

# G8 summit rejects Africa aid plea

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Despite protestations of concern and support, world leaders at the G8 meeting in Kananaskis, Canada turned down African leaders' request for more aid, investment and the lifting of trade barriers.

For 12 months the most prominent African leaders have been putting together the New Partnership for Africa's Development (NEPAD), billed as a centrepiece at the Kananaskis summit. Developed at last year's G8 meeting in Genoa, NEPAD accepts without reservation all the free-market prescriptions and "good governance" terminology that the West has demanded in return for economic assistance, and even the promise that African leaders would deal with any country—such as Zimbabwe—that failed to fall into line.

Four African leaders—Presidents Mbeki of South Africa, Obasanjo of Nigeria, Wade of Senegal and Bouteflika of Algeria—were invited to attend Kananaskis supposedly to receive support from the Western powers for their endeavours. Though they received nothing from the G8, the four dutifully thanked their masters. "There is nothing that is human that can be regarded as perfect," commented Obasanjo without a trace of irony. But although it was expected that the meeting would be high on rhetoric and offer little in actual cash to deal with African poverty, aid groups were clearly stunned at the absence of any new money or initiatives.

United States President George Bush set the scene for the summit in commenting: "I am deeply concerned at some of the accounting practices that take place in America." As the *Financial Times* pointed out, instead of US officials "basking in economic success"—the refrain at G8 summits for the last decade—the White House "was attempting to shore up investor confidence and blunt any political attacks at home and abroad." But it was not only the US that objected to making commitments to Africa, given current economic concerns. Japan has made cuts in its aid spending—until last year it was the biggest donor country—and Prime Minister Koizumi stressed that it was not a good time for making more aid commitments, given Japan's need for fiscal tightening.

The US was far more concerned with payments to Russia

than Africa. It got Europe and Japan to agree to add a further \$10 billion to double the amount the US is paying to Russia over the next 10 years in the "global partnership against the spread of weapons and materials of mass destruction." Europe and Japan are not surprisingly reluctant to finance a plan that contains no real commitment to decommissioning nuclear weapons, but is designed to bring Russia under the domination of America. The *Economist* comments that there is "an alarming vagueness" in the wording of the agreement to pay the \$10 billion.

Informal discussions between the G8 leaders were dominated by disagreements over Middle East policy, with Europe and Japan refusing to endorse the US demand for Palestinian leader Yasser Arafat's removal and Russian President Putin calling it "counterproductive" to proceed without Arafat's cooperation.

On Africa the G8 merely gave a vague promise to increase funding by \$6 billion a year by 2006. This is not new money, but only half the \$12 billion increase of all world aid promised at the United Nations meeting in Monterey, Mexico earlier this year. Even a firm commitment to use half of the world total for Africa was opposed by the US and Japan. Oxfam's spokesman described the pledge as "peanuts" and "repackaged peanuts at that."

Estimates of the cost of staging the G8 summit run as high as half a million dollars, which ironically is the same amount pledged by Canada in aid to Africa.

Some indication of the smallness of the sum involved is seen in the fact that aid from the West to Africa declined from \$17 billion to \$13 billion during the 1990s. NEPAD was trumpeted by Western leaders such as Britain's Prime Minister Tony Blair as an answer to the disastrous and worsening situation on the continent, where over half the population live on less than \$1 a day. Blair declared that, "the state of Africa is a scar on the conscience of the world." NEPAD estimated that \$64 billion a year was needed to halt Africa's decline.

Although the US agreed at Monterey to increase its total aid spending by 50 percent to \$15 billion over the next five years, this will still put US aid spending at less than a tenth of one percent of GDP, the lowest in the developed world.

US aid commitment was predicated on the ability to vet which countries were deemed acceptable, i.e., to determine which were in line with US strategic interests. This imperialist doctrine is now explicitly written into the G8 statement, which determines that Western countries will back regimes “in accordance with our respective priorities and procedures.”

One of the few sums of money agreed at the G8 meeting was \$1 billion towards the IMF’s Heavily Indebted Poor Countries (HIPC) scheme. Analysts point out that this money does not give new debt relief, but makes up a shortfall in IMF funding. The IMF calculates debt repayments on the basis of the commodities a country can export. Primary commodity prices, which account for the bulk of Africa’s exports, have continued to slump, wiping out any economic improvement that could be obtained from debt relief.

Debt relief has failed to bring any of the promised improvements to Africa. At the 1999 G8 summit in Cologne, Western governments made much of this approach to relieving poverty in response to protest campaigns such as Jubilee 2000. It was announced that \$100 billion of debt for the world’s 42 poorest nations would be written off. But in order to qualify for debt relief, countries have to subject every aspect of their finances to IMF scrutiny. After five years of negotiations, only six countries out of the 42 candidates have received the full HIPC debt relief. African countries are still paying \$15 billion a year in debt repayments to Western banks, most of them spending more on debt than on health or education.

With the failure of debt relief, campaigners have focused on trade issues, particularly the barriers put up by Western countries against African exports. Africa’s share of world trade halved between 1980 and 2000. The G8 response at Kananaskis was a vacuous promise to “improve market access” for African exports by 2005. In reality protectionism has drastically increased. Commentators pointed to the US farm bill increasing support by \$180 billion over three years to US farmers and the annual \$100 billion support given by the EU to its farmers.

In 2000 the US passed the Africa Growth and Opportunity Act that was supposed to open up US markets to Africa. According to the *Financial Times* even this measure, intended to encourage US corporations to invest in cheap African labour then export goods back to America, is coming under fire. US fruit growers are demanding that a 15 percent tariff is imposed on canned pears from South Africa and it is likely that Washington will agree.

Last year the Global Fund to fight HIV/AIDS, tuberculosis and malaria was established by the UN and the Genoa G8 summit pledged \$1.3 billion towards it. Despite the enormity

of the AIDS crisis facing Africa—over 6,000 a day are dying of AIDS-related illness—nothing was committed this year to the fund, despite the “Africa Action Plan” stating that no development for Africa is possible without dealing with the pandemic. It is estimated that \$10 billion a year is needed to fight AIDS, whereas the Global Fund has received \$2.1 billion pledged over three years.

The G8 was a dismal failure for Blair in particular, who has made Africa a special issue over the last year with his sanctimonious speeches promising African development (“not old-fashioned aid ... a genuine partnership for the renewal of Africa”, etc.). Blair’s main supporter in the media, the *Guardian*, carried a front-page headline “Africa betrayed” and an editorial bemoaning the plight of NEPAD, pronouncing that the G8’s failure to deliver “lies squarely with America.” The *Guardian*’s sister paper, the *Observer*, featured a cartoon showing Blair in the guise of a poodle dumped by the roadside saying, “And I thought a poodle was for life”, with Bush’s car speeding away in the distance.

Above all Kananaskis creates serious problems for aid organisations and political movements that have dominated the protest movements at G8 and other world summits. Oxfam and other NGOs have made “fair trade” the centre of their campaigns, whereas Attac has campaigned for tax increases (the “Tobin Tax”) to be used to pay for aid to the underdeveloped world. It is hardly possible to keep holding out the promise of the political reform of global capitalism when the leaders assembled at Kananaskis cannot even put forward token initiatives. The UN Special Adviser on AIDS, Stephen Lewis, interviewed on *allAfrica.com*, complained that amongst aid workers there was a “sense of betrayal” by the Western governments: “These summits can actually be dangerous. One invests so much hope and expectation... There is just a certain level of fecklessness... That these summits raise expectations, and then deliver so little.”



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