

# THE CREATION OF THE ENTREPRENEURIAL SPIRIT AND THE FORMATION OF ALLIANCES WITH AFRICA.

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## TABLE OF CONTENTS

TABLE OF CONTENTS .....	1
ABBREVIATIONS .....	2
A: INTRODUCTION.....	3
1. Clearing The Table.....	3
2. The Nature Of The Problem (s).....	3
3. Unpacking The Semantics.....	4
B: THE ISSUES ..... AGAIN.....	6
1. Africa Is Not One Village.....	6
2. ... But size does matter .....	7
3. Imperialism and Colonialism Are Becoming Old Concepts .....	7
4. Democratic Elections And Democratic Governance.....	8
5. Newly Found Wealth.....	9
6. Genderized Relations .....	10
7. Rural and Urban Divides.....	11
8. The Positive Role That Business Can Play .....	11
9. Use of Children in Non-Children Activities.....	12
10. Parachuted Expertise.....	13
11. Brain Drain.....	13
12. Brawn Drain.....	14
13. Inequitable International System.....	14
14. Arresting Corruption.....	15
15. Arbitrary Indicators.....	16
16. Repatriation of Ill-Gotten Fortunes.....	17
17. Feather Nesting .....	17
18. Alliances Across Boundaries .....	18
C: SINO-AFRICAN RELATIONS.....	18
1. People Living in Glass Houses.....	18
2. Africa Is A Ham In The Sandwich .....	19
D: THE NEW CHALLENGES .....	19
E: CONCLUSION .....	20

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## ABBREVIATIONS

ACP	African Caribbean and Pacific (countries)
ACW	African Centre For Women
ANEEJ	African Network for Economic and Environmental Justice
BBC	British Broadcasting Company
bpd	barrels per day
CBS	Canadian Broadcasting Service
CNN	Central News Agency
CSR	Corporate Social Responsibility
ECA	Economic Commission for Africa
EPAs	Economic Partnerships Agreements
EU	European Union
HIV	Human Immuno-Deficiency Virus
HQ	Headquarters
IMF	International Monetary Fund
MDGs	Millennium Development Goals
MSEs	Micro/Small Enterprises
NEPAD	New Partnership for Africa's Development
OAU	Organization For African Unity
PNG	Papua New Guinea
RSCAP	Regional Support Centre For Asia Pacific
SADC	Southern African Development Community
Tanzam	Tanzania-Zambia (Railway Line)
TI	Transparency International
UK	United Kingdom
UNESCO	United Nations Educational Scientific and Cultural Organization
WEF	World Economic Forum
WFP	World Food Programme
WTO	World Trade Organization

## **A: INTRODUCTION**

### **1. Clearing The Table**

- 1.1 This would have been the second forum that the writer would have attended in Wittenberg on the issues of ethics, cutting across church, state, business and civil society. The first forum in 2003 was an eye-opener, and presented both philosophical and practical issues on ethics in the world.
- 1.2 Between 2003 and 2006 the issue of fair trade and discussions at the WTO have not been resolved, and in a way, we are back where we were in 2003 when the Cancun, Mexico Conference collapsed, and Wittenberg became an alternative, if not for the delegates that were at Cancun, but for the engagements of the issues of co-operation among the state, the civil society and business.
- 1.3 The issues that shall be raised here are not very new, and no philosophical departure is brought forth. I can boldly state that this is Work In Progress and the issues of 2003, in spite of the changed motto for 2006, are still relevant. In fact, the challenges of the international system have increased, but the philosophical foundations that are the bases of the Centre are as relevant today as they were then.
- 1.4 The approach of the Forum is on discussion and the sharing of ideas, and the paper as presented seems misplaced. However, in the context of our unforeseen absence at Wittenberg, the paper represents what I would have raised during the discussions at the Forum.
- 1.5 My approach is non-ideological. I see value in both the complications of the Wall Street economies of share trading and the simplicity of the developing countries' exchange systems such as *bumipetra* and bartering. The ideals of ethics, alliance formation and enterprise development can be applied to these two ends of the spectrum.
- 1.6 To pre-empt myopic critical analyses that target criticisms of African systems as emanating from Western sources or their African agents, I must state upfront that I have chosen self-criticism over self-mutilation. The problems and challenges are huge, and an objective diagnosis is a necessary prerequisite for an enduring prognosis. The lofty ideals of "assisting Africans" have not been very productive in terms of tangible improvements. The second part of the metamorphosis of "helping Africans help themselves" has not been successful either. The third part of the metamorphosis of "Africa helping itself" has not taken root. This paper falls into the third part of the metamorphosis by stating the obvious: If Africa wants to help herself; she cannot do so under the conditions of self-delusions about the source of its problems.
- 1.7 The candour is also deliberate. In my view, not being candid and showering the analyses with praise-singing would be equally unethical. The problems, or a sizable number of them, are internal – not external, and the recognition of this is the first step towards solving them.

### **2. The Nature Of The Problem (s).**

- 2.1 The recent discoveries of oil in some African countries, and the long known mineral riches, point to the need for the improvement of new enterprises in the African continent. By their own definition, the oil and mining industries are kickstarts for a variety of other commercial developments. This does not take into account the vast oil and mineral reserves which require large capital outlays for exploration, speculation and extraction.
- 2.2 Added to these new economies, the agricultural base of Africa has not been used as a basis for growing the entrepreneurial spirit, as it did in the other classical economic developments. In other words, the provision of food for subsistence, and the need to trade the surplus, has not been leveraged for the benefit of African economies.

- 2.3 The climactic conditions and the soil quality, the geomorphological problems of vast deserts sands, should be considered as inhibitors to the agricultural output, but there are certain vast soil rich areas which produce food for the whole continent. The continent, that can feed itself, and produce a surplus for export, is mired in yearly requests for food from the World Food Programme (WFP). To find solutions, we would need to go beyond the study of soil quality and desertification. To find culprits, Africans would have to abandon the sheepish worship that they heap on their leaders, and their obeisance to the political and commercial mandarins, even when they know that these classes are serving their own interests and have bulging Swiss Bank accounts.
- 2.4 The caricature of the African continent is still captured in the CNN and BBC lenses (and All-Jazeera) as one of poverty, where donor countries and agencies are requested to donate and assist the unfortunate continent; one of un-rehabilitated dictatorships and Big Men who would rather die in office than allow their people's democratic choices that may replace them and as one of disease and despair, where death and destruction have become the norm rather than the exception.
- 2.5 In this short paper, I intend to identify the progress, causes and effects of the sorry state of affairs, and to offer some suggestions about how to reverse this situation. In this effort, the issues of politics and the economy will be intertwined, and be embedded within the ethical parameters that are *raison d'être* for the establishment of this Centre, but more specifically, to address the 2006 motto of "Fostering Entrepreneurial Spirit" and consolidating the vision of Building New Alliances with Africa. I will try to intertwine the challenges and opportunities of the trinity postulated in the centre's vision, of the state, business and civil society. I will briefly discuss some of the new challenges, and also provide some views about the Chinese interest in the African continent. The recommendations will be interspersed within the paper, but at the end of some of the sections and underlined for ease of reference.
- 2.6 The arguments will refer to issues such as corruption, indicators, outputs and reserves. These will be guestimates. When I speak of corruption, I will be speaking of corruption as an unethical concept irrespective of its size (there is no such things as half corruption), and source (so as to include all corruptions including those that are hidden in euphemisms such as goodwill, success fees, incentives, commissions etc.) When I speak of indicators I will be extrapolating because in the continent, no statistics, including population statistics, can be relied upon because in some countries they have not been conducted for more than twenty years. No one knows authoritatively how many people are in Africa. When I speak of outputs, such as those of oil, I will use the international standards of barrels per day (bpd) but the actual volumes will be speculative because nobody knows how many barrels of oil fall into wrong hands. In minerals and resources such as gas and minerals, nobody knows what lies beneath Africa's surface.

### **3. Unpacking The Semantics**

- 3.1 Let us first unpack some of the issues that are clustered in the motto "Fostering Entrepreneurial Spirit" and the vision "Building New Alliances With Africa."
- 3.2 "Fostering" has to do with breeding, bringing up, nurturing, raising, rearing, and upbringing. All these refer to an intervention from some external forces to encourage growth. A combinational approach which uses all the elements embedded in each of these terms should be considered, as one meaning without the consideration of others may result in unintended consequences, not least of which is a patronizing approach which does not consider the progress that has been made in Africa.
- 3.3 An "entrepreneur" is a person who starts his or her business against odds, taking into account the risks associated with that business. Entrepreneurs are people who are bold enough to chart new territories, and are willing to trudge avenues where others have not trodden before. Peng, Hill and

- Wang consider an entrepreneur to be “equivalent to a founder of new business.”<sup>2</sup> The understanding of the entrepreneur should take into consideration the “risks and ambiguities” involved as part and parcel of the concept. In the rational choice between being an entrepreneur and the risks involved, people may decide to shelve the entrepreneur in them until such risks are removed.
- 3.4 “Entrepreneurship” is a universal concept. It cannot be confined to a particular race or creed or region. Education enhances these entrepreneurial skills. The provision of education to children, and constant training for existing entrepreneurs, is therefore a first step towards increasing the quality of entrepreneurship. It is therefore axiomatic that the programmes for the development of entrepreneurs should be adopted by all governments, and more resources should be allocated to support enterprises, particularly small and medium ones.
- 3.5 An “alliance” is a merging of efforts or interests by persons and/or organizations for mutual benefit. This means that the benefits should not be necessarily equal, but equitable. Alliances are based on mutual respect. Alliance building is complicated as both parties should avoid entangling alliances as these can erode the value of one or many other alliances. In cases where one party determines the friends of the other, a patronizing, therefore inequitable, alliance is formed. An alliances deviates from its objectives is also an unequal alliance. An economic alliance should not be surreptitiously used to undermine the religious alliances that new partner forms with other partners. The current alliance system in Africa, between government and government, government and business, government and civil society takes this shape and calls for an immediate review of patronizing relations.
- 3.6 Characteristically, most African countries do have alliances with the West, but they are persuaded not to from alliances with the East, particularly with China and India, or with non-Christian entities. The warnings by James Wolfenson, former World Bank chief, “that Western nations must prepare for a future dominated by China and India whose rapid economic rise would soon fundamentally alter the balance of power,” has not been heeded.<sup>5</sup> The principle of choice is thus eroded.
- 3.7 Even if the principle of choice were to exist, some religious focused utterances border on depravity, such as the one perpetuated by Pat Robertson about the need to assassinate a democratically elected president.<sup>4</sup> What are the moral and ethical issues that should arise when a religious leader, such as Mr Pat Robertson calls for the assassination of a democratically elected President, as he did about Mr Hugo Chavez?<sup>5</sup> Does the church speak for the State, and if so, what type of alliance between Church and State leads to such pronouncements?
- 3.8 Traidraft has identified these unequal relationships of inequality within the Economic Partnerships Agreements (EPAs). They are: the aggressive European tactics where no alternatives are put on the table for African countries; the European Union (EU) allowing certain issues to be pushed through the “back door”, trying to achieve through EPAs what they did not achieve at the World Trade Organization (WTO) negotiations; government and general public not being allowed time to scrutinize the EPA agreement document; EPAs demanding a reciprocal relationship between unequal partners; EPAs reducing government revenues thus having negative effects on public services; and that EPAs remove the ability of African, Caribbean and Pacific (ACP) countries to protect their vulnerable producers by reducing their policy space.<sup>6</sup>
- 3.9 To adjectivize alliances with “new” is also not adequate, for the new should be built from the old, and it therefore supposes that there were old alliances. There needs to be a post-mortem of the old

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<sup>2</sup> Wang, M. 1999. Business Strategies In Transition Economies. Sage Publication Inc,

<sup>3</sup> Business Report, 27 November 2006.

<sup>4</sup> CNN.com. US Dismisses Calls For Chavez Assassination. Wednesday, August 24, 2005.

<sup>5</sup> Mr Chavez was elected in a landslide as President of Venezuela in 1998, re-elected in 1999, won a referendum in 2000 and 2004 was again given the mandate to stay in power. At the time of writing this paper, Chavez had just won the 2006 Presidential election.

<sup>6</sup> [www.traidcraft.com](http://www.traidcraft.com) The Problem of EPAs.

alliances, and to the extent that these old alliances had beneficiary affects, they should be maintained or reconfigured, and to the extent that they were perpetuating the relationship of domination and servitude, they need total revision. There were no alliances in the past, but only relations of extractive dominance by so-called Mother States.

- 3.10 The extractive dominance was through the very institutions, business, civil society, church and state - that are now being called upon to foster the entrepreneurial partnerships. For them to regain their credibility, they would need to convince African populations that they are now non-partisan, and that when in the past the soldier followed the missionary, and the merchant followed the soldier in the march of colonial conquest, one can now stand up on ethical grounds and oppose, if necessary, the others' unethical behaviour.
- 3.11 It would serve the new approach immensely to use the good of the old extractive alliances, such as the transportation system that targeted quick access to the ports for exporting largesse to the colonizing state the for the external trade of the current state; invest in the bad intra-country transportation system that was totally ignored, and to reform the ugly political system that laid the foundation for the current undemocratic governance.

## **B: THE ISSUES ..... AGAIN**

### **1. Africa Is Not One Village.....**

- 1.1 To many non-Africans, Africa is one vast village where one knows another and where the fortunes, or the misfortunes, of one tiny part are seen as representative of the whole. When most non-Africans people speak of Africa, the tendency is that in all that is good, certain counties, or even personalities, are pointed out as if they act unexpectedly African, but in all that is negative the whole continent, including the luminary personalities, is tarnished with the same image.
- 1.2 This concept of Africa as a monolithic entity has to be reviewed. In as much as there are areas of dire poverty, there are areas of opulence and excellence. Backwardness and progress, tradition and modernity, hope and despair, exist side by side. Development and underdevelopment complement each other. Cultural, linguistic and religious entities can co-exist within a single boundary system, but can also be dispersed over many states. The typologies of the many "Africas," such as Arab Africa, Francophone Africa, Anglophone Africa, Lusophone Africa, Africa South of the Sahara, Christian and Islamic and regional economic blocks can be dismissed in the collective approach as divisive, but realistic observations display these many Africas. These fissures manifest themselves in a myriad of cooperative, competitive and complementary interactions.
- 1.3 Yet, these differences do not corroborate the proponents of Samuel Huntington's dichotomies as he argued in his Clash of Civilizations.<sup>7</sup> These are realistic differences as they would exist in any polity, and may well surprisingly be the ingredients leading to positive outputs. It is not their existence that is at issue, but their exploitation to produce a cocktail of social, political and economic inadequacies at best, and mayhems at worst.
- 1.4 Neither can the differences portend the End of History in the Fukuyaman<sup>8</sup> tradition, but they could be the springboards for the evolution of new socio-political and economic orientations of the continent. They could be the beginning of an African history, written by Africans for themselves, rather than the sanitized histories that were written from an anthropological (as opposed to historical) view of the colonial master.
- 1.5 Ingo Pies understands these differences in the global community. He states: "global society does not speak a common language, shares no common culture, and above all, possesses no history that

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<sup>7</sup> Huntington, S. 1998. The Clash of Civilizations And The remaking of the World Order. Simon and Schuster.

<sup>8</sup> Fukuyama, F. The End of History and The Last Man. Simon and Schuster.

might unify people of different skin colour or from different continents. On the contrary, in many instances history is perceived in categories of perpetrators and victims. It separates people rather than uniting them.”<sup>9</sup>

- 1.6 The formation of alliances with, and the development of enterprises in and with these countries have to take these many Africas into cognizance.<sup>10</sup> For example, an entrepreneurial development in Francophone Africa should factor in a French content, to the extent that the dominant language and culture is French. Alliances in the Southern African region should be cognizant of the objectives of the South African Development Community (SADC). In Arab Africa, the context of religion should not be overlooked.

## **2. ... But size does matter**

- 2.1 The size of the continent presents numerous challenges for centralized control. The question of the porosity of borders, the far-flung areas which cannot be monitored from the metropole, the warlords who want to control certain portions of the country as their fiefdoms, the problems of transportation, but more significantly, the border system that was decided at the Berlin Conference in 1848, and confirmed by the then Organization for African Unity (OAU) are not a perfect fit for administrative, and therefore alliance formation and enterprise development, as would be understood from the reachable, and smaller geographical expanses of the European continent. The challenges of development, the provision of services, and the extension of democracy face much more challenges than we would glibly think. Yet most political systems do not lend themselves to a federalist governance system, which would be better served by such vastness, but central control becomes necessary, as federalist arrangements, in most countries, would lead to secession and state disintegration.
- 2.2.1 In addition to the continental vastness, intra-continental access and people and trade movement still needs to be done through European trade and transport routes. In some states it is easier to travel through Europe in order to reach another African country. This manifests itself in a number of routing difficulties, such as telephony, banking, internet access etc. African countries that can provide goods and services to other African countries have to contest (and always lose) with European goods and services providers because they are easily reachable..

## **3. Imperialism and Colonialism Are e Becoming Old Concepts**

- 3.1 Reference to the historical past of the continent, particularly as it relates to imperialism and colonialism as causes for the current state of affairs in Africa can no longer be explained with the same vigour as it was immediately after independence. Neither of these pasts is now unquestioningly believed by most African populations to explain away their plight. In the context of super rich African elites and super poor masses, reference to a colonial past to explain present conditions have lost their political shares.
- 3.2 In my country South Africa, only liberated 13 years ago, explaining and understanding the status of poverty as a consequence of apartheid (or colonialism of a special type) is gradually losing currency as some communities question the late, unequal or non-delivery of services. There is a need to interrogate the current internal problems and challenges and to find solutions within the current African situation. This does not mean that the residual effects of these undemocratic systems are not felt, but as the years go by, and the younger populations with no experience of these systems getting into influential positions, these memories of the past fade away. As African countries discover new resources, plenty enough to reverse the situation of poverty and despair,

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<sup>9</sup> Pies I. Global Social Contract: On The Road To An Economically Sound Ethics of Globalization. Discussion Paper No, 03.-2. Wittenberg Center For Global Ethics.

<sup>10</sup> Segal, A. Africa Newly Divided. Journal of Modern African Studies. Vol. 2, No. 1 (March. 1964).

- these issues will not be relevant. The conflict between the political and economic elites within the African countries and their poor populations is likely to increase.
- 3.3 Reacting to the UK Prime Minister Blair's decision to apologize for slavery which took place before the imperialist and the colonial periods, a blogger argues: " Why should we, who never owned slaves, apologize to those who have never been slaves, for something that ended nearly two centuries ago?"<sup>11</sup>
- 3.4 In the current state, the unequal distribution of resources cannot be excused on the reasons of high populations. On the contrary, high populations indicate the need for an even wider spread of the oil and resource dividends. The Malthusian dynamic, which aimed to blame overpopulation and lack of birth control for the poverty of African and developing states, has now been dismissed as an inadequate theory. In Equatorial Guinea for instance, there are less than 500 000 inhabitants, but the oil dividends have not trickled down. "There are no public accounts of payments made by the oil companies, and although the people closest to Mr Obiang claim that \$400m a year is being spent on health, housing and education, the vast majority of people are uneducated and live in slums."<sup>12</sup>
- 3.5 European countries are now blaming their dwindling populations on the restrictive birth control measures, and prizes are being issued for mothers to produce more as the populations grow older. This breeding woman syndrome was previously dismissed as a fascist tendency, and without giving praise to that horrible era of human ideological, the invocation of this issue speaks directly to the import of this paper: that different times call for different responses.

#### **4. Democratic Elections And Democratic Governance.**

- 4.1 Africa has experienced a number of democratic elections in the past 5 years. There were more elections in Africa than in other continents, but the question to be asked is whether the event of elections, is a precursor for the process of democratic governance. The number of countries that have held elections in the continent has grown between four times between 1990 and 1995. By 1995, 38 countries out of 47 had held elections, some doing it for the first time.<sup>13</sup> What is the democratic dividend for these countries and their voters?
- 4.2 Hardly does an election pass, than there are accusations of vote rigging, or the usual suspects of ploys such as "a foreigner" (if the challenger is from the extreme part of the country, or a "Western stooge." In certain instances, even before election day, the accusation of possible unfairness, through the registration process and voters roll discrepancies, surface. Do electoral competitors the win and lose aspects as tenets of democratic discourse?
- 4.3 More often than not, incumbents are returned to office, and irrespective of the popular choice, the political systems do not change, and the plight of the poor is still not addressed. This begs the question: do regular elections lead to democratic practices or perpetuate the old ones?
- 4.4 Ermias of Ethiopia has perfectly coined the mood and the modus operandi. He states: "The candidates wear different hats to remain "diversified" – but in the end, the "winners" represent the same old regime with a minor twist in their political agenda. The dictators have one thing in common – OPEN A SWISS ACCOUNT – MILK as MUCH as possible – and then – ASK FOR SPECIAL hospital admission to South Africa."<sup>14</sup>
- 4.5 But a new phenomenon about democracy and democratic choice is emerging, thereby destroying the noble pillars upon which the principle of democracy is based. For ages the African continent

<sup>11</sup> The Guardian, 22 November 2006.

<sup>12</sup> Vidal, J. Oil Rich, Dirt Poor. Special Report Equatorial Guinea. 26 August 2004.

<sup>13</sup> Mutume, G. USA/Africa Dialogue, No 322: Beyond the Ballot: Widening African Reform.

<sup>14</sup> Are Elections A Waste Of Time? BBC News 6 December 1999.



has been pestered with democratic elections, on the pain of losing this or that benefit, but elsewhere there is a denial of popular choice. Some in the West are now intimating, you can have a democratic election, as long as you do not choose such a party, and such a faction. You can have any colour as long as it Black type of choice. Efforts are made to sway, and even withhold legitimate funds to parties and governments that are not favourable to the so-called “international community.” Should the people of the Palestine be collectively punished for having made the democratic choice of Hamas? Should the Lebanese choice be compromised because the Hizbollah is seen closer to Syria?

- 4.6 Are the goal posts being shifted towards non-democratic institutions? Why would people who lost the election demand a recount even when the margin is huge? Why do people who lose elections hide behind the veneer of what the “international community” wants? But, pray tell us, who is this international community?
- 4.7 Poignantly, what are the lessons that the people have learnt from the recent elections in the United States, where the courts and a state where the brother of a President is governor supercede those of the electors?

## **5. Newly-Found Wealth**

- 5.1 The decade has been characterized by certain African states discovering oil and oil reserves, yet oil revenues are not translated to the improvement of people’s lives. Oil has become a curse. Indeed as oil prices rise, African populations do not understand why their lives do not improve.<sup>15</sup> Together with mineral resources, the discovery of oil has led to behaviour and practices of corruption and bureaucratic interference which undermines the growth of the entrepreneurial spirit. In addition, the idea of using one resource as a stimulant for the economy means that all eyes are on this one commodity, and the contestations for the control of that one commodity undermines the growth of other enterprises. The herd instinct is still not the best option.
- 5.2 The Economist explains this as a “Dutch disease” because after the discovery of hydrocarbons, dollar dominated revenues lead to the appreciation of the domestic currency. This tends to make non-oil sectors, such as agriculture and manufacturing less competitive on world markets, thus leaving oil to dominate the economy.<sup>16</sup>
- 5.3 Oil has undermined the promotion of democracy in other states. External pressures to foster democracy in Africa are presaged on whether a country has oil or mineral resources or not. As long as oil and mineral exports are guaranteed, the nature of the state in Africa does not become the concern of importers. Big Oil enforces the idea of Big Men in Africa<sup>17</sup> even when African populations detest this political practice with resistance to “Third termism.” With 11.4 per cent of and 9.4 % of world oil reserves, African states with oil become alternatives for oil resources which traditionally came from the Middle East. The alliance between undemocratic African states and global oil companies and their governments is not always ethical, and, in my view, falls outside the vision of this Centre of new alliances.
- 5.4 Let me use Nigeria and Chad as examples. Nigeria exports about 2.5 million barrels of oil per day, but according to the United Nations Human development index, Nigeria’s place has slid from the 151st to 158 out of a total of 177 states, and more than 70% of Nigeria’s population lives on less than a dollar a day, and the country still services a debt of US\$35 billion.<sup>18</sup> Kidnaps by self-styled rebels and environmental groups, pilfering and sabotage to oil pipelines has become endemic, as

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<sup>15</sup> Bommenel, A. Africa Battles “Oil Curse” Dawn International, May 29, 2006.

<sup>16</sup> “The Curse Of Oil: The Paradox Of Plenty. The Economist, December 20<sup>th</sup> 2005.

<sup>17</sup> Five of Africa’s Big Men are as follows: Togo: Gnassingbe Eyadema who came to power in 1967. In Gabon, Mr Omar Bongo has been in power since, 1967, Libya: Muammar Gaddafi came in three years later in 1069 Angola: Jose Eduardo dos Santos – 1979 and Zimbabwe: Robert Mugabe – 1980

<sup>18</sup> Okonogua, F.E. 205. Female and Male Fertility in Nigeria. Karolinska University Press.

poor people look at global companies as the main cause for their misery. Anti-government political forces are formed around dissatisfaction with oil revenue redistribution.

- 5.5 Chad has shed 15 places on the Transparency International corruption index. Although the government contests this survey, the World Bank has intervened to have a certain percentage to be channeled to poverty reduction. Even with this intervention, 80% of Chadians do not have access to potable water and one in four children are dying before the age of ten.<sup>19</sup>
- 5.6 In most countries, the Minister of extractable and exportable products is either a son or a relative of the leadership. Never has a baton passed from father to son (and rarely daughter) as we currently experience. Feudalistic power handovers have been turned on their heads by the new approach.
- 5.7 As an anecdote of this transfer of power and the resources related to it. in one engagement with some Libyan officials, when we raised the issue of leadership succession in my country South Africa, one Libyan national was puzzled as to why we should worry as to who comes next in leadership. For him it was to be Mbeki's son.
- 5.8 What is the standpoint of the Centre's in the choice between a poor section of civil society fighting for their rights against an unscrupulous business system, and where does the Centre stand in the case of non-neutral players such as churches and businesses?

## **6. Genderized Relations**

- 6.1 The last sentence about son is gender sensitive, but relevant in the context of genderized resource allocation, is instructive for it characterizes the gender issues around the development of entrepreneurs in most of the continent. Although women run households, are involved in agriculture and are numerically superior, and the more likely to suffer from a dysfunctional political system, enterprises are still male-dominated. When I speak of alliances as a vision of the Centre, there is a need for the encouragement of alliances with and among women groups in the developed and the developing countries, and for these alliances to be formed around values that will have substance and meaning to the African women. For most African women, the Western values of gender and feminism are not yet relevant, and international organizations would be better advised to deal with the issues of poverty first, and then extrapolate to the esoteric issues that pertain to gendered relations. In international forums where women's issues are deliberated, Western women's interest such as those of reproductive rights, take precedence over those of the developing countries,' which are largely the struggle to live.
- 6.2 The efforts of the women in certain African countries to occupy political and economic leadership positions should be applauded, but in general, the large corps of African women are still marginalized. Realizing this lack of progress and the reversal of the Beijing Conference gains, the head of the Economic Commission for Africa (ECA) African Centre for Women (ACW) Ms Josephine Ouedraogo argued: "We are talking to ourselves. .. We are still not working in the mainstream – targeting ministers of finance, trade and agriculture, the people who make policies critical to the achievement of gender equality."<sup>20</sup> These ministries are key in the establishment of an entrepreneurial spirit, and are relevant in alliance formation.
- 6.3 It is recommended that the Centre establishes a database of programmes in poor countries that are aimed at assisting alliance formation and entrepreneurial development with and among women. This audit should be broader than the ones that re-enforce the status of women servitude, such as home care, education child care and feeding schemes, and include high echelons of engagement such as politics and business.

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<sup>19</sup> Bommenel, A. Africa Battles "Oil Curse." Dawn International, May 29, 2006.

<sup>20</sup> Mona. C. Mixed Progress For African Women. Africa Recovery On Line United Nations.

## 7. Rural and Urban Divides

- 7.1 The pressure to modernize the continent has the unintended consequences of marginalizing the rural poor. As countries fail to reach their urban development targets, the poverty of the rural areas becomes a push factor for urban migration. This clogs an urban system that cannot cope with its current populations. The misperception that urban life presents better entrepreneurial opportunities than rural continues apace, and rural opportunities for entrepreneurial development, should be reversed.
- 7.2 In Kenya, it has been observed that the urban and rural enterprises differ in as many as five respects. These are: (i) lower productivity efficiency and earnings in rural as opposed to urban MSEs; (ii) higher start up and additional capital requirements in urban than in rural MSEs; (iii) marked seasonal fluctuations in incomes, productivity and business closure in rural areas compared to urban MSEs; (iv) higher incidence of ownership of business and work premises in rural than in urban MSEs; (v) a tendency to use family labour more in rural than in urban MSEs, and to use casual labour more in urban than in rural MSEs.<sup>21</sup>
- 7.3 There is a negative reinforcement of the view that industrial development, based in urban centers, is the answer to the question of underdevelopment. Rural and urban areas are not viewed as complementary areas, based within the same political dispensation and governed by the same institutional arrangements. Policies that have been developed in responding to this issue have been protective of the industrial sector, and the agricultural sector based in urban areas has suffered. The United National Economic and Social Council (UNESCO) has observed that “rural and urban areas are politically and economically integrated to form one system. Political decisions for one part of a country can have consequences for the other part.”<sup>22</sup>
- 7.4 With 60% of Africa’s population engaged in agriculture, the continent is a gigantic farm. But it is a farmland of contradictions because it still has to go to neighbours who have a smaller land to beg for food. Leveraging agriculture and rural production has been at the forefront of the current economic system.. “From this one phenomenon, that of surplus food production, flowed all other benefits of civilization – writing, science, social and political organizations, markets, cities, learning, manufacturing, trade and steadily improving standards of living.”<sup>23</sup>
- 7.5 In Europe, the agrarian revolution laid the foundation for the Industrial Revolution. In turn, the Industrial Revolution improved the productive capacity of agriculture by providing the requisite machinery. The Russia Revolution, which took an industrial (Bolsheviks) dimension rather than a peasant (Mensheviks) one, did not arise as a result of the absence of complementarities between the two, but precisely because the balance was not maintained as rural agriculture hoarded some of its produce.
- 7.6 It is recommended that the centre encourages partnerships and enterprise development that takes into account the rural expanse of the African continent, and to encourage these partnerships in complementary fashion between urban and rural economies and civil societies.

## 8. The Positive Role That Business Can Play

- 8.1 The sentiments that have been raised in the document about business and questionable alliance do not detract from the role that business can play if they approach their role in society from a point of objectivity. While governments may come and go, businesses continue even when

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<sup>21</sup> Differentiating Rural and Urban MSEs in Kenya. Research For Development. A Policy Bulletin of the African Centre for Economic Growth. No.2 April 2001

<sup>22</sup> Policy Issues For the RSCAP Region: Balanced Development of Urban and Rural Areas and regions Within the Countries of Asia and the Pacific. UNESCO. April 2001.

<sup>23</sup> African Business, December 2006. No 326.

governments have changed. The virtue of objectivity becomes important if the business sector does not want to be associated with this or that government. Killick et. al. have observed that “most businesses suffer from the restricted competition created by corruption. Most suffer from the chaos and uncertainty brought about by conflict. Most want stability. Potentially, this makes them valuable brokers.”<sup>24</sup>

- 8.2 The following few areas could be explored as areas of assistance to communities by businesses. Corporate social responsibility (CSR) issues are now being seen as part of the triple bottom line reporting, thereby increasing the business’s standing among its community and raising its profile as a good corporate citizen; labour practices should be in line with those determined by the country’s constitution and the rights of workers should not be eroded through either low pay or adverse working conditions; environmental protection and balanced resource extraction, accompanied by rehabilitation processes of the resources extracted; businesses can become arbitrators and mediators in political conflicts as they are detached from the political intrigues, but have an interest in the stable political system so as to make their businesses to thrive.

## 9. Use of Children in Non-Children Activities.

- 9.1 In most conflicts, the use of child soldiers has reinforced the notion that war and war-making is a profitable enterprise. Driven by both power hunger, challenging the undemocratic system and the desire to control resources, conflicts in Africa play themselves into the formation of unholy alliances which fall outside the scope of the vision of this centre. There are no arms manufacturers in the continent, and these are sourced from outside the continent. Some armaments procurement mechanisms are more generous, such as the one observed by the New York Times, where “ the Pentagon runs a little publicized giveaway and sale programme to clean out its overstuffed attics and closets, bulging with weapons build up since the Reagan era. The Pentagon uses the Excess Defence Articles Program, as it is called, to reward government friends and allies.”<sup>25</sup>
- 9.2 By using children in war, forced or not forced, only one avenue for entrepreneurship is created – that of war making. The morality and immorality of war is not the subject of this paper, but to the extent that even if entrepreneurs were interested in it, the entry into the industry is fraught with the difficulties that are informed by secrecies that engulf the industry. The secrecy is not conducive to the democratic imperative of transparency and accountability, and cannot, in my view, be seen as helping the cause of the ethics espoused by the center.
- 9.3 The use of child labour has reached Dickensian proportions, and immediately indicates that these children cannot be relied upon as future entrepreneurship. They have been removed from educational opportunities which can form a cradle for future entrepreneurs who will be better able to respond to the dynamic challenges of the times.
- 9.4 Alliances that are formed between the companies that trade in products produced by children, in the continent and outside it, cannot be seen within the context of the alliance envisaged by the Centre.
- 9.5 It is recommended that the Centre advocates entrepreneurship development and alliance formation, but be also bold enough to talk against practices that militate against the achievement of these noble objectives, such as child-labour and child soldiers.

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<sup>24</sup> Killick, N. Srikatha V.S and Gundug, C. The Role of Local Businesses in Peace Building. Bergof Research Centre for Constructive Conflict Management, February 2005.

<sup>25</sup> The New York Times Articles Selected For the Sunday Times, November 26, 2006.

## **10. Parachuted Expertise**

- 10.1 Alliance formation and the development of enterprises should consider the interface between the local expertise and international headquarters expertise. The idea of expansion, and the idea of alliances should of necessity be based on recruiting local talent, giving them the space for development within the organization and alliance, and also leaving enough space for the initial learning curve disharmony from the parent company or HQ practice. Local talent and expertise has the necessary understanding of local culture, and apart from job creation, this practice increases the global diversification of the companies.
- 10.2 Localization may also have its negative effects as much as expatriate labour. There is a need for balance. This balance can be obtained by bringing in the expatriate workforce for skills that are not available in the local labour market, while engaging in efforts to transfer those skills to the local populations. Localization should not be pursued at all costs, and its main aim should to achieve the best possible results for the enterprise.
- 10.3 In the case of Papua New Guinea for instance, the Employment of Non-Citizens Act requires that some of the jobs which were exclusively for nationals (i.e. brick laying, painting) were to remain as such. But with the very low supply of skilled labour in most technical areas in the country, recruitment of expatriate labour became a necessity.<sup>26</sup>
- 10.4 On the obverse side, what are the ethical questions of allowing the free movement of labour, but only for those menial tasks which other citizens in developed countries do not want? What are the levels of pay and working conditions?

## **11. Brain Drain**

- 11.1 The use of local talent can assist in arresting what has become known as the Brain Drain, where African expertise and skilled workers migrate to better paying opportunities. While there are conditions which push these skilled personnel to move to “greener pastures,” the enticement by foreign companies should also be seen as contributing to this trend. Using concepts such as globalization of the workforce as a reason to explain this trend away, globalization continues to be a concept that benefits the developed world, and the fissures and tensions as a result of the unequal benefits of globalization, are increased.
- 11.2 Both centripetal and centrifugal forces that lead to the brain require analysis, and to the extent that the causes are located in the Africa state itself, the need for the ample allocation of resources to prevent skilled personnel from emigrating cannot be overemphasized. To the extent that it is not emphasized, the issues of an elite that caters for its own needs than the needs of the entire population comes into play again.
- 11.3 A counter argument of remittances back into African economies has to be viewed with caution, as it used to argue about the symptoms rather than the cause. According to World Economic Forum (WEF), these remittances have increased to the point where they now outpace the US\$ 25 billion in aid. Remittances flowing into Africa dramatically increase such flows by more than US\$ 10 billion and are seen as an important catalyst for increased economic activity.<sup>27</sup> Yet this is not enough to achieve the Millennium Development Goals (MDGs). Remittances are a voluntary action, and cannot be seen to be sustainable in the long term as expatriate workers continue to support the economies of the countries they work in.
- 11.4 Remittances sent to developing countries by expatriate workers are not a direct result of the altruism of the receiving employers, but a rational decision by the expatriates themselves to spread

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<sup>26</sup> Imbun, B. 2000. Labour market in PNG Mining Papua New Guinea Buai Project. UNG Press

<sup>27</sup> World Economic Forum on Africa, 31 May to 2 June 26, Cape Town.

their incomes to as many beneficiaries as possible. Expatriates are employed primarily for three reasons: Employing companies do not have a pool of local labour resources to tap into; expatriates are paid lower than locals; or there is no uptake of menial jobs by locals and the expatriates fill the gap.

- 11.5 Using the example of medicine, and quoting South Africa, the 1500 South African doctors who currently practice in Canada creates an ethical and moral question.<sup>28</sup> Should the South African Government fund the training of these doctors only to have them recruited by Canada? This is a moral dilemma which can be explained by the market place economics, but considering the health challenges, with 7 doctors per 10000 people in the country, the issue is more than just a market place issue.<sup>29</sup>
- 11.6 Not than South Africa does not benefit from receiving doctors from other countries. The need to consider this in the context of solidarity with other developing nations needs the same treatment as I propose for developing countries. South Africa registered 5,277 foreign doctors who comprise about 16 percent of the total 33,347 doctors in the country. These doctors come from Zimbabwe, Zambia, Kenya, Ghana, Nigeria, Pakistan, India, Bangladesh, Sri Lanka and Eastern Europe.<sup>30</sup>
- 11.7 It is recommended that the Centre should consider the ethics of these migrations to the extent that they rob the developing counties of critical skills, and also because developing countries become beneficiaries of the skills they did not invest in.

## **12. Brawn Drain**

- 12.1 This is linked to the brain drain and refers to the recruitment of African sports people to adopt new citizenship so as to boost the receiving countries' sports performance and national pride. Achievements in sports consolidates national pride, and nations which perform well in sports, and therefore have national pride, are less prone to conflicts. In the Ivory Coast for instance, political tensions were temporary suspended when the national soccer team reached the World Cup finals.<sup>31</sup>
- 12.2 As a number of Africans playing in international football league increases the tension between country and club demonstrates the extent to which the interest of the African states has been subjected to the foreign clubs in relation to their own citizens. In this thinking, not only are the European states and Africans unequal, but the European states has privatized this matter of the availability of players for African competition to a lower level of clubs. The alliance between the state and the club is therefore a relationship of inequality.
- 12.3 It is recommended that the Centre should encourage sport associations in developed countries to release sports players to their native countries during international tournaments and events.

## **13. Inequitable International System**

- 13.1 If there is anything that display the poverty of the international trade system is the long drawn Doha Round of the World Trade Organization. Originally sold as a "development" round, the round has shown the extent to which developing nations pursue their interests even when such pursuance disturbs the international balance. The concept of development has been systematically removed, and the negotiations now hinge on how Euro-American trade tensions subject the developing nations hopes for prosperity through trade to their Euro-American interests. If the international trade system is being undermined, what are the hopes of encouraging an entrepreneurial spirit in the continent?

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<sup>28</sup> National Review of Medicine. Vol. 1 No.18. September 30 2004.

<sup>29</sup> South Africa Asks Canada To Stop Stealing Doctors Away, CBS News February 7. 2001.

<sup>30</sup> Breier, M. Doctors in a Divided Society: The Profession and Education of Medical Practitioners in South Africa' Human Sciences Research Council.

<sup>31</sup> BBC News, 21 January 2006.

- 13.2 The WTO negotiations should be seen within the context of the wider international political system. Still echoing the sentiments of the 1945 victor vs vanquished international system, the resistance to changing these international institutions are not reflective of the new international challenges. Powerful states are excluded, numerically superior blocs are marginalized, and the words that used to characterize the power of the countries that dominate the world system, and the philosophies that underpinned them, have given way to a need for new thinking. To quote just a few examples as questions of the current system compared to the old, - What is so “great” about Great Britain in 2006 since most of her colonies have gained independence? What is so democratic about the United States when it can flout international rules to serve its own interests? What is so Hitlerite about a 2006 Germany which has consistently disowned its past. What is wrong with roping in the vanquished of 1945 as equal partners in 2006 to foster new alliances in the world? What is so kamikaze about a 2006 Japan whose economy has improved by leaps and bound since 1945? What is so dark about 2006 Africa that she is not allowed to be an equal member of the international system?
- 13.3 The international system imposes extraordinary demands on developing countries. With economic policies tested by new graduates and economic students being imposed on developing, the objectives of economic improvements are not met. So we arrive at a situation where the continent has done all, and more, of the instructions of the International Monetary Fund and the World Bank’s austerity programmes, but no progress has been achieved. Of course the evaluations will be make feel good assessments which indicate that the situation is improving, but in reality things remain the same, or worse. What more should the continent do?
- 13.4 It is recommended that the Centre partners with developing countries in calling for the reform of the international governance organizations such as the United Nations, World Bank and the International Monetary Fund.

## 14. Arresting Corruption

- 14.1 Weak political systems lend themselves to corrupt practices. If politicians came to power through undemocratic means, a signal is sent that corruption can proceed unabated. The failure of the political system to sanction officials while they are still in office and prefer to do this after their electoral defeats, increases tensions and also lead to incumbents hanging onto power for long periods to escape post- tenure persecution.
- 14.2 The Transparency International Corruption Survey is one of the tools used to measure the level of corruption in the world. Five counties in Africa are among the top most corrupt states in a total of 77 countries surveyed. There is a need to align the high rankings which some Western countries receive compared to the actual practice of eradicating corruption.
- 14.3 Resistance by certain powerful states to submit themselves to international crime tribunals and international court systems reveals the extent to which they can ignore jurisprudential ethics. At the same time, these states pursue with vigour, the trials of those they perceive to be corrupt from the developing world. The Guardian has observed: “where African countries have tried to stamp down on corruption, the effort has not always been reciprocated in Britain. For example, in May 2002, a Lesotho official was convicted of receiving nearly £3m in bribes. Lesotho, a tiny, poverty-ridden country in the midst of an HIV epidemic, then took the almost unprecedented move of prosecuting the foreign construction companies that gave the bribes. Three have so far been convicted. Though several British companies have been named in connection with the prosecutions, the UK authorities appear to have taken no steps to investigate their involvement.”<sup>32</sup>

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<sup>32</sup> Bribery Begins At Home, The Guardian, 6 October 2004.

- 14.4 It is still early to evaluate the efforts by Mr Mo Ibrahim. But my preliminary insight is informed by two observations:
- Mr Ibrahim’s incentives pale into insignificance if measured against the sheer scale of corruption. Given the choice between a lifetime adherence to good governance, and the rewards that will be competed for by 52 odd leaders in the continent, the intentions are good, but the actual implementation is even more daunting.
  - There are many hangers-on on the petticoats of leadership circle. While Ibrahim’s incentive may arrest the corruption and embezzlement of the leader per se, it may not be adequate to eliminate graft at a clique or elite level.
  - The evaluation criteria for Mr Ibrahim’s incentive are still not clear, and there may be duplications between it and the African Peer review Mechanism.
  - Leaders are chosen to lead, and if there are accolades that accrue as a result of their leadership performance, these are incidental and not designed. The danger with the Ibrahim approach is that leaders may be too concerned with winning the incentive rather than serving their populations.
- 14.5 It is recommended that the Centre should be unequivocal in its criticisms of both the corrupted and the corruptee.
- 14.6 It is also recommended that the Centre also interrogates the effectiveness of the Ibrahim initiative in so far as it will lend support to the vision of the Centre.

## **15. Arbitrary Indicators**

- 15.1 In the previous paragraphs I have referred to Transparency International. The performance indicators that are used to measure the progress in Africa are Western-based, and as such cannot be sufficient to gauge other non-economic indicators in which the continent excels. Issues that cannot be quantified, such as environmental protection, cultural preservation, humility and respect cannot be scoped within the current radar of indicators, and as these human traits are eroded in the western world, surveys remove them as indicators. NEPAD documents list some of these riches that elude the performance indicators radars, such as the flora and fauna, unspoiled habitat, ecological lung, rainforests, paleontological and archeological sites and the richness of culture.<sup>33</sup>
- 15.2 The concept of ethics is enough to encompass these issues, and to the extent that these non-economic issues are relegated to the periphery, a comprehensive analysis of ethics is lost and only the business ethics become relevant in analyses. Such an analysis will require a paradigm shift that considers these riches as both a source and a resource. As a source, they are inactive belongings that cannot leverage any entrepreneurial development, but as resources, they can, subject to the understanding that they are not individual, but assets of the world
- 15.3 It is recommended that the Centre develops ethical codes and indicators that will consider non-economic issues such as environment, habitat preservation, ecological lungs, paleontological and archeological sites, and culture promotion.
- 15.4 It is further recommended that the Centre plays a role, together with artistic, cultural and heritage communities to advocate for the repatriation of arts, artifacts and objects confiscated and looted during colonial periods to their rightful African states.

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<sup>33</sup> NEPAD, October 2001.



## 16. Repatriation Of Ill-Gotten Fortunes.

- 16.1 Although this issue can be argued within the parameters of corruption in the preceding paragraphs, its separate mention in this paragraph highlights the hypocrisy that permeates the Afro-Western relations as they relate to the issue of money laundering. Resistance to the repatriation of these ill-gotten gains compromise the quality of alliances that can be forged.
- 16.2 Most of the finances embezzled in the continent are stashed in foreign banks, but there is reluctance from these banks, and their governments to repatriate them. If it is done, it is rather very late, and when the reputation of the bank that holds such accounts has to weigh the risks of loss of reputation. The African Network for Environmental and Economic Justice (ANEEJ) has observed that the “major obstacle to the success of the campaign is traceable to a seemingly international conspiracy to scuttle current efforts. European and American banks, for instance, have refused to cooperate with Nigeria and other African countries enmeshed in this crisis spanning three decade to trace, track and repatriate the loot. They usually cite the convenient doctrine of confidentiality as an obstacle. The fact, however, is that the banks which receive these stolen funds and the Nigerians or Africans who deposited these funds with them are equally guilty of an infringement of the law.”<sup>34</sup>
- 16.3 The repatriated accounts will not, on and of their own, be enough to reverse the poverty, but will send a signal to the corrupt and strengthens alliance building between Africa and the West. The quantification, and the identification of those responsible, punishment and the eventual repatriation, makes the issue of ethics, and alliance building all the more attractive.

## 17. Feather Nesting

- 17.1 A new and unlegislated format is feather nesting, a situation where a government official or incumbent lays the foundation for his or her eventual exit from government to industry. This is done through the formation of networks, or the development of policies that will make it easier for the relevant officials to enter the business field, or the signing of contracts that will benefit them when they leave government. In most states there is no law against this, and states are only beginning to open their eyes now. The Chairpersonship of the German-Russian Gas Pipeline Company is an instructive example of how tensions and uncertainty about this issue can play themselves out.<sup>35</sup> Suggestions of cooling off periods are made, but it will take time to evolve tangible policy positions that will be adhered to by all players. Shouldn't the Centre embark on policy development around this issue?
- 17.2 The migration of government officials to business or the private sector is evidence of the enterprise formation that is the subject of this year's motto. If it is laden with inconsistencies and questionable ethical behaviour, it throws negative connotations to these noble principles. This alliance formation between Government officials and private business for the sole purpose of later gains, is unethical and such cannot be seen within the context of the alliance formation of the Centre.
- 17.3 It is recommended that the centre considers developing a global policy position on the issue of feather nesting practices, in which they will determine the “cooling off” period between the termination of employment and the assumption of new roles, with due regard to the restraint of trade arrangements.

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<sup>34</sup> African Development Crisis. Another Berlin Conference Is Possible. The African Network For Environmental and economic Justice (No date)

<sup>35</sup> Mosnews. Money. 30 March 2006.

## **18. Alliances Across Boundaries**

- 18.1 The globalization of the international economy has led to an opposite growth of resistance to it. In spite of the notion that there are poor and rich countries the reality is that all states have their rich and poor. Although the poor in the developed world can afford to pull themselves out of their misery, and the ones in developing countries cannot, the solidarity that is expressed against the international system has taken root.
- 18.2 There appears to be more solidarity among the poor than consensus-making among the rich. The debates that surround the improvement of the international system are more disjointed among the elite than they are among the poor. Most, if not all, of the international conferences around finances and trade, such as those of the International Monetary Fund (IMF), the World Bank, the World Trade Organization (WTO) and the World Economic Forum (WEF) have been targeted for protests.
- 18.3 The tactic of organizing parallel events for civil society separate from the main session has not proved successful, as the resolutions are not integrated into the resolutions of the main conference.

## **C: SINO-AFRICAN RELATIONS**

### **1. People Living in Glass Houses**

- 1.1 The disapproval for partnerships between African states and China and India have been touched on in passing. In this section I wish to expand on the particular relations between China and African states.
- 1.2 Six points need to be made in this regard:
- The partnerships between African states and China are not new. They have existed in the context of the struggle against colonialism, and the attitudes of some states that are now against China's involvement in Africa have its roots in this period. While the former was occasioned by the bipolar world, the current one is informed by the growth of the Chinese economy.
  - Western donors and states are reluctant to be involved in infrastructure development while at the same time persuading the state the African states elsewhere. The much-trumpeted involvement of the private sector in the development of infrastructure has not materialized. China filled that void with the construction of the Tanzam Railway Line for instance, and is also interested in the current investment cycle to do the same.
  - For some Western states to put a proposition that China's interests in the continent are for extractive purposes as if those of her competitors are not, is fallacy. With a low level of development in extractive technologies, most of the investors in the continent are for extractive purposes.
  - To quote Chinese human rights record to persuade African states not to form partnerships with her, while the same countries compete for the Chinese market under the same conditions of the absence of human rights, is dishonesty.
  - To intimate that China's interests in the African continent are signs of neo-colonization when the critics' economies import Chinese products, goods and services yet they are not colonized, is verbal sophistry. In fact, the mere fact that neither India nor China has a colonial baggage in Africa may be their advantages.

- Western states have not been able to stem the tide of their firms relocating to China, thereby causing unemployment crisis in the home countries. Chinese cheap labour, not so stringent labour conditions, profit repatriation etc. all come into the mix of the Chinese phenomenon. The growth of the Chinese economy is a phenomenon for the whole international economy. To expect Africa to reverse it is disingenuous.

1.3 All the above four points cannot be sustained under the efforts of the Europe and the United States central banks' calls for China to reduce the value of the yuan.<sup>36</sup> The Chinese economy is a competitor, and it would be folly for African states not to bet their hedges on a growing economy, but more importantly on partnerships that will yield the best possible results.

1.4 This is even more so if the Western states have been rather lethargic in providing this assistance, and even more so if the onerous conditionalities that have been placed on African states by Western lenders are taken into consideration.

1.5 There may well be tendencies towards neo-colonization. China needs the resources in Africa to the same extent that African states needs investment from China. This relationship is different from the one of colonialism, which was driven more by the needs of national pride and prestige in relation to other colonizers, than the need for raw materials.

## **2. Africa Is A Ham In The Sandwich**

2.1 The crux of the matter is not Africa's choice of China as a partner. It is competition between the Euro-American axis and China and India for markets. Africa is caught in between the contestations for these markets. This is the second dimension of Africa being caught in the middle of a struggle for markets. The first one, over the WTO and the agricultural subsidies between the European Union and the United States has been alluded to in this paper.

2.2 The complaints by the European Investment Bank that China is lending at lower interest rates,<sup>37</sup> and the whole condescending attitude against the relationship between China and Africa,<sup>38</sup> and about Chinese as a people in general all form part of the campaign that undermines both the African's power of rational decision-making (every borrower want the lowest possible interest rate)

## **D: THE NEW CHALLENGES**

1. In the previous sections I have been referring to new challenges in both the local and international arena. . I have argued that these new challenges are so paramount that there is a need to engage with them head on. In the main, I have argued that reference to history may well serve academic treatises, but engagement with the old when there are new and challenges should demand all the efforts of the new leadership, and that alliance formation and enterprise development should answer to and address these challenges. It is a few of them than will be discussed below:

- Firstly, the HIV/AIDs pandemic which is devastating developing countries more than the developed ones, and to which the developing countries have to contend with beyond the provision of medicinal support (such as nutrition, shortage of hospital facilities, unemployment etc), requires new strategies and partnerships. It would be irresponsible of African leadership to fold its arms and apportion blame on political systems that happened, and ended, long before the outbreak of the pandemic.

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<sup>36</sup> International Herald Tribune, 30 November 2006.

<sup>37</sup> Financial Times, 30 November 2006.

<sup>38</sup> Newsweek, 13 November 2006.

- Secondly, global warming is not an apocalyptic prophecy that was dismissed in the past as some liberal fringe preoccupation, but it is a reality of our current world. It is not only changing the lifestyles of current populations, but is also depleting the meagre resources and productive capabilities on which the poor live and depend. Talking of the Maasai, the Boran, the Kalenjin and the Somali, Versi raises an irony and a challenge. He states:” It is a cruel irony that such people, so beautifully attuned to nature, demanding so little from it, and paying back whatever they take almost immediately and with interest, should be the victims of a climate change disaster caused by the irresponsible polluting activities of people thousands of miles away.”<sup>39</sup>
- Thirdly, globalization requires quick action, and it will be impossible to engage with issues of imperialism and colonialism which offered no entry for the oppressed, and ignore the urgencies of globalization which can be leveraged for the benefit of our populations. Delays in the integration of the African economies, and the failure to advocate for highest levels of integration will consign the African states to the status of victimology for the third time in history.
- Fourthly, self-inflicted state implosions have to be addressed as a matter of urgency. The mere fact that African states have lived with their current borders for decades without ethnic or boundary conflicts, and that these are only surfacing now, means that a causative analysis for the sudden outbreak of these is needed. Having managed these divergent ethnicities within the arbitrarily decided borders for long decades, means that something amiss has happened and that could be located within the current African state.

## **E: CONCLUSION**

I started by unpacking the issues that inform the motto of this year's conference and the vision that underpins the Centre. I have also argued that in spite of the continental efforts of unity, it is still too early to talk of one Africa, and that regional and localized considerations should be considered when partnership and enterprise development is undertaken. In spite of the peculiar conditions, the challenge of the size of the continent, has got to be factored in when decisions are made. I have argued that it may not hold political currency in the future to complain about the effects of imperialism and colonialism, as young generations become detached from these extractive systems of the masters beyond the seas, and see them happening in their own backyard. In expressing joy at the discovery of oil in some states, I have also raised the issue that oil becomes a curse and encourages kleptocratic tendencies rather than redistributive ones. I call specifically for the end of corruption and the formation of alliances for the eradication of this scourge.

I indicated that the role that should be played by women in partnerships and enterprises should not be overlooked, but it must address the peculiarities of the African women as opposed to the Western ones. The old issues of rural and urban divides have been raised again, and the usual suspects, such as the use of child labour, the use of child soldiers, the brain drain has also been included, but I have added a new issue of a brawn drain.

I have stated that there is need for inclusive indicators, which take into account non-financial, but economic factors. The special relationship between China and Africa has also been discussed. I have also argued that there are new challenges that the current African leadership should address as a matter of urgency.

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<sup>39</sup> African Business; December 2006. No 326.