

# **US Partnership or Domination of Africa: Reflections on the discussions over the Africa Growth and Opportunity Bill**

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## **Introduction**

In February 1999 the Clinton Administration relaunched the Africa Growth and Opportunity Act, newly titled the Africa Trade and Development Act. This bill which is now being discussed before the Congress was first presented in 1998, but after passing the House it was lost in the Senate. The two main objectives as stated by the administration are for the US government to lead the task of integrating Africa more fully into the global economy and to build a more valuable partnership (moving away from “aid to trade”) between Africa and the USA for the benefit of Africans and the Americans.

In specific terms however, this bill would require (as pre-conditionalities for entering into the trade framework with America) African countries to adopt market oriented and structural adjustment like economic policies of deregulation, liberalization and privatization. These policies would intensify and perpetuate the exploitation for export of the continents natural resources at the expense of the most downpressed sections of the population. The Bill provides no new additional money in aid and will force African governments to adhere to the intellectual property rights regime of the World Trade Organization (WTO).

A number of US industries including energy and pharmaceuticals have their eyes on the rich bio diversity and undeveloped petroleum and gas deposits of Africa and the intent of this legislation is to increase the relative power of multinational corporations over African governments. The specific provisions that seek to implement the rules of the WTO would undermine the limited independence and sovereignty that was won by the African people. This attempt at undermining the sovereignty is

occurring at a period in world history where the security interest of every nation is greatly influenced by the degree that the society is able to navigate the unpredictable forces of the 21<sup>st</sup> century global economy through the use of its strategic levers in the form of national trade, macroeconomic and investment policy frameworks to serve the welfare of its workers, women, youth, local businesses, etc.

There are four sectors of the capitalist class who will benefit from this legislation. They are to be found in the agribusiness, pharmaceuticals, energy and telecommunications sectors. Banking and mining with their long history of super exploiting African labor in South Africa are not far behind, but these sectors have a bit more experience and are therefore not as strident in the promotion of this legislation. The Capitalists that are encouraging this legislation are grouped in a relatively new formation called the Corporate Council for Africa.

Representative Jesse Jackson Jr. has offered an alternative legislation to oppose the clear intent of the Africa Trade and Development Act. The legislation presented by this representative from a large African American constituency in Chicago is called the Human Rights , Opportunity and Empowerment act for Africa (Hope for Africa Act).

The intent of this legislation by Representative Jackson is to move the discussion of US economic policy in a new direction by calling for debt cancellation and for adjusting the pattern of public expenditure to satisfy the basic needs of the ordinary people. In essence, this legislation is saying that the needs of food, clothing, shelter, health care and basic education in African societies should take priority over the allocation of scarce resources to productive activities which serve global markets and debt servicing to private banks and the International Monetary Fund (IMF) and World Bank.

It is the position of the International committee of the Black Radical Congress (BRC) that the initiative by representative Jackson is an important opening so that the mass of African Americans become more involved in the debates on US Trade and Foreign policy with Africa. The Jackson initiative is deficient in one major respect. It does not address the military initiatives of the Pentagon and the administration as manifest in the Africa Crisis Initiative Response (ACRI) that seeks to link (African militaries) closer to the US military industrial complex so that the African governments can spend scarce resources on weapons produced in the USA.

The Black Radical Congress goes on record in opposing the Africa Trade and Development Act and calls on all citizens to consult and contact their representatives to oppose this legislation. Moreover, the Black Radical Congress gives qualified support for the legislation by Representative Jackson and a call for a greater level of debate and discussion in all sections of the African American Community on this legislation.

Below we provide a brief background statement on why we are calling on all sections of the BRC to oppose this legislation.

## **Background**

A high level planning strategy meeting of the US State Department of 1947 recommended what it called the "Cooperative development of Africa." This was a policy that earmarked cheap foodstuffs and raw materials which would help forge European unity and create an economic basis for continental recovery. "This position of the State Department went hands in glove with the Marshall plan for the economic recovery of Europe after the catastrophe of the capitalist depression, fascism, war, the holocaust and the scare of popular revolt in Europe. Aside from the billions of dollars for

the Marshall Plan, the whole basis of the African economies was reorganized for the intensification of exploitation by European companies. There was a plethora of development plans and the International Bank For reconstruction and Development (IBRD also called the World Bank) and the IMF assisted the various European companies in "modernizing " the African economies.

Modernization broke down the resistance in the African countryside to the commoditification project, created a class of Africans allied to Europe and supported the growth of an African military. All of this was done in a context where any African leader who opposed colonialism was branded a communist. From Ben Bella in Algeria to Nelson Mandela in South Africa, the African nationalists had to contend with the cold war vision that branded freedom fighters as terrorists. One of the Freedom fighters of Washington, Jonas Savimbi, is still creating havoc in Angola and Congo Brazzaville.

The real essence of the European recovery lay in the realization that by 1978 Europe had recovered its nerve in order to challenge the hegemony of the dollar in international trade. Having been exhausted by attempting to crush liberation movements, the US devalued in 1971 and since that time the competition between the European capitalist class and the US has been in the open. The Europeans moved to develop an open community in 1992 with the freeing of people to move across borders and in January 1999 moved to create a common currency, the Euro. This development now puts the competition in the open.

For a brief period the competition was muted by the Cold war and the presence of US troops in Europe. In the period of the aftermath of the Cold war, the US has been seeking ways to dominate Europe. Because of the fact that most of the raw materials needed for European economies are to be found in Africa, the long term goal of the USA is to dominate Europe by controlling Africa. Thus, the 1947 understanding that European recovery would be on the basis of African food and raw materials is now over. Shortly before his death, Secretary of Commerce Ron Brown openly said the US will no longer leave Africa to the Europeans. This is the context of the visit of President Clinton to Africa in 1998 and the tabling of the legislation called the Africa Growth and Opportunity Act.

## **The Context**

All of Africa from Cape to Cairo has been negatively affected by the intense activities of the financial speculators who have brought ruin to the peoples of Asia, Latin America and Russia. Where in Asia there is talk of the unemployment from the meltdown of the Asian miracle, in Africa there are millions who are dying of hunger, aids, poor health, militarism and dictatorship. Economists use statistics of the indebtedness of Africa but when these statistics are translated from the sterile numbers one can see the reduced life expectancy for the African. The cuts in social expenditures that have accompanied the conditionalities have wiped out the meager gains made by the working people in the decolonization period. The agencies of the UN publish data on the Human Development Index that indicate the basic dehumanization of the African person in this period. Where the independence struggle was for the basic rights to health, education and a decent standard of living, the International financial institutions are ensuring that Africans pay back loans even if it is over the dead bodies of the poor.

Two situations graphically point this out. The first is in the context of Rwanda where the government that carried out genocide was financed for years by the international financial Institutions, the World Bank and the International Monetary Fund. The survivors of the genocide have to pay back the loans that were incurred so that the authors of genocide could procure the equipment (weapons) to carry out their crimes. In addition, the current Government of Rwanda continues to depend upon new

loans to finance health, education and reconstruction efforts, to offset budgetary resources that are allocated for debt service payments.

The second case relates to the government of South Africa. The new government has a debt of over \$30 billion dollars that was incurred by the apartheid regime as it laid waste the whole region of southern Africa with death, destruction and military destabilization. The sterling resistance of the oppressed brought about the end of apartheid but if the government of South Africa is to retain its credit worthiness it must pay back those the loans plus interest, in hard currencies. In addition, while the white minority regime could subsidize the education and living standards of the white farmers and the military, the ANC government is called upon to cut social expenditures and minimize budget deficits or face the punishment of global capital markets and credit rating agencies.

## **The Africa Trade and Development Act**

One communication from one of the non governmental agencies debating the Bill argued that the legislation would:

- Create a US-Sub Saharan Africa Trade and Economic Cooperation Forum to bring cabinet Level officials together annually to discuss economic matters of mutual concern
- Expand African access to US markets by extending, for a ten year period, import tariff concessions under the generalized System of Preferences (GSP) and by eliminating US import quotas on textiles manufactured in sub Saharan Africa
- Establish a \$150 million equity investment fund and a \$500 million infrastructure investment fund for sub Saharan Africa under the auspices of the Overseas Private Investment Corporation (OPIC)
- Initiate Planning for the creation of US Sub Saharan Africa Free Trade Zone and
- Create a Deputy Trade Representative for Africa in the office of the US Trade Representative.

The essence of the act is to strengthen the relative position of US capitalists in relation to other global capitalists. This would place the US in the drivers seat and for the US to dominate access to the resources of Africa. The Bill dresses up its language of conditionalities by suggesting that the intention is to begin trade with Africa instead of Aid.

The Bill seeks to challenge the stereotypical images of Africa as crisis ridden by presenting Africa as a land of opportunity for those who want to exploit the underdeveloped raw materials of Africa. The Bill would reduce certain barriers to US markets, especially in textiles and create new export opportunities for African capitalists who live in nations that adhere to the IMF like conditionalities of the act. The countries that follow the strict conditionalities and pay their debt would be considered the eligible nations under the Trade Bill.

What the authors of the Bill do not address are the questions of the health, safety and well being of African societies, particularly the poor. Just as how the present Administration cuts entitlements to the most oppressed sections of the African American community in the so called Welfare Reform Bill, the Trade Bill says nothing on how the investment in infrastructure by US transnationals would help the African ravaged by AIDS and exporting billions in capital in the form of debt service payments to the IMF, World Bank and other financial institutions. The Bill requires African countries to follow the policies of the IMF and the World Bank, policies which history has demonstrated have brought disaster to the export led growth model "success stories" of Latin America and Asia.

A lot of the literature on Africa speaks of the globalization process and how Africa has been marginalized in this process. However, this interpretation hides a number of truths. The exploitation of African resources has continued to be a source of capital accumulation for the development of

global markets. Whenever statistics are offered which indicate Africa's declining share in world trade and investment as evidence of Africa's marginalization in this era of globalization, what it actually represents is Africa's worsening structural position (at the bottom) of international division of labor.

Thus, while some would say that Africa has escaped the worse of the financial speculation of the international money managers which has caused banking crises, devaluations and capital flight in Asia, Latin America and Russia, Africa economies continue to hemorrhage slowly and transfer wealth as they continue to increase the export of commodities at historically low prices to global markets, in a vain attempt to service debts. The plan to integrate Africa more fully into the global economy is not a positive development for addressing the kinds of structural dynamics which constrain socioeconomic transformation and development of African societies.

Much of the discussion from the congressional representatives and from the opponents of the Trade Bill presupposes a simple minded dichotomy between integration and marginalization in the world economy. However, integration can be developmentally enhancing or impoverishing, (depending upon the nature and terms of process.) Africa can gain from information technology, trade and some types of capital flows but only if they have the underlying intellectual infrastructure that promotes the building of local productive capacity to supply goods and services that are consumed in local, national and regional markets. In addition the strengthening educational institutions using African languages and the wealth of knowledge in the heads of millions of African men and women, especially the women who are the producers would be the fundamental requirement of economic development.

It is the people of Africa under democratic governments and with the correct set of institutions which can in the future create the basis for the structural transformation of African economies. The policies that are needed for social and economic transformation look nothing like the liberalization policies of the structural adjustment programs of the Trade Bill. In fact the intent of this legislation is to further constrain Africa gaining access to potentially positive aspects of foreign direct investment that would include African societies in the scientific and technological revolution underway.

### **The silences of the Bill**

The African Trade and Development Act is silent on the major issue that comes from the African poor. This is the call that the debt is unpayable and should be canceled. Authorities far and wide from the Pope to the World Council of Churches have joined their voices to that of African activists who are calling for the cancellation of the debt and the onerous conditionalities of the international financial institutions. This issue of the debt is at the tip of the ice berg however. The real target of the US Bill is to force African governments to accept the Intellectual Property Rights regime of the World Trade Organization and other conditionalities which support the process of liberating capital to exploit resources at will on a global basis.

The US agribusiness sector and the pharmaceuticals view the rich bio diversity of Africa as the grand prize with the development of new plant therapies. These companies want to wipe out the ability of Africans to have control over plants, seeds and the major resources in herbs that can be used to cure the ill. The food companies want to inundate Africa with cheap US grain and change the dietary habits of Africans. Disaster relief and wars fit into this agenda as the humanitarian workers are some of the foot soldiers for US transnationals. It is significant that this same administration has continued to refuse to support the international ban on land mines.

The other major silences in the Bill relate to the environmental mess that is being created by the petroleum companies. The record of oil companies such as Shell in Nigeria demands international policing over the destruction of the environment. Instead, US oil companies are surveying the vast oil wealth on the continental shelf from Nigeria down to Angola. These oil companies assist selected warlords and in some wars the companies are to be found on both sides of the combat. For good measure, the Clinton Administration promises an Africa Crisis Response Initiative to assist those governments that support the Trade Bill and even to potentially fight against opposition movements to the eligibility conditions that would be imposed on African societies under this legislation.

### **The Jesse Jackson Jr. alternative**

Representative Jackson has been one of the few members of the Congressional black caucus who oppose this legislation. All of last year Representative Jackson termed the African Growth and Opportunity Act legislation the Africa Recolonization Act. This year the Congressional representative from a African American congressional district in the heart of Chicago tabled his opposition to the Bill in the form of the Human Rights, Opportunity, Partnership and Empowerment for Africa Act (Hope For Africa Act). This alternative calls for debt cancellation, the restoration of the foreign aid budget line item for Africa, addressing the social needs of the African poor and enhancing educational opportunities for women and battling the scourge of Aids. The Hope Legislation would provide preferential access to US markets for a broad range of goods produced and ensure that these goods are made in Africa by African workers and produced in a manner consistent with internationally recognized labor, human rights and environmental standards.

The Jackson initiative that was crafted with support from Randall Robinson of Transafrica seeks to focus attention on the needs of health, the need for basic needs such as water and sanitation projects. Where the Trade Bill would boost the infrastructure prospects for US transnationals the HOPE legislation would target the \$500 to create infrastructure funds that would support projects on basic health services, potable water, sanitation, schools, rural electrification and accessible transportation. This initiative would also provide programs to promote African American/African business opportunities.

### **The future is in Africa**

The Black Radical Congress supports in principle the Hope for Africa Act. The BRC International commission calls on all sectors of the African American community to obtain copies of both legislation. Trade Unionists, youth groups, the feminist caucus, the gay and lesbian caucus and all of the constituencies of the BRC should circulate the information to expose those Congressional Representatives who support the Africa Trade and Development Act. The BRC international commission declares that this bill is indeed a Recolonization Act that seeks the acquiescence of African Americans in the struggle of the US capitalists to dominate capitalists in Europe and to maintain the hegemony of the US in world politics. Herein lay the call of the US for partnership with Africa. How can the US government call for partnership with Africa when African Americans are exploited, shot down daily by the police and the best of the youth languish in the prison industrial complex? Is the US trying to turn Africa into a big prison?

The economic crisis is real. Capitalists who have made money out of the speculation are writing books on the Crisis of Global Capitalism. These warnings are being sounded to halt the madness of liberalization that has wrecked the economies of half of humanity. The extent of the damage is being felt daily by the African poor. Yet, as in 1947, the vast raw materials of Africa are seen as the basis

for the recovery of the system. This period presents a major challenge for progressive African Americans to link with those social forces in Africa opposing the trade bill. There is the recent experience of the cooperation to oppose apartheid and the present cooperation in opposing the environmental racism of the petroleum companies.

Information is power. Future generations will require us to declare where we stood on the African Trade and Development Act.