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Africa

# Free trade and Pan-Africanism

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**In Kigali, Rwanda, on March 21, 2018, five years after the 50th anniversary of the creation of the Organisation of African Unity (OAU)/African Union (AU) – considered in the Newspeak of the AU as “fifty years of success” – 44 of the AU’s 55 member states signed the Agreement concerning the Creation of the African Continental Free Trade Area (AfCFTA), a “single continental market for goods and services, with free movement of business persons and investments”. Suppression of customs tariffs is supposed to boost intra-African trade, which represents around 12%-15% of Africa’s exchanges, well below the internal exchanges of other continents (which makes Africa the most open region to world trade). In the event of ratification, by 22 of the signatory states, by late 2018 - early 2019 – intra-African trade is slated to exceed 50% by 2022.**

It is a major stage in the process of African integration, which should culminate in the African Economic Community (AEC), the objective of the AU programme for the following half century, entitled “Agenda 2063: The Africa We Want” or “an integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the international arena.” [2] This project is based on a supposed (capitalist) economic dynamism of Africa, expressed by the average rate of growth of its GDP, which since the first decade of the 21st century, has been above the world average, making Africa the second locomotive region, after Asia, of world growth. [3] Thus, some African and indeed non-African voices, consider this as Africa’s century. An Afro-optimism which seems in correlation with a renaissance or renewal of Pan-Africanist discourse outside the AU, among the African intelligentsia and employers.

For the boosters of this supposed African economic dynamism, there would be no incompatibility between the Pan-Africanist ideal of the emancipation of the African peoples and the rooting of the supposed African economic dynamic in the neoliberalisation of capitalist globalisation. Yet the train of African integration risks ending up at a terminus other than that of the emancipation of the African peoples.

## The OAU and the African Economic Community project

The idea of a single African market, an African Economic Community, is not a novelty. It is linked to that of Pan-Africanism as officially discussed immediately after the massive emergence of newly “independent” African states in the early 1960s. Thus, on the eve of the creation of the OAU, one of the main protagonists in the debate, Ghana’s president Kwame Nkrumah, stressed the economic dimension of the gestating African unity or union, but abstracting from this the question of social classes and their antagonistic interests, resting on the principle of the “African personality” as well as the Bandung spirit to win his fellow heads of state – most of them comfortably installed in the networks of neo-colonialism – to the project of a unity and economic solidarity of African states, in the interests of the African peoples.

It was, in his view, a condition for the conservation of political independence, recently acquired by the great majority of African states, and for the decolonisation of the entities remaining under the colonial yoke. “An African Common Market, devoted uniquely to African interests, would more efficaciously promote the true requirements of the African states. Such an African Market presupposes a common policy for overseas trade as well as for inter-African trade and must preserve our right to trade freely anywhere” he argued. [4] Furthermore, “the pooled sum of our present individual investments in our similar national projects, if used within an integrated plan, would give greater benefit in mutual development. Indeed, the total integration of the African economy on a continental scale is the only way in

which the African states can achieve anything like the levels of the industrialized countries.” This economic union, Nkrumah reiterated some time afterwards to his peers meeting in Addis-Ababa for the birth of the OAU, should involve a single African currency, an African central bank, and so on, which would require an African confederal political structure.

But this did not take into account the indefatigable attachment of virtually all the African heads of state to a Balkanised independence – often masked by the evocation of a very vague gradualism – the intangibility of the borders inherited from colonisation being erected at this occasion into a principle. [5] This was to underestimate their preference to “return to the fold of the former colonial rulers” (Nkrumah, speech during the creation of the OAU) under the form of institutions of “cooperation” set up with the colonial metropolis during decolonisation for neo-colonial domination.

Thus, although the idea of the African common market had seemed shared beyond the handful of states then deemed progressive, the signatories to an OAU Charter intended “to coordinate and intensify their cooperation and efforts to achieve a better life for the peoples of Africa” only stated that “the Member States shall coordinate and harmonize their general policies, especially in the following fields: (a) Political and diplomatic cooperation; (b) Economic cooperation, including transport and communications”. The unity finally obtained by the supposed “founding fathers” of Pan-Africanism was reduced essentially to coordination and consultation. In fact, despite the subsequent existence of certain sub-regional institutions (Central African Customs and Economic Union, East African Community), the creation of the OAU had mainly consecrated the construction of African nation states, dependent in general on central capitalism or neo-colonial/neocolonised.

## From the Lagos Plan to the AfCFTA

A decade later, in the 1970s, confronted with the persistence of under-development, or the “development of under-development”, these African states, after having vainly participated with the countries of Latin America and Asia (around forty of them constituting the ACP countries which had drawn up the so called Lomé I Convention with the EEC in 1975, an extension of the Euro-African Yaoundé II Convention), pleading at the UN from 1973 to 1976 in favour of a New International Economic Order, returned to the Pan-Africanist project. The formulation of this was the Lagos Plan of Action for the Economic Development of Africa, 1980–2000, adopted by the second extraordinary session of the OAU Conference of Heads of State and Government (Lagos, April 28-29, 1980).

The latter, having noted the failure of global development strategies and the inability of African states to “point to any significant growth rate or satisfactory index of general well-being, in the past 20 years”, as well as the exploitation of Africa by “neo-colonialist external forces which seek to influence the economic policies and directions of African States”, committed itself “to promote the economic integration of the African region in order to facilitate and reinforce social and economic intercourse”, leading to “the eventual establishment of an African Common Market leading to an African Economic Community”. [6]

But this sort of return to the idea rejected at the birth of the OAU did not come at any propitious moment. The failure of “development” correctly identified overlooks the share of responsibility borne by those who managed the African states (mismanagement as a factor in the primitive accumulation of private capital and so on), leading nearly all the over-indebted African states, from the 1980s onwards, into reliance on the Bretton Woods institutions, advocates of neoliberal structural adjustment programmes and the “Washington consensus”. [7] In fact, this amounted to a reorganisation of the dependency of the African states/economies in respect to the traditional capitalist powers, in the context of a neoliberal restructuring of capitalist globalisation, accentuated in the following decade by the end of the so-called Communist bloc. An updating of dependency rather than “self-dependence”, integration in the neoliberal phase of globalisation rather than the creation of an African Economic Community (of a capitalist nature, certainly).

All this leading to a stronger grip by the transnationals, principally of Western origin, on the African economy, through the dispossession of the strategic enterprises of the states. A minority of native capitalists also profited from this, often linked to or constituted by the leaders of the African states. For the popular classes, including the lower layers of the middle classes, there was pauperisation.

The Lagos Plan was replaced in June 1991 by the Treaty Establishing the African Economic Community, signed in Abuja (then the new Nigerian capital) by 51 OAU states. The so-called Abuja Treaty still referred to the Lagos Plan, and the integration of African economies, while seeing “state commercial companies” as actors in intra-African exchanges. It established a schedule of transition to the said Community, over a maximum 34 years (anticipated for 2025) and divided into six stages. A maximum of 10 years was set for free trade zones in regional economic communities in southern, central, eastern, northern and western Africa.

However, although accepting the capitalist paradigm, for the states and the OAU technocracy, this did not represent a pure and simple alignment about neoliberal capitalist globalisation and the restructuring of imperialist domination. For example, the UN Economic Commission for Africa had, in an evaluation of the implementation of this treaty, noted this contradiction concerning the fixing of a rate of participation of national capital (from 30 to 51% according to the regional community) for all industrial enterprises in certain regional communities: “It is not possible to want to attract massive foreign investment and, at the same time, establish a sub-regional market virtually closed to foreign investors. Obviously, on this issue, most of the sub regional communities have not adapted to the neo-liberal economic spaces emerging in African States.” [8] This showed a certain desire to limit, in the name of a supposed nationalism or Pan-Africanism, the grip of the transnationals on Africa’s economies, thus favouring the development of African capital or African fractions of the capitalist class, the national bourgeoisies – to which the political leaders and those around them belonged, without really addressing the aggravation of poverty among the popular classes in the 1980s and 1990s.

The Lagos Plan and the Abuja Treaty were, in the 1990s, the main reference points for an African economic nationalism superficially denouncing the neo-colonialism of neoliberal structural adjustment. Ten years after the adoption of the Abuja Treaty, as the OAU became the AU (2000-2002), the organisation publicly assumed a neoliberal orientation, adopting, in 2001, the New Partnership for Africa's Development (NEPAD) – drawn up under the auspices of the presidents of Senegal (Abdoulaye Wade), South Africa (Thabo Mbeki), Algeria (Abdel Aziz Bouteflika) and Nigeria (Olusegun Obasanjo). A development programme allegedly “by Africans and for Africans”, but criticised by the Nigerian activist Moussa Tchangari as “firmly mired in neoliberal dogma” because of its compliance with the spirit of the Bretton Woods institutions.

NEPAD and the Abuja Treaty formed the basis of the AU’s new Pan-Africanist project, “Agenda 2063: The Africa We Want” of which the entry into force of the AfCFTA is a decisive stage. It is in the dynamic of assumption of this neoliberal option of Pan-Africanism that we should see the enthusiasm expressed by Nigeria’s Mahamadou Issoufou (responsible for the coordination of the process of negotiation of the agreement), Rwanda’s Paul Kagame (president of the AU when the agreement was submitted for signature – the Rwandan Patriotic Front, led by Kagame, is the proprietor of the holding Crystal Ventures Ltd., the biggest private employer in the country, with investments around the world), the technocrats of the AU and nearly all the Pan-African media.

The AfCFTA is an African version of the regional free trade agreements which have become fashionable, whether already signed or under negotiation. This “expanded and secure market for the goods and services of State Parties through adequate infrastructure and the reduction or progressive elimination of tariffs and elimination of non-tariff barriers to trade and investment” (Preamble to the Agreement), has as its reference point (with the Constitutive Act of the AU and the Abuja Treaty) the Marrakesh Agreement which created the World Trade Organisation (WTO). Thus, it promises, generally, the same effects as free trade processes elsewhere.

# A minority of winners and many losers

As the Ugandan activist Yash Tandon has put it, in the context of free trade, “trade is war”. A war where the winners are generally the same: the capitalist economies which are already the most dynamic and who are often initiators of the current wave of free trade agreements. Thus, the United Nations Conference on Trade and Development has drawn attention to the continued erosion of the margin of action of developing countries produced by regional and bilateral trade agreements, above all in the “less developed countries”, with Africa accounting for 33 of the 47 countries thus classified around the world.

However, even inside the economies considered as the most dynamic, there are winners and losers from free trade. As the partner states are supposed to negotiate on the basis of the competitive advantages of their respective economies, the agreements also reflect the inequalities between sectors inside the national economies as regards international competitiveness. So, some local economic sectors are sacrificed, generally to the benefit of the transnationals of local origin, as are the popular classes.

Thus, the growth of free trade increases the (re)production and aggravation of inequalities and pauperisation. This does not prevent these agreements adopting formulas to the contrary. For some year, women, youth and extreme poverty have been at the centre of a supposed attention to social justice on the part of these international institutions. [9]. An apparent concern for social justice that some have called “social-neoliberalism”, expression of a “neoliberal heterodoxy”. In the text of the AfCFTA, the promise is to “promote and attain sustainable and inclusive socio-economic development, gender equality”, and the Protocol on services promises to improve the social and economic wellbeing of the whole of the African people.

An authentic desire for inclusion is not apparent in the opacity which characterises the drawing up and negotiation of these free trade agreements, excluding civil society, social movements, and indeed parliaments, including in states which claim a long tradition of representative democracy. Which can be considered as a semi-admission of the undemocratic objectives of the drafts under negotiation. Whereas Agenda 2063 undertakes to put “mobilization of the people and their ownership of continental programmes at the core – according to the African branch of the Third World Network “There is little space in the structures involved with the CFTA for participation by civil society groups or the private sector. The only possibilities so far seem to be episodic consultations with these groups outside any of the negotiating structures.” [10] In vain, a Pan-African network of organisations of civil society has requested “that a space is created at the national, regional and continental level for African citizens and socio-economic groups like workers, farmers, producers, enterprises, civil society, the private sector and so on, for an effective participation in a democratic and transparent process... that all information linked to the CFTA and the process of negotiation and implementation are available in a timely fashion so that all citizens can make their contributions at the national, regional and continental level”. [11] For in the absence of a democratic process, one of the minimal conditions for “democracy” is the availability to citizens of information on the said project to allow debate, prior to a referendum consultation.

But the attitude taken to the negotiation of the CFTA is only logical with respect to the contempt for even minimal democracy shown by many states of the AU; the institutions of the latter being generally led by former actors and members of the clientele of these states, bearers of a political culture hostile to democracy. Thus, in Senegal, often presented as one of the emblems of democracy in Africa, “The overwhelming majority, 99.999% of the population is not aware of the issues around the CFTA. Even the intellectuals are not aware”, says economist Ndongo Samba Sylla. [12]

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[1] Six months later, only six states had ratified it: Eswatini (ex-Swaziland), Ghana, Kenya, Niger, Rwanda and Chad.

[2] <https://au.int/sites/default/files/...>

[3] See [GDP, the bourgeoisie and inequality all growing](#)

[4] <http://chateaunews.com/wp-content/u...>

[5] In the French colonial empire, this Balkanisation was effected through the breakup of the federations of Afrique équatoriale française (AEF) and Afrique occidentale française (AOF), set up by the referendum of September 1958 (except Guinea which had chosen independence) into republics/autonomous governments which were members of the Community presided over by the head of state of metropolitan France.

[6] To give a perspective, the Plan states that “in the 20 years from 1960 to 1980 the average annual rate of growth continentwide has been no more than 4.8 per cent, a figure which hides divergent realities ranging from 7 per cent growth rate for the oil exporting countries down to 2.9 per cent for the least developed countries.” Growth has been around 5% for most of the 21st century.

[7] Senegal led the way in 1979, although its president, Léopold Sédar Senghor, had chaired the work of the Lagos Conference.

[8] <http://repository.uneca.org/handle/...>

[9] Hakima Abbas and Amina Mama speak of “a troubling irony in the sudden “discovery” of African women by the AU, multinationals corporations and development agencies”, “Feminism and pan-Africanism”, editorial in number 19 of *Feminist Africa*, “Pan-Africanism and Feminism”, September 2014, (p. 1-6), [www.aqi.ac.za/journals](http://www.aqi.ac.za/journals)

[10] “Rushing towards a CFTA”, *African Agenda*, Volume 19, Number 2, 2016, [www.twnafrica.org](http://www.twnafrica.org) . See also “AfCFTA – hasty decisions and incoherences”, *African Agenda*, Vol. 21, Number 2, 2018, p. 11-13.

[11] “Déclaration de la société civile africaine préalablement à la Semaine du commerce africain sur la Zone de libre-échange continentale”, Addis-Abeba, November 26-27, 2016.

[12] “Interview de Ndongo Samba Sylla”, [bilaterals.org](http://bilaterals.org), March 7, 2018, <https://www.bilaterals.org/?inter...> . The president of the National Association of Nigerian Traders (NANTS), Ken Ukohoa, says: “First of all, I am sure that 99 per cent of the 180 million population of Nigeria are not aware of this agreement. The same population may not be aware of the content of the agreement. This is the agreement that will touch on their livelihood and their lives on daily bases,” he said, cited by Cecilia Ologunagba, “AfCFTA: association advises FG on awareness creation, consultation”, *Vanguard News*, March 2018, <https://www.vanguardngr.com/2018/03...>