



Can NEPAD harness the African diaspora's developmental efforts?

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The publication of the New Partnership for Africa's Development (NEPAD) in October 2001 appears on the face of it (we may alter our view with the benefit of hindsight) to be significant. Ostensibly, it is the first major attempt since the 1980 Lagos Plan of Action (LPA) by Africans to put forward an African agenda aiming to shift the continent out of its current crisis and onto a path of sustainable development. The African Alternative Framework to Structural Adjustment accompanied the LPA. (It is perhaps a sad sign of the times that activists once critical of the LPA now look back at it with misty-eyed nostalgia!)

How does the African diaspora support Africa's development today and how will NEPAD change this?

But first what is NEPAD? By attempting to amalgamate a number of African development plans that emerged and evolved from different parts of the continent, NEPAD is certainly an eclectic beast. Part stirring call on the African people to rise to the challenges of the 21st century, part accurate analysis of Africa's predicament, part accommodation with the global forces that both constrain and shape the pace of Africa's development, part shopping list of all the desired projects that have been floating around for years. Naturally, with such an eclectic mix, there is much to both agree and disagree with in the NEPAD document.

NEPAD's pedigree has generated so much enthusiastic comment: it is "African-owned". But this is a moot point. The world over we see the ascendancy of leaders and policy makers who either subscribe wholeheartedly to the dominant "neo-liberal" paradigm or see little merit in trying to resist it; in their eyes it is better to go with the flow, for "there is no alternative" (TINA). Africa is no exception to this general trend and so we have our own crop of neo-liberal leaders and policy makers who have bequeathed NEPAD to us. That NEPAD is African owned does not mean that there is ideological consensus on the appropriate way forwards for Africa developmentally.

That said, some African leaders – by and large democratically elected African leaders – have set out an agenda by which we can hold them accountable for Africa's development. That surely is good news, regardless of what one thinks of NEPAD in detail.

Perhaps NEPAD's most glaring weakness is that at least for now it is really "owned" by a bunch of charismatic African leaders rather than the African people, who know very little of it and have certainly had little or nothing to do with its genesis. Tackled on this point at a meeting in London some months ago Baroness Valerie Amos, British spokesperson on Africa in the House of Lords and Foreign Office Minister urged us to see NEPAD as a process very much in its early days. Time will tell whether African leaders are presenting a *fait accompli* or an invitation to engage with them in true partnership.

NEPAD leaders' strategy has been to sell the plan in G7 capitals first and presumably hope that a domestic constituency will follow once they have managed to extract concessions from their more powerful "partners" in the north. The jury is still out as to whether this high-risk political strategy will work. A real danger exists that it will not.

In marked contrast to the LPA, NEPAD does not propose alternatives to the Bretton Woods Institutions-inspired structural adjustment programs (SAPs). Rather, NEPAD argues for minor modifications and makes muted criticisms. Perhaps the root of this reticence is the

painful memory of the bruising battle between the LPA and the World Bank with its Berg Report, which the latter won, resulting in the imposition of SAPs, resulting in Africa's "lost decades".

As worrying is NEPAD's failure to be bold in tackling two of the key structural impediments to Africa's development in the 21st century, trade and debt. Indeed, NEPAD actually retreats from UN-endorsed goals for debt cancellation, settling instead for debt reduction. Issues of trade are inextricably bound up with issues of internal productive forces and their capacity. Here again, NEPAD could be clearer and stronger. In which market sectors could domestic productive forces enjoy a comparative advantage and benefit from careful and selective protection in order to enable them to capture local and regional market share and thus be capable of exporting later or withstanding global competition on their home turf?

We used to think of regional integration (RI) as being at the heart of the strategy of Africa's economic development by aggregating economies of scale and creating more viable businesses and polities. But NEPAD is ambiguous on RI. RI is at times the result of the successful implementation of NEPAD and at times an essential ingredient of its success. And this confusion of RI raises a further confusion over the relationship between the soon-to-come-into-force African Union and NEPAD.

This latter point raises another complex question, what are the different interests and motivations behind NEPAD? Arguably and perhaps not surprisingly given the central role played by President Mbeki in the evolution of NEPAD from the African Renaissance, NEPAD appears to serve key South African business interests. Business interests in Africa's larger middle income countries have most to gain from the sort of integration of Africa into the global economy envisaged by NEPAD. As Professor Manuel Castells has argued, in a globalised network society, it is possible to connect up the places attractive to global capital while bypassing others; a pic'n'mix approach in effect. This fear of increased marginalisation may help explain the reactions of some of Africa's smaller states, that have looked on rather bemusedly some warily, some with outright hostility. Speaking recently from the floor of a conference in Addis Ababa discussing NEPAD, a Gambian government minister was openly critical of the way NEPAD had been rushed seemingly to meet the needs of G8 leaders. In addition to actors who genuinely believe that NEPAD charts a way forwards for Africa and those who fear that it will only serve to marginalise them further, we can probably assume the existence of some simply jumping on the band wagon, who sniff another opportunity to expropriate more resources in the name of serving the African people.

So, not only is NEPAD an eclectic mix of intellectual ideas, it also bags together a rich mix of interests and motivations among leaders.

NEPAD does not ignore the African diaspora; indeed, it sees a need to turn the brain drain into a brain gain. Helpfully, it acknowledges the need to create the conditions that would retain people in Africa who would otherwise not wish to leave were it not for the poor conditions.

So far so good. But NEPAD says no more about the diaspora. And yet there is much more to be said. For a start, remittances sent home by Africans in the diaspora each year amount to hundreds of millions – possibly billions – of dollars. We do not know precise figures because so much of the money flows through informal networks and channels. But the Ghanaian government estimates annual remittances from Ghanaians abroad to be between \$350m and

\$400m, surpassed only by gold and cocoa exports in significance to the economy. President Museveni believes that Ugandans abroad are Uganda's biggest export, as they send home some \$400m a year, in excess of declining coffee exports, formally Uganda's biggest export earner. Quoting various IMF studies, Professor Una Okonkwo Osili of Indiana University notes that in Sudan, workers' remittances averaged \$417m dollars in 1995-98, representing over 70% of the export total and three-and-a-half times the amount of foreign direct investment (FDI). The figure for Nigeria over the same period was over \$1.3bn, 10% of the value of exports and roughly equal to the total of FDI. Between 1994-97, Malian workers remitted \$103m, equivalent to 23.3% of export value and greater than FDI.

Traditionally, academics and policy makers have been wary of the benefits of remittances, blaming them for exacerbating inequalities, skewing consumption patterns towards imported luxury items, and fuelling inflation. However, while these dangers no doubt exist, it is undeniable that the African diaspora has emerged as a de facto welfare state in many parts of Africa. Indeed, anecdotal evidence would suggest that remittances also go towards investment in small and medium sized enterprises in Africa. So Africans abroad are arguably among Africa's "biggest aid donors" and "foreign investors".

The key question that NEPAD ought to have addressed is whether and under what conditions it might be possible to shift the focus of some of the remittances away from expenditure that tackles the symptoms of our problems in order to harness some of the resources for long-term investment. The politics of this should be obvious. NEPAD identifies a need for \$64bn in investment. The more of this capital that comes from international institutional donors or investors the more conditions that will be attached and the less room for manoeuvre for Africa's leaders and policy makers. The more domestic resources Africa can mobilise – and we should see the African diaspora's resources as being at least halfway between domestic and foreign in this context – the more internalised and attuned to Africa's developmental needs the conditionalities should be. Indeed, the emergence of some sort of meaningful social contract between African people and their leaders – under a reformulated NEPAD, African partnership for Africa's development (AFRIPAD) perhaps – could transform African politics in profoundly positive ways.

Given the current disillusion of many Africans at home and abroad in contemporary African leadership and in state institutions, mobilising remittances for Africa's development may appear to be a tough sell. But it probably is not as tough a sell as trying to persuade big investors in the north to put their money into what we really need – socially responsible capital directed at the multitude of small and medium-sized enterprises that will create jobs and opportunities for large numbers of marginalised people while producing local goods and services required in the first instance by domestic and regional markets. Undeniably, African governments have not done anything like enough to engage their nationals abroad, although the Ghanaian government did organise a Home Coming Summit in 2001, sadly with little follow-up to date. In essence, what we need is an African social enterprise fund for which investors will trade high dividends for social benefits and reduced returns on their investment.

An uphill battle this might be, but these are not far-fetched cloud cuckoo land ideas. It is unlikely that the Chinese diaspora were big fans of the communist regime, noted and reviled for its gross abuses of human rights over the years. And yet according to Professor Robin Cohen writing on global diasporas, "since 1979 China has received \$60bn in foreign investments and about the same in loans, and the overseas Chinese were responsible for a staggering 80% of the total sums involved... Members of the Chinese diaspora took the

opportunity to reconnect with their villages and ancestral homes through the influential *guanxi* – elaborated networks of relatives, friends and associates”.

But we cannot rely on decentralised networks of resource transfer alone; we must also address the key question of state capacity in Africa. Contrary to popular myth, both forces of globalisation and efforts towards regional integration require enhanced, not less, state capacity, still alarmingly weak in Africa not least thanks to 20 years of SAPs and poor state formation in the first place. All those of us who recognise the need for developmental states in Africa can no longer be satisfied to issue clarion calls for them, we must now roll up our sleeves and start building developmental states, *our* developmental states. In some cases this will mean scouring the African diaspora to seek out the technical know-how to work diligently with counterparts in Africa to support state negotiators in world trade talks.

A NEPAD that sought justice rather than accommodation with an inherently unjust global order would have opened the way for an effective advocacy campaign by members of the African diaspora living in the north where hypocrisy and double standards on questions of international development are at all-time-high levels. The formal apartheid system in South Africa struck a raw nerve with African-Americans who played pivotal roles in its demise. Not since then has the African diaspora’s voice been heard so powerfully or with anything like the same effectiveness. More recent African arrivals in the diaspora tend to be particularly muted when it comes to engaging in advocacy for change in Africa. The reasons for this lapse are numerous, but not insurmountable. The time is ripe for an African-led global campaign for the right of Africans to choose their own path to development fully supported by the African diaspora. A clear call from the forces for progress in Africa to the diaspora would not go unanswered. A key task for the African diaspora is to hold northern policy makers, donors, NGOs – the entire aid industry – to account for what they say and do in the name of solving Africa’s problems. Still, too much power over decision making that affects the lives of Africans resides in the north, not Africa where it should be.

But we must not just react to other actors. Above all things, we need to be proactive in setting forth an alternative African agenda. Of course, this does not mean rejecting all ideas from elsewhere but it does mean having the faith in homegrown African solutions. It does mean being bold and imagining fresh visions and possibilities. In the first instance, this means exploring what scope exists for reformulating NEPAD to better capture the aspirations of millions of Africans seeking to propel themselves forward into wealth and well-being. For the African diaspora it means engaging representatives of African governments where they live, connecting more strongly with counterparts in Africa, and with friends in the global movement for justice and solidarity and working hard to harness our enormous energy and resources to make the 21st century Africa’s century. An African partnership for Africa’s development is the framework we need to turn around our fortunes.

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