

Integrating Africa

Introduction

Each year, in celebration of the founding of the Organization of African Unity (OAU), the African Diplomatic Corps in Japan (ADC) and the United Nations University (UNU) jointly organize an international symposium on pressing issues of human security and development in Africa. The 2002 Africa Day symposium focused on the importance of – and policy perspectives on – regional integration and development in Africa. This brief outline is intended to provide input for the Group of 8 (G8), New Partnership for Africa’s Development (NEPAD) and Tokyo International Conference on Africa Development (TICAD) policy processes.

A New Partnership with the G8

It is a great credit that G8 leaders have decided to devote particular attention to Africa at the forthcoming Summit in Canada. Although recent events have understandably shifted international attention away from problems facing Africa, conflict and poverty have lost none of their devastating impact for its peoples. There are three reasons why the G8 Summit is so crucial.

First, Africa has clearly shown an increasing commitment to put itself on a stronger development path. Over the last decade, most African countries have embarked on painful economic and political reforms that are now displaying tangible progress. Macroeconomic management policy has improved, medium-term economic strategies to reduce poverty are at the core of the programs implemented across the continent, respect for human rights has improved and systems of governance are becoming more and more democratic. Moreover, there are marked improvements in the resolution of conflicts. To consolidate further these achievements, this year has seen the launch throughout the continent of the New Partnership for Africa’s Development (NEPAD). The leadership and national ownership underlining this important initiative deserve to be supported, as does the initiative itself.

Second, Africa does need support. While the possibilities of an African Renaissance are real, so too are the risks that globalization and increased competition will leave many countries on the continent behind. The signals of renewal in Africa contrast starkly with the massive agenda of concern. Nearly half the continent's people live below the poverty line. Thirty-two of the 48 least developed countries in the world are located in Africa. HIV/AIDS is ravaging whole countries, resource flows towards Africa remain disturbingly low, foreign direct investment is negligible,

the debt overhang is compromising prospects for higher growth, institutional and human resources need to be strengthened, and economic infrastructure remains weak.

Third, the events of September 11 are likely to worsen poverty and exacerbate conflict in Africa. The terrorist attacks have accelerated and deepened the global economic slowdown. They have already led to weaker exports and lower commodity prices for many developing countries. In such a decline, more people will be pushed into poverty and there is greater potential of implosion in the most fragile and divided countries on the continent. Africa has already seen – in Rwanda, Democratic Republic of Congo (former Zaire), and Sierra Leone – far too much of the devastation that occurs when states collapse.

Seven Key Issues for Action

African governments and the international community face a major task. A key issue will be to meaningfully commit to NEPAD, the Africa-led strategy to reduce poverty and promote development. The need for both more and more timely support is vital: the challenges are massive and yet official development assistance to Africa declined 40% in the 1990s. The key will be to find more effective ways to support the continent's renewal based on national priorities and visions. Seven issues deserve particular emphasis.

First, there is an overwhelming case for swift and substantial relief of Africa's debt burden. The people of Africa should no longer be made to suffer today because inappropriate loans were given and taken yesterday. Moreover, current debt initiatives appear to have failed to produce the expected results, as only three out of forty two eligible countries have so far benefited from debt reduction operations under the HIPC initiative. New, innovative approaches, including meaningful debt reduction and cancellation schemes, are needed to reduce Africa's unsustainable debt burden.

Second, Africa's own development efforts must be complemented with significant development assistance, which is not limited to disaster or emergency relief. In addition to a focus on human capital, such aid should also be targeted at building infrastructure, promoting trade and investment, and more generally laying the foundations for significant and sustainable development.

Third, there must be greater commitment towards aid effectiveness. Countries that are committed to the welfare of their people and seriously engaged in reforming their economies should be able to mobilize additional aid. Ensuring local ownership of strategies and removing procurement restrictions would have a major positive impact. World Bank research suggests that such an approach would be the same as increasing the aid budget by 50%. The practice of conditionality should also be fundamentally reformed. It has become an infringement on national sovereignty and, at the same time, is an ineffective tool for changing economic policies.

Fourth, providing access to more and better education is vital. Primary school enrollment rates have fallen since 1980. Sixteen countries enroll less than 60% of their children in primary school. Less than a quarter of poor rural girls attend school. Around half of African women

cannot read or write. This situation is a disaster for Africa's current and future development. The targets agreed at the Millennium Summit by world leaders – to ensure universal primary education by 2015 and to eliminate gender disparity in primary and secondary education by 2005 – will be missed by a very wide margin unless there is a major push. And without investing more in its people, at all levels and in all sectors, Africa will not be able to sustain rapid growth and reduce poverty.

Fifth, Africa is being bypassed by globalization and the situation is getting worse. There is a need for rich countries to open their markets to African goods. OECD analysis suggests this is the most important contribution the G8 could make. This is particularly important for key sectors such as agriculture and textiles. It is in these sectors that Africa's comparative advantage lies, yet it is these markets that are often the most protected. Ensuring the new trade round of the WTO is truly a “development round” would be a major step forward.

Sixth, there is great potential for African countries to promote regional interaction and markets – as important in themselves as well as in helping Africa better integrate into the global economy. Consolidation at the regional level would enable Africa to benefit from economies of scale, both on the supply side in exporting to external markets as well as on the demand side in importing products. Building regional and continental infrastructure networks in transport and telecommunications would help promote efficiency and regional integration.

Seventh, the provision of infrastructure is at the center of any strategy to spur economic growth and to reduce poverty. If Africa is to provide its producers and populations, particularly the poor, with reliable and affordable basic services in the areas of water, sanitation, energy, transport and communication, there will need to be massive infrastructure investments in the coming years. In particular, the ongoing revolution in information and communication technology has far-reaching implications for the future of Africa. But, if Africa is to link to global information infrastructures, it will need to provide much greater access to the Internet for its populations and at much lower prices.

TICAD and NEPAD as Complementary Processes

The underlying principles of ownership and partnership in TICAD and NEPAD are essential for helping Africa deal with the various challenges militating against its sustainable economic growth. Peace and security, good governance, improving international trade, establishing an enabling environment for the private sector and civil society are among those challenges that deserve not only effective leadership from Africans themselves, but also support from the international community including specifically Japan. Indeed, there are many ways that Japan, through TICAD, can enhance her partnership with Africa.

First, trade between Japan and Africa remains negligible. There is a need to urgently increase the volume of trade.

Second, promoting foreign direct investment, opening Japan's markets for African exports, facilitating transfer of technology and assisting in finding lasting solutions to Africa's debt overhang are areas where Japan can make a significant difference.

Third, massive capital investment in infrastructure development is required in key areas in order to realize Africa's potential. A mutually beneficial partnership with Japan, both through ODA and private investment, can be built in such areas as roads, railways, ports, electricity generation and information and communication technologies.

Fourth, as a major source of ODA to Africa and as a prominent member of the G8, Japan is well placed to give impetus – through additional contributions – to its partnership with NEPAD. This will help realize Foreign Minister Kawaguchi's designation of the year preceding TICAD III as the year of "Soaring Cooperation with Africa."

Conclusion

Many of these issues have been recognized as key elements of an African renewal. Yet advances have been painfully slow. The G8 Summit must serve, as intended, to speed up progress – to spur African governments and international partners including Japan to strengthen their commitment. This would not only help improve the lives of ordinary African men, women and children, but also make the world more secure for everyone.

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