

An oasis or mirage for Africa's development?

Now that the dust has settled following the G8 Summit, it is time to reflect on what was achieved at Gleneagles, Scotland. **Sanusha Naidu** explores realistically what the G8 delivered for Africa and the challenge now for the continent.

The Meeting of the G8 leaders and African leaders in Gleneagles is a great success and we thank and congratulate Prime Minister Tony Blair for the success. Nigerian President Olusegun Obasanjo, Chairman of the African Union.

This is another disappointing result for Africa; we had quite huge expectations of the G8 leaders. Caroline Sande-Mukulira, Director for Action Aid in Southern Africa.

It is a welcome decision. It is a step in the right direction. But I would treat it with caution because for as long as that \$50-billion will come with conditions, then obviously it will be undermining the very campaign we're trying to champion. Njeri Kinyoho, Co-ordinator for ActionAid's Global Coalition against Poverty in Africa.

In the immediate aftermath of the G8 Summit, tensions ran high between proponents and opponents about what the summits' outcome meant. The responses ranged from cautious optimism (a historical moment for Africa's development) to outright indignation that these were old pledges distilled in new bottles.

Broadly speaking the summit did make 'poverty history' but in a rather abstract sense. It was the first time in the 30-year history of the summit that civil society groupings were given critical space to be part of deliberations and discussions ahead of the meeting. But the real thrust of Gleneagles lies in whether Africa walked away with the British Academy of Film and Television Arts (BAFTA) award. Clearly those punting laws to halt climate change are still waiting for the lights to be switched on. Africa was therefore, better positioned since all it was asking for, was as the Zambian trade minister, put it, the Holy Trinity: aid effectiveness, debt relief and trade justice. No doubt this was easier to deliberate on than climate protection. The outcome was a doubling aid to \$50-billion by 2010. This would however, be preceded by a \$40-billion debt write off for 18 HIPC countries, 14 of which are in Africa. Another nine countries could be added to the list bringing the total debt write off to \$55-billion. Considering these pledges it does seem that even though Africa did not walk away with any awards, it has come away with some important gains in the fight against poverty. Or at least this is how it appears on the surface. Critics are claiming that the devil is in the detail.

While the doubling of aid has been welcomed, it will be advisable to look beyond its numerical value. How much of this is new money? According to a joint statement issued by the African civil society organisations after the summit, it is a paltry sum of \$500-million. In percentage terms

this constitutes about 10% over five years. Amanda Sserumaga, ActionAid's Uganda country director, aptly captures the impact of this aid: '50 million children will die even before this aid will arrive in 2010. So much for Sir Bob Geldof's declaration: 'Today is a great day for those ten million people (who will be saved).'

Moreover, it is argued that the bulk of the aid package is to be drawn from existing obligations. No doubt conditionality underscore these obligations. UK Prime Minister Tony Blair was very clear about this when he affirmed that in return for the increased aid African governments had to demonstrate a commitment to democracy, good governance and the rule of law. Other caveats include how the money is spent, particularly prioritising sectors like education and health care, and how much of it would be tied to backward linkages and flow backs to donor economies as a result of debt servicing and consultants providing technical capacity training.

In addition, those trying to firm up the timetable around meeting the 0.7% of GDP for aid saw the Europeans only agreeing to a 0.56% target by 2010 and 0.7% by 2015. For the rest it is promises, promises.

Even the debt relief package is shrouded in controversy. The \$40-billion debt relief package for the 18 poorest countries (HIPC) constitutes only about 10% of Africa's overall debt stock estimated to be in the region of \$300-billion. A European anti-debt organisation, Eurodad, claims that since the \$40-billion is to be effected over 40 years, this is only equivalent to \$17-billion in real monetary terms today.

The debt relief package must be seen in its entirety.

- It is a once off package.
- It has marginalised certain countries like Malawi whose debt service constitutes an estimated 23% of the national budget



while precluding a country like Lesotho, whose debt obligations have been maintained in spite of the sacrifices.

- The terms for the debt write-off plan still remains vague about what is being written off – the principle or the interest.
- What has become alarming is that the ink has not yet dried on the debt write-off plan and the efficacy of it has already been thrown into doubt. A group of smaller European nations are calling for a more gradual approach than the immediate write-off which the G8 leaders agreed upon. Whilst these smaller states are in favour of the countries receiving a grant, their reservations have less to do with recklessness and irresponsibility on the part of recipient governments and more about leverage. While this proposal has to be decided at the September meeting of the IMF, it is apparent that debt relief has once again become conditional based with the IMF being the implementing agency. The latter entrenches Africa on 'debt row'.

Aside from the issues around debt relief, not much can be said about trade justice because this was a game of cat and mouse between the US, claiming that little meaningful reform can be made unless Europe reforms its Common Agricultural Policy, and the EU. So the logical thing was

to devolve responsibility and defer it to the WTO Hong Kong trade ministerial meeting in December 2005. Where does this leave Africa? Well its back to grappling with unfair commodity prices, high costs of TRIPS (Trade Related Intellectual Property Rights) and TRIMS (Trade-Related Investment Measures), inadequate trade facilitation, and the indelible protectionism of US and EU agricultural subsidies.

What does one make of this historic opening to end poverty? For the sceptics, the perfunctory promises of the G8 Summit come as no surprise. For the die-hard optimist it is a long winding road of which the first signpost has already been passed. But the key in getting to the other side means continuous and resolute engagement. A point underscored by Blair when he qualified the success of the summit: 'It isn't the end of poverty in Africa, but it is the hope that it can be ended. It isn't all everyone wanted but it is progress – real and achievable progress'. Geldof reaffirmed this message: 'I wouldn't say this is the end of poverty, but it is the beginning of the end'.

The real issue now is what does this mean for Africa and the plight of its citizens. The struggle is about Africa's development challenges and the redress that is required to reverse the decades of exploitation. In the

meantime, Africa's people must continue to survive bound by invisible shackles.

On the other hand, is the issue about whether the pledges made at Geneagles will be honoured and extend beyond the British presidency of the G8? Concerns are already emerging that the continuity may lapse once Russia assumes the chair as the Putin regime may not keep the momentum going given its own battles with terrorism. Moreover, China's increasing global presence must not be overlooked, as Beijing will definitely shift the emphasis at future summits.

If we were to remember the 2005 G8 Summit, it certainly would not be because the rich industrialised countries made great strides in eradicating Africa as a scar on the conscience of the world. Rather it would be remembered because it unambiguously reminds us that Africa's struggle against poverty is an upward battle despite what some African leaders and rock-stars turned statesmen may tell us. Perhaps the summit was Africa's watershed moment and the debate now is how to ensure that the momentum is maintained in the global public opinion domain.

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