NEPAD AND AFRICA'S LEAKING BEGGING BOWL

George B.N. Ayittey, Ph.D.

A. INTRODUCTION: AFRICA'S BLEAK PROSPECTS

On February 5, 2002, British Prime Minister, Tony Blair, warned that unless poverty in Africa is tackled vigorously, the continent could become the new source of international terrorism. "More states would collapse into anarchy and mayhem," he added (*BBC World Service*, Feb 6, 2002). Sweeping aside criticisms of his globetrotting, the Prime Minister issued "a warning that the West could face new terrorist threats unless measures were taken to relieve African poverty. Comparing the continent's plight to that of Afghanistan ten years ago, when it was allowed "to deteriorate into a failed state living on drugs and terrorism", Tony Blair said: "In the end the impact was felt on the streets of America" (*The Times of London*, Feb 6, 2002).

Africa's post colonial economic performance has been dismal and prospects for the new millennium are, to put it bluntly, bleak. Sub-Saharan Africa, consisting of 48 countries, is the least developed region of the Third World despite its immense wealth in mineral and natural resources. Indices of human development have performed abysmally. Since 1990, the United Nations Development Program (UNDP) has ranked 162 countries in terms of their progress on human development, using the Human Development Index (HDI). It determines the overall achievements in a country in three basic dimensions of human development -- longevity, knowledge and a decent standard of living. It is measured by life expectancy, educational attainment (adult literacy and combined primary, secondary and tertiary enrolment) and adjusted income per capita in purchasing power parity (PPP) US dollars (UNDP, 2001; p.14).

Each year, however, African countries compete for the lowest distinctions. In 2001, for example, the 28 countries at the bottom of the ranking were from Sub-Saharan Africa (UNDP, 2001; p.142). Furthermore, compared to other regions in the Third World, Sub-Saharan Africa lags far behind in terms of economic performance. Not only have already low incomes fallen but per capita GDP growth over the period 1975-1999 averaged -1 percent. Madagascar and Mali how have per capita incomes of $799 and $753 (199 US$) -- down from $1,258 and $898 (1999 PPP US$) 25 years ago. In 16 other Sub-Saharan African countries per capita incomes were also lower in 1999 than in 1975" (UNDP, 2001; p.12).[1]

The United Nations Conference on Trade and Development's (UNCTAD) Report, *Least Developed Countries, 2002,* noted that both the extent and depth of poverty have increased dramatically in Sub-Saharan Africa: "The proportion of people in 29 African countries living below $2 per day increased from 82 percent in the late 1960s to 87.5 percent in the late 1990s. For those in extreme poverty -- under $1 per day -- the increase was from 55.8 per cent to 64.9 percent. The number of African living in extreme poverty rose dramatically from 89.6 million to 233.5 million over the same period" (*Africa Recovery,* Sept 2002; p.9). The Report noted that, not only is poverty widening in Africa but it is also deepening, while the proportion of poor people in Asian developing countries has declined steadily.

On July 8, 2003, the U.N. issued a stern warning about worsening economic and social conditions in black Africa, just as U.S. President George W. Bush, began a five-day tour of the continent. In its Human Development Report (2003), the UNDP warned that at the prevailing rates black Africa would take another 150 years to reach some of the development targets agreed by UN members for 2015.

"Unless things improve it will take sub-Saharan Africa until 2129 to achieve universal primary education, until 2147 to halve extreme poverty and until 2165 to cut child mortality by two thirds. For hunger no date can be set because the region's situation continues to worsen" (*Financial Times*, July 9, 2003; p.1).

B. FAILED GRAND INITIATIVES IN THE PAST

Over the past decades, Western governments, international aid organizations, and multi-lateral financial institutions have crafted various initiatives to tackle Africa's woes. Though well-intentioned, most of these initiatives, however, came to ignominious grief. The most spectacular was the African Crisis Response Initiative (ACRI), announced on September 28, 1996 by the Clinton administration to deal with crisis situations before they escalate into a Rwanda-like conflagration. By organizing and training an African peacekeeping team, ACRI hoped to improve the capacity of African nations to respond to humanitarian crises in a timely fashion. The Clinton administration, with Congressional approval, allocated $35 million for ACRI's start up costs. But few African leaders participated in the program. Most needed their troops to crush their won people's aspirations for freedom at home. The program's inglorious demise came in 2000. It trained 740 Ivorian soldiers trained at a cost of $1.7 million but in October of the same year, the country imploded, which by telling coincidence, happens to be the last date the State Department posted an update on its ACRI web site.

Multi-lateral development agencies have also devised grand plans for Africa. The World Bank, for example, spent more than $20 billion, between 1981 and 1991, to restructure various African economies toward market economies. In 1994, the Bank identified only six Asuccess stories@ from a list of 29 Aadjusting@ African economiesCThe Gambia, Ghana, Burkina Faso, Nigeria, Tanzania and Zimbabwe-- giving a failure rate of more than 80 percent. Still, the Bank keeps trotting out phantom economic success stories: Ghana, Uganda, Guinea and Lesotho. Ghana, once dubbed by the Bank as "an economic star" is now in HIPC intensive care unit. Not to be outdone, the United Nations on 15 March 1996 launched a $25 billion Special Initiative for Africa to revive development on the continent. That initiative too floundered.

For their part, African leaders have also announced all sorts of grandiose initiatives and mega-plans over the past few decades at various summits. Nothing is subsequently heard of them after the summits: The Lagos Plan of Action (1980); the African Priority Program for Economic Recovery (1985); the African Alternative Framework to Structural Adjustment (1989), the United Nations Program of Action for African Recovery and Development (UNPAERD); the United Nations New Agenda for African Development (UNNADAF), the Abuja Treaty (1991), and others. In the late 1980s, there was much excitement about the creation of the *African Economic Community.* Nothing was heard of it since. At the 35th OAU Summit in Algiers (July 15, 1999), President Thabo Mbeki of South Africa shocked the delegates by reminding them that little has been done to implement the 1991 Treaty of Abuja that established an African Economic Community (*The Washington Times*, July 15, 1999; p.A14).

There were other grand initiatives too: The Algerian, and South African initiative, the *Millennium Partnership for the African Recovery (MAP)* and the *Omega Plan,* spearheaded by President Abdoulaye Wade of Senegal. They were finally integrated into a single plan called the *Compact For African Recovery* by the *Economic Commission for Africa* (ECA). Subsequently, COMPACT metastasized into NEPAD (New Partnership for Africa's Development). All these plans commit African leaders to democratic ideals, establishment of peace, law and order, respect for human rights and basic freedoms, and a better management of their economies, among other things. They also entreat the international community, especially Western nations, to work in partnership with African leaders to help them to realize their goal.

C. NEPAD

NEPAD (New Partnership for Africa's Development) -- a synthesis of these plans and touted by Presidents Thabo Mbeki of South Africa, Olusegun Obasanjo of Nigeria and Abdoulaye Wade of Senegal -- was presented at the G8 Summit in Genoa in 2001 for Western financial support. NEPAD seeks $64 billion in Western investments in Africa. The official NEPAD document undertakes "to respect the global standards of democracy, whose core components include political pluralism, allowing for the existence of several political parties and workers' unions, fair, open, free and democratic elections periodically organized to enable the populace to choose their leaders freely."[2] It also includes a "peer review mechanism" by which African leaders who misrule their countries would be subject to criticism by fellow African leaders according to commonly agreed standards. NEPAD was trumpeted as "Africa's own initiative," "Africa's Plan," "African crafted," and therefore "African owned." While African leaders deserve credit for at least making the effort to craft an “African initiative,” NEPAD is fatally flawed in many ways.

First, its pitch and analysis are faulty. Playing the arcane guilt trip, NEPAD claims that the impoverishment of Africa has been "accentuated" by the "legacy of colonialism" and other historical "legacies" such as the Cold War and the unjust "international economic system." Colonialism subverted the "traditional structures, institutions and values," creating an economy "subservient to the economic and political needs of the imperial powers" (para 21). Africa has been integrated into the world economy as "supplier of cheap labor and raw materials draining Africa's resources rather than industrializing Africa." (para 21). Colonialism, according to NEPAD, retarded the development of an entrepreneurial and middle class with managerial capability. At independence, Africa inherited a "weak capitalist class," which explains the "weak accumulation process, weak states and dysfunctional economies." (para 22). (Yawn, the same old colonialism claptrap). Insufficient "rate of accumulation" in the post-colonial period led to "patronage and corruption" (para 25) The "vicious circle" of "economic decline and poor governance" has confirmed Africa's peripheral and diminishing role and "marginalization." (para 26). More recent reasons for Africa's dire condition include "its continued marginalization from globalization process." (para 2).

While slavery and colonialism did harm Africa, this card has excessively been over-played by African leaders to conceal their own failures. The truth is: African leaders themselves have marginalized Africa. To be sure, unfair trade practices -- trade barriers and agricultural subsidies -- are legitimate issues of concern for the Third World but they are peripheral to the core issue of Africa's under-development. Africa’s exports consist mainly of cash crops (cocoa, cotton, coffee, bananas, sisal, etc.) and minerals (gold, diamonds, oil, titanium, cobalt, copper, etc.). Trade barriers and agricultural subsidies in the West affect only a few African exports such as cotton (Burkina Faso, Mali, Sudan), peanuts or groundnuts (Gambia, Senegal, Sudan), sugar (Mauritius, Mozambique, South Africa), tobacco (Malawi, Zimbabwe) and beef (from Botswana, Namibia). Only a few African countries such as Cote d’Ivoire, Mauritius and South Africa export manufactured goods which can encounter trade barriers in the West.

On the few cases of cash crops, Western subsidies do hurt. Consider cotton, for example. In Mali, cotton farmers hitch their one-bladed plows to oxen and take two weeks to till 10- to 20-acre plots from which the cotton is eventually picked by hand. In contrast, the Mississippi Delta growers tend giant spreads of 10,000 acres or more in air-conditioned tractors using global positioning satellite systems to determine the proper amount of fertilizer to apply to sprouting seedlings. While it might seem that oxen and plows on tiny plots are no match for tractors and satellite systems on huge spreads, the U.S. growers are higher-cost producers. Their high-tech equipment is expensive. Delta land is irrigated, and the seed is priced at a premium because it is genetically modified to resist pests. Then there are expensive fertilizers and defoliants. In all, it costs 82 cents to produce a pound of cotton in Mississippi versus only 23 cents a pound in Mali (*The Washington Post,* June 8, 2003; p.B2).

However, the higher-cost American producers are in business because of government subsidies. In 2002, President Bush signed into law a piece of legislation that paid more than $3.4 billion in subsidies to America's 25,000 cotton farmers. Thus, U.S. government subsidies allows American farmers to produce more and more cotton that will further depress world prices, making it difficult for Malian farmers to compete.

In Burkina Faso, Benin, Chad and Mali, cotton production account for five to 10 percent of the Gross Domestic Product (GDP), 30 percent of trade balance and more than 60 percent of export receipts. Mali, Burkina Faso and Benin have each lost $43 million, $33 million and $28 million respectively in export receipts because of the effects of subsidies. In the United States, cotton farmers received $3 billion in 2002 – over $200 an acre . . . Europe gives nearly $1 billion in subsidies to cotton farmers, most in Greece and Spain" (*The New York Times*, Sept 12, 2003; p.A5).

Western agricultural subsidies, however do not hurt African food agriculture. Fact is, food production per capita has steadily been declining and Africa's food import amounts to some $18 billion annually. On exports, generally, African production per capita has been declining and Africa's share of world trade has plummeted since the 1950s from more than 3 percent: it now accounts for less than 2 percent of world trade or 1.2 percent if South Africa is excluded. According to the World Bank, the erosion of Africa's world trade share in current prices between 1970 and 1993 represents" a staggering annual income loss of $68 billion -- or 2.1 percent of regional GDP." (World Bank, 2000b; p.20). This erosion was caused not so much by trade barriers but rather a host of internal factors. Among them are the neglect of agriculture occasioned by the over-emphasis on industrialization, raging civil wars, crumbling infrastructure, and misguided socialist policies that exploited Africa's farmers through a system of marketing boards and price controls. The 2002 civil war in Ivory Coast, for example, cut the country's cocoa exports by half and disrupted agricultural exports of neighboring countries that pass through Ivory Coast. In Burundi, coffee production has dropped by more than 50 percent because of civil war/strife that has engulfed that small country of 8 million people since 1993. In Malawi, crime has risen so sharply that some farmers have refused to grow crops. And while the U.S. maintains import quotas against Zimbabwe's tobacco exports, the industry has virtually been destroyed by President Robert Mugabe's violent seizures of white commercial farmland to remedy "colonial injustices."

Trade barriers do not block exports of oil, diamonds, gold, col-tan and other minerals from Africa. Yet, paradoxically, countries that produce them -- Angola, Congo, Equatorial Guinea, Gabon, Nigeria, Sudan, among others -- have been wracked by war, poverty and social destitution. In fact, Africa's diamonds have fueled such barbarous civil wars in Angola, Congo and Sierra Leone that human rights activists in the West have called for a boycott of Africa's "conflict diamonds. More telling, few African countries have taken advantage of the Africa Growth and Opportunity Act (AGOA), signed into law by President Bill Clinton on March 12, 2000, that sought to open up U.S. markets to African exports.

Second, NEPAD talks of "self-reliance" and argues forcefully that Africans must be "masters of their own destiny." It rails against "the credit and aid binomial" that has led to a "debt deadlock," and perpetual rescheduling (para 3). Yet, it says that Africa needs to secure *more* aid and *more* credit (para 130), and furthermore, that the "bulk" of Africa's capital needs up to the year 2015 "will have to come from outside Africa" (para 147). The apparent contradiction stems from an aid-dependency trap African leaders seem incapable of breaking out of. In fact, the plan is a cleverlydesigned vehicle to extract more foreign aid and credit. Even then, the historical record of such plans has been abysmal.

Third, it turned out NEPAD too was modeled after a *foreign* plan: The U.S. Marshall Aid Plan, which rebuilt Europe after World War II. The development that took place in post-colonial Africa can be dismissed as "development-by-imitation." American farmers use tractors; so too must African farmers. Rome has a basilica; so too must Yamassoukrou, Cote d'Ivoire. France once had an emperor; so too must the Central African Republic ("Emperor" Bokassa"). European nations are forming a European Union (EU); so too must Africa – African Union (AU). Now comes NEPAD. How could it be "African crafted" when it is a copy of the Marshall Aid Plan? And how can Africa claim ownership over someone else's idea? Furthermore, the $64 billion in investment NEPAD sought from the West, reflected the same old aid dependency syndrome. If one seeks to buy a new car, one starts from one's own savings -- not from what one hopes to secure from friends or donors. What if the $64 billion in Western investments do not materialize?

At a forum organized by Kenya's Mazingira Institute, the African Academy of Sciences and the Regional Office (Horn and EastAfrica) of the Heinrich Boell Foundation, the keynote speaker was Prof Adedeji Adebayo. As the UN Undersecretary General and Executive Secretary of the Economic Commission for Africa, ECA, Prof Adedeji was instrumental in five initiatives to jump-start Africa's economic growth. Aid, he said, had failed to solve Africa's problems in four decades and was not about to. "No Marshal Plan will work in Africa's underdeveloped markets. It worked in Germany because of Germans' hard work and intellectual resources . . .Africa requires building anew; not rehabilitation or reconstruction," said Adedeji (*The East African, Nairobi*, May 6, 2002). And why can't African leaders help their own continent?

Speaking at an OAU meeting on June 12, 2002 in Addis Ababa, Nigeria's president, Olusegun Obasanjo estimated that "Africa had lost $140 billion over the years to looting and urged countries around the world to agree to return to Africa money that has been stolen by corrupt leaders and stashed in overseas banks" (*The New York Times*, June 14, 2002; p.A10). "We are working to get an international convention by which money stolen by corrupt African leaders and stashed abroad is repatriated," he declared. Why then was President Obasanjo at Evian, badgering the G-8 for $64 billion when he could have asked the thieves were sitting right in front of his very eyes at the OAU meeting?

Fourth and more serious was the blatant dishonesty and double-speak that infected NEPAD. Speaking at the four-day OAU Civil Society conference (June 10-14, 2002), President Obasanjo of Nigeria noted that the involvement of civil society is required in order to make the on going establishment of African Union (AU) and NEPAD successful. "I would like to reiterate that much of what Africa has today gained in the areas of political and social sphere have been derived from the direct influence of Civil Society Organizations (CSOs). This attitude should continue," he added (*The Daily Monitor,* Addis Ababa, June 14, 2002). Prime Minister Meles Zenawi on his part said that the role of civil society is essential in making a sustainable development and integration in Africa. Meles noted that the success of African Union with NEPAD lies in collective efforts of all Africans at the grass root levels (*The Daily Monitor,* Addis Ababa, June 14, 2002). NEPAD also claims to be "people-oriented. Yet, NEPAD was "crafted" without consultation with Africa's NGOs and civic groups.

No civic group, church, political party, parliament or democratic body took part in its formulation. Only a small coterie of African leaders deliberated on the document, excluding the political leadership of the rest of Africa. In fact, most governments and civil society organizations in Africa first learnt about NEPAD from the western media when President Thabo Mbeki presented it in Davos at the World Economic Forum in January 2001 after a chaotic evolution.

Then dubbed the Millennium Partnership for African Recovery (MAP), crafted by Presidents Mbeki and Bouteflika, it was merged with the Omega Plan, spearheaded by President Abdoulaye to create the *Compact For African Recovery* by the Economic Commission for Africa (ECA), which subsequently metastasized into NEPAD.

A furor erupted in Africa when it became clear that NEPAD was crafted more to placate Western donors rather than address issues of concern to the African people. On Jan 9, 2001, representatives of some 200 social movements, organizations and institutions, meeting in Bamako, Mali, issued "The Bamako Declaration," strongly condemning the lack of consultation with civic society. Another joust came in March 2002, when the Southern African Catholic Bishops Conference (SACBC) slammed NEPAD, calling the plan "ambiguous" and some of its proposals "dubious." The Bishops averred that "NEPAD may not achieve its purpose because of lack of consultation with those the plan would affect" (Mail & Guardian (Johannesburg). March 8, 2002). In fact, such has been the history of other grandiose initiatives and mega-plans announced by African leaders at various summits to address Africa's woes. Nothing is subsequently heard of them.

Problem is, the architects of NEPAD do not even take themselves seriously. Instead of working collectively to advance NEPAD as an "African initiative," South Africa has spearheaded NEPAD with Nigeria, Algeria and Senegal, in a group now known as “the powerful G4” (group of four), leaving the other countries chafing with little role to play.

At the July 2001 Summit in Lusaka, Zambia, the OAU adopted NEPAD as an "economic program" for Africa" to operate as an integral part of the OAU and AU structures and not out of them. But in December 2001, the NEPAD 15-Member Implementation Committee established the NEPAD Secretariat in South Africa -- not in Addis Ababa, perhaps out of deference to President Thabo Mbeki, a principal originator of NEPAD -- to assist the OAU to transform itself into the AU. NEPAD now has its own structures, procedures, mechanisms and central organs separate from the OAU or AU.

On June 5, 2002, African leaders met in Durban, South Africa to fine-tune the details of the ambitious recovery plan for Africa. But bitter acrimony engulfed the endeavor and tension emerged over membership of the powerful group of four core countries (South Africa with Nigeria, Algeria and Senegal) steering NEPAD. Irate at being excluded in the core group on allegations of corruption in his government, Kenyan President Daniel arap Moi left in a huff, barely 24 hours after the opening of the summit without making any formal addresses,. His team of government officials subsequently withdrew from panel discussions on NEPAD and headed home. Kenya also complained that South Africa was rushing ahead with NEPAD without explaining the program to the rest of Africa. Libya, whose leader Col. Gaddaffi has been one of the architects of the AU, was also incensed for being left out of the plan.

“Libya has let it be known that it is not happy at being excluded when it was a major force behind the creation of the AU,” an African ambassador said, adding that explanations by some ministers that Libya was still largely isolated internationally had gone down badly with Ghaddafi. Zambian Foreign Minister Katele Kalumba admitted there were tensions as NEPAD got off the ground (*The Sunday Standard On Line,* June 9, 2002).

When the peer review mechanism was formally launched at the May 2003 Abuja meeting, it was "intended as a voluntary 'self-monitoring' system by which participating African countries subject themselves to ongoing examination by other Africans in such priority areas as peace and security, democracy and political governance, and economic and corporate management" (*Africa Recovery*, Vol.17 #1, May 2003; p.8). At the Abuja meeting, only 10 out of 54 African countries officially acceded to the APRM - Algeria, the Republic of Congo, Ethiopia, Ghana, Kenya, Mozambique, Nigeria, Rwanda, South Africa and Uganda, with Botswana and Senegal indicating their intention to accede. APRM's funding was to come from African institutions, businesses and individuals "in order to affirm African ownership of the mechanism," (*Africa Recovery*, Vol.17 #1, May 2003; p.8).

Never mind the absurdity of dictators standing in judgment of other despots but even before the Plan was launched, there was backpedaling on the "peer review mechanism." President Mbeki of South Africa has been reticent on how to implement peer review. "He talks vaguely about market reaction to the reviews, and a system of credit ratings for participating countries. Zambia's Levy Mwanawasa, who was elected in dubious circumstances in Jan 2002, argues that `peer review must not be about isolation.' And Mozambique's Joaquim Chissano says it is too early to talk of peer pressure, even on countries as badly governed as Zimbabwe" (*The Economist*, June 22, 2002; p.44).

When the presidents of Algeria, Nigeria, Senegal and South Africa, traveled to Kananaski, Alberta (Canada) to present NEPAD to the G-8 Summit for funding by the rich nations on June 26, 2002, Mercy Muigai, an unemployed Kenyan woman, was unimpressed:

"All these people (African leaders) do is talk, talk, talk. Then if they do get any money from the *wazungu* (white men), they just steal it for themselves. And what about us? We have no food. We have no schools. We have no future. We are just left to die" (*The Washington Times*, June 28, 2002; p.A17).

D. AFRICA'S LEAKY BEGGING BOWL

Fact is, the resources Africa desperately needs to launch into self-sustaining growth and prosperity can be found in Africa itself. The problem is intellectually astigmatized leadership, programmed to look only one way -- solely outside Africa, principally in the West -- for such resources, which reflects hopeless aid dependency. At a workshop organized for the Parliamentary sub-Committee on Foreign Affairs at Ho, Ghana, Dr. Yaw Dzobe Gebe, a Fellow at the Legon Center for International Affairs at the University of Ghana, stressed the need for the African Union to look within the continent for capital formation to build a viable continental union with less dependency on foreign aid. "With an accumulated foreign debt of nearly $350 billion and estimated capital requirement of more than $50 billion annually for capacity building, it is time Africa begins to look within for capital formation. Experience in the last 40 years or more of independence and association with Europe and America should alert African leaders of the fact that there are very limited benefits to be derived from benevolence of the development partners" (*Daily Graphic,* July 24, 2004; p.16).

Africa's investment process may be considered as a "leaky bucket." The level of the water therein -- GNP per capita -- is determined by inflows of foreign aid, investment and export earnings relative to outflows or leakages of imports (food, luxury consumer items), corruption, civil wars. Africa's balance of payment situation in 1998 can be depicted as follows:

Total Inflows (1998)

Foreign Aid from all sources		$17.0 billion
Total Exports (Merchandise and Services)		$157.7 billion
Net Foreign Investment		$6.3 billion
Private Transfers		$9.1 billion
	Total Inflow	**$190.1 billion**

Total Leakages

Total Imports (Merchandise and Services)	$184.6 billion
Total External Debt Service payments	$23.4 billion
Total Leakages	**$208.0 billion**

Source: African Development Indicators, 2000, Washington, D.C.: World Bank.

The calculations above were made for the year 1998, showing a balance of payment deficit of $17.9 billion. This had to be financed by new borrowing, which would increase Africa's foreign debt, or by the use of reserves -- non-existent for most African countries. The table, however, does not tell the full story. Hidden from view is a much grimmer story – the other more serious leakages.

According to one United Nations estimate, "$200 billion or 90 percent of the sub-Saharan part of the continent's gross domestic product (much of it illicitly earned), was shipped to foreign banks in 1991 alone" (*The New York Times* (4 February 1996; p.A4). Part of the capital flight out of Africa represents wealth created legitimately by owners but who have little faith in keeping it in Africa. The rest represents loot stolen by corrupt African leaders and politicians. Recall the charge by Nigerian President, Olusegun Obasanjo, that corrupt African leaders have stolen at least $140 billion (, 95 billion) from their people in the decades since independence (*The London Independent,* June 14, 2002).

Foreign aid has not been spared either. Says *The Economist* (Jan 17, 2004): "For every dollar that foolish northerners lent Africa between 1970 and 1996, 80 cents flowed out as capital flight in the same year, typically into Swiss bank accounts or to buy mansions on the Cote d'Azur" (Survey, p.12). At the Commonwealth Summit in Abuja, Nigeria on Dec 3, 2003, former British Secretary of State for International Development, Rt. Hon Lynda Chalker, revealed that 40 per cent of wealth created in Africa is invested outside the continent. Chalker said African economies would have fared better if the wealth created on the continent were retained within. "If you can get your kit and kin to bring the funds back and have it invested in infrastructure, the economies of African countries would be much better than what there are today", she said (*This Day*, Lagos, Dec 4, 2003; web posted). Capital flight out of Africa has been estimated at $20 billion annually.

Back in the late 1980s, Sammy Kum Buo, director of the U.N. Center for Peace and Disarmament, lamented that "Africa spends about $12 billion a year on the purchase of arms and the maintenance of the armed forces, an amount which is equal to what Africa was requesting in financial aid over the next 5 years" (*West Africa*, May 11, 1987; p. 912). Ten years later, this amount has increased: AExcluding South Africa, spending on arms in sub-Saharan Africa totaled nearly $11 billion in 1998, if military assistance and funding of opposition groups and mercenaries are taken into account. This was an annual increase of about 14 percent at a time when the region=s economic growth rose by less than 1 percent in real terms@ (*The Washington Times*, Nov 8, 1999; p.A16). Total expenditures on arms and militaries exceed $15 billion annually and are already included in total imports.

Civil wars continue to wreak devastation on African economies. They cost Africa at least $15 billion annually in lost output, wreckage of infrastructure and refugee crises. The crisis in Zimbabwe, for example, has cost Africa dearly. Foreign investors have fled the region and the South African *rand* has lost 25 percent of its value since 2000. Recall that more than 2 million Zimbabwean refugees have fled to settle in South Africa and the South African government is preparing a military base at Messina to house as many as 70,000 refugees. "Nearly 60,000 physicians and other professionals have fled Zimbabwe since 2000" (*The Washington Post*, March

3, 2002; p. A20). According to *The Observer, London,* Sept 30, 2001, Zimbabwe's economic collapse had caused ,25 billion ($37 billion) worth of damage to South Africa and other neighboring countries. South Africa has been worst affected, while Botswana, Malawi, Mozambique and Zambia have also suffered severely.

Neglect of peasant agriculture, the uprooting of farmers by civil wars, devastated infrastructure, and misguided agricultural policies have made it difficult for Africa to feed itself. Therefore, Africa must resort to food imports, spending $15 billion in 1998 (World Bank, 2000a; p.107). By 2000, food imports had reached $18.7 billion, slightly more than donor assistance of $18.6 billion to Africa in 2000 (*Africa Recovery,* Jan 2004; p.16). This carried the grotesque implication that foreign aid just went to import food to feed Africa.

Adding up the other leakages:

Capital Flight	$20 billion
Expenditures on Arms and Military	$15 billion
Civil War Damage	$15 billion
Food Imports	$15 billion
Total Other Leakages	**$65 billion**

NEPAD seeks $64 billion from the West in investments. However, from the table, it is clear that if Africa could feed itself, if the senseless wars raging on the continent would cease, if the elites would invest their wealth – legitimate or ill-gotten – in Africa, and if expenditures on arms and the military are reduced, Africa could find the resources it needs in Africa itself for investment.

The leadership, of course, is not interested and would rather prefer crawling before Western donors with a bowl in hand and beg for more foreign aid, mumbling about the slave trade, colonial injustices, unfair international economic system. Then another decade would pass with endless arguments, recriminations and lament over the marginalization of Africa, while the people suffer amid immense mineral wealth.

REFERENCES

Ake, Claude (1991a). "As Africa Democratises," *Africa Forum*, 1, no. 2: 1991: 13-18.

Ayittey, George B.N. (1992). *Africa Betrayed*. New York: St. Martin's Press.

____________________ (1998) *Africa In Chaos*. New York: St. Martin's Press.

____________________ (2004, forthcoming) *Africa Unchained: The Blueprint for Development*.. New York: St. Martin's Press.

United Nations Conference on Trade and Development (UNCTAD) (1995). Foreign Direct Investment in Africa (Geneva: United Nations), United Nations publication, Sales No. E.95.II.A.6.

_______ (1997b). "Foreign direct investment in LDCs: prospects and constraints". Report prepared by the UNCTAD secretariat for the pilot seminar on the mobilization of the private sector in order to encourage foreign investment flows towards least developed countries (LDCs). "Investment opportunities in pre-emerging markets", Geneva, 23-25 June 1997, mimeo.

_______ (1998a). *Trade and Development Report, 1998* (Geneva: United Nations), United Nations publication, Sales No. E.98.II.D.6.

_______ (1998b). *World Investment Report 1998: Trends and Determinants* (New York and Geneva: United Nations), United Nations publication, Sales No. E.98.II.D.5.

________ (1998). *Trade and Development Report, 1998: Financial Instability and Growth In Africa*. New York: The United Nations, 1998.

_________ (1999). "*Investment Policy Review of Egypt*" (Geneva: UNCTAD), mimeo.

United Nations Development Program (2001). Human Development Report, 2001. New York: United Nations.

United Nations Development Program (1999. *Corruption and Integrity Improvement Initiatives in Developing Countries*. New York: UN Publications.

World Bank, World Development Report, Annually. New York: Oxford University Press.

___________ (1994). *Adjustment in Africa: Reforms, Results and the Road Ahead*. New York: Oxford University Press.

________________World Bank/UNDP (1997). African Economic and Financial Data. Washington, D.C.: World Bank.

_______________ (2000a). African Development Indicators 2000. Washington, DC: World Bank Publications.
_______________ (2000b). Can Africa Claim the 21st Century? Washington, DC: World Bank.

________________(2001). *African Poverty At the Millennium*. Washington, D.C.: World Bank.

_______________ World Development Report. New York: Oxford University Press, annually.

World Economic Forum (WEF) (1998). *Africa Competitiveness Report 1998* (Cologny/Geneva: World Economic Forum).

---

[1] The Purchasing Power Parity (PPP) is used to facilitate international comparison of economic data since different countries use different currencies, exchange rates and experience different levels of inflation. To compare economic statistics across countries, the data must first be converted into a common currency, say US dollars, using an exchange rate. The next step is to take account of price differences (different levels of inflation) between countries. Thus, a PPP US$1 has the same purchasing power in Country A as it would have in the United States.

[2] Document is posted at the official website: http://www.nepad.org