

The New Africa Initiative: A View from the Economic

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Impetus for a new development initiative

The New Africa Initiative (NAI) recognizes past continent-wide development programmes which, for a variety of reasons both internal and external, have not been successful. Today a new set of circumstances that lend themselves to integrated practical implementation has come into being. Although Africa's development during the past decades has been a long saga of achievements and failures, Africa's destiny during this new millennium should be defined and shaped by the realities on the ground and the way in which these impact on its future.

Role of ECA

The Economic Commission for Africa (ECA) has been mandated by the United Nations to support the economic and social development of African states, foster regional integration, and promote international cooperation for Africa's development. Established in 1958 and based in Addis Ababa, Ethiopia, ECA is one of five regional economic commissions under the administrative direction of the UN. It reports directly to the UN Economic and Social Council (ECOSOC) through the Conference of African Ministers Responsible for Economic and Social Development and Planning.

For forty years, the commission has contributed to African development through various programmes. It still has a role to play

in the new set of circumstances in which Africa finds itself. The commission helped to set up the African Development Bank (ADB) and a number of subregional organizations such as the Economic Community of West African States (ECOWAS) and the Preferential Trade Area (PTA), for Eastern and Southern Africa, now the Common Market for Eastern and Southern Africa (COMESA). ECA also supports technical institutions that lay a firm base for the socio-economic development that African citizens need. The commission has had a hand in many well-recognized economic strategies, such as the Lagos Plan of Action for the Economic Development of Africa (LPA) and the Cairo Agenda for Relaunching Africa's Economic and Social Development.

ECA supports initiatives enhancing human security and preventing conflict, and thus welcomes the new set of initiatives which aim to correct the mistakes of the past while setting a clear path for future development.

African countries cannot turn a blind eye to developments at international and regional levels, because a number of these have serious implications for Africa, not only with respect to its relevance in the global economy but for its own economic survival. Clearly these developments could have grave consequences for African people.

At the international level, the emerging economic order, with its emphasis on globalization and liberalization, poses enormous challenges with both threats and opportunities. These forces are redefining the global economic landscape and favouring the deregulation of markets (free-market economy) and free trade, bringing the promise of increased growth and development. Unfortunately, many African countries have not been major beneficiaries of these developments.

The benefits of globalization and liberalization have not been evenly distributed, and to some extent have contributed to the widening development gap between Africa and the rest of the world. The reversal of this trend can only be achieved through a major renewal process, including the transformation of African economies and the adoption of a more proactive and visionary stance. In the light of these considerations, African countries have stepped back and taken a serious look at the future of the continent within the global village in order to define how to position Africa more favourably in the new economic environment.

At the regional level, the continent has to face up to many important

policy challenges. To begin with, despite the gains of the 1990s, it has to face the prevailing poor economic situation. Overall economic performance can be considered as fragile at best. Major reforms are needed to consolidate economic gains. If African countries do not improve their economic performance, they will be further marginalized in the world economy.

Another important development is the move from individualized national economies to regional economic integration, political transitions with an emphasis on good governance and democratization, and social transformation with a strong commitment to addressing the HIV/AIDS pandemic and alleviating poverty. Regional integration will assist Africa to benefit from the globalization process, especially in exploiting economies of scale and overcoming the limitations of market size.

African countries must show greater commitment to a gradual integration of the continent. The adoption of the African Union (AU) at the Lusaka meeting in July 2001 is the first step in this direction. Furthermore, African countries cannot ignore or wish away the socio-political reforms called for by the transition to a market economy. Our leaders are also beginning to recognize the need for fundamental changes in their orientation towards better governance and democratization processes, in which the pursuit of national development goals takes precedence over individual interest in political survival.

African leaders must understand that the growing uneasiness and frustration of their peoples is a result of the failure of their leadership, which unfortunately in some instances includes taking up arms. Finally, African countries are also aware of the need to adopt measures that emphasize domestic resource financing. Most importantly, African countries now know that they cannot integrate fully into the global economy through aid, which is becoming scarce and has so far not served Africa well.

Africa's new development initiative

The above are a few of the development issues which provide compelling reasons for formulating new initiatives. Africa is in a 'must-win' state, as any failure to address the deteriorating situation could lead to irreparable damage to the continent's economic development and to its place in the international community. There

must be renewed commitment to taking the necessary action to accelerate development growth in Africa, to improve the quality of life of its people and to get Africa out of its present economic quagmire.

It is against this backdrop that the leaders of Africa are proposing a new development initiative for accelerating the region's growth. This New Africa Initiative is based on a common vision of the challenges ahead, and centres on African ownership and management. It aims to bring about economic renewal in order to eradicate poverty at the local level and enhance the continent's participation in markets at the global level. The agenda, which provides an integrated perspective, is a merger of the Millennium Africa Recovery Program (MAP) and the OMEGA Plan with the Compact for African Recovery, which provides the operational and technical orientation. The proposed agenda is based on national and regional priorities and development plans are to be addressed through participative processes involving the general public. The Initiative, which is intended to achieve accelerated growth and development, focuses on selected key priority areas:

- improving economic governance;
- developing human resources, including education and health;
- developing infrastructure, with particular attention paid to information and communications technologies (ICT);
- improving market access and trade;
- encouraging diversification of African economies, covering issues of competitiveness and enabling conditions;
- improving financial flows and managing debt; and
- developing agriculture and protecting and sustaining the environment.

Other important features of NAI are its emphasis on:

- the need for imaginative leadership that is committed to improving the livelihood of a nation's people;
- mobilization and better management of Africa's development resources;
- the need for African ownership of Africa's development destiny;
- the need to create an environment conducive to improved collaboration among various local development agents and stakeholders (representatives of government, private sector and civil society); and
- the creation of a new global partnership based on strategic and

mutual interest.

These features are targeted at achieving the following objectives:

- restoring peace, stability and security on the continent, and promoting democratic systems of government;
- promoting development, reducing poverty and attaining international development targets for health, education and gender equality; and
- raising investment capital from domestic and foreign sources by lowering the risks associated with investing and doing business in Africa.

Given the importance attached to NAI, African leaders have also outlined a comprehensive programme of action for which they will take joint responsibility for implementing. The programme of action covers the following critical elements:

- Leaders will strengthen mechanisms for conflict prevention, management and resolution at the regional and continental levels, and ensure that these mechanisms are used to restore and maintain peace.
- Leaders will promote and protect democracy and human rights in their respective countries and regions, by developing clear standards of accountability, transparency and participative governance at the national and subnational levels.
- Leaders will restore and maintain macroeconomic stability, especially by developing appropriate standards and targets for fiscal and monetary policies, and introducing appropriate institutional frameworks to achieve these standards.
- Leaders will institute transparent legal and regulatory frameworks for financial markets and the auditing of public sector departments and private companies.
- Leaders will revitalize and extend the provision of education, technical training and health services, with high priority given to tackling HIV/AIDS, malaria and other communicable diseases.
- Leaders will promote the role of women in social and economic development by reinforcing their capacity in the domains of education and training; by the development of revenue-generating activities through facilitating access to credit; and by ensuring their participation in the political and economic life of African countries.
- Leaders will build the capacity of states in Africa to set and enforce

the legal framework, as well as maintain law and order.

- Leaders will promote the development of infrastructure, agriculture and its diversification into agro-industries and manufacturing to serve both domestic and export markets.

Transformation and renewal process

Initiative after initiative, whether regionally or internationally driven, has underscored the importance of peace, human security and conflict prevention as necessary conditions for Africa's economic growth and sustainable development. A long list of development programmes has been launched over the years, beginning with the Lagos Plan of Action adopted in 1980. As far back as the 1980s, Africans were aware of the importance of peace and security to the region's economic progress. The Lagos Plan was a blueprint for transforming the African economy based on the assumption that peace and human security were given. Even with this assumption, the centrepiece of the Lagos Plan was its focus on the human dimension of development, that its success should be measured only by improvement in the well-being of the people. This included their living in a secure and stable environment. Successive programmes after the LPA echoed this point.

The United Nations Programme for African Economic Recovery and Development 1986 and 1990 recognized the importance of genuine peace and security to African economic development. It noted the plight of 5 million refugees and returnees, but also recorded the adverse effects of refugees: first, the burden they impose on the frail economies of host countries, and second, the depletion of the productive capacity of their countries of origin.

The United Nations New Agenda for the Development of Africa in the 1990s also emphasized the relevance of peace and security, noting that 'Peace is an indispensable prerequisite for development. Peace initiatives by African countries should be encouraged and pursued in order to bring an end to war, destabilization and internal conflicts so as to facilitate the creation of optimal conditions for development. The international community as a whole should endeavour to co-operate with and support the efforts of African countries for a rapid restoration of peace, normalization of life for uprooted populations and national socio-economic reconstruction'.¹

The UN system-wide Special Initiatives on Africa and peace-

building, conflict resolution and national reconciliation were among efforts to provide the minimum conditions for economic development.

The Cairo Agenda for Relaunching Africa's Economic and Social Development recognized that democracy, good governance, peace, security, stability and justice are among the critical factors necessary to create socio-economic development. Without democracy and peace, development is not possible; and without development, peace is not durable. In this respect, member countries committed themselves to undertake programmes aimed at promoting a culture of tolerance, free and fair elections, and respect for the freedom of the press, of speech, of association and of conscience.

The new agenda and the operational blueprint of the Compact for African Recovery have resoundingly reiterated the need to pay particular attention to peace-building, security and conflict prevention. The other preconditions outlined in the new agenda: democracy and improved political, economic and corporate governance, with a focus on public finance management, are also seen as important contributors to peace and stability.

It is obvious, therefore, that the expectations of the agenda reflect the mood of our leaders and the urgent desire to address the imperatives of a new milieu - the promotion of peace, democracy, human rights and sound economic management, which is based on lessons learnt from previous experience. African leaders envisaged a critical role for the state in creating the above conditions for development. Within this context, the agenda strives to strengthen the capacity of the state in the critical aspect of creating conditions for development, by placing value on:

- respect for the rule of law;
- respect for human rights; and
- readiness to participate in effective power-sharing processes.

The agenda, while placing a high priority on capacity-building, has targeted the following areas for action:

- promoting long-term conditions for development and security;
- building the capacity of African institutions for early warning of potential conflict as well as enhancing their capacity to prevent, manage and resolve conflict; and
- institutionalizing commitment to the core values of NAI through its leaders.

Efforts to build Africa's capacity to manage all aspects of conflict focus on the means necessary to strengthen existing continental and

regional institutions, especially in four key areas:

- prevention, management and resolution of conflict;
- peace-making, peace-keeping and peace enforcement;
- post-conflict reconciliation, rehabilitation and reconstruction; and
- combating the illicit proliferation of small arms, light weapons and landmines.

View from ECA

Timing of NAI

The New Africa Initiative is timely: it is no coincidence to find three independent efforts have been made to articulate a new development agenda for Africa's economic transformation and development. As the process of articulating the Compact and the related consultations evolved, it emerged that Presidents Bouteflika of Algeria, Mbeki of South Africa and Obasanjo of Nigeria were also developing the MAP initiative mentioned above. Around the same time, President Wade of Senegal announced his Omega Plan for Africa.

These initiatives reflect a renewed sense of urgency in responding to the challenges dictated by events on the international and regional front.

The Millennium Declaration adopted at the UN Millennium Summit acknowledged the special situation of Africa and the need to pay special attention and renewed commitment to supporting an African-owned development agenda. With many positive developments occurring in Africa, including economic and political reforms that emphasize market-oriented economic development, good governance and democratization, renewed commitment to pan-African solutions, and with the growing interest shown by the international community in providing assistance, African countries must seize the moment and sustain the momentum.

NAI is timely in that it reinvigorates Africa's resolve to change the present status quo from a continent at a disadvantage to one that can compete and has a voice in the international community. It is also necessary for taking action to remove barriers, including structural constraints and productivity issues, which impact on African development. Only then will African countries assume their rightful place in the community of nations.

Relevance of issues to development challenges

All these initiatives have now been merged under a new name: The New Africa Initiative: Merger of the MAP and the Omega Plan. The path towards entering the new world economic order is by no means easy. The challenge is to accelerate socio-economic development and introduce progressive changes to the African economic and political development landscape. Coping with a reduction in resources and creating space for participation of the private sector and civil society are only two of the critical issues that the region has to confront. Developments on the international scene and Africa's own experiences of the past suggest the need for an increased spirit of competitiveness and effort towards efficiency.

Another important element in the changing landscape is the move towards political liberalization which, although currently at a nascent stage, is opening up scope for broader public participation in the governance process. Political reforms are being expressed in many forms: legalized political opposition, the holding of elections, the relaxation of some government controls on political activities and increased press freedom

Increased attention is being given to structural and institutional reforms. For example, more and more African countries are paying greater attention to issues such as poverty, human development, education and training, and infrastructure institutional development, as well as building capacity in various critical areas.

These needs dictate the areas and issues that any initiative to further Africa's development must cover. Responding to them is a daunting task, and projects must be as comprehensive and integrated as possible. Africa's efforts should aim at consolidating these initiatives through the systematic pursuit of critical areas defined in the agenda, which among other conditions place heavy stress on peace, security and good governance as critical for achieving growth and development.

The Compact, which was drawn up in response to a resolution of the ECA Conference of Ministers of Finance on the challenge of financing development in Africa, has been revised towards NAI through extensive consultation with partners outside Africa, the UN family, and a great many African governments who are to provide technical support for its operation. While NAI provides a development vision for Africa's future growth and poverty reduction, and the Compact

emphasizes 'how to' achieve growth and development, they converge on many issues, including the preconditions for successful implementation. Both aim at accelerating Africa's development.

The emphasis on peace, security and political governance as necessary preconditions for Africa's development is now a widely accepted position. The strength of this initiative is that it recognizes the need for greater sensitivity to good political governance as a foundation for peace and security. Building durable peace in Africa requires both good governance and sustainable development, involving a response to the broader political, economic and social conditions needed to prevent future conflict. The importance of these preconditions can be better appreciated from the following facts:

- The cost of the more than half a million guns accounted for through disarmament programmes could free resources that could be directed towards development.
- The more than one million children caught in Africa's civil conflicts, either as conscripts or war victims, represent wasted human resources that could have contributed to the region's productivity.
- Over ten ongoing conflicts - inter-state or internal civil disputes - have robbed the countries and the region of major development resources and economic development and entailed the destruction of property and lives.
- In the Mano River Union countries (Liberia, Guinea and Sierra Leone) alone, more than 300,000 persons have been killed and about one million displaced or left destitute and deprived of human dignity.

This picture will remain the firm reality in Africa if the situation is not addressed on all fronts: conflict prevention, peace-building, peace-making, conflict resolution, national reconciliation, anything that will change the present situation.

Response to issues related to preconditions: peace, security, political, economic and corporate governance

For many, including the Economic Commission for Africa, the task now is to translate these ideas into concrete programmes. The goal of individual and collective efforts on issues concerning peace, security

and political governance should be to provide technical support through a mix of activities that assist the successful implementation of the agenda. Africa has come a long way in placing peace, security and conflict prevention at the centre of development.

Ensuring peace and security and providing effective conflict prevention is a complex, multifaceted and long-term challenge. Long-term solutions that are integrated and address both the causes and effects of conflict are required to solve the problem. African countries can contribute in the following areas:

- Good governance practices should be promoted, including building the capacity of the institutions of governance within the state, civil society and the private sector to contribute to peace, social stability and democratic pluralism. The state's role in maintaining stable, effective and fair legal-regulatory frameworks for ensuring stability and equity in the political process and market place should be strengthened.
- Information on the destructive impact of conflict should be disseminated and public sensitivity to the issue should be raised, focusing on the role of the media and other information groups. This entails:
 - increased and more accurate documentation of war atrocities and of their impact;
 - capacity-building in society, including the empowerment of networks of women, religious and community groups;
 - strengthening of civil society's role in peace and security matters, especially by organizing more powerful groups to influence public policies and to provide checks and balances;
 - promoting a culture of peace, including the introduction of peace education in school curricula and other activities; and
 - targeting of peace and security activities towards youth and women, the two groups most vulnerable to conflict and most useful in peace-building and close-up conflict prevention.

All these initiatives call for the adoption of practical measures, such as:

- research, to document and provide cogent arguments;
- capacity-building, including empowerment to provide the force and networking needed to make a difference;
- lobbying and advocacy to sensitize all stakeholders to the effects of conflict; and
- a special focus on women, including empowerment to take more