidity is the steadily rising number of dead US soldiers in Iraq, which – if compounded by casualties in Liberia and the vast US budget deficit – could cost Bush the election in 2004.

Liberia aside, what is the broader pattern? Domestically, Bush sticks closely to the Reagan formula of low taxes, smaller government and high defence spending. But in other realms, he has shown three clear traits: decisiveness, a predilection for aggressive, even radical solutions and a willingness to think outside the box.

Many African and European politicians display attitudes towards the US that seek to publicly challenge and condemn Bush's unilateral moves. On trade, Iraq and genetically modified foods, Africa has largely aligned itself with Europe, all of which look like strategic mistakes. Particularly on trade, the US and the more radical Cairns Group are both natural allies to the African bloc and represent the only plausible alliance with sufficient clout to bring down devastating agricultural subsidies, which Europe stridently defends. The US recently hiked its farm subsidies, using the escalation as a bargaining chip with the EU, at the same time offering proposals for radical reductions in farm subsidies. That strategy strongly resembles the US handling of the Cold War arms race with the Soviets: in the 1980s, the US accelerated arms production to posit a credible threat while simultaneously (and ultimately successfully) negotiating massive cuts in nuclear weaponry.

In some areas, such as US pressure for increased anti-terrorism legislation and exemptions to the International Criminal Court, Africa is right to be sceptical of America. However, recent changes in certain aspects of US-Africa policy represent major opportunities for the continent. The EU, less concerned with security, negotiates on trade in a far more mercantilist way. In contrast, US trade concessions to Africa are heavily influenced by the US goal of ensuring stability by boosting economic growth – much as the US allowed erosion of its domestic electronics industry in the post-World War Two era to help rebuild Japan. While some may regard this security focus as less than pure, if it can be influenced to deliver real trade and aid concessions, it should be welcomed by Africa.

Bush's support during his Africa trip for South African leadership in resolving the Zimbabwe crisis was an important concession on his part and signalled effective collaboration between two countries that substantially, if not entirely, agree on what is important.

Thus Africa must engage rather than reject the US, recognising that in some instances selfish US interests or fears will decide a particular issue, but in many cases America can be persuaded to follow its nobler instincts. – **Ross Herbert**

Resolving Conflicts – Success in Sao Tomé, but...

IN JULY, Africa scored one remarkably swift success in conflict prevention in Sao Tomé and Principe as bloody battles engulfed the capitals of Liberia and Burundi.

In Sao Tomé and Principe, the island nation in the oil-rich Gulf of Guinea, soldiers staged a bloodless coup on 16 July while President Fradique de Menezes was visiting Nigeria. Six days later it was over with a deal to restore Menezes to power and grant amnesty to the coup participants.

This success illustrates the virtue of swift, co-ordinated action by African and non-African diplomats working together. These included Portugal, the former colonial power, the US, Nigeria, the regional heavyweight, Gabon and the African Union (AU), through new chairman and Mozambican President Joachim Chissano.

Sao Tomé is scheduled to complete an auction of offshore oil exploration rights in October 2003 and, given the oil riches that have been found in nearby waters off Nigeria, Cameroon, Equatorial Guinea and Gabon, Sao Tomé was expected to receive at least $100 million in signing bonuses on top of future oil production revenues. Had the oil revenues already begun to flow, the coup might have been far harder to reverse.

Participating soldiers said they did not want to hold power but were protesting over grinding poverty and fear that the new-found wealth would not be used properly to benefit the island state's 170,000 citizens. The deal to restore Menezes to power includes provision for the creation of a new government of national unity, commitments to greater transparency in oil deals, and respect of financial rules and the establishment of a 'national forum to listen to political parties and civil society'.

Fast action in Sao Tomé contrasted sharply with the handling of the war in Liberia. Aggressive US action against Iraq, President George W Bush's calls for Liberian leader Charles Taylor to leave the country and calls by both Taylor and his enemies for US intervention, led many to anticipate an assertive American policy. But Bush hesitated, the month-long ceasefire collapsed and the civilian body count escalated dramatically as rebel forces indiscriminately lobbed shells into the capital Monrovia, Taylor's last stronghold.

US inaction is conspicuous geographically, politically and morally. Similar circumstances prevailed recently in Liberia's neighbours, Sierra Leone and Côte d'Ivoire, but Britain and France, respectively, intervened successfully without casualties. There is widespread popular support in the US for intervention. However, the US military, which is suffering continuous casualties in Iraq, fears over-stretch. Fears of a Somali-style humiliation, where American soldiers were dragged through the streets, seem equally unrealistic.

US reluctance is difficult to fathom, given that the area requiring troops in Monrovia is small and isolated by water. Politically, saving a poor country where the US has nothing material to gain would do much to bolster Bush's reputation internationally.

Inserting an outside force that could intimidate both the rebels and Taylor's forces would not be difficult for the US. The larger problem is the complexity of enforcing peace between ragtag armies of teen soldiers who have no respect for anything but force and who have spent a decade looting and pillaging. Worse, the social, moral and governmental fabric of the nation has been completely shredded. Almost the entire educated population fled long ago. There has been no delivery of electricity, water, health or educational services for years, and most of the nation's infrastructure has been looted and sold for scrap. The challenge of nation building is thus as great or greater than in Iraq or Afghanistan. This will require years, not a few months.

While Liberia illustrates the risks of not acting, Burundi – where the first AU force is operating – shows how things can go wrong once outside forces do intervene. South Africa, Ethiopia and Mozambique agreed to send troops to Burundi when the UN refused, due to the lack of an agreed ceasefire. So far only the South Africans are there in strength. They have had 1,200 troops there for 18 months, protecting the political players committed to the three-year transitional process. Financial problems have held up the 2,000 Ethiopians and Mozambicans who are still awaiting the money from the US and Britain to equip and deploy their forces in Burundi. South Africa has committed a further battalion of troops due in August.

The Forces for the Defence of Democracy (FDD), led by Pierre Nkurunziza, have signed but not yet observed, a ceasefire. As the AU convened its summit in Maputo, another rebel force, the National Liberation Front (FNL), led by Agaton Rwasa, launched a blistering week-long attack on the capital Bujumbura. Excluded from the original negotiations for the 2001 Arusha Accord, the FNL and FDD are under pressure to join it now and simply accept its contents. The FDD has partially come on board but insists it wants elements of the accord renegotiated. The FNL, Burundi's oldest liberation movement, has shunned all attempts to involve it in negotiations.

Third parties have engaged the Hutu FNL in confidence-building exercises designed to get it into face-to-face meetings with the Tutsi minority. Even the most optimistic scenario, however, would require renegotiating parts of the Arusha Accord. The key diplomatic trick is to get rebels into negotiations and eventually a unity government without rewarding rebel violence that is crudely intended to secure more powerful positions in a post-war government. – **Jean-Jacques Cornish**

AU Summit: What Happened And What Matters

ALTHOUGH overwhelmingly focused on procedural matters, the African Union (AU) summit meeting in Maputo, Mozambique from 11-12 July 2003 highlighted four key themes of significance to the continent.

While nearly all of the Mozambican army stood watch, supplemented by South African police, army and naval patrols, heads of state breezed through reports on 11 African conflicts in a morning. Zimbabwe remained firmly off the agenda and no decisive action was taken over either Liberia or Burundi, despite the conspicuously bad timing behind the upsurge in violence in both countries.

The summit's major task was to elect members of the new AU Commission, which is supposed to be the executive body of the union.

The contest for chairman of the commission pitted Amara Essy – interim AU chairman, former Côte d'Ivoire foreign minister and a long-time Organisation of African Unity (OAU) functionary – against former Mali President Alpha Konare, who won. Under intense diplomatic pressure, Côte d'Ivoire announced Essy's withdrawal as a candidate (somewhat to his surprise). To many, Essy was linked to the factionalism and inefficiency of the old OAU.

The decisive argument was that Konare, as a former demo-cratically elected head of state, would raise the diplomatic stature of the chairmanship and give the commission the clout needed to be more decisive and influential. Patrick Mazimhaka was elected deputy chairman with a brief to handle admini-stration and staff. Until his election, he was a top adviser to Rwandan president Paul Kagame and point man on negotiations on the war in the Democratic Republic of Congo.

'To many, Essy was associated with the factionalism and inefficiency of the old Organisation of African Unity'

Women Rule

Although sexism is alive and well in Africa, the AU has some of the world's most progressive rules for office bearers. Half of the 10 AU commi-ssioners had to be women, with two representatives from each of the continent's five regions. In the end five women were elected, but the sequence of voting left no suitable male candidate from Southern Africa. As a result the economics portfolio was left vacant. While many governments set aside a quarter or a third of parliamentary or cabinet seats for women, the AU for now has a majority of women, who have the potential to influence policy decisively in ways that a smaller faction of females would not be able to achieve.

'North Africa is the only region with the money and comparatively well-equipped troops needed to make the PSC effective'

Weak Commitment to the PSC

As the flaring crises in Burundi and Liberia demonstrated, Africa clearly needs more effective and assertive institutions for pre-empting or ending conflicts, which continue to destroy economic growth, scare off investment and, project through the media the image of Africa as the continent of chaos. A year has passed since heads of state approved the plan for a 15-member continental Peace and Security Council (PSC). In June, former AU chairman and South African President Thabo Mbeki confidently predicted ratification of the PSC before Maputo, but only 14 of the 27 ratifications needed for the PSC to become operational were lodged by that time. (Fifteen states have now ratified the PSC: South Africa, Algeria, Ethiopia, Equatorial Guinea, Mali, Mozambique, Libya, Lesotho, Mauritius, Sierra Leone, Malawi, Zambia, Ghana, Sudan and Rwanda.) Many states, including some of the supposedly reformist members of the Implementation Committee of the New Partnership for Africa's Development (Nepad), fear an activist PSC empowered to dispatch troops and intervene in incipient conflicts.

The North Africa–Sub-Saharan Divide

Although Africa wants to deal with its own problems, only South Africa has shown both the financial ability and willingness to dispatch troops or engage in extended peace negotiations. Nigeria and other states have provided troops, but need outside funding, equipment and transport. The UN is chronically too slow and other African states cannot move without UN or donor cash in hand. Maputo revealed a gaping hole in Sub-Saharan Africa's diplomatic strategy: it has no effective ideas for luring North Africa into active participation in the diplomatic and military processes needed to end conflict.

With a per capita GDP three times the Sub-Saharan average, North Africa is the only region with the money and comparatively well-equipped troops needed to make the PSC effective. And yet, the region remains on the sidelines. Morocco is not an AU member because of the organisation's embrace of calls for an independent Western Sahara.

Egypt plays no meaningful role in efforts to defuse Sub-Saharan conflicts and its president Hosni Mubarak, although named a founding member of Nepad, has never attended a Nepad Heads of State Implementation Committee

(HSIC) meeting. Indeed, other members expressed fury that he attended the G8 summit but left before the HSIC meeting, which was scheduled for the same location immediately afterwards.

Muammar Gadaffi's offer to fund the entire PSC was declined because of the mercurial Brother Leader's ideas for a unified African state. While most AU nations quietly wait and react to events, Libya has proposed many changes to which Africa has been forced to react. Many of those have been eccentric or propelled by a desire for Libya to gain recognition.

The key for Sub-Saharan Africa is how to bring Libya, Egypt and other heavyweight North African states into a constructive alliance with the south.

Rise of the Assertive Core

Another unreported but unmistakeable trend apparent in Maputo was the rise of a core of more assertive and self-confident states. Diplomats noted that most of the key decisions by the union were vetted before Maputo by a clique including Nigeria, South Africa, Mali, Mozambique and Ethiopia. South Africa, which in years past went through many diplomatic contortions to avoid appearing too strong or bold, particularly seemed to shrug off its camouflage.

It adopted a much more assertive, blunt diplomatic style. It was as though it had taken confidence from its deployment of troops in the DRC and Burundi and felt that further progress, and indeed, success was at hand.

That stance had much to do with the handling of the Nepad HSIC. In June Mbeki publicly complained that it was unacceptable that heads of state had not attended Nepad meetings. In Maputo, Wiseman Nkuhlu, chairman of the Nepad steering committee, which met the day before the HSIC, said that henceforth if heads of state did not attend HSIC meetings their representatives would not be allowed to vote or speak in their stead.

Egypt and other countries complained, but the decision was final. Perhaps this is a sign of a stronger AU to come. – **Ross Herbert**

Key Summit Decisions

The Next AU Host: Traditionally, countries bid some years in advance to host the AU and the chairmanship, for one year, is then led by the head of state of the host country.

Although Madagascar had previously been selected as the site of the 2004 summit, its 2002 civil war over the disputed presidential elections left the country ill-prepared, and many countries felt uncomfortable about the chairmanship going to Madagascar's President Marc Ravalomanana.

The AU decided the next summit would be hosted at the AU headquarters in Addis Ababa, Ethiopia. Despite the reservations, odds are that in Addis Ababa next year heads of state will elect Ravalomanana, a self-made millionaire in the dairy industry, who would be the AU's first businessman leader.

AU Commissioners: The following were elected members of the commission.

- President Alpha Konare (Mali) to the chairmanship;
- Patrick Mazimhaka (Rwanda) to the deputy chairmanship;
- Ambassador Said Djinnit (Algeria) to the peace and security portfolio;
- Julia Dolly Joiner (Gambia) to the political affairs portfolio;
- Bernard Zoba (Republic of Congo) to the infrastructure and energy portfolio;
- Philomena Gawanas (Namibia) to the social affairs portfolio;
- Saida Agrebi (Tunisia) to the human resources, science and technology portfolio;
- Elizabeth Tankeu (Cameroon) to the trade and industry portfolio; and
- Rosebud Kurwijila (Tanzania) to the rural economy and agriculture portfolio.

The economic affairs portfolio was left vacant but will be filled by a man from Southern Africa, who, by agreement of the region, will come from Malawi.

Three Extraordinary Summits Planned: The AU summit decided on two definite summits and one possible extraordinary summit in the coming year, which will raise significant financial questions for the already cash-strapped union. The AU agreed to convene an urgent meeting of defence ministers to finalise work on a common African defence policy. If this work is completed before the 2004 AU summit, an extraordinary summit may be called to consider the policy. Some members insist it is necessary for Africa to complete the defence policy before going forward with plans to create five regional standby peacekeeping brigades. Such an extraordinary summit, if it takes place, is likely to be in Libya, which has eagerly sought to play host.

The summit also decided that in the first half of 2004 it would hold an extraordinary summit on poverty alleviation and employment, which is likely to be in Burkina Faso. And in response to another Libyan proposal, an extraordinary summit will be held on agriculture, water resources and energy in late 2004. Because Libya is sponsoring it, the country will more than likely host it.

Budget: The AU approved a budget for 2003 of \$35.6 million and \$43 million for 2004. In addition, the scales at which member states are assessed were changed so that the big five – Nigeria, Algeria, Egypt, Libya and South Africa – will increase their percentage of the total budget from 7.25% to 8.25% each. Because of its recent major earthquake, Algeria secured a five-year exemption. These budgets and assessments do not include the cost of extraordinary summits or peacekeeping.

Peace and Security Council: The summit decided to convene a meeting of continental experts in the coming year to develop rules and procedures for the functioning of the Peace and Security Council, as well as modalities for the operating of a Panel of the Wise that will assist the PSC. Recommendations will go to the AU Executive Council by March 2004. – **Ross Herbert**

Kicking Corruption in Kenya

FINDING a Kenyan who will admit to having backed ex-President Daniel Arap Moi is a bit like looking for white South Africans who voted for the apartheid government, East Europeans who believed in communism, or anyone who enjoys watching Liverpool play football.

While in Nairobi in May 2003, I found a nation reawakening from 24 years of Moi's corrupt rule, and trying to set things right under the new National Rainbow Coalition (NARC) government of President Mwai Kibaki.

My taxi driver from Jomo Kenyatta airport eagerly chatted about post-KANU Kenya. 'You see these lamp posts?' he said, 'President Kibaki is putting lights on this road from the airport to the city centre. Moi promised this for years, but it never happened.' Indeed, I saw workers connecting streetlights on the Kenyan savannah against a backdrop of billboards selling mobile phones.

My taxi driver assured me that corruption had fallen, saying that under Moi, we'd have had to slip the chap manning the airport exit 'an extra little something'.

Moi's reluctance to crack down on graft led to the suspension of World Bank loans totalling $150 million in 2001. Corruption reportedly costs Kenya almost $1 billion a year. It is considered largely responsible for the country's disappointing economic growth rate of 1.1% in 2002. In the same year, Kenya was ranked 96th out of 102 countries in Transparency International's Corruption Perception Index. One study found citizens paid about 16 bribes a month just to secure everyday services.

Tackling corruption was a NARC election promise, and already significant steps are being taken to fulfil it. The Kenya Anti-Corruption Commission has been re-established; ordinary people are refusing to pay bribes to crooked cops and the Chief Justice resigned after an investigation was launched against him.

A public inquiry has finally been launched into the notorious Goldenberg scandal, in which the Moi regime stole hundreds of millions of dollars using fictitious gold and diamond exports in the 1980s and 1990s. In May, the finance minister fired every single government procurement chief. Most procurement officers owned companies adept at winning government contracts and getting paid, but rather less so when it came to actually delivering the goods. In July, World Bank President James Wolfensohn announced a resumption of lending to Kenya. Kibaki has launched a five-year national campaign against corruption, and said he would be the first

President Mwai Kibaki. Picture by AP

politician to declare his wealth under the Public Officer Ethics Act.

While having dinner with Kenyan friends, my jaw almost dropped into my *ugali* (East Africa's cornmeal staple) as the television showed more tough NARC treatment being administered. The Minister of Local Government, Emmanuel Maitha, had made a surprise visit to Nairobi City Hall that afternoon, with cameras in tow. He sternly castigated two cowering messengers for playing solitaire on a computer.

I half expected the minister, in his natty cream suit, to snap on a white glove and wipe his finger over the top of the mushrooming piles of paperwork. Those city employees who hadn't already knocked off for the day were seen scurrying from their offices. When Maitha asked where everyone was, he was greeted with blank stares and bowed heads. The thrilling climax came in the swampy basement, replete with leaking ceilings and mouldy walls. He collared the building's caretaker and sacked him on the spot for mismanagement.

My hosts grinned and said that Kenyans enjoyed this butt-kicking attitude. They called Moi's ministers 'handshakers', guest stars who did cameo appearances for the president's propaganda show.

They liked how Kibaki let his ministers get on with their jobs, and noted that the new ministers were prepared to face the public on radio and television talk shows. They felt Kibaki was right on the money.

Or, in fact, not on the money at all, as it turned out. Kibaki had said in his inauguration speech that he was not interested in having his countenance on the currency, or naming things after himself.

'It is ridiculous to have every street, every building, every school and every bar bearing your name,' he said. In May, the Kenyan Central Bank released old but unused 100 shilling notes from 1978, bearing founding President Jomo Kenyatta's face, into circulation. Moi had stashed the cash in a dusty vault, in a deliberate ploy to entrench his, er, profile.

Driving to the airport, my friend pointed out some of Nairobi's infamous potholes. He said Moi had insisted that the roads be paved with water-soluble asphalt so that his cronies could get resurfacing contracts every time it rains. I wasn't entirely sure he was joking.

There seems to be a lot of patience for the new government, although it may not be able to meet everyone's great expectations. These things can quickly change, but I'm heartened by a country that has rediscovered hope and is trying to kick corruption where it hurts. – **Steven Gruzd**

Pursuing the Plunderers

Zambia's president has taken on a formidable task – launching a crusade against corruption

ON TAKING over the leadership from Frederick Chiluba, Levy Mwanawasa risked losing many political friends. Top of the list was the former president who is now facing corruption-related charges.

In March 2003 Mwanawasa said: 'I will never forgive Chiluba for contributing to the plunder of Zambia's economy.'

In 1994 Mwanawasa was Chiluba's vice-president. He resigned saying his integrity had been put in doubt. Mwanawasa has had an impeccable track record as a lawyer. At the time, the leader of the opposition, Dr Nevers Mumba, publicly praised Mwanawasa saying he was "highly respected for the integrity he has displayed in his public life".

The following year Mwanawasa lost his bid to lead the party, and retired from politics. Unexpectedly Chiluba made him the Movement for Multiparty Democracy candidate for the 2001 elections.

Despite allegations of voting irregularities Mwanawasa won and the losers challenged the results. When the new president mounted his anti-corruption campaign people questioned how a product of corruption could fight corruption.

In July 2002 Mwanawasa called a special session of the National Assembly to allege that Chiluba had tampered with a Zambian account held in London. He ended his address by reminding MPs he was not in a position to grant Chiluba immunity from prosecution. Nobody was above the law. Minister of Foreign Affairs Katele Kalumba, named in an intelligence report as being party to the looting in London, resigned and was jailed.

Mwanawasa's revelations have pleased many Zambians, but not the ruling party inner circle. It has been left divided and his detractors claim that Mwanawasa is a tribalist, pointing to the many Lenje and Lamba tribesmen in his government. They also claim the incarceration of Kalumba, former intelligence chief Xavier Chungu and the action against Chiluba are retribution against northerners. Mwanawasa is from the central provinces.

In June 2003 Mwanawasa sacked vice president Enoch Kavindele, for allegedly receiving a $102,000 bribe from a fuel transport company. He then appointed Dr Mumba as vice president. The appointment might have been expected to bolster Mwanawasa's popularity with the opposition. But instead it sparked a walk-out by opposition parties who said the appointment process was unconstitutional.

Mwanawasa's government has formed an anti-corruption task force to which the US government has contributed $450,000. Task force chairman Mark Chona says all money recovered will be used to rebuild Zambia's shattered economy.

But not all Zambians believe Mwanawasa's motives in fighting corruption are altruistic.

Economist James Matale, former head of the Zambia Privatisation Agency, suggests that populism is a strong incentive.

'During Chiluba's tenure, corruption grew to unacceptable levels. Mwanawasa pulls out the anti-corruption card every time he wants to prop up sagging popularity.'

In June 2003 the International Monetary Fund (IMF) blocked $100 million for Zambia because of a widening budget deficit. The crisis has given Mwanawasa's detractors more ammunition. He may be sincere about stamping out corruption but this is only one aspect of the conditions to ensure continued IMF support to Zambia. The IMF and World Bank have been keen to enforce the monitoring of fiscal and structural adjustment programmes.

'In the wake of the strong anti-privatisation stance by the labour movement, the Zambian government has reneged on its undertakings to privatise the three remaining state-owned enterprises – the Zambia Electricity and Supply Corporation, Zambia Telecommunications Corporation and the Zambia National Commercial Bank. The government's lack of a clear position regarding privatisation has been criticised by the IMF,' said Matale.

Commentators question Mwanawasa's reason for leaving politics in 1994. Many Zambians believe he was hounded out of office by opponents within the ruling party and that part of his motivation for fighting corruption is to get at these elements.

'Corruption during 1991-2001 created parallel economic and political power bases capable of destabilising the MMD government. Mwanawasa lacks his own political power base, so he is vulnerable to shifting loyalties of such potentially powerful brokers," said Matale.

'It is not clear what his main motivation is. What is clear is that he does not understand the extent of corruption in the country. If he knew, he might have adopted a better strategy for combating the problem.'

Matale criticises the police prosecutorial approach that Mwanawasa has adopted.

'It follows laborious police methods and their inefficiency has given rise to the perception of vindictiveness against Chiluba and a few top MMD leaders.

Instead of a tribunal format for prosecuting the culprits, Mwanawasa opted for the familiar police method that is prone to corruption.

'There are no visible concerted measures addressing the serious issues in Zambia's economy, but perhaps the recent appointment of new Minister of Finance Peter Magande will bring a breath of fresh air to that vital institution,' said Matale.

But an ill wind still blows through Zambia's corridors of power. Although his anti-corruption fight is popular, Mwanawasa has alienated both his own party and the opposition, which still maintains his election was unfair. So if he does not find ways to bolster h is political support and improve the economy, his ability to continue the anti-corruption fight will be at risk. **– Salim Henry, Isaac Chipampe**

It's Downhill From Here, Unless ...

AMID continuing delays by the South African government in providing anti-retroviral medication for HIV infected people, the World Bank released a report in July 2003 predicting that the South African economy would collapse in three generations if the government did not change its blasé approach to the pandemic. Minister of Finance Trevor Manuel dismissed the report as a "scare story". But 2,281 doctors and nurses at the Chris Hani Baragwanath Hospital have petitioned the government to provide anti-retrovirals. They say they cannot stand by and do nothing while patients die unnecessarily.

Late in July 2003 South Africa's Treatment Action Campaign (TAC) leaked a 'top secret' government report on the costs and benefits of providing anti-retrovirals. The report stated that anti-retroviral treatment reduces Aids mortality significantly. The Department of Health does not dispute the finding that 1.7 million fewer people will die between now and 2010 if 100% of infected people were treated with anti-retrovirals. It also does not deny that South Africa can afford it. Health Minister Manto Tshabalala-Msimang argues that South Africa doesn't have the capacity to provide sustainable treatment, yet less-developed African countries are doing just that.

Botswana has promised free anti-retroviral treatment to all its citizens. Malawi, Mozambique, Namibia, Angola, Zambia and Zimbabwe are preparing to follow Botswana. In Uganda, where HIV/Aids is considered a national emergency, the driving force in the fight against Aids has been its progressive president, Yoweri Museveni. Uganda has reduced the prevalence rate from 30% in 1986 to less than 6.1% today. An estimated 600 South Africans die every day from Aids-related diseases. Uganda's Dr Pontiano Kaleebu is working assiduously to find a vaccine. One of the world's top HIV vaccine researchers, he was instrumental in making Uganda the Aids-prevention leader in Africa and the first country to test an Aids vaccine in 1999. Uganda set up a Parliamentary Aids Committee and in February 2003 launched a second human trial using a vaccine from the HIV strain most common in East Africa. The Ugandan government took a mere six months to give permission for tests on the vaccine developed by the University of Oxford, the University of Nairobi and the International Aids Vaccine Initiative. Kaleebu is the principal investigator. Kenya is replicating these vaccine trials. Kenya has also developed a programme to provide free anti-retrovirals to HIV- infected mothers.

South Africa's first national Aids conference opened on 3 August 2003 amid criticism of the government's intention to withdraw the provision of single-dose nevirapine to HIV-positive mothers because of alleged irregularities during the first trials of the drug in 1999. This is in spite of widespread agreement among researchers and practitioners that nevirapine significantly reduces mother-to-child transmission. TAC activists have threatened to resume their civil disobedience campaign, which they suspended in April as a show of good faith. On 1 August the South African cabinet removed a clause from a bill, which previously obliged government to provide anti-retrovirals to rape survivors. Experts advise that under South Africa's constitution activists can take legal action to compel government to provide anti-retrovirals.

Eighteen months ago the Global Fund to fight Aids granted R500 million to KwaZulu-Natal, but no agreement was signed due to opposition by Tshabalala-Msimang. The fund now says the money will probably go to another country, if it cannot present a signed agreement from South Africa at its board meeting in October.

At the 2003 Red Cross Humanity Lecture in London in July, Nelson Mandela urged humankind to mobilise in the battle against HIV/Aids: 'Aids in Africa is claiming more lives than the sum total of all wars, famines and floods, and the ravages of such deadly diseases as malaria. It is devastating families and communities, overwhelming and depleting health care services and robbing schools of both students and teachers.'

– **Silla Grobbelaar**

HEALTH BRIEFS

Noble cause: Medecins Sans Frontieres and other health organisations have launched the Drugs for Neglected Diseases Initiative, which aims to spend $250 million over 12 years to develop drugs to combat killer diseases affecting the developing world, which are largely ignored by drug companies in the developed world. More than 500 million people – mostly in poor countries – are affected by tropical illnesses such as sleeping sickness, but only 10% of the world's health budget is used for such diseases.

Structured research: Advisers to the UN Development Programme, writing in the 2003 Human Development Report, propose creation of a structured set of forums to help set research priorities to meet the technological needs of the developing world. The forums would help set scientific research goals and funding mechanisms needed to achieve them. It is crucial that the world scientific community works 'with scientific groups in poor countries to identify priority targets for research and development and greatly expand funding', the report said.

Battle goes on: The Bill & Melinda Gates Foundation has promised to finance an unprecedented study to learn whether genital herpes treatment can reduce transmission of HIV. The $30 million grant to the University of Washington School of Medicine will fund the study of more than 3,600 monogamous couples at 10 sites in Africa, India and Latin America.

Rubber shortage: Despite the fact that about one billion condoms were provided free to people in the developing world in 2002, a global shortage is hampering efforts to fight the spread of the deadly HIV/Aids. Eight billion condoms are needed every year in the developing world, a survey by Population Action International suggested.

UN's Africa Report Cards

TWO key reports released in July – by the UN Development Programme (UNDP) and the UN Economic Commission for Africa (UNECA) – chart significant economic and social progress in selected African countries. However, they also present a stark warning that the rest of the world is making strong progress towards the Millennium Development Goals (MDGs) while Sub-Saharan Africa with its present rates of progress will take almost 162 years to fulfil some MDGs. The MDGs are global targets for improving vital human development indicators by 2015.

The UNDP's *Human Development Report* (HDR) takes a special look at the MDGs as well as its annual assessment of the Human Development Index. UNECA's *The Economic Report on Africa* notes that overall African economic growth for 2003 is expected to rebound to the 2001 figure of 4.3%, having fallen to 3.2% in 2002.

In 2002 Mozambique achieved 12% economic growth, while other well-managed economies grew at 6% or more, including Uganda, Ethiopia and Rwanda. Of the 53 countries in Africa, only five (Equatorial Guinea, Mozambique, Angola, Chad and Rwanda) achieved the 7% growth rate required to meet the MDGs. But several countries that collectively account for more than half of Sub-Saharan Africa's population recorded successes in poverty reduction during 2002. During the 1990s, Ghana reduced its hunger rate from 35% to 12% and Mozambique from 69% to 55%. In the same period, Cape Verde, Mauritius, Mozambique and Uganda achieved per capita income growth in excess of 3% per year.

UNECA grades countries' economic policies through its Expanded Policy Stance Index, with Botswana, South Africa, Mauritius, Namibia and Tunisia the top-ranked African countries based on their low foreign debt, low budget deficits and interest rates, greater market liberalisation and effective legal systems.

However, average statistics can mask discrepancies. Ethiopia recorded GDP growth of 8.7% in 2001 and 6.1% in 2002, but famine from failed rains and harvests could expose a quarter of the population to starvation. High performing countries may contain population groups and entire areas that are regressing. Uganda's central Lake Victoria region has experienced solid growth and poverty reduction, but the drier war-torn northern part of the country has become poorer. Similarly, Ghana's decline in poverty from 52% to 40% over the past decade masks the increase in poverty in the central, northern and upper east regions.

Some points of progress are worth noting:

■ Splitting the Human Development Index across language groups in Namibia revealed high development levels among Afrikaans-, English- and German-speaking people and low levels among the San, findings that have led to key investments in health, education and job creation.

■ Botswana achieved almost universal primary education between 1970 and 1985. From 1994 to 2001 South Africa halved the number of people without access to safe water.

■ Liberalisation of Uganda's capital account in 1997 attracted increased foreign capital flows and augmented private sector investment. Uganda's implementation of a public expenditure tracking system in 1996 – together with the monthly publication of public funds expenditure in major media – has meant that during 1999-2000, 80%-90% of education funds reached the schools they were intended for, compared with 13% in 1991-95. As a result of its free primary education initiative, Uganda now has 98% primary school enrolment, compared with 55% in 1994-95.

■ In its first year, Ghana's new government improved economic management. It cut inflation from 21% in 2001 to 15% in 2002; the treasury bill rate declined from 47% to 29%; tax revenue increased by 18% and net foreign assets improved from $45 million in 2000 to $180 million in late 2001.

■ The HDR also highlighted successes in the education and health sectors, with both Mali and Senegal increasing primary school enrolment rates by 15 percentage points or more, and Benin achieving a total primary enrolment of 70%. Primary completion rates also rose in several of the poorest countries, in Mali by more than 20 percentage points. The gender ratio in both primary and secondary sectors also improved in Mauritania and Mali.

■ The 1990s saw Guinea reduce its child mortality rate by seven percentage points, and Mali and Niger by five percentage points or more. Despite the crushing toll of HIV/Aids in Africa, Uganda managed to reduce infection rates for eight consecutive years in the 1990s; and Zambia is on course to be the second African country to reverse the spread of Aids from crisis levels.

However, the UNDP notes unequivocally that when all of Sub-Saharan Africa is considered together, the picture is bleak.

'Unless things improve, it will take Sub-Saharan Africa until 2129 to achieve universal primary education, until 2147 to halve extreme poverty and until 2165 to cut child mortality by two-thirds. Economies have not grown, half of Africans live in extreme poverty and one-third in hunger, and one-sixth of children die before age five – the same as a decade ago. And because of population growth, the number of people suffering increased considerably in the 1990s. Some progress was made in education, but the primary education enrolment rate is still only 57%. And with low completion rates, only one in three children in the region finishes primary school.'

Replicating the policies of the successful countries is a challenge but both reports indicate what can be done when the will exists. The HDR's recommendations for escaping poverty include: investment in human and social development; investment in agricultural productivity and transport and communications infrastructure; emphasis on broad social equity; pro-motion of labour-intensive manufacturing exports; and industrial development policies to bolster private activities. – **Ayesha Kajee**

SPECIAL FEATURE: TRADE

WTO Talks: Make or Break Time for Africa?

THE DOHA AGENDA

UNDER the Doha trade round, there are eight areas of WTO negotiations: agriculture; services; market access for non-agricultural products; trade-related aspects of intellectual property rights; WTO rules (on anti-dumping, subsidies and regional trade agreements); the dispute settlement understanding; trade and environment; and implementation-related issues.

Preparatory work for negotiations has been occurring on the four so-called 'Singapore Issues' (first discussed at the WTO's 1996 Singapore Ministerial Conference) with a presumption of launching full-blown negotiations at Cancun:

- Trade and investment (dealing with regulating foreign direct investment);
- Trade and competition policy (to regulate anti-trust rules and cartels);
- Transparency in government procurement (for fair awarding of contracts); and
- Trade facilitation (to smooth customs procedures).

To secure agreement to launch the new round at Doha in 2001, these contentious issues were deliberately deferred to Cancun. But at Doha, India, with major African backing, secured a written pledge that 'explicit consensus' of all WTO members was required, and India maintains that any member can veto talks on the Singapore Issues at Cancun. The EU is pushing hardest to launch negotiations, but the African position is that further research and analysis is required first. They feel overburdened with previous commitments, and see these issues as further eroding sovereignty and limiting policy options.

The WTO bureaucracy in Geneva is working on others issues that are not part of the negotiations proper, but were committed to in Doha. These are: trade, debt and finance; trade and technology transfer; electronic commerce; small economies' issues; least-developed countries; technical co-operation and capacity building; and special and differential treatment for developing countries.

THE seaside playground of Cancun, Mexico, will host the 5th Ministerial Conference of the World Trade Organisation (WTO) from 10-14 September 2003, where world trade ministers will try to rescue what many fear are slowly sinking trade negotiations.

For Africa, this crucial gathering could either open the way for tangible gains for the developing world, or derail the teetering round of talks.

What will make the difference between success and failure, and what are the crucial issues on the table?

Cancun was meant to be a halfway checkpoint for the Doha Development Agenda of multilateral trade negotiations, named after the city in Qatar where talks were launched in November 2001, and were optimistically slated for completion by 1 January 2005 (see sidebar).

The most controversial and pivotal issue is agriculture and how to reduce massive market distortions caused by agricultural subsidies in the developed world.

'Unfortunately for Africa, the WTO talks on farm trade reform – by far the most important issue in the Doha Development Round for Africa – appear to have faltered,' stated the UN Economic Commission for Africa's *2003 Economic Report on Africa*.

Developed countries together spend about $318 billion on farm subsidies each year – more than Sub-Saharan Africa's entire annual production of goods and services, and six times more than developed countries' total foreign aid budget, according to the Organisation for Economic Co-operation and Development (OECD). These subsidies produce massive surpluses that drive

'The average European cow lives on $2.50 a day subsidy when three billion people live under $2 a day and … the average Japanese cow lives under a subsidy of $7.50 a day.' – World Bank President James D Wolfensohn, addressing the World Trade Organisation in Geneva on 13 May 2003

SPECIAL FEATURE: TRADE

down global prices and lead to job-destroying dumping into Africa.

Oxfam has developed its Double Standards Index as 'a measure of the gap between free-market principle and protectionist practice' by high-income developed countries. Their evidence suggests that agricultural subsidies account for 25% of farm output in the United States (US), 40% in the European Union (EU) and 60% in Japan.

Average agricultural tariffs approach 10% in Canada and the US, and are over 20% in Japan and the EU. The EU launched 145 antidumping investigations against developing countries (effectively slowing down imports) in the WTO's first five years, and the US launched 89. Overall, Oxfam rates the biggest culprit as the EU, followed by the US, Canada and Japan.

Despite many proposals, several negotiating deadlines on agriculture have been missed, and consensus is elusive. There is a continuum of positions on agriculture, with one pole represented by the ultra-conservative EU (along with Japan, Korea, Norway and Switzerland) and the other by the pro-liberalisation Cairns Group of agriculture exporting countries (which includes Argentina, Australia, Brazil, Canada, New Zealand and South Africa) and the US.

The Cairns Group has threatened a walkout at Cancun. 'If we can't achieve our ambitions, an acceptable level of improvement in the global trade of agricultural commodities, compared to what we've been asked to pay in other areas, we will not agree with it and we will walk away,' said Cairns Group leader, Australian Trade Minister Mark Vaile.

Success hinges on US-EU relations. At an informal ministerial meeting in Montreal, Canada on 31 July (the last before Cancun) the two economic powerhouses agreed to seek common ground over the next fortnight to save the talks. Both continue to accuse the other of doing more to distort agricultural trade. The US has forwarded a radical proposal to slash trade-distorting domestic subsidies by $100 billion to 5% of agricultural production, reduce average tariffs from 62% to 15% and get rid of export subsidies by 2010, and has the Cairns Group's support. Europe fears having to make far deeper cuts than the US, and its proposals are much more conservative, advocating a formula that would reduce all duties by the same percentage. Africa's interests logically seem to lie closer to the US and the Cairns Group than the EU in this respect.

Many countries hoped that recent reforms to the EU's Common Agricultural Policy (CAP) would kick-start the stalled farm talks (see sidebar). But the EU has yet to translate its internal decisions into concrete WTO proposals. 'The success of the Cancun ministerial meeting will hinge on the capacity of the EU to convince its trading partners that it is capable of honouring the commitments made in Doha to effect substantial liberalisation of its protectionist agriculture regime,' said Faizel Ismail, head of South Africa's WTO delegation in Geneva. He said that many WTO members remain 'cautious and sceptical' about CAP reform.

Knowing that the pressure to liberalise agriculture would be intense at Doha, the EU and US sought a broad trade round to extract concessions in other areas in exchange. Like the Uruguay Round that finally concluded after eight years in 1994, the Doha Round requires a 'single undertaking', where 'nothing is agreed until everything is agreed'. All WTO members must, through consensus, accept the entire interlinked package. This creates more opportunities for trade-offs and compromises, but more risk that the whole endeavour ends up in a stalemate that maintains the *status quo*.

Other critical issues

While agriculture steals most of the headlines, other issues matter to Africa. Critical negotiating deadlines have been passed without agreement in virtually all of them.

At Doha, on trade-related intellectual

LOOSENING THE CAP?

AFTER a year of internal wrangling, in June 2003 in Luxembourg, EU agricultural ministers finally agreed on reforms to their Common Agricultural Policy (CAP). They decided that from 2005, the EU would partially 'decouple' subsidies from production, so that payments go to farmers without being based on their volume of production. This theoretically removes incentives to over-produce and dump excess food on world markets. EU expansion to 25 members will mean declining per capita subsidies, but the total amount available to farmers stays virtually static. However, farmers in new member countries will have to meet strict environmental, animal welfare and food safety criteria (known as 'cross compliance') to be eligible for this 'single farm payment'.

The perennially intransigent French, with their powerful agricultural lobbies and farmers' groups, watered down the CAP reform proposals and won agreement that up to 25% of cereal and 40% of beef production would remain linked to subsidies. They also secured most subsidies until 2007. Decisions on olive oil, cotton and tobacco were deferred until later in 2003. Existing dairy quotas remain until 2014/15, and reform only starts in 2008. Sugar is excluded from these reforms. French farmers will continue to receive about nine billion euros annually.

In WTO jargon, subsidies occur in three categories or coloured 'Boxes' – Amber, Green and Blue. Domestic support measures that are considered to be trade-distorting are in the Amber Box and are slated for reduction in the Doha Round. Green Box supports are seen as minimally trade-distorting. They include decoupled payments and are exempted from reduction commitments. Blue Box measures are exemptions from the Amber Box. They include payments for leaving land fallow and limiting animal numbers. Thus, CAP reform decoupling shifts EU subsidies to the Green Box. The Cairns Group and other developing countries say that even current Green Box spending of $78 billion annually by its sheer size *does* distort trade. They call for stricter rules and eligibility criteria, and a ceiling on Green Box spending.

Special Feature: Trade

property rights (TRIPS) and public health, developing countries secured the right to override drug patents and manufacture medicines to combat 'public health emergencies' such as HIV/ Aids, malaria and tuberculosis. But poorer countries without manufacturing capability were barred from importing these cheaper generic medicines. Under pressure from its big pharmaceutical companies, the US blocked a possible compromise deal in late 2002.

HOW DO TARIFFS HURT THEE? LET ME COUNT THE WAYS ...

WHILE developed countries have low *average* tariffs, Oxfam (using UNCTAD figures) notes that the EU slaps a tariff of over 250% on imported meat products, while Canada's rate is over 120%. The US applies a tariff of over 120% on groundnuts. Leather shoes exported to Japan face standard tariffs of up to 160%.

In the EU and Japan, fully processed, manufactured food products attract tariffs double those on raw materials and primary products. In Canada, tariffs on processed food can be up to 13 times higher than on unprocessed products. Of all the peak tariffs applied by the EU, 30% protect their food industry. These tariffs range from 12% to 100%, and affect sugar-based products, cereals and canned fruit most dramatically. In the US, one-sixth of all peak tariffs are in the food industry, with 30% on orange juice and a whopping 132% on peanut butter. High-value processed-food products account for just 5% of least-developed country agricultural exports, only 17% of all developing country exports, but 32.5% of developed country exports.

GET THE TRADE AMMO FILE

SAIIA is compiling compelling examples of how African countries are hurt by unfair trade practices. If you know of a good example that clearly illustrates unfair trade, or would just like to receive this compilation electronically, email gruzds@saiia.wits.ac.za with 'Trade Ammo for Africa' in the subject line.

TRIPS is also important to other sectors. To protect such industries as wine and cheese, the EU is demanding ever-more stringent 'geographical indications' (place names that identify products like champagne, port and sherry), so that only Europe is seen to produce the genuine article, and copies in other parts of the world are not worthy of the name.

In non-agricultural market access talks, a key objective is to reduce tariff peaks (higher than average duties often applied to Africa's most competitive goods) and tariff escalation (higher import duties on value added and processed goods than on raw materials) that discourage Africa from producing higher value-added products (see sidebar 'How Do Tariffs Hurt Thee? Let Me Count The Ways...'). Developed countries have 'back-loaded' promised tariff cuts in their textile and clothing market to final phases of agreements, and are way behind schedule in this regard.

In services negotiations, developing countries would like greater mobility for their people to work abroad, but this is politically difficult given rising sentiment against immigration in developed countries.

Developing countries are still struggling with a host of commitments from the Uruguay Round known as 'implementation issues'. These relate to TRIPS, technical barriers to trade (TBT), the sanitary and phytosanitary agreement (SPS) (that sets human, animal and plant health standards for trade), customs valuation and import licensing.

Non-binding exhortations to consider 'special and differential treatment' (SDT) for developing countries are scattered through the Doha Development Agenda. SDT provisions call for less than reciprocal concessions, longer times to implement agreements, lower tariff cuts, and increased technical assistance and capacity building.

A real challenge for African countries is how to compel other countries to make good on unfulfilled commitments made in previous rounds, which were vague promises but cannot be taken before the WTO's dispute settlement mechanism.

Strategies and tactics

So how should Africa play its hand in Cancun? What strategies and tactics are most likely to win concessions? The consensus system of the 'Single Undertaking' in theory gives every country veto rights.

However, in the past the major powers have made an agreement and everyone else has followed. African states have been bought off with promises of bilateral trade and aid concessions from the EU and other developed countries. However, things are changing – developing countries effectively blocked a new round in Seattle in 1999.

For Africa, blocking this round is not the same as winning needed reforms. To do that, Africa must seek alliances with like-minded blocs around common issues. Forty of the WTO's 146 members are African countries, and the WTO is dominated by developing countries. Sticking together and keeping their nerve under pressure are key strategies.

But cracks are appearing – net food importing countries fear the consequences of slashing Northern subsidies on their own food security, a rift is growing between less-developed countries that have more concessions than their slightly more developed neighbours. For example, South Africa's trade interests do not always intersect neatly with other African countries.

The EU is pursuing a 'divide and rule' strategy to exploit these fissures. In the negotiations to extend the Cotonou Agreement beyond 2007, it will only negotiate with small blocs of countries rather than all its development 'partners' as a whole. To entrench farm subsidies, the French have proposed greater concessions for least developed countries to drive a wedge between their interests and other developing countries.

Ross Herbert's op-ed in this edition of *eAfrica* calls for a more aggressive posture by Africa in contrast to its soft

SPECIAL FEATURE: TRADE

WHILE THE RICH GET RICHER...

THROUGH a combination of accessible research and hard-hitting advocacy, the 'Make Trade Fair' campaign by international non-governmental organisation Oxfam raises awareness and urges action to fight for a fairer global trading system. Here are '10 facts about international trade, globalisation and the wealth divide' taken from their website, www.maketradefair.com

■ Between 1988 and 1993 the world's poorest 5% lost almost a quarter of their real income. During the same period the top 5% gained 12%.

■ For every $100 generated by world exports, $97 goes to the high- and middle-income countries, and only $3 goes to low-income countries.

■ For every dollar given to poor countries in aid, two dollars are lost because of unfair trade. Unfair trade is costing the poor world $100 billion a year.

■ If Africa, East Asia, South Asia and Latin America increase their share of world exports by just 1%, it could lift 128 million people out of poverty.

■ A 1% increase in Africa's share of world trade would generate $70 billion – five times more than the continent receives in aid and debt relief.

■ More than 40% of the world's population live in low-income countries – yet they currently account for just 3% of world trade.

■ The rich world taxes imports from poor countries at an average of four times the rate that it taxes imports from industrialised countries.

■ Africa has lost the equivalent of 50 cents for every dollar it receives in aid, because of the falling prices paid for its commodities.

■ Prices paid to coffee farmers have fallen by 70% since 1997, costing exporters in poor countries $8 billion.

■ Rich countries spend $1 billion a day on agricultural subsidies. The surpluses are exported to world markets. This suppresses prices, drives down the income of farmers in poor countries, and puts them out of business.

stance in the past, and Olu Fasan examines how Africa might use the imminent expiry of the 'peace clause' (where countries agreed not to submit agricultural matters to the WTO's dispute settlement mechanism) to its advantage.

A crucial issue for Africa is the technical manpower required to participate effectively in such a broad set of negotiations. In the past, Africa largely sat on the sidelines and accepted what the developed countries agreed upon. This time Africa has significantly improved its preparation, participation and engagement. There have been numerous national, regional and continental meetings to find common ground, culminating in an African Union (AU) level ministerial meeting in Mauritius in June 2003. But developed countries will bring armies of experienced experts, while small African countries will have a handful if they are lucky. Many vital deals and concessions are brokered in the corridors and ante-rooms, and most countries simply do not have enough high-calibre people to go around.

Getting the AU up and running has perhaps distracted Africa, and too little attention has been paid to trade. There are too few personnel in Geneva, and Africa has taken too long to frame its positions. The continent remains reactive to the proposals of others. Has Africa missed an opportunity to put forward a well-thought-out, far-reaching proposal early enough that other countries would have time to digest?

Cancun is in real danger of collapse; delays and posturing have meant that the hard bargaining and horse-trading stage has not been reached. At that point, Africa must ensure it is not sidelined by an exclusive US-EU deal. Because Africa does not benefit from the current WTO rules, it must be informed about the complex and inter-connected issues, seek coalitions wherever possible and fight hard to change these rules. The key question is whether Africa can get movement on agriculture without paying too great a price in other areas.
– **Steven Gruzd**

DEMOCRACY WATCH

Justice denied: Foday Sankoh, 65, who led the Revolutionary United Front in a campaign of terror in Sierra Leone in the 1990s, died of natural causes on 29 July while awaiting trial before the UN war crimes tribunal on Sierra Leone. Trained by Libya, and influenced by Liberia's Charles Taylor in the techniques of using child soldiers, Sankoh directed his child and teen soldiers, who were kept regularly supplied with drugs, to chop off the hands and sometimes feet, ears and lips of citizens calling for democracy. An estimated 50,000 people died in the war he provoked, which led to public calls that his body be burned or torn apart. He was buried in a modest grave in his home village.

One of Foday Sankoh's victims.
Picture courtesy of Amnesty International

Life president: Gabon President Omar Bongo, who has ruled since 1967, changed the constitution to allow himself to run for president for as many terms as he wishes. This creates a conundrum as Gabon is on the Implementation Committee of the New Partnership for Africa's Development, which obliges members to respect term limits.

Desperate measures: Uganda's parliamentary defence committee proposed, early in July, hiring South African mercenaries to eliminate radicals destabilising the country. The Lord's Resistance Army had, during July, abducted 56 schoolgirls and kidnapped 44 trainee priests. Traditional healers proposed using killer bees and diseases such as smallpox to fight the rebels. About 20,000 schoolchildren have marched in the northern town of Kitgum, Uganda demanding an end to rebel abductions. A placard read: 'Defend us and talk peace'.

SPECIAL FEATURE: TRADE

Can Africa Take On Europe?

AT THE end of 2003, the 'peace clause'– Article 13 of the World Trade Organisation (WTO) Agreement on Agriculture – is due to expire. While in force, the peace clause ensures that WTO members will not challenge countries using agricultural subsidies under other WTO agreements. However, if the world fails to eliminate subsidies or extend the peace clause, Africa and the developing world could launch a wave of disputes and retaliate using Article XVI of the General Agreement on Tariffs and Trade (GATT) and the Subsidies and Countervailing Measures Agreement.

Clearly, Africa has been badly damaged by subsidies and other forms of domestic support by developed countries. Will the European Union (EU), which is pushing hard for extension of the peace clause, let it go? And if the clause does expire, should African countries rush to challenge EU agricultural subsidies?

The Cairns Group of agricultural exporting countries has stridently objected to keeping the peace clause. 'We have paid a very high price for that clause, and developing countries will not approve its extension', said Gilman Rodrigues a Brazilian farmer, at pre-Cancun talks in Montreal, Canada in July.

The EU remains the main beneficiary of the peace clause, given that it has an annual share of no less than 85% of all notified agricultural subsidies among WTO members. Powerful farm lobbies and agro-businesses in developed countries had successfully ensured that their governments kept agriculture out of multilateral trade negotiations until the Uruguay Round (1986-1994), and the peace clause was one of the political costs of agriculture's inclusion. In current WTO agricultural negotiations, the EU, influenced by France, is dragging its feet and making only minimal movement. As Africa is the biggest loser from EU (and US) agricultural subsidies, one would expect the continent to present a united front and vigorously oppose any extension of the peace clause.

But cleavages between African agricultural exporters and African net food importers (who fear higher food prices) have weakened this position.

But what if the peace clause *does* expire? WTO law then allows any member whose rights have been nullified or impaired by another to seek redress through the dispute settlement mechanism. Yet it is questionable whether African countries would or even could initiate dispute settlement actions against the EU on its agricultural subsidies.

Most African countries are beholden to the EU for aid and special trade concessions. To openly challenge agricultural subsidies, Africa must be willing to bear the risk that a legal battle will spark retaliatory cuts in aid or special bilateral trade access.

African countries that feel sufficiently harmed by the agricultural policies of the EU or US are not completely without any recourse. WTO law allows counter measures, by which a member can withdraw concessions (under certain conditions and after due process) in an agreement other than the one from which the complaint arose. This should enable a weak state to hit the powerful.

In the *Bananas* case, a WTO arbitration panel affirmed that Ecuador could retaliate against EU banana quotas by refusing to protect the exclusive copyrights of EU music producers and artists. Ecuador successfully argued that, given its relative economic weakness, this was the only way it could hurt the EU. Other developing countries could similarly threaten to end protection of intellectual property as a 'retaliatory weapon'. However, Africa must be prepared in the event that developed countries react disproportionately, using all sorts of economic pressure. Consequently such an aggressive strategy would be best supported by a broad coalition of developing countries, including heavyweights like Brazil and India.

However, retaliation may not always be necessary. The mere fact of an African country winning a WTO case against a developed country may suffice. The US acceptance of a WTO panel decision in favour of Costa Rica came about because the US did not want to be accused of trampling on a small and poor country. So the court of international public opinion may be more powerful than self-help in terms of retaliation. All that an African country may require is the *confidence* to take on any major trading nation or bloc.

Another obstacle to this strategy is the high cost of litigation. The formation of the Advisory Centre for WTO Law (ACWL) in Geneva in 2001 partly addresses concerns about enormous legal costs. The ACWL provides advice in WTO dispute settlement proceedings. It charges modest fees for legal services, varying with the size and standard of living of the user. NGOs like the UK Consumers Association take on cases on behalf of developing countries and, if successful, ensure that the developed country concerned changes its laws or policy accordingly. Developing countries have proposed that should a developed country lose a WTO dispute settlement case against a developing country, the former should pay the legal fees and costs of the latter, as one way of addressing inequities in the WTO legal system.

But the African Union (AU) could be more proactive. On agricultural subsidies, as on other WTO issues, the AU could pool legal, technical and financial resources, to challenge the developed countries on policies that stifle or undermine the continent's development. Clearly, a united front would accomplish more than any single African country. During the Uruguay Round, France could not make headway on a provision protecting its cultural industry against perceived 'American invasion' until the European Commission made the issue part of its negotiating position. If the AU is modelled on the EU, it is time to start speaking with one voice on major global trading and economic issues that affect the continent. None is more pressing than the agricultural subsidies. – **Olu Fasan lectures in WTO law at Birkbeck College, University of London. He is a visiting scholar at the Institute for Global Dialogue, Johannesburg.**

SPECIAL FEATURE: OPINION

Fighting Back

FOR too long, Africa has been a passive player on the world stage, fatefully assuming that economic systems and competition would not change. It accepted trade rules negotiated to the satisfaction of the major Northern powers.

While Africa sat back, content with economies driven by aid, sweetheart deals with colonial powers and commodity exports, two massive changes occurred. Every commodity upon which Africa depended in the 1960s has been aggressively pursued by other developing nations who have added capacity and consistently driven down prices in many primary goods. And, Africa has done little to diversify, move into higher value commodities or make itself more efficient.

Africa has now begun to try to forge a common position on trade and participate more effectively in negotiations. But it is too little, and too late. Many African nations have, at most, one person in Geneva to handle relations with all United Nations agencies and the trade negotiations based there. With eight areas of negotiations, hundreds of meetings and hundreds or thousands of trade negotiators to lobby, Africa's tiny delegations are hopelessly outgunned by the US, European Union, Chinese, Japanese and others who field hundreds of highly trained negotiators and trade lawyers.

To extract a better deal, Africa must carry the fight on to the field of public opinion and directly influence public thinking among the big protectionist powers. Instead of uttering banalities about cooperation when Africa meets the G8, African leaders should aggressively seek out the media and forcefully argue that agricultural subsidies and trade discrimination against competitive African products is immoral; it costs jobs for people with few survival options.

This should be backed up by a well thought out long-term plan to influence key constituencies – opinion makers in political society: the media, activist non-governmental organisations, progressive politicians, academics and think-tanks. Such a campaign should consist of a series of conferences – in Europe. Every African politician who travels ought to be tasked with visiting newspaper editors and trying to get on to issue-oriented television and radio talkshows. Embassy staff should attend fewer cocktail parties and rather develop a detailed database of editors, commentators and opinion makers. Diplomatic missions should then focus programmes on outlining precisely how trade discrimination is harmful to Africa.

Success in this campaign depends on understanding that all democracies think they are acting in morally correct ways. Change comes only when this moral insulation is peeled back and people see the consequences and hypocricy of their government's policy.

The only time Africa is discussed publicly in the developed world is when a war requires intervention or rich nations are shown donating food to fight famine. No one informs the public that there is a direct link between African poverty and agricultural subsidies that produce mountains of unwanted butter and lakes of milk and other goods. When dumped in Africa, such products make the creation of African agro-industries virtually impossible. To drive home such a point an activist could pile a mountain of powdered milk on a pavement in Paris as a backdrop to show how French dairy policy is killing Africans and driving thousands of desperate people to illegally enter the EU.

President of Mali Amadou Toure and President of Burkina Faso Blaise Compaore recently argued in *The New York Times* that cotton subsidies are 'strangling' West Africa, endangering their vital national interests. Globally cotton subsidies total $6 billion, with $3.9 billion by the US. Cotton accounts for 40% of export revenues in Mali, Burkina Faso, Benin and Chad; yet US subsidies to 25,000 farmers were greater than the entire economic output of Burkina Faso, where two million people depend on cotton. Such clear, forceful argument by leaders is a good first step. But much more must be done for Africa to win the trade fight. – **Ross Herbert**

AGGRESSIVELY USING RULES TO GET FAIR DEAL ON COTTON

IN MAY 2003, four African cotton producers – Mali, Burkina Faso, Chad and Benin – joined forces through the WTO with Brazil to launch a legal challenge against US and EU cotton subsidies. They seek an end to cotton subsidies, which are crippling their economies and putting millions of jobs at risk across Africa.

Under WTO rules, after taking an issue to the Dispute Settlement Mechanism, countries can respond to unfair trade practices or tariffs only by slapping tariffs on the offending country's pro-ducts. But the US economy is 4,500 times the size of Burkina Faso's, so even a total import blockade would make little difference.

So Africa and Brazil are demanding a clear plan to dismantle cotton subsidies and a change in WTO rules to force offenders to grant cash compensation for lost export revenues.

Oxfam claims that Africa loses $300 million every year due to US cotton subsidies. Mali has lost about $43 million, Benin $33 million and Burkina Faso $28 million annually in cotton revenues as a direct result of developed world subsidies that create a global oversupply that impoverishes Africa by driving down prices. About 10 million African families depend on cotton (dubbed 'white gold').

'At Cancun, we are not going to negotiate any other issue unless the case of cotton is solved. We want the cotton question to be as central as the question of oil for countries producing the black gold,' said Mali's trade minister Chogel Maiga.

The WTO challenge has garnered wide support. Ghana's Cotton Association urged their government to join the action. Twenty African countries, with Pakistani and Indian backing, threatened to block the Doha Round unless the US and EU ended cotton subsidies.

The fair cotton deal lobby has 50,000 supporters in Zambia alone. Perhaps the bold stance taken by these countries heralds a new era to constrain countries whose actions threaten the lives of millions of Africans. – **Ayesha Kajee**

SPECIAL FEATURE: TRADE

BUSINESS BRIEFS

Downhill spin: The civil war in Côte d'Ivoire has cost cotton farmers about $40 million. Tonnes of cotton, some harvested, cannot leave the north because of the fighting. In addition, the market for the country's cotton has collapsed.

Gushing black gold: The $3.7 billion oil pipeline that links oil wells in Chad to export terminals in Cameroon's coastal city of Kribi is in the final stages of testing. Oil should reach international markets by the end of 2003. Drilling work on the project started early in July.

Coega can: The French aluminium company Pechiney, which faces a hostile takeover by the Canadian company Alcan, announced that it had selected South Africa's new Coega port and industrial development zone for a $1.7 billion smelter and would go ahead with the project regardless of the outcome of the takeover.

Investing at home: South Africa is the largest source of foreign direct investment in Africa, outside of the oil and gas sector. South African firms have invested an average of $1.4 billion a year in Africa since 1991, beating the US, UK and France. South African trade with Africa is also growing, displacing developed-world countries and former colonial powers as a major source of industrial and manufactured goods, which has given rise to concerns about the extent of SA's trade surplus in Africa. However, South African imports from Africa are up 133% in the past three years.

Counting the cost: As a cost-cutting exercise Seychelles is pulling out of the Southern African Development Community and the Indian Ocean Rim Association from July 2004. Seychelles' membership of SADC cost about $550,000 a year. In 2003 the country will also close down its diplomatic missions to the UK, South Africa and Malaysia, which cost it $1.5 million a year to run. The country's commitment to several international organisations cost between $3 million and $4 million a year – almost a quarter of its annual budget.

More Than Just Market Access

AFRICA is asking for more market access, particularly in agriculture, for which developed countries will likely seek greater access to African markets. However, before making such a deal, Africa must consider carefully why it has so far failed to utilise the duty-free access that it already has under the Lomé/Cotonou agreement with the European Union (EU).

Consider Botswana, which is widely acclaimed as Africa's most well-run government with $6 billion in reserves and far greater resources for trade and agricultural support than other African countries, thanks to its diamond mines. Although Botswana has a long tradition of raising cattle, it has *never* filled its quota of 18,916 tonnes of beef exports to the EU.

In this, Botswana is not alone in Africa. The continent already enjoys a wide range of trade agreements granting duty-free access to Europe and other markets. Although some of these limit the volume of trade that qualifies, Africa has often failed to take advantage of these concessions.

Understanding why is one of the most important challenges for African governments today.

One basic problem is that what is grown or manufactured in Africa is often not acceptable to consumers abroad. Not only must Africa meet standards to prevent the spread of diseases like foot and mouth or insects that grow on agricultural products, it also must produce bruise-free fruit, deliver products in the right packaging, and quality competitive with that from other low-cost producers in the world.

A recent World Bank publication, *Standards and Global Trade: A Voice from Africa*, puts it well: 'To expand trade, Africa[n countries] will have to meet the significant challenges in their capacity to meet international production and quality standards … without addressing standards compliance issues, Africa will be unable to take advantage of market access opportunities.'

As tariffs tumble because of the World Trade Organisation (WTO) and bilateral trade agreements, the limitations *within* African countries hold them back and prevent them from maximising their scant market openings.

This is not to imply that global trade is fair. Rich countries continue to distort trade by providing heavy subsidies and support to their farmers, firms and factories. While preaching free trade, they use WTO-approved weapons to protect their domestic markets from foreign competition. Their arsenal includes 'tariff peaks' (higher than average duties on competitive African imports like agricultural goods, textiles and clothing) and 'tariff escalation' (tariffs that rise progressively as more value is added through product processing). When producers in developed countries are threatened, their governments retaliate with anti-dumping actions and slap on extra taxes (called countervailing measures). They can employ standards and technical regulations unfairly to ban imports. Yet when most African countries are granted precious market access they trip over the hurdles of supply-side constraints and standards to get their products onto shelves and tables.

Botswana provides a pertinent case. From extreme underdevelopment at the time of its independence in 1966, its economy is now one of Africa's strongest. Per capita GDP doubled between 1982-83 and 1997-98, and the World Economic Forum rates Botswana the best-governed country on the continent. Its cattle industry accounts for about 70% of agricultural exports and 4% of total exports. Under the Beef Protocol of the previous Lomé Convention (1975-2000) and its successor the Cotonou Agreement (2000-07),

SPECIAL FEATURE: TRADE

Botswana, Kenya, Madagascar, Namibia, Swaziland and Zimbabwe are offered greatly reduced tariffs, known as tariff quotas (TQs), on fixed quantities of boneless beef exports to the EU. But as the table (opposite) illustrates, from 1992-2001 these countries collectively failed to fill their 52,100-tonne quota. Only Zimbabwe exceeded its individual quota from 1993-95.

The EU has rigorous sanitary and phytosanitary (SPS) standards – WTO jargon for rules pertaining to human, animal and plant health – for bovine imports. This is understandable considering the devastation caused by 'mad cow disease' (bovine spongiform encephalopathy or BSE) and foot and mouth disease (FMD). There are strict regulations as to the traceability of animals, disclosure of exact feed content, minimal drug residues in meat, hygienic slaughter and transport procedures.

These obviously impose costs on suppliers. In many cases, African countries cannot ensure that a sufficient quantity of their domestic beef production is of export quality. Madagascar, Kenya and Zimbabwe cannot certify their beef as FMD-free, and have, consequently, lost access to this market. In Zimbabwe government mismanagement has undermined economic performance. Panic-driven stock selling in the wake of the government's controversial land reform policies has decimated breeding herds. There is no foreign exchange available for vaccines or tagging equipment and FMD is rampant as cattle intermingle with buffalo (natural FMD carriers). The disease is also spreading to neighbouring states. The EU banned Zimbabwe's beef imports in August 2001 and this market is probably lost for decades.

Why has Botswana averaged just 65% of its 18,916-tonne quota over the past decade? Botswana has efficiently fought FMD, but it has other problems arising from traditional farming methods, which equally limit the export capacity of many African countries.

The large commercial cattle farmers in Botswana do exploit export opportunities. They use a paddock system, grazing cows in one area while letting grass grow in another. They carefully track available forage, provide veterinary services and fatten up their cattle before slaughter. By contrast, the traditional subsistence farmers, who rear most of Botswana's cattle, over-graze communal grassland. They do not regard cattle as a commercial commodity, but consider them a reservoir of wealth, and a way of saving rather than a potential export.

AFRICAN COUNTRIES DON'T USE THEIR BEEF QUOTAS

IMPORTS TO EU UNDER LOMÉ/COTONOU BEEF PROTOCOL (METRIC TONS)

Supplier	Quota	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Botswana	18,916	15,274	13,806	12,145	11,966	10,373	11,851	13,012	11,518	11,140	15,251
Madagascar	7,579	n/a	n/a	n/a	3,533	1,759	696	13	0	0	0
Namibia	13,000	8,667	9,379	11,729	10,177	8,546	7,143	8,898	10,365	8,641	9,618
Swaziland	3,363	128	372	650	379	520	326	303	417	728	59
Zimbabwe	9,100	6,331	9,333	16,844	10,766	6,266	7,120	6,787	6,762	7,047	6,167
TOTAL	51,958	30,401	32,891	41,369	36,822	27,465	27,137	29,014	29,063	27,557	31,095
Filled		58%	63%	79%	71%	53%	52%	56%	56%	53%	60%

Source: Eurostat n/a = not available

*Table excludes Kenya, which never filled its 142-tonne quota.

Cattle are often only sold to cover family emergencies or to meet financial need. In this semi-arid, drought-prone region, by the time these tough old cows are sold to abattoirs, they are well past their prime (over three years old), and yield low-grade 'industrial' beef that is fit only for soup meat, canned meat or sausages. While these practices may be important culturally, economically they are imprudent because they hamper competitiveness.

The Beef Protocol permits only high-grade cuts of chilled, deboned beef, so only some of the meat from each carcass is eligible. Also, there are simply not enough high-quality cattle available annually.

Infrastructure is another crucial supply-side constraint. 'It's hard for people living 200km or 500km away to get their animals to the abattoir. The government must come in and improve the roads. Some areas have no roads at all,' said Sonny Molapisi, the Marketing General Manager at the Botswana Meat Commission (BMC).

Landlocked Botswana relies on neighbours to ship its beef to market. Better-integrated regional documentation, transport and customs procedures would also enhance Botswana's competitiveness.

If its EU beef quota was doubled, or the market liberalised, could Botswana benefit? It is unlikely.

One chronic problem limiting Africa's ability to export is the lack of credit and high interest rates. Expanding production of many agricultural goods, particularly high-value fruit, vegetables, spices and flowers, requires significant upfront investment in seed, fertiliser, irrigation and wages for workers. When faced with a market opportunity, big Australasian or South American producers, who have access to cheaper, readily available bank loans, can quickly respond and snap up market share.

Has Africa thought through the consequences of negotiating so hard for market access that it might not utilise? Government and business should redouble their efforts to change both attitude and aptitude. They need to invest as much in roads, water supplies, cold storage and farmer education as they have done in abattoirs and equipment, and there must be greater prioritisation of trade and agriculture extension services. One attempt to fill the gap in Botswana is the BMC's 'feedlotters advance scheme', which gives the equivalent 600 pula ($123) per animal supplied by small farmers to the BMC.

East Africa's fish exporting industry has learned about standards the hard way. The combined exports of Nile perch from Lake Victoria for Kenya, Tanzania and Uganda earn about $200 million annually, and the industry provides about half a million jobs. Fish products comprise 17% of Uganda's exports, and 75% of its Nile

Special Feature: Trade

perch catch goes to the EU. In 1997 and 1999, the EU barred imports on SPS grounds, alleging that fishermen were using poison to catch fish, and questioning the hygiene standards of fishermen, transporters and processors. Factories closed or scaled down, a third of those employed in the industry lost their jobs, and Tanzanian and Ugandan fish exports fell by half. A $4.6 million programme involving a partnership between UN agencies, national bureaux of standards, employer federations, bilateral donors and international organisations rescued the situation. The fish industry's organisational and regulatory framework was vastly improved, and the capacity for fish inspections significantly strengthened. Local standardisation institutions, testing houses, inspection and certification bodies were upgraded. The EU ban was lifted in 2000, and the new market opened up in the US. Now technical regulations are taken much more seriously throughout the industry.

The EU demands that Ugandan fish processing companies test for skin parasites in the Nile perch. The processors believe that this test – costing $4,400 per month – is unnecessary, as the thick hide of the perch is used to make leather, and parasite infestation is physiologically impossible. But they lack the estimated $31,000 needed to prove this scientifically. Considering the long-term savings scientific proof would make possible, surely the Ugandan government should provide this relatively paltry amount? Alternatively, the costs could be split between the three countries. The East African region should raise the money and have the courage to challenge this compulsory EU test aggressively in appropriate international standard-setting forums.

African countries too often are passive 'standard takers' rather than proactive 'standard makers'. They must increase their understanding and awareness of standards. By actively taking part in the rule-making and review process in the WTO, they too can wield the WTO weapons like SPS. That way they can make sure standards are not arbitrarily applied by trading partners who are losing their protective tariffs and subsidies, or frequently and drastically altered to become unfair barriers to trade.

Meeting market requirements hinges on capacity. Africa's national standards bodies are generally poorly staffed and underfunded. Testing laboratories lack modern computers and telephones, as well as measuring and calibrating equipment. Institutions conducting risk analyses and marketing and scientific research need to be supported and possibly consolidated. Neighbouring countries wastefully duplicate the same efforts, where regional institutions could service several states simultaneously and harmonise regional standards. In Africa, standards and quality requirements are frequently seen as burdens rather than carrying inherent health and safety benefits. If standards were given higher priority on national agendas, rich rewards would likely follow.

From beef and beans to fish and fresh flowers, every link in the African agricultural supply chain has considerable room for improvement. Adequate cold storage facilities in trucks, ports and airports are vital, as are appropriate support services, reliable electricity, informative and functional packaging, cheap, reliable communications, well-maintained roads, and efficient, non-corrupt customs procedures. Post-harvest losses (up to 30% in Ghana) account for enormous costs and lost opportunities. The problem is not poor production, but poor management.

Would-be exporters should follow the three Cs: compete, conform, and connect. In other words: develop the capability to produce saleable products that meet client and market requirements, and get them to those markets through harmonised trade and customs rules. When these precepts work, the results can be spectacular. In 2002, Ghana exported about 60,000 tonnes of fresh pineapples to the EU at $133 per tonne, earning $8 million. Its Blue Skies Company exported 4,000 tonnes of sliced, packed pineapples straight to UK supermarkets and earned $12 million at $3,000 per tonne. – **Steven Gruzd**

BRIEFLY

Fewer children, please: Uganda's Minister of Finance Gerald Sendaula has appealed to the nation to procreate less as it risks outstripping its resources. The 2002 census said there were 24.7 million people and a population growth rate of 3.4% a year.

Trendsetters: In July Kenyan MPs defied the parliament's colonial era dress code, which demands members wear suits and ties. One MP wore Nigerian garb and one was dressed in khaki casual trousers and a button-down shirt. Now a group of designers is backing the rebellious MPs and calling for parliament to honour Africa's unique culture and proud history.

Corpses for hire: Two mortuary workers in Zimbabwe appeared in court on charges of violating dead bodies after they rented out corpses to motorists so they could jump fuel queues. Petrol stations give preference to people with burial orders or those transporting dead relatives.

Downward spiral: To stem the severe shortage of cash at Zimbabwe banks, the government plans to print Z$1,000 notes. Facing cash shortages banks prevent withdrawals of more than token amounts, in response to which no one wants to deposit funds. The solution, according to the government, is to end cash hoarding by withdrawing Z$500 notes from circulation. New Z$500 notes will be issued but only through banks, which will force people to deposit their cash holdings. However, due to foreign currency shortages, government is having trouble buying specialty ink and paper to make the new notes.

Tallest African: The funeral of Uganda's tallest man, John Apollo Ofwono, was delayed in early July because the coffin could not fit into the normal-size grave. Measuring 2.68 metres, Ofwono, a diabetic, died in Kampala City. It took diggers 45 minutes to elongate the grave one metre so that Ofwono could rest in peace.

Making them count: Pygmies in the Republic of Congo have asked the government to conduct a census of their population so they are not ignored in national development planning. They asked that the census be conducted during the rainy season when they would be based at camps and not away hunting and fishing.