



African Union Commission



**The International Community and World Governance**  
**La Communauté internationale et Gouvernance Mondiale**  
The Bulletin of Fridays of the Commission . Le Bulletin des Vendredis de la Commission

**Newsletter Volume VOL. 5 No.1 July/ Juillet 2012**

### **Executive and Managing Editor**

Dr Maxwell Mkwezalamba Commissioner for Economic Affairs, AUC

### **Editor in Chief**

Dr René N'Guettia Kouassi Director of Economic Affairs, AUC

### **Editorial Board**

Dr. Maxwell Mkwezalamba	Commissioner for Economic Affairs, AUC
Dr. René N'Guettia Kouassi	Director of Economic Affairs, AUC
Mrs. Habiba Mejri-Cheikh	Director of Communication and Information, AUC
Mr. Yeo Dossina	Ag. Head Statistic Division, Department of Economic Affairs, AUC
Ms. Barbara Ambela	Editorial Assistant, Department of Economic Affairs, AUC
Ms. Tirsit Genye	Intern, Department of Economic Affairs, AUC
Mr. Kutoati Adjewoda Koami	Database Administrator, Department of Economic Affairs, AUC

Web Administrator,	Mr. Asmerom Girma, Communication and Information Division AUC
Photographer:	Mr. Engida Wassie, AUC
Design & Layout	Mr. Chanda Boykie Kgetse: AUC Publishing & Production Plant

A grant from member states of the African union to support the project is gratefully acknowledged.

Nous remercions les États membres de l'Union africaine  
de leur soutien financier pour la réalisation de ce projet.



# FOREWORD

## “The international community and The global governance”

It is an undisputed fact that, the international community has established itself as the guardian of the world affairs. Wherever people are in distress, countries are threatened by implosion, freedoms of all kind suppressed by despots and tyrants, economies collapsing, conflicts gaining in intensity, and many other ills, the international community becomes the essential fallback position or even the referee from who appropriate and balanced responses are expected.

From this point of view, the international community appears to be the body that holds all the levers of economic governance and global politics. But what is this entity that has a great importance in the management of the contemporary world? In other words, what is this “thing” that seats at the

heart of the global management or the current rate of global governance? After all what is the international community? How does it work? Who finances it? What are its components? Is Africa a member of it? Is the voice of Africa heard? What should Africa do to play a worthy role? These questions are some of the many queries that rise up in mind when trying to understand the international community and identifying the main contours.

The follow presentations will attempt to respond and provide a better knowledge about the place and role of Africa within the international community, which today figures as leitmotif in most political and economic speeches. ”



# Contents

## Foreword

**"The international community  
and The global governance"**

*Page ii*

## Introduction



**Dr. René N'Guettia Kouassi**

What is the International Community?  
Is Africa the member of the International Community?  
Qu'est ce que la Communauté Internationale?  
L'Afrique est -elle member?

*Page 1*

## Insight



**Dr. Adams Oloo**

The place of Africa in the International  
Community: Prospects and Obstacles.

*Page 10*



**Prof. François Ndengwe**

Four proposals to lift Africa's position in  
Global Economic Governance.

*Page 25*



**Dr. René N'Guettia Kouassi**

"Do some statistical science, quite useful  
when not overdo it» Honoré de Balzac.  
« Faire un peu de statistique, science assez  
utile quand on n'en abuse pas »  
Honoré de Balzac.

*Page 41*

## Contributions

**BILLIE Getachew**

A Comparative Analysis of Pan African  
Institutions, the Commission of African  
Union, the Economic Commission for Africa  
and the African Development Bank: Objec-  
tives, Functions, Programmes, Achievements,  
Constraints and Perspectives.

*Page 56*

## In Action - Economic Affairs

**Summary MDG Report 2012**

Assessing Progress in Africa  
Toward the Millennium  
Development Goals.

*Page 74*





**Dr. René N'Guettia Kouassi**

Director, Economic Affairs  
African Union Commission

## Is Africa a member of the International Community?

At first, this question sounds so unusual. But on a second thought, it needs to be asked. Indeed, since the advent of what is henceforth called the Arab Spring, the concept of "International Community" is profusely used in all types of media and in international issues where of peace and security, human rights and democracy are discussed. The International Community is particularly mentioned when conflicts break out in the world.

Thus, political conflicts, following the renewal of political mandates and armed conflicts emerge from frustration of all types or which take on the shape of a palace coup or armed rebellions aimed at ending everlasting regimes resembling dynasties, are occasions when the term "International Community" is most used. And rightly so, as conflict resolution must be based on a supranational authority whose competence is universally accepted.

Thus, dictatorship appears and tramples under the foot of human rights and human freedom, when people in the world express needs for democracy, justice, protection, peace and even transparency in the management of public affairs, their first reflex is to appeal to the International Communities.

Everything goes on as if the International Community is the world authority recognized by all and capable of finding an effective and lasting solution to all the injustices in the world. In other words, the International Community is considered as a superstructure with economic and political powers enabling it to correct all the inequalities, all the mistakes or all the exactions of which the people are victims. From that point of view, it is supposed to respond to the cries from the heart of all human communities, wherever they are living, who are in danger. Yesterday, in countries like Liberia, Sierra Leone, Libya, the Democratic Republic of the Congo, Rwanda, South Africa, Zimbabwe, Mozambique, Lebanon, Vietnam, Cambodia, Cote d'Ivoire...at some period of their history, the International Community has been

## Qu'est-ce que la Communauté internationale?

### L'Afrique est-elle membre?

Ces questions sont insolites, à première vue. Mais à y réfléchir, elles méritent d'être posées. En effet, depuis l'avènement de ce que l'on appelle désormais le Printemps arabe, le concept « Communauté internationale » est abondamment utilisé dans les médias de tout genre et dans les instances internationales, où les questions de Paix et Sécurité, des Droits humains et de Démocratie sont traitées. La Communauté internationale est surtout évoquée lorsque les conflits éclatent à travers le monde.

Ainsi, les conflits politiques, consécutivement au renouvellement des mandats politiques, et les conflits armés nés des frustrations populaires –révolutions de Palais ou rebellions armées visant à mettre fin à des régimes trentenaires s'apparentant à des dynasties– constituent des occasions où le mot« Communauté internationale » s'emploie le plus. Et pour cause, la résolution de ces conflits doit se fonder sur une autorité supranationale dont les compétences sont

Universellement admises. Ainsi, lorsque les peuples, pour des raisons diverses, sont menacés dans leur existence, lorsqu'une dictature se manifeste et foule aux pieds les droits humains et les libertés humaines, lorsque les peuples dans le monde expriment des besoins de démocratie, de justice, de protection, de paix et même de transparence dans la gestion des affaires publiques, le premier réflexe qui s'impose à eux est de faire appel à la Communauté internationale. Tout se passe comme si la Communauté internationale était la seule autorité mondiale reconnue de tous et capable d'apporter une solution efficace et durable à toutes les injustices planétaires. En d'autres termes, la Communauté internationale est regardée comme une superstructure nantie de pouvoir économique et politique lui permettant de réparer toutes les inégalités, toutes les fautes ou toutes les exactions dont les peuples sont victimes.

De ce point de vue, elle est supposée







approached to contribute to the establishment of political and social balance.

Today, countries like Somalia, Syria, Palestine, etc. seek assistance for the same reasons. In brief, everywhere in the world, where there have been serious political and social crises, appeal has been made to the International Community to contribute to restore order and peace through its main levers of intervention. They are the United Nations, all its agencies, the Bretton Woods institutions, NATO, the regional organizations like the European Union, ASEAN, African Union and its RECs, MERCOSUR, ALENA, the League of Arab States, the ICC. Indeed, the International Community is regularly sought to eradicate poverty and hardship. But it should be stressed that the salvation aspect of its actions does not hide the often harsh criticism leveled against it. As a matter of fact, the International Community is often accused of partiality or practicing a double standard policy in its actions across the world. But, for the purpose of our paper, we are voluntarily muting this aspect underscored on several occasions by the disparagers of the International Community. But paradoxically we resort to the International Community or wonder about its role in the world without knowing all the theoretical and practical outlines of its existence.

## What is, therefore, the International Community?

A scientific definition on which there is universal consensus does not exist to reply to this question. Each one can find a reply according to his understanding of the world and international relations or still on the basis of his ideological convictions. However, an outline of a definition may revolve around elements linked to economic weight, military power, possession of nuclear weapon, having the right of veto in the UN Security Council. In such a perspective, it can be argued, without great risk, that: any country or nation is a member of the International Community that has economic weight (which can be measured by its volume of trade or its share of world consumption), is a military power, has nuclear weapon, a right of veto in the UN Security Council. It is a definite event that any country which today enjoys all these prerogatives has a voice in the comity of nations. That country counts, is consulted, listened and respected in the management of the affairs of the world. Today, it is the case of the United States of America, France, United Kingdom, China, which not only possess a deterrent nuclear force but also are the co-managers of the major le-

répondre aux appels lancés par toutes les Communautés humaines en danger, où qu'elles vivent. Par le passé, au Libéria, en Sierra Léone, en Libye, en République démocratique du Congo, au Rwanda, en Afrique du Sud, au Zimbabwe, au Mozambique, au Liban, au Vietnam, au Cambodge ou en Côte d'Ivoire, la Communauté internationale a été sollicitée pour contribuer à l'établissement d'un équilibre politique et social. Aujourd'hui, les pays comme la Somalie, la Syrie ou la Palestine, y recourent pour les mêmes raisons. Bref, partout dans le monde où des crises politiques et sociales graves se sont produites, l'on a fait appel à la Communauté internationale pour contribuer à rétablir l'ordre et à réinstaurer la Paix. Au nombre de ses leviers d'intervention, on compte les Nations Unies et l'ensemble de ses agences, les institutions de Bretton-Woods, l'OTAN, la CPI, et les Organisations régionales comme l'Union européenne, l'ASEAN, le MERCOSUR, l'ALENA, la Ligue Arabe ou l'Union africaine et ses CER. Certes, la Communauté internationale est régulièrement sollicitée à travers le monde entier pour réparer les torts, corriger les injustices, apporter la paix, et soutenir les processus de croissance et de développement afin d'éradiquer la pauvreté et la misère. Mais ses interventions réussies n'occulent pas les critiques souvent acerbes que l'on exprime à son endroit.

When people in the world express needs for democracy, justice, protection, peace and even transparency in the management of public affairs, their first reflex is to appeal to the International Community.

Introduction

En effet, la Communauté internationale est fréquemment accusée de partialité ou de pratiquer une politique de « deux poids deux mesures » dans ses missions à travers le monde. Pour les besoins de ce papier, nous taisons volontairement cet aspect maintes fois souligné par les pourfendeurs de la Communauté internationale. Nous nous interrogerons plutôt sur le rôle qui est attribué à la Communauté Internationale, alors même que les contours théoriques et pratiques de son existence restent indéfinis.

## Qu'est-ce alors la Communauté internationale ?

Il n'existe pas aujourd'hui de définition du concept de Communauté internationale qui fasse l'objet d'un consensus universel. Chacun peut donner une réponse à cette question en se fondant sur sa compréhension du monde et des relations internationales, ou encore sur la base de ses convictions idéologiques. Toutefois, une esquisse de définition peut s'articuler autour des éléments liés au poids économique, à la





vers of the management of the world economy and enjoy the right of veto in the UN Security Council. Beside this initial group of countries, there are countries which are, certainly, without a nuclear weapon but which have their membership card of the International Community due to their weight in the world economy.

They have a super-equipped army with conventional weapons and can contribute to the financing of military operations, for humanitarian needs, throughout the world. It is the case of Germany, Japan and Italy. There is also a third group of countries among the emerging economies. They are members of the International Community less because of the size of their economy but rather because they possess nuclear weapons. They are Israel, Pakistan, India and Russia. Finally, there is a fourth group of countries which, by their role as the engines or driving forces of global growth, are in the anteroom of the International Community. These countries can be consulted but their views are rarely taken into account in major final decisions. Countries like Brazil, Turkey and Indonesia can belong to this category of countries.

### And Africa, in this category of countries, which is its place in the International Community? Is it a member?

In the light of the above-mentioned privileged criteria, it can be argued, with little margin of error, that Africa is lagging far behind. Africa, as a whole, with its 54 States, its huge natural resources and population nearing almost a billion inhabitants, is not, on the basis of the criteria already mentioned, a member of the International Community. It has an insignificant economic weight (less than 3% of the international trade), it is absent in the UN Security Council with a right of veto, it has to make up a huge scientific and technological gap before being a candidate for possessing nuclear capacity, even for civilian purpose. How can Africa be considered as a full member of the International Community if it is deprived of all these assets?

The advent of the G20, following the financial and economic crisis of July 2007, which reached its peak in September 2008, made the whole world believe that, henceforth, the voice of the poorest will be heard and respected. But did we not rush matters by affirming that the G20 was born from the ashes of

puissance militaire, à la détention de l'arme nucléaire, et/ou la possession d'un droit de veto au Conseil de Sécurité des Nations Unies.

Dans une telle perspective, l'on peut tenter d'arguer que : est membre de la Communauté internationale tout pays ou toute nation qui a un poids économique (que l'on peut mesurer par sa part dans le volume des échanges commerciaux ou par sa part dans la consommation mondiale), une puissance militaire, l'arme nucléaire et un droit de veto au Conseil de Sécurité des Nations Unies. Sans nulle doute, tout pays qui aujourd'hui jouit de toutes ces prérogatives a une voix audible dans le concert des Nations. Ce pays-là est pris en compte, consulté, écouté et respecté dans la gestion des affaires du monde.

Certes, la Communauté internationale est régulièrement sollicitée à travers le monde entier pour réparer les torts, corriger les injustices, apporter la paix, et soutenir les processus de croissance et de développement afin d'éradiquer la pauvreté et la misère.

## Introduction

Aujourd'hui, c'est le cas de pays comme les États-Unis, la France, le Royaume-Uni, et la Chine qui non seulement sont dotés d'une force de dissuasion nucléaire, mais encore sont co-gestionnaires des principaux leviers de gestion de l'économie mondiale, et jouissent d'un droit de veto au Conseil de Sécurité des Nations Unies.

Aux côtés de ce premier groupe de pays, il y a des pays qui sont, certes, démunis d'arme nucléaire, mais qui ont leur carte de membre de la Communauté internationale par le biais du poids de leurs économies dans l'économie mondiale. Ils disposent d'une armée moderne et équipée en armement conventionnel, et peuvent contribuer au financement d'opérations

militaires pour des besoins humanitaires à travers le monde. C'est le cas de l'Allemagne, du Japon et de l'Italie.

Il y a également un troisième groupe de pays qui compte parmi les économies émergentes. Ces pays sont membres de la Communauté internationale, moins par la taille de leurs économies que par la possession de l'armement nucléaire. Ce sont Israël, le Pakistan, l'Inde et la Russie. Enfin, il y a un quatrième groupe de pays qui, de par leur rôle de locomotive ou de moteur de la croissance mondiale, sont dans l'anti-chambre de la Communauté internationale. Ces pays sont généralement consultés, mais leur avis est rarement pris en compte dans les grandes décisions finales. Des pays comme le Brésil, la Turquie ou l'Indonésie, peuvent appartenir à cette catégorie de pays.





the G81 and that the latter had bowed out? Rightly so, the G20, from the time of its inception, was entrusted the mandate of the world economic governance which, among others, was to place safeguards aimed at saving the latter from systemic crises like the one of 2008, whose effects still threaten the implosion of the Euro zone.

As the role of monitoring the world economy has been, henceforth, entrusted to the G20, its elder, the G8, should simply ensure world peace and security. Is this division of labor between the G20 and G8 rational and optimal? Have the G8 countries accepted that the privilege they enjoyed be extended to emerging countries which, in the meantime, have become the engine of world economic growth? Have the emerging countries checked all the characteristics likely to make them credible partners in the management of world affairs? Are they not accused of having a millstone around the neck as the non-observance of human rights, violation of all types of freedom as well as the lack of vigilance about corruption in all its forms?

Does the persistence of the millstones in these countries prevent them from sitting and playing their role fully alongside the G8 countries in the co-management of the affairs of the world? Are there two types of country in the G20? : Those that enjoy all the rights (G8 countries) and those that have limited rights (emerging countries)? In truth, everything leads to believe that it is the first group which still holds the command levers of world governance and seem to be at heart of the International Community.

No offence to all those who saw in the emergence of the G20 a deep change of governance of the world economy. The G20 is less of an embryo of the sharing of world governance than a political forum where the G8 countries, the hard core of the OECD members, still exercise their economic and political power. Facts are stubborn. They illustrate better the reality. Economic and political power established after the Second World War has still a lot to enjoy. This power, which today governs the Bretton Woods Institutions even ignores that the centre of the world economy has now shifted towards the emerging countries. Everything is going on as if the world is still the one that existed in 1945. The non-election of candidates from the developing world to head the IMF and the World Bank is a glaring proof.

## Et l'Afrique, quelle est sa place dans la Communauté internationale ? En est-elle un membre à part entière?

Si l'on se fonde sur les critères privilégiés ci-dessus, l'Afrique est loin du compte. L'Afrique tout entière, avec ses 54 États, ses immenses ressources naturelles et sa population qui avoisine le milliard d'habitants n'est pas, sur la base de ces critères, membre de la Communauté internationale.

Car elle a un poids économique insignifiant (moins de 3% du volume des échanges internationaux), elle est absente au Conseil de Sécurité des Nations Unies avec droit de veto, et elle a un retard scientifique et technologique profond à rattraper avant d'être candidate à la possession du nucléaire, même à des fins civiles. Comment l'Afrique peut-elle alors être considérée comme membre à part entière de la Communauté internationale si elle est privée de tous ces atouts? L'avènement du G20, consécutivement à la crise financière et économique survenue en juillet 2007, a fait comprendre au monde entier que dorénavant, la voix des plus pauvres devrait être écoutée et respectée. Mais n'est-on pas allé trop vite en besogne en affirmant que le G20 était né sur les cendres du G81 et que celui-ci avait tiré sa révérence?

Et pour cause, le G20 s'est vu confier dès sa naissance la responsabilité de repenser la gouvernance de l'économie mondiale, en posant des garde-fous pour se protéger contre les crises systémiques de la nature Soit étendu aux pays émergents qui, entre temps, sont devenus la locomotive de la croissance économique mondiale ? Les pays émergents vérifiaient-ils toutes les que le privilège dont ils jouissaient de celle de 2008 dont les effets menacent encore d'implosion la zone euro.

Le rôle de surveillance de l'économie mondiale étant donc désormais confiée au G20, son paix et à la sécurité mondiale. Cette répartition des tâches, entre le G8 et le G20, était-elle rationnelle et optimale ? Les pays du G8 ont-ils vraiment accepté caractéristiques pouvant faire d'eux des partenaires crédibles dans la gestion des affaires planétaires ? Ne sont-ils pas délégitimés par leur gestion parfois autoritaire des droits humains, des libertés en tout genre, ainsi que leur non fermeté vis-

Any country or nation is a member of the International Community that has economic weight, is a military power, has nuclear weapon, a right of veto in the UN Security Council.

## Introduction







à-vis de la corruption sous toutes ses formes ?

The non-election of the candidate of Africa, Dr. Ngozi Okonjo-Iweala, to the post of Director General of the World Bank is a bitter evidence. The G8 will still remain for a long time to come, unmovable from its place and its privileged role of world economic and political governance.

As it is stated, has the G20 not become a futile game? The emerging countries of the G20 should better prepare themselves; make their weight felt and their voice heard. The African Union should do everything to find its rightful place in this new struggle for a position in the world economic and political order.

The success of its ongoing economic and political integration programme in Africa could contribute greatly to this end.

## How to succeed with its integration?

To succeed with its economic and political integration, a guarantee that will give it the title or the certificate of the full membership of International Community, Africa should accept to take its destiny in its own hands by having all the endogenous assets to effectively execute all the regional and continental integrating projects. Africa has already adopted its model of integration. This model is perfectly illustrated in the Accra Declaration of July 2007. It is a question of building the United States of Africa through the main levers of the Abuja Treaty. Such a clear and strong choice requires that Africa equip itself with the necessary means to establish a single continental market, a single currency, a Pan-African Parliament worthy of that name, in which the members of the Parliament are elected by universal suffrage; to have a credible Court of Justice and establish, at the regional and continental levels, income generating mechanisms commensurate with its ambitions of integration.

Africa cannot be counted, consulted, heard and respected if it continues to be a group of independent and sovereign States. Such a situation harbors the ingredients likely to divide its voice, expose it to all external shocks, weaken and alienate it further from the circle of the members of the International Community. On the contrary, if Africa wants to

L'Afrique tout entière, avec ses 54 États, ses immenses ressources naturelles et sa population qui avoisine le milliard d'habitants n'est pas, sur la base de ces critères, membre de la Communauté internationale.

## Introduction

La persistance de ces boulets dans ces pays leur dénie-t-il le droit de siéger et de jouer pleinement leur rôle aux côtés des pays du G8 dans la co-gestion des affaires du monde? Existerait-il au sein du G20 deux types de pays : ceux qui jouissent de tous les droits (les pays du G8) et ceux qui connaissent des droits limités (les pays émergents)?

En réalité, tout porte à croire que c'est le premier groupe de pays qui tient encore les rennes de la gouvernance mondiale et qui semble être au cœur de la Communauté internationale, n'en

déplaît à tous ceux qui voyaient dans l'avènement du G20 une mutation profonde de la gouvernance de l'économie mondiale. Le G20 est moins l'embryon d'une gouvernance mondiale équilibrée, qu'un forum politique où les pays du G8 exercent encore leur pouvoir économique et politique. Les faits sont têtus. Ils illustrent mieux la réalité. Le pouvoir économique et politique établi après la deuxième guerre mondiale a encore de beaux jours devant lui. Ce pouvoir qui gouverne aujourd'hui le FMI et la Banque Mondiale fait encore mine d'ignorer que le centre de l'économie mondiale s'est déplacé vers les pays émergents. Tout se passe comme si le mode était encore celui de 1945. La non élection des candidats du monde en développement à la tête des institutions de Bretton-Woods, parmi lesquels récemment la candidate de l'Afrique, le

Le G20 est moins l'embryon d'une gouvernance mondiale équilibrée, qu'un forum politique où les pays du G8 exercent encore leur pouvoir économique et politique.

Dr. Ngozi Okonjo-Iweala, au Poste de Directeur général de la Banque Mondiale, en est une preuve assez édifiante. Le G8 restera encore pour longtemps indéboulonnable de sa place et de son rôle de privilégier de la gouvernance économique et politique mondiale.

Au bout du compte, le G20 n'est-il pas devenu un Jeu vain?! Aux pays émergents du G20 de mieux fourbir leurs armes, de faire sentir leur poids et de rendre audible leur voix. L'Union Africaine doit tout faire pour gagner sa place dans cette nouvelle bataille pour le repositionnement économique et politique de la planète. Le succès de son programme





have its membership card of the said Community, it should accept to: i) channel individual sovereignties into the only continental sovereignty in a spirit of shared-sovereignty; ii) constitute itself as a "country-continent in the logic of the United States of Africa"; iii) have an external policy led by a single Minister of Foreign Affairs; iv) have a common defense; v) have a common economic policy on which the credibility and sustainability of a single African currency will be based. If Africa were to have all these means, it would become ipso facto a member of the International Community, where it could assert its identity, independence and perception or vision in dealing with world affairs. The Commission of the African Union, the executive organ of the Union, must, for this purpose, develop a real capacity of innovation, impulsion for the huge democratic machinery and conviction in the face of the administrations of Member States.



To succeed with its economic and Political integration, a guarantee that will give it the title or the certificate of the full membership of International Community, Africa should accept to take its destiny in its own hands by having all the endogenous assets to effectively execute all the regional and continental Integrating projects.

## Introduction

d'intégration économique et politique en cours en Afrique pourrait largement y contribuer

### Comment réussir son intégration

Pour réussir son intégration économique et politique, gage de l'acquisition du titre de membre à part entière de la Communauté internationale, l'Afrique doit accepter de prendre son destin en main, en s'entourant de tous les atouts endogènes pour mettre en œuvre de manière effective tous ses projets intégrateurs régionaux et continentaux. L'Afrique a déjà adopté son modèle d'intégration. Ce modèle est parfaitement illustré par la Déclaration d'Accra de juillet 2007. Il s'agit de bâtir, par l'entremise des principaux leviers du Traité d'Abuja, les États-Unis d'Afrique.

Un tel choix, clairement et fortement opéré, requiert que l'Afrique se donne les moyens pour créer un Marché unique continental, se doter d'une monnaie unique, se munir d'un Parlement panafricain digne de ce nom dans lequel les parlementaires sont élus au suffrage universel, se doter d'une Cour de justice crédible, et mettre en place à l'échelle régionale et continentale des mécanismes générateurs de fonds propres qui soient à la mesure des ambitions intégrationnistes.

L'Afrique ne peut être comptée, consultée, écoutée et respectée si elle continue d'être constituée d'États indépendants et souverains. Car une telle situation recèle en son sein des ingrédients de nature à morceler sa voix, à l'exposer à tous les chocs exogènes, à la fragiliser et à l'éloigner davantage du cercle des membres de la Communauté internationale. A contrario, si l'Afrique veut avoir sa carte d'appartenance à ladite Communauté

Internationale, elle doit accepter de : i) couler les souverainetés individuelles dans le moule de la seule souveraineté continentale dans l'esprit d'un partage de souveraineté; ii) se constituer en « pays-continent » dans la logique des États-Unis d'Afrique; iii) se doter d'une politique extérieure conduite par un seul ministre des Affaires étrangères; iv) avoir une défense commune; v) se munir d'une politique économique commune sur laquelle se fonderait la crédibilité et la







L'Afrique ne peut être comptée, consultée, écoutée et respectée si elle continue d'être constituée d'États indépendants et souverains.

## Introduction

pérennité de la monnaie unique africaine.

Si l'Afrique se dotait de tous ces moyens, elle deviendrait ipso facto un membre de la Communauté internationale, où elle pourrait exprimer son identité, son indépendance et sa vision dans le traitement des affaires du monde. Pour ce faire, la Commission de l'Union Africaine, organe exécutif de l'Union, doit se doter d'une capacité réelle d'innovation et d'impulsion au sein de sa propre administration bureaucratique, et de conviction vis-à-vis des administrations des États membres.



Africa provides more than 60% of the world's gold. A great deal of the uranium for the nuclear power, of copper for electronics, of titanium for supersonic projectiles, of iron and steel for heavy industries of other minerals and raw materials for lighter industries- the basic economic might of the foreign powers- come from our continent.

**Kwame Nkrumah,**  
First President of Ghana





## End Note

1. We recall that:

- i) The G8 comprises the following countries: United States, Japan, Germany, United Kingdom, France, Italy, Canada and Russia.
- ii) The members of the G20 are : (a) the eight main industrialized countries which belong to the G8, United States, Japan, Germany, United Kingdom, France, Italy, Canada and Russia. (b) the eleven industrialized or emerging countries: Argentina, Australia, Brazil, China, India, Indonesia, Mexico, Saudi Arabia, South Africa, South Korea, Turkey and the European Union. The G20, which comprises, therefore, 19 countries + the European Union, represent 2/3 of the world trade and population and more than 90% of the Gross world product (sum of the GDP of all the countries of the world).

As for the OECD, it comprises the following 34 countries : Germany, Australia, Austria, Belgium, Canada, Chile, Korea, Denmark, Spain, Estonia, United States, Finland, France, Greece, Hungary, Ireland, Iceland, Israel, Italy, Japan, Luxembourg, Mexico, Norway, New Zealand, The Netherlands, Poland, Portugal, Slovak Republic, Czech Republic, United Kingdom, Slovenia, Sweden, Switzerland, Turkey.

1. Nous rappelons que:

- i) Le G8 comprend les pays suivants: États-Unis, Japon, Allemagne, Royaume-Uni, France, Italie, Canada et Russie.
- ii) Les membres du G20 sont: (a) les huit principaux pays industrialisés qui appartiennent au G8, États-Unis, Japon, Allemagne, Royaume-Uni, France, Italie, Canada et Russie. (b) les Onze pays industrialisés ou pays émergents : Argentine, Australie, Brésil, Chine, Inde, Indonésie, Mexique, Arabie Saoudite, Afrique du Sud, Corée du Sud, Turquie et l'Union européenne. Le G20, qui comprend donc 19 pays + l'Union européenne, représente les 2/3 du commerce et de la population mondiale et plus de 90% du produit mondial brut (somme des PIB de tous les pays du monde).

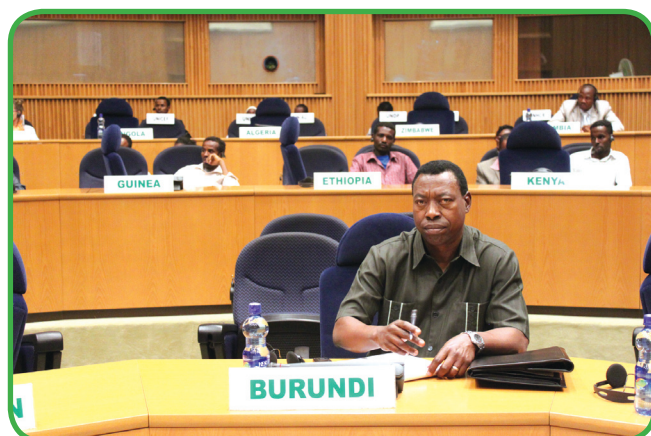
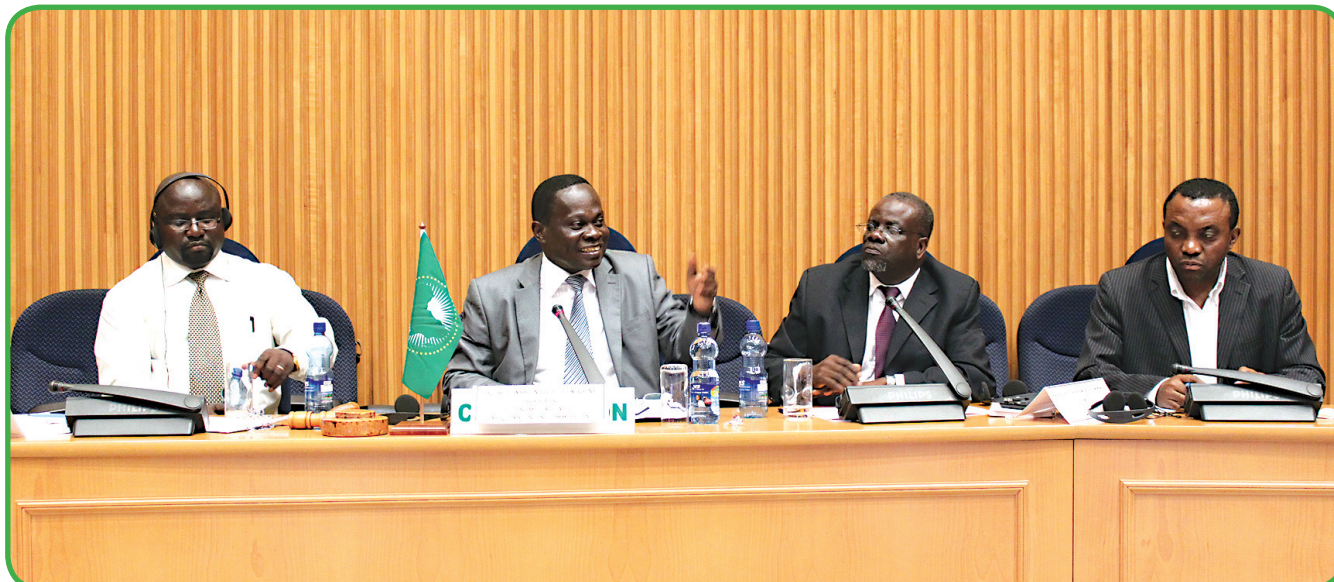
Quant à l'OCDE, elle comprend les 34 pays suivants : Allemagne, Australie, Autriche, Belgique, Canada, Chili, Corée, Danemark, Espagne, Estonie, États-Unis, Finlande, France, Grèce, Hongrie, Irlande, Islande, Israël, Italie, Japon, Luxembourg, Mexique, Norvège, Nouvelle-Zélande, Pays-Bas, Pologne, Portugal, République Slovaque, République Tchèque, Royaume-Uni, Slovénie, Suède, Suisse, Turquie.



# "THE INTERNATIONAL COMMUNITY AND WORLD GOVERNANCE"

ADDIS ABABA, ETHIOPIA / ETHIOPIE

June 1st, 2012 / 1ER JUIN, 2012







## THE PLACE OF AFRICA IN THE INTERNATIONAL COMMUNITY:

# PROSPECTS AND OBSTACLES

By Adams Oloo

Chairman of Department of Political Affairs and Public  
Administration of University of Nairobi Kenya

Email: adam\_oloo@yahoo.com

## INTRODUCTION

**A**frica remains an underdog in international politics and her influence in international politics is at best minimal. Despite the recent increase in quota and voice of Africa in global politics she is yet to carve a niche in the international arena. In spite of this, there are a number of international organizations where African countries have been able to register some effective representation, like the World Trade Organization (WTO) and the World Health Organization (WHO).

By and large, African actors in the international arena have realized that the only way they can forge a distinct role in the international diplomatic game and have significant impact in multilateral processes is when they act as a regional block. These initial gains are being felt in the trade and climate change issues where African countries have exerted their block power to ensure that their input on issues affecting them are taken into consideration.

This paper traces the evolution of African representation in the international community from the cold war era to the post-cold war era and the related dynamics at play that influence the attempt of African to be heard at the international level. While tracing this evolution we also look at ways through which Africa has attempted to influence events at the international level, the players that have been involved in this struggle and what options Africa has for greater representation and involvement in the international arena. The key question that we seek to answer is whether African has the political clout to change the dynamics of engagement in international institutions and whether that clout can be used to the advantage of Africa.

### Africa and the International Community: A Brief History

Developing countries have over the years been grossly underrepresented in international institutions. This can be attributed to the fact that they were late entrants in the international arena as most of them gained independence after most of the contemporary international governance regimes were already in place and the rules of engagement had already been defined. With this late entry into international politics, the African group coalesced around themselves, by initially forming the Non-Aligned Movement (NAM) to advance their own interests in world affairs. Within the greater UN system, they established the G77 group of countries to push their collective concerns through reciprocal solidarity. Very early on, through the NAM and the G-77, the South-South grouping was able to press their case for major reforms in global governance and for a new international economic and communications order (Olukoshi).

## Insight

...the African group coalesced around themselves, by initially forming the Non-Aligned Movement (NAM) to advance their own interests in world affairs.





There are, of course, different types of international organizations that comprise the international community. There are those that rely on the use of authoritative, forceful, or sanctioning nature to ensure compliance, like for example the UNSC (United Nations Security Council), or those that rely on policy tools that provide capacity or resources or otherwise, for example WTO and ICJ (International Court of Justice). African representation is well represented in the latter vis-à-vis in the former. But again there are scholars who argue that this representation is not effective in the sense that the major powers of the world are really significantly not affected by the deliberations of such international entities. They portend that powerful states had an interest in either not participating in such organizations and maintaining the power that they would have foregone as a condition of participation, or controlling as much of the policymaking body of the organization as possible in order to exert influence on its outcomes (Swargety 2012).

These scholars provide the example of the UN General Assembly to illustrate their case. They point out that as more countries gained independence and the face of the UN General Assembly was forced to change since the system for passing resolution was based on one-country-one-vote, big powers could no longer fully dominate the Assembly. Consequently, they shifted to the UNSC as the effective and more manageable site for pushing and bargaining their competing interests in a polarized world. This left the Assembly as a mere talk-shop which at best could only muster a moral authority. Yet, the UNSC also saw countries frequently resorting to the veto, which produced regular gridlocks in international governance broken only by the competing powers taking open or clandestine unilateral action (Akokpari 2001; Lehmann 2008).

The multilateral system operates according to the whims of the big powers who prefer that way as they have the opportunity to act both within and outside their rules. Most of the international institutions are operated according to the whims of the big power interests. For example, the Bretton Woods institutions became tools aligned to the global strategy of the G7 countries led by the US. In the UNSC, where interests between developing and developed states are competing for relative power position, only 21.4 percent of the African population had a direct representative in the voting bloc regardless of the fact that a majority of UNSC policies affect African states directly. Conversely, in the WHO, where interests

are convergent and incentives exist to cooperate, the voting structure is more egalitarian with each member-state possessing one vote in the World Health Assembly. Both African and North American citizens are represented equally at 100 percent (Murithi 2007).

The Security Council's five permanent members—China, France, Russian Federation, the United Kingdom and the United States—were designated in 1945 and have since remained unchanged. While 10 non-permanent members have been added, including South Africa and Nigeria, these members do not have veto power and can only serve non-concurrent two-year terms. To date, both Africa and Latin America lack representation among the Security Council's powerful permanent members.

## Insight

Some sorts of cooperation have begun to take place ever since the coming into being of the AU security architecture, NEPAD and APRM.

The UN's leadership in generating ideas and formulating broad economic perspectives for effective global co-operation was severely eroded by the less transparent IMF and World Bank, where weighted voting allowed the US and its allies to shape and impose global economic governance policies. It was more than a passing coincidence that from the late 1960s into the early 1980s, the UN was where members of NAM (most of whom were also in the G77) campaigned for a new international economic order and, most notably, pushed for a UN conference on trade and development, among other such initiatives. The shift by the US and its allies towards the Bretton Woods institutions, to the detriment of the UN, significantly expanded the IMF and World Bank's influence in economic management and broader policy processes of the NAM/G77 countries; the Executive Committees of the Bank and the Fund were also effectively dominated by the G7 countries.

A good case of the big powers reluctance to adhere to the rules of international engagement is the ICJ (International Court of Justice). Since the establishment of ICJ to date, no permanent member of the UNSC has been subject to any compulsory jurisdiction: the most obvious example being the abrogation of assent to compulsory jurisdiction by the United States in 1984 after the ICJ rendered a decision unfavorable to the U.S. position by asserting jurisdiction over a case brought by Nicaragua (Elkind 1988; Posner and Figueredo 2004). Evidently, the power originally vested in the institution for the settlement of international legal disputes has been somewhat marginalized by the fact that states that do not







consent to the terms of adjudication are not subject to the jurisdiction of the court. In spite of this fact, all the permanent members of the UNSC have a jurist sitting on the panel of the fifteen judges that adjudicate cases before the ICJ. This clearly shows that even though the affairs of the court do not affect them they still control the agenda and direction of international legal standards to reflect their interests and agendas. (Swargety 2012).

In the Bretton Woods Institutions (BWI), the framework that has existed for many years is that many of the major policy decisions are taken by the executive boards of the BWI where developing countries are underrepresented in terms of membership. For instance, forty seven sub-Saharan African countries are represented at the boards of the IMF and the World Bank by two executive directors. World Bank recently added a third executive director for SSA. These directors have relatively large constituencies, making it difficult to ensure that the diverse interests of African countries are adequately represented in informal processes that influence final decisions. African countries' participation in the WTO has previously been very limited. With the exception of South Africa, no other country in Sub-Saharan Africa has been involved in the WTO's Dispute Settlement Mechanism, as either complainants or respondents. With the current trend of rising protectionism in developed countries, it will be important for African countries to take a more active role in the WTO to safeguard their trade gains.

There have been some developments with regard to Africa's place in the international hierarchy. Some sorts of cooperation have begun to take place ever since the transformation of OAU into AU and the coming into being of the AU security architecture, NEPAD and APRM. The big powers, especially through the UN and the Bretton Woods institutions, have endeavored to work and listen to Africa through these arrangements—priorities regarding development objectives which are crucial to African development have begun to take root in international politics.

The international community has been instrumental in providing financial and technical capacity for the development of these organizations. The UN has been very instrumental in providing a central building block of AU's emerging peace and security system. The UNECA has been instrumental in the setting up and development of the capacity of NEPAD and APRM. It has been instrumental in developing a set of initiatives that respond to NEPAD's broad peace and security, stability, democracy and sustainable development objectives. Through its subprogrammes ECA continued to provide technical support for the implementation of the NEPAD programme. This support was vital for developing and supporting the implementation of the various AUC/NEPAD programmes. In addition, ECA supported the transition of

## Insight

...the number of common positions and platforms by African countries in international diplomatic forums has increased since the mid-1990s.

the NEPAD secretariat into a full-fledged technical unit of the AUC. Specifically, ECA supported the development of NEPAD Agency's Strategic Direction and its subsequent alignment with the AUC's Strategic Plan, and also helped the Agency to develop its knowledge management platforms. ECA also continued to house and provide human resources for the operations of the RCM-Africa secretariat. Support for APRM activities included technical support for the APRM Panel and preparation and analysis of assessment questionnaires. During the period under review, UN agencies continued to provide support to APRM missions. They collaborated in a study leading to the development of guidelines on the design, implementation and monitoring of the National Plan of Action that will ensure consistency and harmonization between National Plans of Action and existing national development strategies, to be used by technical research institutes, national governing councils or commissions and government departments and agencies that are involved in the APRM process.

A Declaration on the ten-year capacity-building programme, signed by the UN Secretary-General and the AUC Chairperson, builds on previous agreements between the UN and the AU and provides a holistic framework for the UN system to support the capacity development efforts of the AU and the regional economic communities, on the basis of the latter's needs and strategic priorities. The Programme is aimed at enhancing cooperation between the UN and the AU in their areas of competence, in conformity with their mandates.

Indeed, Africa's participation in international and multilateral diplomacy has grown significantly and become more complex. This has placed great demands on Africa's capacity to negotiate and implement deals to its advantage. Given its long standing challenges with a high incidence of poverty, disease and conflict and its marginalization in international affairs especially during the cold war, Africa has come to the real-





ization that with growing multilateralism in the post-cold war era it needs to use its numbers better by advancing common positions in international negotiations. The power of having large numbers of states would be of no value in multilateral diplomacy unless Africa took coherent and concerted negotiation positions during increasingly complex international negotiations on global challenges that tend to have Africa as their epicenter (Zondi 2007). Consequently, the number of common positions and platforms by African countries in international diplomatic forums has increased since the mid-1990s. This has enabled the African Group in the UN and other platforms to play a much more distinct role in international diplomacy than in the past.

The role of African countries in the WTO, as well as in the climate change arena has also been driven by attempts by African states to utilize its advantage in the numbers game in international forums (Zondi 2011). The results have been patchy. In the case of the UN reform, the Africa common position outlined in the Ezulwini Consensus was arrived at through a consensus-forming process that resulted, because of the need to accommodate such disparate interests, into an implausible and inflexible negotiating position that left Africa marginalized in the UN discussions (Zondi 2011: p.9-11). Influence in the Copenhagen negotiations was greater and the common Africa position was a first for the AU (Hoste 2011). But even there the collective position could not withstand the centrifugal pull of national interests, South Africa taking a key role in the drafting of the Copenhagen Accord out-with AU oversight after pre-summit bilateral deals and splits between Ethiopia and Sudan had undermined AU cohesion on the issue (Zondi 2011: p.15; Hoste 2011: p.6-7).

African states have a greater influence and potential role in the WTO than they do in any other international economic institution. African states have used this potential to take advantage of schemes within the WTO that enhance the role of poor countries. Regional organizations such as the African Union and the Southern African Development Community (SADC) have facilitated the involvement of African states, which now constitute a third of the WTO's membership and thus have become integral to influencing the process but not the substantive content of trade policy issues. This has particularly been the case in The Doha Round of trade negotia-

tions.

## Insight

....speaking with one voice at the UN and synchronizing their position has become an on going challenge for African Member States to the UN.

But whether this idea of an African Group and its common negotiating positions will affect Africa's relations with global power and globalization depends on how they have enhanced Africa's position in multilateral diplomacy and led to a clear definition of Africa's collective or common interests. It is also inextricably linked to the idea of neutralizing the dominant neo-liberal agenda and the divisive influence of external powers on intra-African affairs.

Right from the start, the African group and other alienated groups were obsessed with the reform of the world order already in place because that is the only way that their interests could find a place on the agenda of international politics. The main agenda of their proposals has always been the:

- a) Reform of the UN system in general, and the UNSC in particular, with a view to broadening representation at the highest levels of global decision making, and to disciplining the use of the veto by the big powers in order to prevent the routine subversion of the will of the international community;
- b) Recalibration of the voting rights and decision-making processes of the IMF and the World Bank, to ensure a greater voice for the countries of Africa, Asia and Latin America;
- c) Generalized reform of the international trading system, to make it fairer, remunerative and development-oriented;
- d) Creation of a global integrated programme for commodities (agricultural and mineral) that would assure more stable and fairer prices;
- e) Creation of a new global currency, based on the special drawing rights, that could safeguard the development interests of all members of the international community;
- f) Adoption of rules that would govern the conduct and practices of Western transnational companies in the economic and political spheres, as well as in matters of technology transfer, patents, and copyrights;





g) Adoption of a global tax on the brain drain, to ensure that less developed countries would receive some form of compensation for losing skills to more advanced countries; and

h) Reform of the global information and communications order, to allow for greater North-South balance.

To date these proposals still form the aspirations of the African group in their quest for a greater say in world affairs. To date, African countries form the largest regional grouping at the UN, with over a quarter of all UN member states. Yet group size per se does not automatically translate into pro-active, unified decision-making. On the contrary, speaking with one voice at the UN and synchronizing their position has become an ongoing challenge for African Member States to the UN.

### **Africa's voice in the International Community: from the Cold War Era to the Post-Cold War Era**

The effects of the cold war bipolar politics was best felt in Africa. Both cold war blocks had their own interests in Africa and it was unlikely to reach a consensus in the UNSC on matters involving African politics where each group had its own sphere of influence. This nature of relations in international politics ensured that Africa did not have a say in the running of international politics especially in affairs that affected issues dear to them. In spite of this state of affairs, African states were able to play one superpower against the other in a bid to extract concessions. The post-cold war global structure has produced opportunities for structured cooperation in international peace and security with economic development as one of the essential elements of stability. The African group has endeavored to build a united approach in matters of world affairs and speak with one voice. However, this approach has been dogged with a myriad of challenges especially where there is a strong national interest, such as security issues and conflict situations. In such scenarios, the African group has suffered the incapability of fronting a united position in either negotiations or voting. The immediate cold war period up to the 1990s was dominated by a myriad of approaches towards resolving African problems by international institutions. The majority of these approaches were decided by the super powers with limited or no input from the African continent. A case in point is the Structural Adjustment Programmes (SAPs). The negative impact of these policies on African economies as well as other sectors is well documented and need not detain us here. The point to be made is that these programmes have been counterproductive for the very reason that there was no Africa voice in their formulation that would have led to an insight on how to domesticate such policies (ECA 1989;

## Insight

**African states have a greater influence and potential role in the WTO than they do in any other international economic institution.**

World Bank 1994:1). Among other effects, they have compounded rather than ameliorated the deleterious conditions they were originally meant to alleviate. Consequent on their emphasis on the liberalization of economies, for example, local industries have collapsed causing an escalation in unemployment. With their devastating impact on women and the vulnerable sections in society, SAPs have been blamed for the deepening of poverty in much of Africa (Stewart 1991), and partly for the growing indebtedness of the region (Akopari 2001b). But more relevant for this discussion, adjustment programmes have deepened the dependence of implementing countries not only on imports but also on international creditors. The latter scenario has led to the strengthening of the international economic relations between adjusting African states and the supplier countries of their imports.

It wasn't until the end of the cold war and specifically during the 1990s, that the African voice begun to be felt in the international institutions as African players began to aggressively push for integration into the international system. A number of international institutions began to undergo restructuring during this period. A system of multilateral approaches to international security intervention, for example, emerged under the auspices of the UN and regional organizations. The institutional cooperation between OAU and UN witnessed some drastic and constructive changes like the establishment of comprehensive approaches to peace making and peace-building. Cooperation between different organs of international institutions and the African group under the auspices of the AU began to take root. This period saw the African leadership begin to bemoan the perceived indifference of the international community and began calling for African solution to African problems through utilization of sub-regional arrangements to address local peace operations (Andemichael 1994; Akopari 2001).







The period from 2000-2007 witnessed the transformation of OAU into AU and ushered a new African vision aimed at the regeneration of the continent. It is during this period that NEPAD came into being and would become the pivot platform under the auspices of the AU that the African group would soldier on with their quest for greater say in the affairs of the world, more specifically in matters affecting the continent.

This rebirth of the African voice ensured that socio-economic development of Africa became an integral part of the international initiatives, most of which revolved around peace and security—and from then henceforth building and strengthening of a peace and security mechanism was a *sine qua non* for Africa's development. Greater cooperation between the international community and the Africa Group slowly began to evolve. It is during this period that the development and implementation of the UN ten-year plan for capacity building with AU took its shape. This development was to impact on NEPAD which has hitherto been accepted as the blueprint of the UN cooperation and engagement in Africa, including issues of peace and security. It is also during this period that Africa intensified its initiatives to speak as one voice. In March 2005, the AU issued a declaration known as The Common African Position on the Proposed Reform of the United Nations: The Ezulwini Consensus which was a statement in response to the Report of the High-Level Panel on Threats, Challenges and Change which was issued in December 2004. In this Common African Position the AU highlighted issues pertaining to HIV/AIDS and security, poverty, debt, environmental degradation, trade negotiations, the responsibility to protect, peacekeeping and peace building. In addition, the AU called for further reforms of the UNSC to ensure that the Council was inclusive and that the African is fully represented in all the decision-making organs of the UN, particularly in the Security Council. The African Group demanded not less than two permanent seats in the UNSC with all the prerogatives and privileges of permanent membership including the right to veto and "five non-permanent seats". This decision subsequently locked the AU into trying to maintain this position in the face of tremendous pressure from other members of the international community notably by the Group of four (G4) Brazil, Germany, Japan, and India, which were aspiring for a permanent seat at the Council and the Uniting for Consensus coalition, which opposed their ambitions. This was in effect a bold move for the AU to have taken which was informed more by principle

than by real politik, as indicated in the Ezulwini Consensus document which states that "even though Africa is opposed in principle to the veto, it is of the view that as long as it exists, and as a matter of common justice, it should be made available to all permanent members of the Security Council" (Murithi 2006).

At least on paper the AU was endeavouring to establish and maintain a common position. However, due to internal dissension some African countries particularly Egypt and South Africa effectively broke rank with the Ezulwini Consensus and sought ways to individually ascend to become permanent members of the Security Council. This in effect undermined efforts to demonstrate African "unity of purpose". This is further reinforced by the fact that time and again African countries have shown that they are unlikely to vote as a collective on matters before or pertaining to, the Security Council.

Governments generally tend to adopt positions that best serve their interests or positions that enable them to receive certain benefits from more powerful countries that pick and choose which African countries they want to work with. Therefore, the logic of "national self-interest" and political realism still prevails among African countries, and other member states, at the UN (Akopari 2001). The Africa Group has a rotating monthly chairperson who is a Permanent Representative of one of the constituent African countries to the United Nations. The chairperson convenes meetings of the Group and establishes the negotiation agenda on key issues of vital Pan-African interest.

In terms of the record of the Africa Group, on some issues African countries often find consensus for example on development, trade, debt cancellation, infectious diseases, small arms and light weapons, nuclear, chemical and biological weapons, climate negotiations, trans-national crime prevention and on the election of Africans to various UN activities and bodies. For example, the official statement of the Africa Group on the draft 2005 Outcome Document was issued through the office of the Permanent Observer Mission of the African Union to the United Nations. On some of these issues the Africa Group occasionally aligns itself with the Group of 77 (G-77) countries and China to increase its negotiation strength (Murithi 2007).

From the year 2008, the African Group has engaged in maneuvers geared towards the

## Insight

The period from 2000-2007 witnessed the transformation of OAU into AU and ushered a new African vision aimed at the regeneration of the continent.





forming of formal links as a crucial step towards enhancing the symbiotic relationship between the UN and the AU. Slowly, the continent's voice is being integrated into the murky waters of global politics. This impact has been greatly felt in the international entities such as the WTO. The General Agreements on Tariffs and Trade (GATT) system in place before its transformation into WTO was from its inception dominated – and ordered – by the dominance of the US and from the 1960 onwards by the balance of power between the US and the EU. Many African countries enjoyed very little, if any influence, in multilateral trade governance. Although most African countries were members of GATT, histories of the eight multilateral trade rounds conducted during GATT period (1948-1995) indicate that African member states were largely absent from these negotiations. On the contrary, the WTO has since its inception in 1995 been multipolar and has ensured increased African participation (Zondi 2011).

African states have become more active and embedded into the WTO negotiating process. African states have insisted throughout the DDA negotiations that a discourse of development should predominate. When development issues have been sidelined African members have vetoed any potential WTO agreement on issues they see as detrimental or indifference to their development interests (Zondi 2011).

Evidently, the post-cold war period has witnessed increased international intervention in Africa, especially in peace operations. This period has also witnessed an upsurge in Africa's say in these interventions especially in the area of capacity building to tackle emerging challenges. Various initiatives have undertaken to formalize engagement between the international community and African actors to ensure that Africa's development priorities are integrated into UN architecture for peace and security in Africa since it has established that development is an "indispensable foundation" of collective security. The jury is still out there as to whether African countries have sufficiently coalesced as a group and developed a coherent identity to effectively influence policy development at the international deliberations especially the UN.

## African Actors in the World Governance Realm

African participation in global affairs has always revolved

around the AU. However, with proliferation of alliances and coalitions, sub-regional actors also became integrated in international politics under the auspices of the AU. There are a number of actors involved. The most conspicuous players in international relations include: NEPAD, RECs, African Development Bank, African Economic Research Consortium, UNECA as well civil society organizations.

There is however a general consensus that most of these players lack sufficient voice in the key global institutions that Africans have been seeking integration. And while African governments lack sufficient voice, other African actors outside the realm of government are completely voiceless. A number of factors have been elaborated that impact on this state of affairs; that is, the inadequate technical capacity to express that voice; inadequate voting rights and structures in international organizations; and, inadequate groups to express African voices collectively, notably because a lot of groups are dominated by large middle-income countries.

In the recent days, African actors have resolved to coalesce around the African Group in order to speak as one voice and effectively lobby for greater African representation in global politics. This development is yet to solidify and continues to face challenges. But as long as Africa continues with this resolve to act as group without disintegrating during crucial negotiations and deliberation then the African Group will emerge as a substantive actor in address peace and stability, development and democracy in Africa (Andrews and Holt 2007).

## Insight

In March 2005, the AU issued a declaration known as The Common African Position on the Proposed Reform of the United Nations: The Ezulwini Consensus...

## In Search Of Democracy Development and Security, Home Made Solutions International Interventions

Intervention by the global community in Africa's political, economic, military and cultural affairs has been accelerating since the end of the cold war and the intensification of globalization throughout the 1990s to the present.

These interventions ensured that the international organizations served in policymaking capacity for states that are unable to design, implement, and enforce effective public policies through traditional domestic political institutions. This could be attributed to a lack of resources, the presence of an unstable environment, or a corrupt domestic government. Regardless, when an institutional void is created by







ineffective domestic policymaking structures, global governance, often through international organizations, fills this void by governing the provision of goods to society. Those states that have the least influence in the design of global public policies are disproportionately affected by them.

The big question has always been whether these interventions have provided the best solutions to African problems or whether Africa should have resorted to homemade solutions to tackle African problems. The rallying cry by various African actors in global politics has been 'African solutions to African Problems'. But the question begs: can Africa tackle these problems on their own? Do we have effective and efficient institutional structures, and the managerial resources and capacity to do it alone? Can we manage without the financial, logistical and technical capacity of the international community?

Numerous studies have been carried out to answer these questions posed above. But the results have been mixed and remain controversial. In a study on the impact of IFI programs in 76 African and Asian countries through 34 annual observations from 1974 to 2007, Limpach and Michaelowa attest to the mixed impact of the different types of IFIs implemented in Africa on the various dimension of democracy. The authors observe that "in a narrow sense, democratization cannot be imposed from the outside. We do not find significant effects of any type of IFI program on vertical accountability as measured by the degree of political participation and competitive elections in a country." On a different note, they also observe that "in a wider sense, however, IMF and World Bank programs do have political implications for changes in the extent of executive constraints and in the level of civil liberties in developing countries." Their main results reveal that the IFIs' traditional lending programs have negative short-term impacts on horizontal accountability in recipient countries, while their development policy lending to low-income countries increases horizontal accountability over the long term. In addition, this study shows that the IFI's PRS initiative strengthens civil liberties by promoting broad-based participation of civil society and, in particular the poor in the domestic political decision-making process (Limpach and Michaelowa 2010).

In two other studies by Barro and Lee on IMF financial stabilization programs, they observe that these interventions have had a marginally negative effect, directly on democracy and indirectly on economic growth especially on democracy and

economic growth contemporaneous and the lagged five-year period (Barro and Lee 2003; Barro and Lee 2005).

On the contrary other studies have illuminated the positive impact that international intervention has had in Africa. The study by Nelson and Wallace (2005) reveals that countries being under any kind of IMF program show significantly higher democratization levels, and concludes that the conditions attached to the loans disbursed by the IMF have a positive effect on the quality of democratic institutions in participating countries. These positive effects grow over time. For a one-year time lag, no apparent relationship between the participation in an IMF program and the level of democracy is detected. However, in the three-year and five-year lagged models, the coefficients for participating in an IMF program become stronger and statistically significant (Nelson and Wallace 2005).

## Insight

...the logic of "national self-interest" and political realism still prevails among African countries,

Similarly, the path-breaking study by Abouharb and Cingranelli (2007) on the IFIs' human rights impact looks at the length of time a country has been under a structural adjustment program by either the World Bank or the IMF in the 1980 to 2003 period. The authors find that longer exposure to structural conditionality is positively correlated with procedural democracy. At the same time, their finding that long-term structural adjustment has a negative impact on a wide range of civil, worker and human rights points to the paradox that structural adjustment "may have led, simultaneously, to advances in procedural democracy and a decline in substantive democracy" (Abouharb and Cingranelli 2007).

Positive impacts of Poverty Reduction Strategy (PRS) processes are seen in three key areas, namely (i) that the PRS consultation process created new space for domestic policy dialogue and resulted in an unprecedented engagement of civil society organizations in poverty policy debates; (ii) that the PRS process contributed to a much stronger focus on poverty inside government; and (iii) that the PRS approach focused attention on donor coordination internationally and at the recipient country level (e.g., Booth 2003; Molenaers and Renard 2003; World Bank and IMF 2005; Driscoll and Evans 2005). However, a lot of challenges for achieving national ownership and democratic control of the PRS process are still remaining. They are mainly seen in the areas of institutionalizing sustainable participation and taking the domestic political context into account. Even though the ownership principle sug-





gests participation of a variety of actors, in practice the PRS process was often characterized by "government ownership" rather than broader "country ownership" (Dürr et al. 2008). Moreover, governments often limited participation by depoliticizing the topics open for discussion and by politicizing the selection of participants (cf. Eberlei 2001; Molenaers and Renard 2003; IEO 2004; World Bank and IMF 2005; Driscoll and Evans 2005). Another challenge that has not attracted enough attention so far is that many PRS processes have unfolded in semi-democratized states in which domestic politics tend to be patronage-based, with fragmented party systems, politicization of administration, as well as weak state regulatory and implementation capacities. Some case studies indicate that there is a risk that PRS will become identified with the political party in power and be discarded when there is a change of government (e.g., Bierschenk et al. 2003; Booth 2003; World Bank 2003; Dijkstra 2005).

In spite of the above state of affairs, in the past two decades there has been an incessant push for African solution to African problems. The African Group has been calling for the need for homemade solutions to tackle the problems bedeviling Africa. In support of their call they have attempted to come up with a series of initiatives aimed at enabling the continent deal with its own problems based on an agenda, managed by Africans and designed principally to promote and foster an African agenda. One of the most significant initiatives that emerged was the Conference on Security Stability Development and Co-operation in Africa (CSSDCA). More importantly, the challenges of peace and security became almost intractable.

The meeting concluded that Africa had to tackle the interrelated problems of security, stability, development and co-operation through its own means and to engage the rest of the world within a holistic and composite framework designed, owned and driven by Africans. The Africa Leadership Forum accepted the challenge to drive this process. In November 1990, it convened in Addis Ababa, Ethiopia, in collaboration

## Insight

The big question has always been whether these interventions have provided the best solutions to African problems or whether Africa should have resorted to homemade solutions to tackle African problems

## Insight

Longer exposure to structural conditionality is positively correlated with procedural democracy.

with the Secretariats of the OAU and UNECA, a meeting of prominent African personalities drawn from government, business, academic, international and non-governmental organizations to brainstorm on concrete strategies to cope with the world's new realities. The meeting recognized the need to develop a framework for Africa along the lines of the CSCE. A Steering Committee, comprising about half of the conference participants, was set up to guide further activities in this direction. The committee restructured the principles into four main goals: security, stability, development and co-operation.

The CSSDCA process stresses the inter-linkage between peace, stability, development, integration and co-operation. It creates a synergy between the various activities of the African continent and seeks to consolidate the various critical issues relating to peace, security, stability, development and cooperation. The underlying thinking of the CSSDCA process was recognition of the fact that the problems of security and stability in many African countries had impaired their capacity to achieve the necessary level of intra and inter-African cooperation that is required to attain the integration of the continent, which is also critical to the continent's socio-economic development and transformation.

Indeed the premium on social and political stability was rising rapidly at a time when the changing international political framework had begun to marginalize the African continent and its concerns. There was also a growing awareness that the progress that the continent had recorded in the sphere of economic development left much to be desired and that poor economic performance underlined the rising wave of domestic conflicts

NEPAD, a new development programme, developed by African leaders, aims at tackling the continent's multi-faceted crisis, reflected in poor economic performance, bad governance, corruption and mismanagement, conflict and insecurity. More specifically NEPAD seeks to arrest and eradicate the





deepening poverty on the continent; promote growth and sustainable development; halt and reverse the trend of the continent's marginalization; and restore peace, security and stability. These are to be achieved in partnership with the international community especially foreign donors. In addressing these issues, NEPAD identifies certain key areas whose tackling enhances the achievement of its overall aims. These include peace and security, economic and corporate governance, infrastructure, agriculture, and access to international markets. The achievement of these objectives necessarily affects the continent's relations with the international community. In contrast to previous developmental paradigms, which required the bulk of the efforts from African states, NEPAD projects itself as a partnership between the continent and the international community to promote the development of the former. But, in seeking the partnership of the international community, NEPAD attempts to accelerate the integration of the increasingly marginalised African continent into the global economy (Ubomba-Jaswa 2002). And although the NEPAD project emphasizes mutual partnership, Africa is heavily dependent on financial aid from the North.

Moreover, by relying on external funding, NEPAD is unlikely to change either the current configuration in Africa's international relations with the North or the contents of the former's foreign policies. On the contrary, the new development paradigm is not only certain to maintain Africa's weakness vis-à-vis the IFIs, but also deepen its dependence on international aid and thereby reinforce the centrality of aid in the continent's foreign policies. Globalization has generally been seen as posing major challenges to the African continent and NEPAD's quest to conform with it (through the latter's call for increased foreign investments and the adoption of neo-classical economic policies), rather than offering theoretical challenges to it, is seen as a potential source of failure of the new project to offer real alternatives for Africa. Furthermore, strengthening the donor-oriented posture of African states, NEPAD is poised to weaken intra-African relations. Since no African state demonstrates a capacity to provide economic assistance to a fellow African state, NEPAD may become a blueprint document legitimising the outward-looking tendencies of African states (Akopari 2001).

While the African Peer Review Mechanism (APRM) more or less supplanted the CSSDCA and was given prominence

over of it, the fact remains that security and stability remain the pillar upon which Africa can build its prosperity and relevance in the global market of development. The

APRM is designed as a comprehensive mechanism based on the utilization of common diagnostic tools and measurement criteria for assessing performance and cross-referencing inputs for assessments from all stakeholders in African States and society. Though it provides the basis for continuous engagement of the political leaders on issue of governance, its implementation for almost eight years has not reduced the assertion made in this paper that internal security remains the most daunting challenge confronting development in Africa is not to argue that Africa will not require outside assistance. Rather, suggest that positive developments will depend, finally, on Africans developing 'African solutions to African problems'. Indeed, we believe that the only way that there can be positive outcomes in Africa is if African countries are no longer the junior partners on issues that most directly affect them. There is the real possibility of the continent growing faster and becoming more democratic and more secure while addressing critical social issues, especially the empowerment of women.

Indeed, to a certain extent, success will breed success, as investors are attracted to growing economies, which will in turn cause them to grow even faster, thus attracting even more investment, in an ever-increasing upward spiral. Political stability will reassure those who lose elections that they need not go back to the bush to win political power, and the enrichment of the rural areas will bind countries together after decades when the minorities in the urban areas benefited disproportionately.

Assisting the development of the AU capacities to channel its own path in addressing African problems is where the international community should focus their priorities on. The main goal should be to ensure a structured interface between the AU and the international community.

The lack of economic and material resources is one of the biggest challenges that all democracy, development and security initiatives contend with in Africa. At present, funding from external donors is a necessity in order to improve capacity. NEPAD, AU and other initiatives engaged in democracy, development and security initiatives are largely funded by external actors. All

## Insight

Africa had to tackle the interrelated problems of security, stability, development and co-operation through its own means and to engage the rest of the world....







operations are also greatly influenced by international expertise, advisors and companies. What African actors need to guard against is that this external funding is not accompanied by too much influence in decision-making processes or leadership (Aning 2007).

Developments in Africa require increased international co-operation, which will need to be based on strong African leadership, internationally, regionally, nationally and at the various sub-state levels. The AU, NEPAD, the African regional organizations and its regional trade organizations will need to lead the way, with committed support from national leaders.

### The African Agenda and Options for Reforms

The argument advanced by African countries for reform in the international governance system is primarily predicated on the need for greater justice and a more equitable representation in world affairs, with special emphasis on the institutions of global governance. Africa has the single biggest bloc of states in the General Assembly, yet does not have a permanent seat on the UNSC – complete with the power of veto. As outlined in the Ezulwini Consensus of 2005, the region has staked a claim for two permanent and five non-permanent seats. The continent has also added its voice to calls for the reform of the Bretton Woods institutions, and the restructuring of the existing weighted voting system, both to increase the African share of influence and to broaden the decision-making base. In recent years, routine invitations have been extended to selected African leaders to attend G7 meetings, usually sessions devoted to discussing the continent's problems and offers of aid. These invitations may have been designed as a gesture of inclusivity and solidarity that speaks simultaneously to Africa and the civil society/social movement critics of that forum's role in global economic governance, but have hardly succeeded in redressing the fundamental imbalances in the rules and operations of the international financial system. That is why, alongside the basic political governance issues, African countries also have a strong interest in pursuing a reform of the international development architecture (Zondi 2011; Burall and Philips 2007; Swagerty 2012).

The forging of a new economic, social and political governance order that is the culmination of an accelerating global realignment process, is evidenced by the re-emergence of China along with India, Russia, and Brazil; the increased significance in global economic affairs enjoyed by the East Asian

countries, Turkey, South Africa, Argentina, Saudi Arabia, and the Gulf States – to cite the most prominent new entrants; and the prospect of long-term decline that the old economic powers, many in the EU, face. It will be an order that will come complete with a radical redistribution of power, authority, and influence, and involve a rewriting/reinterpretation of rules pertaining to the global multilateral institutions. The old world order is gradually dying, while the new is

struggling to be born. Debates have already been held and theories are presently being spawned about how such a new order might eventually emerge: by war or by peaceful means; through revolution or evolution; by negotiation, compromise-making and consensus-building or through politico-military fiat; or through a complex combination of all these elements. While interesting, the only relevance of these debates and theories to this paper is the extent to which they appear to be influencing the choices of major players regarding the need for change in the existing global governance order (Lehmann 2008; Swagerty 2012).

**Insight**  
The new development paradigm is not only certain to maintain Africa's weakness vis-à-vis the IFIs, but also deepen its dependence on international aid.

Even as debates for more far-reaching changes continue, some changes have already been introduced, in the face of the existing global governance system's dysfunctional ties, and on account of direct pressures or changing objective realities. Within the UN system, high-level discussions for the reform of the General Assembly and the UNSC have been held and consultations continue. The UN family of organizations is looking at the need to work and deliver as 'One UN', rationalizing and streamlining agencies with overlapping mandates in order to improve effectiveness and impact and to cut down on costs. Furthermore, recognizing the growing importance of non-state actors in global affairs, steps have been taken to accommodate voices such as those represented by global social movements and civil society groups, which not only wish to contribute to the governance agenda but also demand that increased accountability and responsibility be integral elements of change. Gender concerns, originally absent from the high tables of the UN, are now formally accepted and integrated into its work programme. The ICC has been grafted onto the broader governance system through the assiduous pressure mounted by civil society coalitions whose voices in world affairs are also growing in significance. The IMF and World Bank weighted voting systems have also been occasionally tinkered with in order, initially, to accommodate countries such as Japan and, more recently, Saudi Arabia and China, and to replenish the funds put at the disposal of





the institutions. Membership, or prospective membership, of the WTO has also been opened up to some of the new or emerging global powers. Furthermore, for all intents and purposes, the G7 has been replaced by the G22, which is the new global forum of the powerful for governing the world economy. It is a process of inclusion, adaptation and co-option that, while taking on board changing realities, still excludes a swathe of less powerful nations that constitute the majority of the UN members (Zondi 2011; Alemazung 2010; Francis 2006).

Adjustments made thus far to the workings of the existing international governance system are limited in scope and fragmented and piecemeal in nature. They have also been essentially reactive, rather than proactive. Unsurprisingly, the calls for more comprehensive, integrated reform remain as strong. It is to be expected that the weak and the marginalized in any political order would always have a strong interest in a radical reform programme, in the hope that the changes will offer them more say and benefits. By the same token, the strong and the main beneficiaries from an existing political regime would be most reluctant to embrace any change that could remove their privileges, whittle down their influence, and curb their power, even if they make gestures in favour of reform out of enlightened self-interest (Zondi 2011; Neething 2009; Aning 2007).

Different regions of the world, or at least countries located in different regions of the world, have sketched out their proposals for reform of particularly the UN, the Bretton Woods institutions, and the post-G7 framework. Their reasons, approaches and ambitions differ, which is why the formal work of reform promises to be a complicated process, to say the least.

The member states of AU have begun harmonizing their individual negotiation positions on major international issues in order to turn their numbers into real political clout in international negotiations. While the African Group has existed in UN processes since the 1960s, in the last two decades it has gained prominence for pro-active approach in some cases and for advancing nuanced and distinct positions in key in-

ternational negotiations. The idea of a discernible common African agenda is also gaining currency in all global multilateral forums. The strengthening of continental and regional integration has given further impetus to this notion of concerted diplomacy by Africa (Zondi 2011).

These common interests have been most acutely seen in the common African position on UN reform and climate change. African states approach negotiations through formation of a harmonized position based on agreed principles for negotiations and common sets of demands and the building of alliances to further these. The challenges of a harmonized African position include how to leverage a regional approach in a global system that still sees states as the main actor in negotiations; and how to form a common regional position while still allowing flexibility for bargaining concessions.

The RECs are considered the building blocks of AU yet there is no effective interface between the AU Commission and the RECs, and the RECs only have an observer status in the AU. There is inadequate institutional mechanism to coordinate this interface especially at the political level because the Committee of African Ministers of Integration remains an ad-hoc body (Zondi 2011).

The AU remains an intergovernmental organization whose decisions are still driven by interests of individual member states. The failure of AU to transform into a supranational organization has undermined the ability of the Africa Group to present a concretized common position. While the intention has been to turn the institution into a supranational body underpinned by shared sovereignty, nation states are reluctant to cede any sovereignty to the organization in order to enable it to independently pursue the common interests of the continent. For this reason, individual state's interests tend to compromise the shared interests that common positions epitomize. This is why member states tend to choose one or more of them to champion or manage its common position instead of mandating the chairpersons of AU and AUC to represent their common interests (Zondi 2011).

The idea of a concerted negotiating position is weakened by lack of a framework for coordinating of external relations by

**Insight**  
The lack of economic and material resources is one of the biggest challenges that all democracy, development and security initiatives contend with in Africa.

The old world order is gradually dying, while the new is struggling to be born.







RECs and AU. As a result, both RECs and AU conduct international relations separately and often in competition with each other. There is very little evidence of alignment of RECs' international relations and Africa Common Positions. The draft protocol on relation between the AU and RECs is vague on this matter, only pointing out RECs should ensure that their international engagements are in harmony with harmonized policies and programmes between the two tiers of continental governance (Zondi 2011).

National interests of individual African countries have tended to prevent consensus on compromises to be made. There is intransigence on the part of individual countries, part of which has to do with discomfort of some about the power and influence of a few big countries. The compromise mechanisms tend to over-estimate the ability of the AU central organs to manage continental diplomacy when the power still lies with national capitals. By and large, there is no room for compromise during negotiations because it is often extremely difficult for AU to work out areas of compromise beforehand because that would require difficult internal negotiations (Zondi 2011). There is need for institutionalization of AU-UN peace and security cooperation since the two organizations are complementary to each other's efforts and individually bring comparative advantages based on resources, experience and knowledge of realities on the ground. The 2000 AU Constitutive Act and the 2002 AU Peace and Security Council Protocol provide the legal framework for the AU cooperation with the international community and the UN in particular. Africa has resolved to determine its future destiny and is increasingly placing African problems on the interna-

tional agenda. In the final instance, the AU-UN cooperation is situated within the framework that suggests unless democratization, institutionalization of good governance and economic stability takes root in the continent, peace will remain illusive and peace efforts a self-perpetuating industry (Francis 2006).

**African leaders will need to develop as united an approach as possible, working on three levels; international, regional and national.**

On the wider international agenda of the UN, the Bretton Woods institutions, the EU, the G8, the US and other bilateral parties, the adoption of an integrated approach to African problems, including political, developmental and economic dimensions must become a first priority.

African leaders will need to promote this actively, international attention for Africa is still too often only the result of determined action by groups and individuals outside Africa. Africa's own agenda should be as sharply focused as possible and to this end the African Union, regional organizations including SADC, ECOWAS and IGAD, EAC and individual countries, notably those with sufficient capacity, such as South Africa, Nigeria and Egypt, should consider action in the most adversely affected areas of the continent as a first priority. While Africa is increasingly capable of preventing, managing and resolving conflicts, additional resources and enhanced political commitment are urgently required. 

## Insight

Membership, or prospective membership, of the WTO has also been opened up to some of the new or emerging global powers.





## Conclusion

Across the continent, five themes are emerging as increasingly central: increased peace, security and stability through conflict prevention, management and resolution; good governance and good policy; investing in people, by improving health and education and combating HIV/AIDS; pro-poor growth through support for the private sector in Africa; and sustainable development, focusing on the management of natural resources, environment and water.

The governance reform process underway in the IMF will (slightly) redistribute voting power between developed and developing nations. The lack of adequate representation of Africa has been specifically acknowledged by building protection for African votes into the framework for reform, and by designing other mechanisms for African states to have power (an extra representative on the Board and more frequent meetings with management).

Governance reform at the World Bank usually mimics that of the IMF. As has been pointed out in previous ODI publications, the proposed reforms therefore will do little to raise Africa's total voting power, and therefore voice at either institution (Burall and Philips 2007). African countries should work to ensure that, like the European Union, the African Union becomes a member of the WTO.

Capacity is also a critical issue for the role of regional organizations. For the AU, its ability to contribute to or lead mediation efforts in conflict resolution would be significantly enhanced with greater institutional capacity and expertise (Tieku 2011). As Tom Tieku argued, the advents of the AU saw regional leadership of negotiations in Burundi improve markedly on the protracted process led by the OAU.

Nevertheless the complexities and nuances of such negotiations demand skilled mediators able to draw on substantial expert and institutional back up if the failures of that process are to be overcome (Tieku 2011). John Kabia also highlighted limited funding provided by member states, the level of corruption and the weak economic conditions as factors which undermine the efficacy of regional organizations like ECOWAS (Kabia 2011).

Even in Africa's most developed state, South Africa, concerns arise about its ability to draw on enough expertise to effectively manage and lead the climate change negotiations as chair and host of the Durban 2011 round (Chevallier 2011).

Africa needs to fund its own training of technical capacity, which is happening through AERC, MEFMI, and some other regional and sub regional organizations. It needs to campaign on voting issues in a more united way, for example agreeing on a rotating seat in the Security Council rather than continuing to fight over which one or two countries should have a seat. Larger African countries could give smaller low income countries more say. Analyze donor policies for themselves and hold them mutual accountable on all the above issues.

The inability of African countries to forge a much more coherent identity and consistently maintain a united stance on a wide range of issues means that African countries are at a disadvantage when it comes to promoting the continent's interests.

## Insight

The AU remains an intergovernmental organization whose decisions are still driven by interests of individual member states.





We must give support to the struggle of the peoples of our continent by giving prompt expression to unity in our common cause .African leaders must, in self-abnegation, press forward the economic, political and spiritual welfare of their peoples in the interest, not merely of national gain but of that transcendent continental unity.

**Haile Selassie**

Imperial Majesty, Ethiopia





# Four Proposals to lift Africa's Position in Global Economic Governance

By Prof. François Ndengwe  
Chairman of the "African Advisory Board".  
E-mail: amepya2@gmail.com

## Deberlinization is a prerequisite

In the concert-competition of nations, invincibility is the sole admissible goal. There's no substitute for invincibility. And there are only two ways to be invincible: by yourself or by being an acting member of an invincible union where your voice counts. During past centuries and up to today, Africans have never followed any of the two ways. Hence their three great historical defeats: slavery, colonialism, apartheid.

Hence neocolonialism, still in force in Africa more than half a century after the 1960s independence. Neocolonialism is "the worst form of colonialism", wrote Kwame Nkrumah (21 September 1909 -27 April 1972), since "for those who practice it, it means power without responsibility, and for those who suffer from it, it means exploitation without redress"<sup>1</sup>.

The operating idea of neocolonialism is a major cause of Africa's extremely low position in global affairs in general and global economic governance in particular. Before engaging efforts to uplift that position, one must first understand that idea and the forces implementing in contemporary Africa. All efforts would be vain, would live Africa's bottom position unchanged, if this understanding lacks. Only this understanding can guide the energy needed to successfully combat those forces. Kwame Nkrumah identified the operating idea of neocolonialism: it is

*(...) the principle of breaking up former large united colonial territories into a number of small non-viable States which are incapable of independent development and must rely upon the former*

*imperial power for defence and even internal security. Their economic and financial systems are linked, as in colonial days, with those of the former colonial ruler.*

Balkanization is a world that sums up the operating idea of neocolonialism. Nkrumah continued: "*Balkanization is the major instrument of neo-colonization and will be found wherever neo-colonialism is practiced.*"<sup>2</sup>

As long as Africa is balkanized, she will never be strong enough; let alone invincible, to uplift her position. Balkanization is the first cause of Africa's impotence position in the concert-competition of nations. Last year NATO war against Libya illustrates this point and gives a first glance of what Africans need to do if they want to uplift their position.

NATO waged this war in scorn of Africans' viewpoint and open violation of African Union's resolutions. It was a totally asymmetric war of NATO against a 6-million inhabitant's desert African country. Because of balkanization, Libya did – and does not – belong to any military union that could have allowed her to be invincible and if not invincible, strong enough to inflict significant damages to the aggressors.

Thus, taking advantage of Africa's balkanization, NATO, possibly the most powerful military coalition in history, made up of 26 of the most powerful nations on earth, very easily defeated Libyan army, without suffering any casualty. In that war, NATO, in full cooperation with groups of islamist terrorists, killed thousands of Africans, of whom a prominent African leader and Pan-africanist<sup>3</sup>. In so doing, NATO sowed the seeds of a destabilizing chain reaction of whole Africa, the first spot being Mali's current invasion and partition. Libyan army's defeat is just the military face of the same single reality: Africa's impotence in global matters. The economic face shows Africa's position at the bottom of global economic governance. Nothing will change unless Africans draw lessons from this warning that Nkrumah put forward as earlier as in August 1960:

*There are three alternatives open to African*







*states: firstly, to unite and save our continent; secondly, to disunite and disintegrate; or, thirdly, to sell out”<sup>4</sup>*

Up to now, African states have followed not the first alternative or the two ways indicated earlier, but the second and third alternative. Therefore, Africa's impotence and bottom position cannot be a surprise.

Logically and practically, '*debalkanization*' is a prerequisite to any improvement of Africa's position. Or better, '*deberlinization*' is that prerequisite. This essay's four proposal will be fully effective only in a *deberlinized* Africa. The 1885 Berlin conference cut Africa into pieces for colonial aggressors. Up to now, despite their regular complaints against the of Berlin conference's fragmentation and negative effects, Africans have done nothing firm to build a political union that's the only mean to stop the harm the Berlin conference have been causing them. That political union is the essence of what's here called *deberlinization*.

A *deberlinized* Africa is really the precondition for the uplift of Africa's position in global economic governance. Parallel to working to *deberlinize* their continent, Africans can, without delay implement the following four proposals useful for that uplifting: one, define "national wealth" and "economic development"; two, claim Africa's voice in international institutions; three, start the three African financial institutions provided by African Union's statutes: the African central bank, the African monetary fund and the African investment bank. Four, making the African Union Economic Department the African shief of staff in the world economic war.

**The present paper deals only with the first proposal.**

## The sovereignty triangle

Africans' uninterrupted impotence is camouflaged nowadays under empty goals such as "eradicating poverty", "reaching Millennium Development Goals (MDG)", "Gross Domestic Product (GDP) growth", or even "Human Development Index (HDI)". These are presented to African populations as the ultimate aim their governments are working for and for which they too should mobilize all their resources, time and intelligence. A recent vogue of impotence camouflage is conveyed throughout Africa today in one bogus ubiquitous word: "*emergence*". Seldom there is an African government without its own program to make the country "*becomes an emerging economy*" by 2020 or 2030 or 2040, etc. "*Becoming an emerging economy*" is the new slogan seen all over Africa these days.

Why the camouflage? Why Africans' impotence? Why "*emergence*" instead of "invincibility" toward which all nations or groupings of nations except in Africa explicitly work? Why are 21st century Africans and their leaders in particular, accepting to remain fragmented, to perpetuate 1885 Berlin conference and be distracted by MDGs, GDP, HDI, and "emergence" and so forth, instead of mobilizing their unparalleled natural resources and energy and demography and youth, to focus on building their continent's invincibility in for instance industry, agriculture, service and military? Why? Is it cowardice?

Why is Africa impotent in each of the sovereignty triangle's sides: currency, military, law? Since this paper's focus is global economic governance, only two sides are here considered: currency, law.

**Currency impotence:** there are 54 countries in Africa, and a multitude of different national currencies. Around 40 yet, none of these has any capacity to promote economic development or sovereignty within Africa. They are even less apt to build Africa's global competitiveness. Whether officially stated or not, at least five<sup>5</sup> African countries are dollarized. Quite officially and sealed in a more than five-decade long accord between France's government and her African partners, fifteen<sup>6</sup> African countries' currency systems is still under the laden external monetary Nazism<sup>7</sup>: the CFA franc system. Four countries<sup>8</sup> national currencies are eclipsed by South Africa's currency, the rand, which is managed by a central bank that is still privately owned, by whites, as under the apartheid regime.

**Law impotence:** One could scratch one's head intensely but it'd be difficult to find an instance in which Africa's contribution is significant in the global economic governance's legal standard, be it at the production or at the

## Insight

**Why is Africa impotent in each of the sovereignty triangle's sides: currency, military, law?**





enforcement of that standard's laws. This is particularly true in instances like the World Trade Organization, the Bank for International Settlements, the International Monetary Fund, the World Bank, and more generally the United Nations Organization and the sub-organizations related to the UN.

Africa's law impotence is also obvious in institutions that, though privately owned, mainly by European and US firms or individuals, are major actors of the global and domestic economic governance. This is the case of international professional associations, the Brussels-based World Steel Association or example, or global accountancy organizations, and of global currencies settlement systems such as the CLS Group<sup>9</sup> and its bank, the CLS Bank. These type of institutions are rarely publicized; African citizens, governments and firms generally do not know even they exist and African representations in these institutions is nil, yet these somehow mysterious institutions are the ones who set the rules of critical aspects of economic activity in the world and therefore within Africa, such as accountancy and foreign exchange business.

## Ideas govern the World

The question "why is Africa impotent in each of the sovereignty capacity triangle's sides?" immediately triggers three other questions: one, why has this African impotence endured for so long? Two, for how long would it persist again? Three, what are Africans doing to end this impotence?

This paper is both a contributive answer to the third question and a proposal to forestall and possibly hasten the end of that impotence. Reaching this end will be for Africans the starting lever to lift their continent's position in the global economic governance. *The first step in this endeavor is to know exactly what "governance" means.*

The Oxford English Dictionary is, by excellence, one such source. In the OED, one read that governance is " (i) the action or manner of governing, controlling, directing or regulating influence, control, sway, mastery; (ii) the manner in which something is governed or regulated; (iii) a method of management and a system of regulations; (iv) a discreet or virtuous behavior, a wise self-command". For what concerns this paper, definitions (ii) and (iii) are retained.

The African Union saw the importance of giving an institutional definition to the word "governance". African Union 6th summit of the Nepad Heads of State and Government Implementation Committee held on 9 March 2003 in Abuja, Nigeria defined governance in four dimensions<sup>10</sup>: (i) democratic

## Insight

**"World economic governance is the manner in which world economy is governed or regulated".**

and political governance, (ii) economic governance and management, corporate governance, (iv) socio-economic development governance. A fifth dimension was later added: the environmental governance.

Though it wasn't made to address global economic governance, the African Union definition of governance is helpful for in the effort to define 'governance' and it can be combined with the two aspects of the OED's definition retained earlier. This combination gives the following definition of governance that is this paper's viewpoint: *"world economic governance is the manner in which world economy is governed or regulated"*. Every time the word governance will be used in the rest of this paper, if there's no other precision, it means this definition.

Coming out with that definition is just a first illustration of the power of ideas since it's this definition and idea, that have guided the formulation of the four proposals this author presents and that, hopefully will guide the actions of African decision-makers and Africans in general who want to uplift their continent's global economic governance's position.

The power of ideas has already been observed in history. In 1931, during the Great Depression in the USA and in Europe, René Giraud, a French economist writing on the globalization of economy remarked: "It is the verb that conveys key ideas and **ideas that rule the world**"<sup>11</sup>.

John Maynard Keynes picked Giraud's remark and reformulated more extensively in a passage of his book *General Theory* published in 1936. Thanks to that book's and his author's immense global aura, that reformulation became famous and well-known too. Since then it's been often quoted:

*The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is common-*





ly understood. Indeed the world is ruled by little else.”

“(…) in the field of economic and political philosophy there are not many who are influenced by new theories after they are twenty-five or thirty years of age, so that the **ideas which civil servants and politicians and even agitators apply to current events are not likely to be the newest. But, soon or late, it is ideas, not vested interests, which are dangerous for good or evil**”<sup>12</sup>.

What Keynes says here is valid beyond economics. It's the reality of global economy governance. Because African leaders have been passive ideas-takers in global economy governance, there's no surprise that they've confined themselves and their whole continent in the lowest and weakest position. No surprise about their impotence.

Therefore, if they want to uplift their continent's position in the global economy governance which, by the way dictates their economic fate, whether they like it or not, Africans must complete two tasks.

Firstly, they have to critically examine the key-ideas (“idéeforces” as Giraud wrote) that dominate world economic governance. Such examination highlights a paradox Kwame Nk-

umah described in 1960's:

*“Africa is a paradox which illustrates and highlights neo-colonialism. Her earth is rich, yet the products that come from above and below her soil continue to enrich, not Africans predominantly, but groups and individuals who operate to Africa's impoverishment”<sup>13</sup>.* [1]

The second task is for Africans to engage into the battlefield of ideas. The four proposals derived from that engagement. Let's turn to the first one.

## Proposal 1: Define “National Wealth”; “Economic Development”

Why is it important for Africans to be concerned by global economy governance? For two equally important reasons. One, global economy governance directly influences both Africans' national wealth's amount and this wealth's rate of growth. Two, Africans have been paying the highest price for being excluded in the making of global economy governance.

What's even more tragic in Africa's situation is that though external aggressors have for the past four centuries permanently been impoverishing that continent,, even though Africans' *national* wealth and most often their individual wealth too, have continuously been crushed, Africans lacked and still lack a suitable indicator to measure the real level of their wealth and the trajectory of this wealth over time, past, present and future. Economics as a “science” do not provide them with such indicator. Neither does any branch of social “sciences”.

In the recent half-century, GDP (Gross Domestic Product) has been considered that indicator. Yet nothing is further from a genuine definition of national wealth than GDP. More on that later.

## UNDP and HDI failed assault against GDP

To date, the least flawed approach to national wealth is the *Human Development Index* (HDI), a concept that emerged from the works during the 1980s of the Pakistani economist MahbubulHaq (1934-1998). “*The ‘Human Development Index’* (HDI)”, writes the economics Nobel Prize laureate AmartyaSen in a biography<sup>14</sup> of MahbubulHaq, “which has become one of the most used indicators of social and economic progress across the world, is an aggregate measure

## Insight

Even though Africans' national wealth and most often their individual wealth too, have continuously been crushed, Africans lacked and still lack a suitable indicator to measure the real level of their wealth and the trajectory of this wealth over time, past, present and future.





derived from three distinct components – life expectancy, schooling and literacy, and the material opportunities for poverty alleviation”.

These are indeed the three basic dimensions on which the UNDP, under MahbubulHaq, has been computing nations' HDI. From this computing, the UNDP derives each year since 1990, a ranking of all the nations in the world. This ranking is published in a yearly UNDP report, the *Human Development Report* (HDR), that has become the most successful and authoritative UN publication both as a reference for policymakers' benchmarking and as a judge for global economic governance.

Africans have been fooled that “national wealth” is GDP (Gross Domestic Product) or GNP (Gross National Product). Without exception, African rulers have been proclaiming they're toiling to grow their nation's GDP or GNP. This has negative consequences on national wealth as this will be defined in this paper. Increasing a nation's GDP or GNP could lead to that nation's overall impoverishment, particularly when this GDP growth is obtained by depleting and exporting raw material, and increasing *illth*, a term specified later.

### The first HDR saw the fallacy behind GDP and GNP:

*“This Report is about people - and about how development enlarges their choices. It is about more than GNP growth, more than income and wealth and more than producing commodities and accumulating capital. A person's access to income may be one of the choices, but it is not the sum total of human endeavor. Human development is a process of enlarging people's choices. The most critical of these wide-ranging choices are to live a long and healthy life, to be educated and to have access to resources needed for a decent standard of living. Additional choices include political freedom, guaranteed human rights and personal self-respect.”<sup>15</sup>*

### Why is a genuine definition of national wealth important?

UNDP itself has surrendered in front of GDP and GNP dictatorship. Why? Is that surprising. No, UNDP and all the HDRs, therefore including the revolutionary first one in 1990, lack a definition, not to speak of a genuine definition of, national wealth. In fact even that revolutionary HDR 1990 did not

even see the need of such a definition. Indeed, HDR 1990 ends with a glossary of around 100 entries. It defines the dictators: GNP<sup>16</sup> and GDP<sup>17</sup>. But nowhere does it define wealth or national wealth.

Only an overall sight of a situation allows the design of a general strategy to successfully attack that situation's problems. Yet, the “experts” are advising Africa a separatist method. This is a sure recipe for failure at the domestic as well as the global level. John Hobson clearly attacked this separatist method. Chapter one of his book *Work and Wealth* opens with the following remark “In an age when human problems of a distinctively economic character, relating to wages, hours of labor, housing, employment, taxation, insurance and kindred subjects, are pressing for separate consideration and solution, it is particularly important to enforce the need of a general survey of our economic system from the standpoint of human values”<sup>18</sup>. Hobson is stressing here the need for one integrated standpoint that will guide the nation's economic system. For him, that standpoint holds in the concept of human standard of value, a concept he specifies later.

Hobson continues, explicitly condemning the separatist method: “Social students, of course, are justified by considerations of intellectual economy in isolating these several problems (wages, hours of labor ...) for certain purposes of detailed enquiry. But the broader human setting, demanded for the judgment or the policy of a statesman or reformer, can never be obtained by this separatist treatment.”

Then Hobson displays the scientific superiority of the unifying principle approach: “the special and separate studies of these various problems must then, in order to be socially serviceable, be subject to the guidance and direction of some **general conception** which shall have regard to all sorts of economic factors and operations, assessing them by reference to some **single standard** of the humanly desirable. This general survey and the application of this **single standard of valuation** are necessary alike to a scientific interpretation of the economic or industrial and to a conscious art of social-economic progress”.

Hobson is writing about a nation's policy. He insists on the absolute necessity of unifying and guiding principle for that policy. For him and for this policy, this unifying principle is “**the single standard of valuation**”, more specifically, “the human standard of value”. This unifying principle is so important for Hobson that he puts it as the single mark that distinguishes a true statesman from a false one.

Likewise, for economic governance, bet it at domestic and moreover at global level, such a unifying principle is needed:







it's the genuine definition of national economic wealth.

## ***“What is a nation's wealth?” GDP is a false answer***

From textbooks to public policy practice, GDP has become the single universally admitted and unchallenged definition of a nation's wealth. Followers and idea-takers as often, Africans have accepted this definition too. Their rulers put GDP growth as their policy's overarch goal. They've embarked in the GDP-growth thinking wagon, despite the indefinitely huge material problems, ecological disaster and immaterial degradation that GDP-growth obstinacy has been inflicting to their society and their peoples.

In fact, despite its supremacy, GDP as a nation's economic wealth, answers the seminal question “what is a nation's wealth” only indirectly, only implicitly. No author explicitly writes that GDP is a nation's wealth. Taking GDP for national wealth results from both habits and laziness to research.

To our knowledge, an explicit definition of national wealth or a direct answer to that seminal question is found nowhere. From Xenophon<sup>19</sup> (430-325 BC) to William Petty (1623-1687) to Adam Smith' Inquiry into the wealth of nation (1776), nowhere is that answer found. Down to Friedrich List's National system of political economy (1841), to John Atkinson Hobson's Work and wealth: a human valuation (1914), no one gives an explicit answer to that same.

Even the founder of macroeconomics and perhaps the most influential economist to date, John Maynard Keynes (5 June 1883 – 21 April 1946) doesn't answer that yet determining question. His masterpiece, the voluminous *The General Theory of Employment, Interest and Money* (1936) is silent on that question, does not define macro wealth. Even Simon Smith Kuznets (1901-1985), inventor of the GDP concept (1937), never answers that question. Nor do the IMF, the World Bank, or the OECD, despite OECD recent anti-GDP moves summed into the *Better life index*<sup>20</sup> (2011).

It therefore seems, after the above survey from Xenophon to the OECD, from the fifth century BC up to nowadays, that no author has defined, the economic wealth of a nation. This may be a difficult definition. Lazily, global economic governance has taken GDP for that definition. And today, GDP is the commonly admitted definition of the wealth of a nation.

But what is GDP? Here are some of its defining equations<sup>21</sup>:

### **Gross domestic product (GDP) at market prices**

**= Final consumption expenditure**  
**+ Gross fixed capital formation**  
**+ Changes in inventories**  
**+ Acquisitions less disposals of valuables**  
**+ Exports of goods and services**  
**- Imports of goods and services**  
**= Gross domestic product (GDP) at market prices**  
**= Total value added at basic prices**

### **Gross domestic product (GDP) at market prices**

**= Compensation of employees**  
**+ Gross operating surplus and gross mixed income**  
**+ Taxes less subsidies on production and imports**

There are different angles from which GDP can be viewed:

### **Gross domestic product (GDP) - expenditure based**

*Expenditure-based gross domestic product is total final expenditures at purchasers' prices* (including the f.o.b. value of exports of goods and services), less the f.o.b. value of imports of goods and services.

### **Gross domestic product (GDP) - income based**

*Income-based gross domestic product is compensation of employees*, plus taxes less subsidies on production and imports, plus gross mixed income, plus gross operating surplus.

### **Gross domestic product (GDP) - output based**

*Output-based gross domestic product is the sum of the gross values added of all resident producers at basic prices*, plus all taxes less subsidies on products.

### **Gross domestic product (GDP) at market prices**

*Gross domestic product at market prices is the sum of the gross values added of all resident producers at market prices*, plus taxes less subsidies on imports.

Under economists' advice, governments and dominant institutions of the global economic governance have adopted GDP as the single most important thermometer of a nation's economic health. GDP increase or decrease are always equate respectively to good or bad health. GDP has also been adopted as the yardstick to compare nations' economic well-being.

### **Kennedy Vs GDP**

Yet, as Robert Kennedy observed, GDP or her sister, GNP, as an economic thermometer or a comparative yardstick or





a policy guide, are deeply flawed. Here's Robert Kennedy's famous assault against GDP and GNP, during his speech at the University of Kansas, in Lawrence, Kansas, on 18 March 1968:

*"Too much and too long, we seem to have surrendered community excellence and community values in the mere accumulation of material things. Our gross national product counts air pollution and cigarette advertising, and ambulances to clear our highways of carnage. It counts special locks for our doors and the jails for those who break them. It counts the destruction of our redwoods and the loss of our natural wonder in chaotic sprawl.*

*"It counts napalm and the cost of a nuclear warhead, and armored cars for police who fight riots in our streets. It counts Whitman's rifle [In 1966, Charles Whitman killed 16 people and wounded 32 in Austin, Texas] and Speck's knife [In 1966, Richard Speck raped and killed 8 student nurses in Chicago], and the television programs that glorify violence in order to sell toys to our children. Yet the gross national product does not allow for the health of our children, the quality of their education, or the joy of their play. It does not include the beauty of our poetry or the strength of our marriages; the intelligence of our public debate or the integrity of our public officials.*

*"It measures neither our wit nor our courage; neither our wisdom nor our learning; neither our compassion nor our devotion to our country; it measures everything, in short, except that which makes life worthwhile.*

***"And it tells us everything about America except why we are proud that we are Americans."***

## Insight

GDP is a short-sighted and incremental measure, that is, it's calculated over a specific period of time, usually one year.

When was the GDP concept created? By who? In what circumstances? For what purposes? What forces made GDP the dominant if not dictatorial policy guide it's become, not only in GDP's birth country but worldwide?

Answering these questions tells why GDP is a hugely flawed policy guide. More importantly, examining them helps to avoid GDP type of flaws when one is trying to elaborate a genuine definition of national wealth.

### GDP multiple myopias

Since a country's GDP is nothing but the monetary value of all goods and services produced in that country over a specific period of time – one year in general— GDP bears numerous flaws if it's equated to citizens' well-being. Here is a non exhaustive list of those flaws.

#### Monetary myopia.

From a GDP viewpoint, a nation's citizens' well-being is measured only in monetary terms. This is problematic, for at least three reasons.

**One**, a human person's well-being is obviously more than money or goods or services.

**Two**, there are numerous human activities, sometimes the most positive for individuals and society, that cannot be expressed in monetary terms and that GDP accountancy therefore

overlooks. Despite their positive nature, these activities do not add anything to GDP. GDP totally omits them.

**Three**, there are numerous human activities that are negative for individuals and society, but that contribute to increase GDP because they are expressed in monetary terms. Hence the following GDP paradox: GDP can grow thanks to socially negative activities, and stagnate or even decrease with positive ones. Consequently, venerating GDP growth as economists, politicians, journalists, all over the world do today, is pure a logical mistake. A GDP growth is inconclusive if one is assessing national wealth.

#### Incremental myopia.

GDP is a short-sighted and incremental measure, that is, it's calculated over a specific period of time, usually one year. The flaw here has two aspects. One, GDP accountancy builds air tightness walls between the successive periods of time during which it's calculated. There's disjunction between a period and the succeeding one while in real life no such disjunction exists: a nation's wealth at the later period is a direct





consequence of the former.

**Two,** GDP accountancy ignores any long-term perspective. Yet, for a nation, the only sound way to calculate her wealth is the long run. This is also the only way that nation's policymakers can plan how to increase that wealth. Today's generation could deplete a nation's resources to increase GDP. Such an increase would be celebrated as a success for that generation, but it's a dreadful recipe for the future generation. This **GDP incremental myopia** flaw is particularly valid for natural nonrenewable resources countries, in Africa for instance.

**Quantity myopia.** GDP is obsessed by, and measure only, quantity, while being blind on quality.

**Economic myopia.** GDP views a nation's wealth exclusively through economic factors. Yet, this wealth necessarily includes non-economic factors, the major of these being the nation's social cohesion, of which trust and equality are components.

**Informality myopia.** GDP totally ignores the informal sectors of the economy. Yet, these sectors are sometimes more flourishing and monetized than the formal ones. In many African countries, some data estimates informal sectors exceed formal ones both in revenues and in number of employees. For Africa, GDP informality myopia was already a good reason to not accept GDP as the central indicator and guide of their nation's policy when foreign interests forces it in Africa in the late 1950s early 1960s. It's still a strong reason today to reject GDP, given the still high share of informality in that continent<sup>22</sup>.

**Additive myopia.** For GDP, a nation's wealth is a materialist additive equation, yet, as will be seen later, national wealth is basically a difference between two items: a first one that the nation must always try to maximize, and a second one that she must always try to minimize.

Simon Smith Kuznets, though the GDP inventor, was himself aware of GDP's flaws. He warned economists and policymakers about abusing citizen's with an overstretched significance of GDP. For him, GDP should have a limited use, and only in particular circumstances, for instance the war and great depression the presided over GDP birth. Never has he favored the despotic and permanent authority that GDP has acquired in public policy in the world. "Kuznets did not approve of using GDP to assess overall national wellbeing, since by his estimation the metric failed to distinguish 'between quantity and quality of growth, between costs and returns, and between

the short and long run. Goals for more growth should specify growth of what and for what.'"<sup>23</sup>

In his Nobel Prize lecture in December 1971, Kuznets reiterated his warnings about GDP flaws, and the impossibility for GDP to either give a full view of national well-being or to be an explanation of it:

*We have stressed the problem aspects of modern economic growth because they indicate the directions of further research in the field. These aspects, the "surprises" and the implicit explanatory "puzzles", are problems not only in the sense of departures from the desirable (that may call for policy amelioration) but also in the sense that **our quantitative data and particularly our analytical hypotheses do not provide us with a full view and explanation.**"<sup>24</sup>*

Unambiguously, he attacks the conventional way of equating national wealth with GDP:

*As already noted, the **conventional measures of national product and its components do not reflect many costs** of adjustment in the economic and social structures to the channeling of major technological innovations; and indeed also **omit some positive returns**. The earlier theory that underlies these measures defined the productive factors in a relatively **narrow way**, and left the rise in productivity as an unexplained gap, as a **measure of our ignorance**.*

Kuznets was so vividly conscious of GDP flaws and limitations that he envisaged to expand the theory behind it, in order to come out with a better definition of a nation's wealth. That expansion exercise is what Africans must urgently do today, if they want a trustworthy guide for economic development and a sure way to uplift their position in global economic governance.

Kuznets continued, illustrating what he meant by positive and negative examples in line with the positive and negative activities this paper has earlier called attention to.

*This **shortcoming of the theory in confrontation with the new findings, has led to a lively discussion in the field in recent years, and to attempts to expand the national accounting framework to encompass the so far hidden***







*but clearly important costs, for example, in education as capital investment, in the shift to urban life, or in the **pollution** and other **negative** results of mass production. These efforts will also uncover some so far **unmeasured positive** returns – in the way of greater health and longevity, greater mobility, more leisure, **less income inequality**, and the like.*

Kuznets's above quotation is very important for three reasons. One, it's a wise advise to elaborate a genuine definition of national wealth. Two, pointing out negative and positive items, Kuznets sets the mind ready to conceive national wealth as what it really is: an arithmetic difference, that is, an entity that the nation should always strive to maximize (the positive factors) minus an entity that the nation should always work to minimize (the negative factors). This negative entity will be called *illth*, and the positive one *bonth*.

Three and most importantly, by introducing terms such as pollution and inequality in the defining equation of an "expanded GDP", Kuznets, alone among the economists of his time and even most of today's, saw that a nation's economic wealth is made up not only of economic but also of non-economic factors. Therefore, a measure of national wealth that, like GDP, excludes non-economic factors and take into account only purely economic ones, is fundamentally flawed. GDP is even more flawed because within the set of economic factors, it concentrates on the narrow subset of monetary ones. By including both types of factors, the economic and non-economic ones, Kuznets anticipated on the third and the fourth of the four guiding principles seen later, very helpful in the search for a genuine definition of national wealth.

## The defining equation of national wealth

Knowing what has been said up to now and the light Kuznets provides, the first problem Africans must solve today to uplift their position in global economic governance, a problem they failed to solve in past centuries, a failure that triggered an unending series of extremely negative consequences for their ancestors up to themselves, could be formulated like this:

- "Given that GDP, hailed as:
- "One of the great inventions of the 20th century",
- the imperative instrument of both domestic economic policy and international governance, and
- the command baton that dominant institutions of world economic governance force Africa to obey,

is fundamentally flawed and is an inadequate definition of national wealth, what should Africans do, to both raise their compatriots' well-being and uplift Africa's position in global economic governance?"

There are only two solutions to this problem. The second interrelated and deriving from the first. First, reject GDP as the main policy indicator. Second, propose a new definition of national wealth appropriate to the uplifting.

For that genuine definition of national wealth, four guiding principles and three imperatives must be respected.

The three imperatives are: security, ownership and control. The definition, by itself, and moreover with the action it induces, must strengthen Africans' security and their ownership and control of their economy. Obviously, this isn't the case with GDP.

## Here are the four guiding principles.

One, difference as seen earlier, as Kuznets's Nobel Prize lecture hinted, national wealth is a difference between something to maximize, always, and something to minimize, always.

Two, long term. National wealth is properly conceived and measure only with a long term perspective.

Three, social cohesion. Even from a strictly economic angle, national wealth is nothing without social cohesion. True for any nation in the world, this is paramount for African societies that are the most heterogeneous<sup>25</sup> in the world and therefore must put social cohesion at their top priority.

Four, triple "syncrasy". A genuine national wealth's equation must include terms that capture the nation's idiosyncrasy, inter syncrasy and sociosyncrasy.

One is now ready to propose a definition of national wealth<sup>26</sup>:

## Wealth = Bonth – Illth

"Bonth" derives from the French word "bon", which means good. Bonth is the entity that the citizens must always strive to maximize in order to their nation's wealth.

"Illth", from the adjective "ill", which means bad, unwell, is the entity to be minimized. John Ruskin (1819 – 1900), the English social reformer, coined the word "illth" in opposition to "wealth".







The important idea behind this illth concept and moreover in that opposition is that citizens should be educated to discriminate between the goods and services their nation produces or consumes. Not all sorts of goods or services are fine for the nation's wealth. Some goods or services could generate negative externalities at their production, their carrying, distribution, stocking or consumption, that equal or exceed the good they might do for society. A case of such negative externalities at the production and consumption phase are respectively pollution and waste. Prolonging discrimination, Ruskin also coined the word "Illfare", to oppose welfare.

## Bonth of nations

A nation's bonth may be defined as the product of three factors.

## Bonth

$$TE_1S_1E_2IS_2O_1L_1(\alpha E_3 + \beta N + \gamma M_1 + \tau O_2 + \lambda P_1 + \mu P_2 + \sigma E_4 + \rho C)(E_5 + L_2 + M_2)$$

The third factor,  $(E_5 + L_2 + M_2)$  captures the nation's citizens' idiosyncrasy. The Oxford English Dictionary provides the following two definitions of idiosyncrasy. One, idiosyncrasy is "a mode of behavior or a way of thought peculiar to an individual". The OED illustrates that definition: "one of his little idiosyncrasies always preferred to be in the car first". Two, idiosyncrasy is "a distinctive or peculiar feature or characteristic of a place or thing". For instance, the OED mentions "the idiosyncrasies of the prison system". It's worth noting how a feature originally associated to human beings – the first definition -- is translated to non-human beings, here a prison system.  $E_5$  stands for Ethics;  $L_2$  for logic and  $M_2$  for motivation.

In line with the second OED's definition of idiosyncrasy, one could define a nation's intersyncrasy as "the distinctive or peculiar feature or characteristic of the nation's citizen's web of interrelated assets".

For the national wealth definition purpose, a nation's intersyncrasy is represented by the second factor in the bonth defining equation:

$$(\alpha E_3 + \beta N + \gamma M_1 + \tau O_2 + \lambda P_1 + \mu P_2 + \sigma E_4 + \rho C)^{27}.$$

$E_3$  stands for the nation's educational quantum;  $N$  for her natural resources;  $M_1$  for the size and capacity of her market;  $O_2$  for her organi-

zation;  $P_1$  for her programs;  $P_2$  for the protection provided to citizens;  $E_4$  for the national system of evaluation; and  $C$  for the nation's claims on the rest of the world.

A nation's sociosyncrasy may also be defined as "the distinctive or peculiar feature or characteristic of the nation's intangible riches, seen as one cohesive society, as a whole". Thus, for the national wealth definition purpose, a nation's sociosyncrasy is the first factor of the bonth equation:  $TE_1S_1E_2IS_2O_1L_1$ .

$T$  stands for trust;  $E_1$  for entrepreneurship;  $S_1$  for social cohesion;  $E_2$  for effort;  $I$  for the national system of ideas;  $S_2$  for the national system of storage;  $O_1$  for national ownership; and  $L_1$  for leadership.

Space lacks here to look into the details of each of the above factors. Here is a quick glance at some of them. The national system of ideas encompasses the national system of innovation and its Metrics<sup>28</sup>. The national system of innovation is defined as "the "... set of distinct institutions which jointly and individually contribute to the development and diffusion of new technologies and which provide the framework within which governments form and implement policies to influence the innovation process. As such it is a system of interconnected institutions to create, store and transfer the knowledge, skills and artifacts which define new technologies"<sup>29</sup>.

Quintessentially, innovation is the power of human brain to generate new ideas to respond to human needs. This definition of innovation once more stresses what René Giraud and John Maynard Keynes underscored almost a century ago and that was recalled earlier in this paper: ideas are driving force of human society. Africa having not generated any of the ideas that are driving global economy, it's no surprise that she remained at the bottom position in global economic governance. Up to Africans to change this situation. This paper is a contribution to that change.

Changing the situation requires Africans, both rulers and pop-

## Insight

Idiosyncrasy is "a distinctive or peculiar feature or characteristic of a place or thing".





ulations, to be frank with themselves. They should start with a realistic appraisal of the current situation. For that, questions like these must be answered: given the above definition of the national system of innovation, how many African countries can say they possess such a system? And if they possess one, how performing is it? What lessons should they learn from the best performing national systems of innovation in the world? What principles and guidelines must they follow to build a national system of innovation that will make them invincible in world competition? What reforms must they introduce in their educational system and in their economy in general so that the national system of innovation they build is robust today and grow more robust and fruitful?

The national system of innovation is a subset of the national system of ideas which is itself a factor in the definition of the *national* wealth. This national assertion proves that, contrary to individualistic ideology, the innovative performance of a nation rests not on how that nation's "individual institutions (e. g. firms, research institutes, universities) perform in isolation", '*atomistically*',

(...) but on "how they **interact** with each other as elements of a **collective** system of knowl-

## Insight

...national wealth's equation seems to focus not on GDP, but on a definition that includes national system of ideas which in turn includes the national system of innovation.

*edge creation and use, and on their **interplay** with **social** institutions (such as values, norms, legal framework)<sup>30</sup>.*

Deeply valuable is the above quotation. A careful look at it shows that not only does it dismiss GDP as a good policy guide or a definition or indicator of national wealth, but it adopts the kind of definition given in this paper of national

wealth. Indeed, the quotation admits that economic wealth cannot be measure only with economic factors, social ones are very if not more important. Also, though implicitly, the quotation takes into account the intersyncrasy and the socio-syncrasy components of national wealth. Terms relating to the intersyncrasy component are here "interact", "interplay". Those relating to sociosyncrasy are "collective", "social".

China's spectacular success these last decades largely derives from Chinese leaders' understanding of these components of national wealth. As can be verified in an OECD voluminous report<sup>31</sup> on the Chinese national innovation system, for China, national wealth's equation seems to focus not on GDP, but on a definition that includes national system of ideas which in turn includes the national system of innovation.

The national system of ideas has four working aspects. It arouses and favors the generation of ideas; it detects smart ones; it diffuses these; and it makes sure that a maximum of people use them<sup>32</sup>. Ideas are socially useless unless they are implemented. Only widespread implementation adds to national wealth. But before a wide implementation ideas must first positively pass experiment tests at local or limited level. Hence the need of a national system of experimentation, as part of the national systems of ideas and of innovation. Here too, China's approach by local experiments before widespread implementation at the national level showed itself very successful.

On sociosyncrasy: trust; social cohesion, national system of ideas, the national system of storage (a major weakness); ownership (another huge weakness because of the dispossession resulting from privatization), and leadership. On intersyncrasy, the educational quantum; organization; protection and the national system of evaluation.

Africa also possesses some few strong factors. On intersyncrasy for instance, one could mention market size and capacity, in part thanks to Africa's demography; natural resources; and claims on the rest of the world.

## illth of nations

A nation's illth could be defined like this:

$$\text{illth} = H + D_1 + D_2 + D_3 + W$$

where **H** is the hemorrhage of wealth out the country, be it in physical (raw material for instance) or financial (capital outflow, whether or legal illegal) or educational (brain hemorrhage; skill hemorrhage, for instance nurse hemorrhage)





form, or direct theft such as illicit fishing.  $D_1$  is debt to the rest of the world;  $D_2$  is destruction of valuable assets, be it material or immaterial, of which culture, languages, environment;  $D_3$  is depreciation of assets and  $W$  is waste.

The symmetric of the observation made earlier for African policymakers' attitude towards bonth is valid for illth: instead of wasting time to "produce growth" or to "raise GDP", as they advisors keep urging them, African Policymakers must permanently fight each of the illth's factors. They and their policy should *always* and *simultaneously* maximize the nation's bonth and minimize her illth.

They must keep strict vigilance in this fight: under their advisors' guidance, they may raise the nation's GDP or even the nation's bonth, and be acclaimed for that achievement, while in fact they have, in the same time, increased their nation's illth, to a point where the difference bonth minus illth becomes negative and the national wealth has in fact diminished, meaning citizens' impoverishment. African countries are often in that situation. They exploit and export raw materials that often aren't renewable. In doing so, they inflate illth, by increasing  $H$ ,  $D_2$ ,  $D_3$ , and  $W$ .

When counting a nation's wealth, the only valid perspective is the long term and inter-generational one. Inter-generational looks forward and backward. Vis-à-vis the rest of the world, today's generation carries yesterday's generation's debt and claims. On the bonth component of wealth for instance, Amadou Diop and African veterans handed to today's Africans a large claim on France's government. In principle there's no gift between nations in global affairs. The "gift" China offers Africans by building in Addis-Ababa, Ethiopia, a new conference center worth hundreds of millions of US dollars is a debt today's Africans have contracted toward China. This is a case, on the illth component of wealth, of a debt that must be included today in  $D_1$ , in its actual value in the Africa's national wealth equation. Are today's Africans conscious that they will hand this debt that their children?

## What practicalities for Africans?

### For Africans, concretely, what practicalities from this paper's definition of national wealth?

The first is that Africans must reject GDP as their policy's key indicator and central guide. They must dismiss all the advisors who induce or force them to give GDP that status. For decades, GDP and moreover "GDP growth" has been deceiving Africa. The deception is going on, with acclamatory chants on Africa's "very high GDP growth", on Africa having become

## Insight

When counting a nation's wealth, the only valid perspective is the long term and inter-generational one. Inter-generational looks forward and backward

"the most growing region in the world".

This is a chant of naivety even if one takes GDP growth seriously. Indeed, Africa's GDP and moreover Africa's GDP per capita per square kilometre is very low compared to other world regions'. Therefore, Africa is starting from a very low position, down at the mountain's foot. Even at present "spectacular" growth rate, it would take Africa a century or more to reach those regions' GDP per capita per square kilometre, if those regions keep stagnating. The catching up race time would be extensively longer if those regions grow, even slightly.

From this paper's standpoint, there's a reason more fundamental than naivety error to cast away chants on Africa's "spectacular GDP growth": instead of increasing Africans' national wealth, this growth is diminishing it. Instead of creating jobs, it is destroying them. "The continent is experiencing jobless growth", laments African Development Bank's chief economist and vice-president. "That is an unacceptable reality on a continent with such an impressive pool of youth, talent and creativity"<sup>33</sup>.

Two weeks before that lamentation, another cry was heard. On 15 May 2012, at a big ceremony in Nairobi, Kenya, chaired by Kenya's President, Mwai Kibaki, UNDP presented its flagship publication, the Human Development Report (HDP) 2012 that publishes Human Development Index (HDI) countries ranking. UNDP administrator, Helen Clark, complained: "impressive GDP growth rates in Africa have not translated into eliminating hunger and malnutrition".





Revolting, lamenting or crying like the AfDB and the UNDP officials are doing will remain useless until Africans and their leaders clearly understand and apply the 4 principles and the 3 imperatives of national wealth definition, until they adopt a definition of wealth in deriving from those principles and imperatives and work according to that definition; until they switch from GDP to the arithmetic of national wealth this paper proposes. Only this new arithmetic can help Africans achieve the double aim of improving their well-being and lifting their position in the economic global governance. This paper's definition of national wealth is a breakthrough. It's also, to our knowledge, the best of all alternatives to GDP that so far has been proposed. The most famous of these alternatives being the HDI that the UNDP introduced in the first HDR published in 1990. Other alternatives include the "Green GDP", the "Gross Nation Happiness" (by Bhutan), and the "Better life Index" that OECD launched last year, in 2011.

All these alternatives mean that around the world but in Africa, leaders, thinkers and institutions have seen GDP limitations and lies. The European Union, the European Commission, the European Parliament, the Club of Rome, WWF and the OECD are some of those institutions. During a two-day conference on 19-20 November 2007, these 6 institutions met and launched a massive attack against GDP, a multi-year program explicitly untitled "Beyond GDP"<sup>34</sup>. Opening the conference, European Commission President José Manuel Barroso, said *"GDP is an indicator of economic market activity. It was not intended to be an accurate measure of well-being. Even Simon Kuznets, the main inventor of GDP, said: 'the welfare of a nation can scarcely be inferred from a measure of national income'".* He added that the Beyond GDP projects aims to *achieve the sort of breakthrough that we saw in the 1930s, a breakthrough that adapts GDP, or complements it with indicators that are better suited to our needs today*, and the challenges we face today. UNDP, OECD, European Commission, European Union, European Parliament, the Club of Rome, OECD, WWF, etc., etc., all are actively racing to produce the indicator that in the coming years will be the masterpiece of economic global governance: what are we, Africans, doing? COULD WE REMAIN SPECTATORS and only (forced and passive) consumers of foreign concepts (MDGs, HIPC, SAPs, Emerging countries, ...) designed by foreigners to (deservedly) suit their needs and interests that (often) crush ours as it happened so often in history; as it's happening with GDP?

## What Are We Africans Doing?!!!

**Without delay** shouldn't the African Union and the African Union Commission launch their own "BEYOND GDP" project? In doing so, they would positively contribute to the

double aim of raising Africans' well-being and lifting Africa's position in the global economic governance. AAB is ready to share its research, results and experience on national wealth definition and measurement with the AU and the AUC.

*The ideal of a human life is a union of Spartan simplicity of manners with Athenian sensibility and imagination",* wrote John Ruskin, who added that Xenophon's Economist "contains a flawless definition of wealth – a definition which cannot be bettered; and which **must be the foundation of all true Political Economy among nations** as Euclid is to all time the basis of Geometry"<sup>35</sup>.

For sure, AAB's works on, and definition of national wealth are far from the ideal and flawlessness that Ruskin underlines. Even though AAB's definition of national wealth is undoubtedly a progress vis-à-vis the GDP (*"One of the most important inventions of the 20th century"* as many specialists stress), it has defaults too. One of them being that it mixes terms of different nature, some being strictly economic terms, others (a majority) being non-economic. It's the reality of human nature and moreover of that of the groups of men and women amalgamated in what is called a nation. Each of these groups has needs, desires, and passions that are never naturally harmonized with other groups'. A reality that a nation inevitable groups mixing imposes to anyone.

Any definition of national wealth founded exclusively economic quantities is a fraud. The illusion of the GDP, of its originators and probably of all economists, is to think of hu-

## Insight

For decades, GDP and moreover "GDP growth" has been deceiving Africa. The deception is going on, with acclamatory chants on Africa's "very high GDP growth", on Africa having become "the most growing region in the world".







man being solely as a homo economicus. This is absolute falsity! Any true Political Economy must rest on a genuine definition of national wealth. To be as Ruskin says "a foundation of true Political Economy", any definition of national wealth must include both economic **and** non-economic terms. Thus is mitigated, the mixing default in this paper's definition of national wealth.

Therefore, taking that definition as a premier working basis, the African Union and the African Union Commission could, right now, and with minimal costs, start its *BEYOND GDP* project. The AUC Economic Department is best placed to lead that project. If African leaders are serious about improving their citizens' well-being and lifting their continent's

position in the economic global governance, providing the Economic Department with adequate resources to carry the *BEYOND GDP* project is a first step. That's a high point of our Proposal Number 1. More on it in Proposal 4.



Reject the nonsense of dividing the African peoples into Anglophones, Francophones, and Lusophones. This attempt to divide our peoples according to the language of their former colonial masters must be rejected with the firmness and utter contempt that richly deserves.

**Julius Nyerere,**  
Tanzania's Founding President





## End Note

1. Kwame Nkrumah, *Neo-Colonialism, the Last Stage of Imperialism*, Panaf, 1965, Jean Suret-Canale *Difficultés du néo-colonialisme français en Afrique tropicale*, in *Canadian Journal of African Studies / Revue Canadienne des Études Africaines*, Vol. 8, No. 2. (1974), pp. 211-233.
2. Id.
3. Le canard enchaîné, Wednesday 31 August 2011; <http://www.afro.com/sections/news/national/story.htm?storyid=72369>; [http://www.france24.com/fr/20120309-onu-demande-supplement-enquete-raids-otan-libye-revolution-kadhafi-commission-rapport-mort-civils?ns\\_campaign=editorial&ns\\_source=RSS\\_public&ns\\_mchannel=RSS&ns\\_fee=0&ns\\_linkname=20120309\\_onu-demande\\_supplement\\_enquete\\_raids\\_otan](http://www.france24.com/fr/20120309-onu-demande-supplement-enquete-raids-otan-libye-revolution-kadhafi-commission-rapport-mort-civils?ns_campaign=editorial&ns_source=RSS_public&ns_mchannel=RSS&ns_fee=0&ns_linkname=20120309_onu-demande_supplement_enquete_raids_otan)
4. Kwame Nkrumah, *Africa's challenge*, speech at the Parliament House, Accra, 6 August 1960, in Samuel Obeng (ed), *Kwame Nkrumah: Selected Speeches*, Afram Publication, Ghana, 1979; 1997, p. 119.
5. Democratic Republic of Congo, Angola, Zimbabwe, Liberia, Cape Verde.
6. Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau Mali, Niger, Senegal, Togo, in *West Africa*; Cameroon, Central Africa Republic, Republic of Congo, Gabon, Equatorial Guinea, Tchad, in *Central Africa*; and Comoros in the Indian Ocean. The CFA franc was created after France's liberation from Germany's occupation, on 25 December 1945, by a decree co-signed by Charles de Gaulle, Jacques Soustelle, René Plén, respectively France's transition government President, Minister of colonies and Minister of Finance.
7. See Proceedings of the First Congress of African Economists -Towards a Single African Currency, African Union Commission (AUC), December/2010 [http://au.int/en/dp/ea/sites/default/files/DOCUMENT\\_EN\\_FR\\_2\\_4\\_MARCH\\_2009\\_EA\\_CONGRESS\\_ARTICLE\\_VOLUME\\_1.pdf](http://au.int/en/dp/ea/sites/default/files/DOCUMENT_EN_FR_2_4_MARCH_2009_EA_CONGRESS_ARTICLE_VOLUME_1.pdf). On monetary Nazism in France, see: Charles Gerthoffer and Henri Delpech, *Le Pillage Economique*, and Jacques Bernard Herzog, *Le travail obligatoire*, in *Le procès de Nuremberg: L'accusation française*, tome 2 ; and Edgar Faure, *Le procès de Nuremberg: L'accusation française*, tome 4: La condition humaine sous la domination nazie (Europe occidentale). Both books (tomes 1 and 4) and the two others, tomes 2 and 3, published by Office français d'édition, Service d'Information des Crimes de Guerre – Documents pour server à l'histoire de la guerre; Paris, October 1946. Edgar Faure was the deputy attorney general at the international military tribunal of Nuremberg.
8. Botswana, Lesotho, Swaziland, Namibia,
9. <http://www.clsgroup.com/Pages/default.aspx>
10. See that summit's declaration's paragraph 1.8.
11. «C'est le verbe qui véhicule les idées-force, les idées qui mènent le monde », in *Vers Une Internationalisation Economique*, Paris : Librairie Valois, 1931, page 10.
12. See *The General Theory of Employment, Interest and Money*, last chapter, chapter 24, untitled : « Concluding Notes on the Social Philosophy Towards Which the General Theory Might Lead », 1936.
13. Kwame Nkrumah, *Neo-colonialism: the last stage of imperialism*, New York: International Publishers Co., Inc, 1966, page 1 (First published in 1965 by Thomas Nelson & Sons, Ltd, London).
14. Khadija Haq and Richard Ponzio (eds), *Pioneering the Human Development Revolution : An Intellectual Biography of Mahbubul Haq*, New Delhi, India: Oxford University Press, 2008. This book has a foreword by Amartya Sen
15. Human Development Report, UNDP, 1990, page 1, Overview.
16. Gross national product (GNP) The total domestic and foreign value added claimed by residents, calculated without making deductions for depreciation. It comprises GDP plus net factor income from abroad, which is the income residents receive from abroad for factor services (labour and capital), less similar payments made to nonresidents who contribute to the domestic economy.
17. Gross domestic product (GDP) The total for final use of output of goods and services produced by an economy, by both residents and nonresidents, regardless of the allocation to domestic and foreign claims.
18. John Atkinson Hobson, *Work and wealth : A human valuation*, New York: The MacMillan company, 1926, page 1.
19. Xenophon's work *Oeconomics*, is considered the first economics book.





**20.** <http://www.oecdbetterlifeindex.org/>

**21.** National Accounts of OECD Countries - Main Aggregates, 1993-1994, Volume 1: OECD, Paris, 2006

**22.** Informal institutions: what do we know, what can we do? International Seminar jointly organised by the OECD Development Centre & the Development Assistance Committee Network on Governance (DAC-GOVNET) - Paris, 11-12 December 2006; Johannes Jütting, Denis Drechsler, Sebastian Bartsch and Indra de Soysa (eds), Informal Institutions: How social norms help or hinder development, OECD Development Centre Studies, 2007

**23.** Cf. Royce Woverson, <http://www.cfr.org/economics/gdp-economic-policy/p22922>, Council on Foreign Relations, 10 September 2010  
<http://www.cfr.org/economics/gdpeconomic-policy/p22922>

**24.** Simon Kuznets, Lecture to the memory of Alfred Nobel, 11 December 1971.

**25.** See François Ndengwe, Statistics in Africa: Needed Science for Enlightened Debate & Social Cohesion, African Conference on Measuring Well-Being and Fostering the Progress of Societies, OECD (Paris) and Haut-Commissariat au Plan (Rabat), Rabat – Morocco, 19 – 21 April 2012; F. Ndengwe, Governance, Peace and Security in Africa: The Imperative of both Social Cohesion and Statistics on Social Cohesion, First Meeting of the Governance, Peace and Security Statistics: "Harmonisation of GP&SS", African Union Commission - Nairobi – Kenya, 23 – 25 May 2012.

**26.** From now on, if no precision is added, « wealth » means « national wealth ».

**27.** Grec letters represent coefficients useful to homogenize all the terms intervening in the national wealth definition

**28.** Assessing innovation metrics: McKinsey global survey results, in McKinsey Quarterly, October 2008 ; Bruce Williams, Wealth, Invention, and Education, in Daedalus, Vol. 114, No. 1, Australia: Terra Incognita? (Winter, 1985), pp. 281-291 Published by: The MIT Press on behalf of American Academy of Arts & Sciences;

**29.** S. Metcalfe, "The Economic Foundations of Technology Policy: Equilibrium and Evolutionary Perspectives", in P. Stoneman, ed., Handbook of the Economics of Innovation and Technical Change, pp. 409-512, Blackwell, London, 1995 and in Managing National Innovation Systems, OECD, Paris: 1999, p. 24.

**30.** K. Smith, The Systems Challenge to Innovation Policy, in W. Polt and B. Weber, eds., Industrie und Glueck Paradigmenwechsel in der Industrie- und Technologiepolitik, Vienna (1996) and quoted in Managing National Innovation Systems, OECD, Paris: 1999, p. 24..

**31.** OECD Reviews of Innovation Policy: China, 18 August 2008, OCDE, 648.

**32.** Alex Pentland, How social networks network best, in Harvard Business Review, February 2009. See also Pentland's book Honest signals: how they shape our world, MIT, 2008.

**33.** MthuliNcube, chief economist and vice-president, AfDB, speaking recently in Arusha, Tanzania, during the presentation of the African Economic Outlook 2012 report.

**34.** [www.beyond-gdp.eu](http://www.beyond-gdp.eu)

**35.** Gerald Alonzo Smith, The Purpose of Wealth: A historical Perspective, in Herman E. Daly and Kenneth N. Townsend (eds), Valuing the Earth: Economics, Ecology, Ethics, Cambridge, The MIT Press, 1994; pp. 191-192





## Statistics, a neglected priority in Africa?

## Les Statistiques, une priorité Négligée en Afrique?

**By Dr. Rene N'Guettia Kouassi**  
**Director, Economic Affairs**  
**African Union Commission**

*“Do some statistical science, quite useful when not overdo it» Honoré de Balzac*

*« Faire un peu de statistique, science assez utile quand on n'en abuse pas » Honoré de Balzac*

### INTRODUCTION

The world today is a world dominated by figures. Everything is measurable. All is measured. No sphere of activity escapes the grip of statistics. Things are happening as if all the actors of the socio-political economic life of the contemporary world are bound by statistics. Thus, all the actions taken by man are measured, just as his perception of the world around him. In such situation, the qualitative indicators such as business climate, morale of households, consumers, and the anticipation of households and entrepreneurs are identified and they play a key role in economic analysis, or in economic forecasts. Today, statistics, whatever their nature (quantitative or qualitative) constitute a major advantage in the knowledge of the world, in understanding social and societal phenomena, designing and formulating public as well as private policies, and understanding economic and political governance. From this viewpoint, the generation of comparable and viable statistics in time and space on regular basis is a sine qua non for all countries. Africa cannot therefore afford to overlook the logic of statistics if it wants to have control over its own destiny. It is thus obliged to make the promotion of statistics as one of its main priorities.

To monitor the implementation of the continental integration process embarked upon, the African Union recommends the use of harmonised and reliable statistics in all spheres and in the political, cultural and economic life of Africa. The generation of the statistics and their availability in time and space, is essential to governments, international organisations, companies, civil societies and even households for the formulation, monitoring and evaluation of policies and programmes, the management of public affairs, decision-making and the fixing of personal objectives. What is the African Union doing to promote statistics in Africa? Why should Africa have a Pan African Institute to oversee and promote the development of statistics at the national, regional and continental level? Before addressing these questions, it would be useful to point out why Africa of figures must replace Africa speeches or words.

### INTRODUCTION

Le monde d'aujourd'hui est un monde dominé par les chiffres. Tout se mesure. Tout est mesuré. Aucun domaine n'échappe à l'emprise de la statistique. Tout se passe comme si les statistiques s'imposent à tous les acteurs de la vie socio-économico-politique du monde contemporain. Ainsi tous les actes posés par l'Homme sont mesurés, de même que sa perception du monde qui l'entoure. Dans une telle perspective, les indicateurs qualitatifs comme le climat des affaires, le moral des ménages ou des consommateurs, les anticipations des ménages et des entrepreneurs sont identifiés et jouent un rôle central dans les analyses conjoncturelles, voire dans les prévisions économiques. Aujourd'hui, les statistiques, quelque soit leur nature (quantitative ou qualitative), constituent un atout majeur dans la connaissance du monde, dans la maîtrise des faits sociaux et des faits sociétaux, dans la conception et l'élaboration des politiques publiques comme privées, et dans la gouvernance économique et politique. De ce point de vue, la production des statistiques viables, continues et comparables dans le temps et dans l'espace s'impose à tous les pays comme un passage obligé. L'Afrique ne peut donc pas désobéir à la logique des statistiques si elle veut avoir la maîtrise de son destin. Elle a donc l'obligation de faire de la promotion de la statistique, une de ses priorités existentielles.

Le processus d'intégration continentale entrepris par l'Union africaine recommande, pour le suivi de sa mise en œuvre, l'utilisation de statistiques fiables et harmonisées dans tous les domaines et secteurs de la vie socio-économique, culturelle et politique de l'Afrique. La production de ces statistiques et leur disponibilité dans le temps et dans l'espace, est essentielle pour les gouvernants, les organisations internationales, les entreprises, la société civile et même les ménages pour la formulation, le suivi et évaluation des politiques et programmes, la gestion des affaires publiques, la prise de décision et la fixation des objectifs personnels. Que fait l'Union africaine pour promouvoir les statistiques en Afrique







## 1. Why should an Africa of words be replaced with an Africa of figures?

It is an open secret that statistics play an important role in the development of a nation. The importance of statistics in the life of the community or nation cannot be overemphasized. Proof of it is the omnipresence of figures in public debates in our era. Today, competition on the political landscape to conquer power is increasingly driven by figures to attract the suffrage of voters. In the countries of the North in particular, indicators such as unemployment, consumer price index, growth rates, budget deficit inundate news every day and also suffuse political discourse. The invasion of public space by statistics leaves citizens confused in the face of the plethora of figures, as if too many figures spoiled the figure. And this confusion gives rise to scepticism and mistrust, as it is often said "figures can be used to say all what one wants to say".

However, if the plethora of figures does not make sense, social and economic statistics are important yardsticks for citizens and politicians. "Without statistics society would become incomprehensible to citizens because each person would have a partial and limited vision of the economic and social realities. Statistics as measure and analysis of society make it possible to transcend this specific perception and to understand society as a whole" (DUPAYS S, 2008). Yes, with-

### Insight

"Without statistics society would become incomprehensible to citizens because each person would have a partial and limited vision of the economic and social realities. Statistics as measure and analysis of society make it possible to transcend this specific perception and to understand society as a whole"

out statistics, society would be difficult to understand and would also be ungovernable. To govern, you need to have relevant and solid data upon which analysis could be based. To effectively guide public choices, it is important to assess public policies, to know them and to assess their real impact. The decision-maker needs statistics to help him to imple-

? Pourquoi l'Afrique doit-elle se doter d'une structure panafricaine pour encadrer et impulser le développement de la statistique à l'échelle nationale, régionale et continentale ? Mais auparavant, avant de répondre à toutes ces interrogations, il s'avère utile d'indiquer pour quelles raisons l'Afrique des chiffres doit-elle se substituer à l'Afrique des discours ou des mots.

## 1. Pourquoi faut-il substituer l'Afrique des chiffres à celle des discours ?

C'est un secret de polichinelle que la statistique joue aujourd'hui un rôle moteur dans le développement d'une nation donnée. L'importance de la statistique dans la vie d'une Communauté ou d'une nation n'est plus à démontrer. En témoigne l'omniprésence des chiffres dans les débats publics de notre ère. Aujourd'hui, la compétition sur le marché politique pour la conquête du pouvoir se nourrit de plus en plus des chiffres pour s'attirer le suffrage des électeurs. Particulièrement, dans les pays du Nord, les indicateurs comme taux de chômage, indice des prix, taux de croissance, déficit budgétaire, ... inondent tous les jours les médias et émaillent les discours politiques. L'invasion des statistiques dans l'espace public laisse trop souvent les citoyens démunis face à cette débauche de chiffres, comme si trop de chiffres tuaient le chiffre. Et cette incompréhension suscite un scepticisme et une méfiance ; car dit-on le plus souvent, « les chiffres, on peut leur faire dire tout ce qu'on veut ».

Toutefois, si le trop plein de chiffres perd de son sens, les statistiques économiques et sociales sont des points de repères indispensables aux citoyens et aux politiques. « Sans statistique, la société serait insaisissable pour le citoyen car chacun a une vision partielle et limitée des réalités économiques et sociales. La statistique, en tant que mesure et analyse de la société permet de dépasser cette perception particulière et accéder à une compréhension de l'ensemble de la société » (DUPAYS S, 2008). Oui sans statistique, la société resterait insaisissable, mais aussi ingouvernable. Pour gouverner, il faut disposer de données solides et pertinentes sur lesquelles fonde un diagnostic. Pour mieux orienter les choix publics, il est crucial d'évaluer les politiques publiques, d'en connaître et d'en mesurer les vrais effets. Le décideur a besoin de statistique pour l'aider à mettre en œuvre les politiques publiques et aussi pour les évaluer. Dans cette perspective, la Commission de l'UA appelle à substituer l'Afrique des chiffres à celle des mots ou des discours. Le rôle de la Statistique est donc crucial, dans la prévision économique qui, à son tour, est nécessaire à l'Etat pour piloter la politique économique et établir son budget, aux entrepreneurs pour adapter leur capacité de production à la demande, aux banques pour réaliser les meilleurs placements, aux ménages pour anticiper leur pouvoir d'achat, évaluer l'opportunité à faire des achats et





ment public policies and to evaluate them. To this end, the African Union Commission calls for the replacement of Africa of words or discourse with Africa of figures. The role of statistics is therefore important in economic forecast which, in turn, is needed by the state to enable it to implement economic policy and to prepare its budget, by entrepreneurs so that they adapt their production capacity to demand, by banks to guide them to invest in the most profitable products, by households to enable them to anticipate their purchasing power, assess the suitability of making purchases or changing jobs (DUPAYS S, Ibid). Thus, economic forecast for which statistics are indispensable, aims primarily at facilitating political decision.

## 2. How does the AU intend to address the challenges of statistics in Africa?

The generation of quality statistics on the continent is beset by many major recurring challenges which include the weak capacity of statistical services, lack of equipment and qualified personnel, the process of statistics generation which differs from one country to the other etc. To address these serious challenges, the Heads of State and Government of the African Union adopted two major instruments for the development and coordination of statistics generation on the continent namely, the African Charter on Statistics and the Strategy for the Harmonisation of Statistics in Africa adopted respectively on February 4, 2009 in Addis Ababa, and July 25, 2010 in Kampala. The two documents constitute the major reference framework for the development of statistics in Africa. In addition to the two historic documents, the African Union has recently approved the establishment of a Pan African Statistical Training Centre.

### 2.1 African Charter on Statistics

The Charter is the new legal coordination framework to regulate the development of statistics on the continent. It aims at achieving the following objectives:

- i) To serve as advocacy tool and instrument for statistics development on the continent;
- ii) To ensure improved quality and comparability of the statistics required to monitor the economic and social integration process in the continent;
- iii) To promote adherence to fundamental principles of production, storage, management, dissemination and use of statistical information in the African continent;
- iv) To contribute to enhancing coordination of statistical

pour changer de travail (DUPAYS S,ibid).Ainsi, les prévisions économiques dans lesquelles les statistiques sont indispensables, ont pour objectif premier de fournir une aide à la décision politique.

## 2. Comment l'UA entend-elle relever le défis de la Statistique en Afrique ?

La production des statistiques de qualité sur le continent reste confronter à plusieurs problèmes majeurs récurrents parmi lesquels figurent la faiblesse des capacité des instituts de statistique, le manque de moyen et de personnel qualifié, et la différence entre les méthodes de production statistique d'un pays à l'autre, etc. En vue de relever ces différents défis les chefs d'État et de Gouvernement de l'Union africaine ont adopté deux instruments majeurs pour le développement et la coordination de la production statistique sur le continent, à savoir la Charte africaine de la statistique et la Stratégie pour l'harmonisation des statistiques en Afrique (SHaSA) adoptées respectivement le 4 février 2009, à Addis-Abeba et le second le 25 Juillet 2010 à Kampala. Ces deux documents constituent les principaux cadres de référence pour le développement de la statistique en Afrique. En sus de ces deux documents de portée historique, l'UA vient d'adopter la création d'un centre de formation panafricain de la Statistique.

### 2.1 Charte africaine de la statistique

La Charte est le nouveau cadre juridique de coordination pour réglementer le développement des statistiques sur le continent. Elle vise les principaux objectifs suivants:

- i. Servir de cadre d'orientation et d'outil de plaidoyer pour le développement de la statistique en Afrique ;
- ii. Contribuer à l'amélioration de la qualité et la comparabilité des données statistiques ;
- iii. Renforcer la coordination des activités statistiques et favoriser l'harmonisation des interventions des partenaires afin d'éviter les duplications dans la mise en œuvre des programmes statistiques ;
- iv. Promouvoir le respect des principes fondamentaux de la statistique publique en Afrique ainsi que la prise de décision politique basée sur les faits ;
- v. Renforcer les capacités institutionnelles des structures statistiques africaines en assurant leur autonomie de fonctionnement et en veillant à





activities and statistics institutions in Africa, including coordination of partners' interventions at national, regional and continental levels;

- v) To build institutional capacity of Statistics Authorities in Africa, thus ensuring their autonomy in operations, while paying particular attention to adequacy of human, material and financial resources.

The African Charter on Statistics is based on six (6) major principles which must be applied by the members of the African Statistical System (ASS), African statisticians and all those who operate in the field of statistics in Africa. The principles are as follows:

### **Principe 1: Professional independence**

*[Statistics Authorities must be able to carry out their activities according to the principle of scientific independence, particularly vis-à-vis the political authorities or any interest group; this means that the methods, concepts and nomenclatures used in statistical operation shall be selected only by the Statistics Authorities without any interference whatsoever and in accordance with the rules of ethics and good practice].*

**Principe 2: Quality** [Quality statistics means being useful for a purpose in order to ensure the relevance of statistics].

### **Principe 3: Mandate for data collection and resources.**

*Mandate for data collection means the legal mandate to collect data for production of statistics. Resources mean adequate, stable and sustainable financing which must be provided by national governments.*

**Principe 4: Dissemination** [African statistics shall not be made inaccessible in anyway whatsoever. The concomitant right of access for all users without restriction shall be guaranteed by domestic law. Micro-data may be made available to users on condition that the pertinent laws and procedures are respected and confidentiality is maintained].

**Principe 5: Protection of individual data, information sources and respondents** [The protection of individual data, sources of information and respondents means that private life and confidentiality are guaranteed].

ce qu'elles disposent des ressources humaines, matérielles et financières adéquates.

La Charte africaine de la statistique s'articule autour de six (6) grands principes qui doivent être appliqués par les membres du Système Statistique Africain (SSA), les statisticiens africains et tous ceux qui travaillent dans le domaine de la statistique en Afrique. Ces principes sont les suivants :

**Principe 1 : Indépendance professionnelle.** [Les autorités statistiques doivent être en mesure de mener leurs activités selon le principe de l'indépendance scientifique, en particulier vis-à-vis des autorités politiques ou tout autre groupe d'intérêt, ce qui signifie que les méthodes, les concepts et nomenclatures utilisés dans les opérations statistiques doivent être choisis que par les autorités statistiques sans ingérence aucune et en conformité avec les règles d'éthique et de bonnes pratiques]

**Principe 2 : Qualité** [la qualité de la statistique signifie «utile pour un but» pour assurer l'utilité des statistiques].

**Principe 3 : Mandat pour la collecte des données et ressources.** [Mandat pour la collecte des données signifie que la responsabilité légale de collecter des données à des fins statistiques. Ressources signifie un financement adéquat, prévisible et durable devant être fournis par les gouvernements nationaux]

**Principe 4 : Diffusion.** [Les statistiques africaines ne doivent pas être rendues inaccessibles en aucune façon que ce soit. Ce droit d'accès pour tous les utilisateurs sans restriction doit être garanti par le droit interne. Les micro-données peuvent être mises à la disposition des utilisateurs, à condition que les lois et les procédures soient respectées et la confidentialité est assurée].

**Principe 5 : Protection des données individuelles, des sources d'information et des répondants.** [La protection des données individuelles, des sources d'information et les répondants signifie la vie privée et la confidentialité sont garanties].

**Principe 6 : Coordination et coopération.** [La coordination et la coopération signifient que les autorités statistiques travaillent ensemble et partagent leurs expertises pour assurer la synergie, l'unicité, la qualité et la comparabilité des statistiques dans les systèmes





**Principle 6: Coordination and Cooperation.** [Coordination and collaboration shall mean that Statistics Authorities work together and share expertise to ensure synergy, harmonization, quality and comparability of statistics within the African national statistical systems].

## Mechanism for the implementation, monitoring and evaluation of the Charter

**For the implementation, monitoring and evaluation of the Charter, a mechanism has been designed which focuses on the following:**

*At national and regional Level:* State Parties shall ensure the implementation of this Charter in their respective countries. States Parties shall ensure that the objectives and principles governing statistics at regional level are in conformity with this Charter. To this end, a self-evaluation questionnaire has been prepared and a peer review mechanism has been introduced to ensure that the principles of the Charter are implemented by national statistical systems. It is also envisaged to train the heads of national statistical service on leadership in modern statistical systems.

*At the continental level:* As the central coordination organ for implementation of this Charter, the African Union Commission will undertake the under-listed activities in collaboration with the members of the African Statistics System:

- i) Assisting States Parties in implementation of the Charter;
- ii) Coordinating measures geared to evaluating implementation of the Charter;
- iii) Undertaking robust advocacy for the development of statistics in Africa;
- iv) Ensuring that States Parties establish national funds for statistics development;
- v) Contributing to the promotion of a culture of statistics in cooperation with the entire membership of African Statistics System.

## 2.2 Strategy for the harmonization of statistics in Africa (ShaSA)

The main objective of ShaSA is to ensure the generation of harmonized and quality statistics in all aspects of political, cultural and socio-economic life so as to facilitate the process of integration and development of our continent. The main objectives are as follows:

*statistiques nationaux africains].*

## Mécanisme de mise en œuvre et de suivi-évaluation de la Charte

**Pour la mise en œuvre, le suivi et évaluation de la charte, un mécanisme a été mis en place et s'articule autour des points suivants :**

*Aux niveaux national et régional :* les États parties veillent à l'application de la Charte dans leur pays et à la conformité des objectifs et principes régissant la statistique au niveau régional avec la Charte. Pour ce faire un questionnaire d'autoévaluation a été élaboré et un dispositif de mécanisme d'examen par les pairs a été mis en place pour s'assurer que les principes de la charte sont mis en œuvre par les systèmes statistiques nationaux. Il est envisagé la formation des responsables des SSN sur le leadership dans les systèmes statistiques modernes.

*Au niveau continental :* en tant qu'organe central de coordination de la mise en œuvre de la Charte, la Commission de l'Union africaine entreprend en collaboration avec les membres du Système Statistique Africain, les actions suivantes :

- i. Assister les États parties dans la mise en œuvre de la charte ;
- ii. Coordonner l'évaluation de la mise en œuvre de la Charte ;
- iii. Faire un plaidoyer fort pour le développement de la statistique ;
- iv. Veiller à ce que les États parties mettent sur pied des fonds nationaux pour le développement de la statistique ;
- v. Contribuer à la promotion de la culture statistique.

## 2.2 La Stratégie d'harmonisation de la Statistique en Afrique (SHaSA)

L'objectif principal de la SHaSA est de générer des statistiques de qualité et harmonisées dans tous les domaines de la vie socioéconomique, culturelle et politique pour la bonne marche du processus d'intégration et de développement de notre continent. Les Principaux objectifs sont :

- i. produire des statistiques de qualité pour l'Afrique ;
- ii. coordonner la production des statis-






**Table : Specialized Technical Groups involved in the implementation of the Charter**

No	Specialized Technical Groups	Leader	Lead country to be determined	Composition (Other members)
01	STG-GPS: Governance, Peace & Security	AUC		ECA, AfDB, ACBF, RECs, Member States (MS)
02	STG-ES: External Sector (External Trade & Balance of Payments)	AUC		ECA, AfDB, ACBF, RECs, AFRISTAT, AFRITAC, MS
03	STG-MF: Money & Finance	AACB		AUC, ECA, AfDB, ACBF, RECs, AFRITAC, MS
04	STG-NA&P (AGNA): National Accounts & Price Statistics	AfDB		AUC, AfDB, ACBF, RECs, AFRISTAT, MS
05	STG-II&T: Infrastructure, Industries & Tourism	AfDB		AUC, ECA, ACBF, RECs, MS
06	STG-PFPS&I: Public Finance, Private Sector & Investments	AfDB		AUC, ECA, ACBF, RECs, AFRISTAT, AFRITAC, MS
07	STG-STE: Science, Technology & Education	AUC		AUC, ECA, ACBF, RECs, MS
08	STG-So: Demography, Migrations, Health, Human Development, Social Protection & Gender	ECA		AUC, AfDB, ACBF, RECs, AFRISTAT, MS
09	STG-Env: Agriculture, Environment & Natural Resources	ECA		AUC, AfDB, ACBF, RECs, FAO, MS
10	STG-CB (AGROST): Statistical Training	ECA		AUC, EAC, RECs, AFRISTAT, MS
11	STG - Informal Sector	AUC		AUC, AfDB, ECA, RECs, MS
12	STG - Classification	ECA		AUC, AfDB, AFRISTAT, RECs, MS
13	STG - Civil Registration and Vital Statistics	ECA		AUC, AfDB, AFRISTAT, RECs, MS
14	STG – Harmonization of Statistics	AUC	South Africa	AUC, AfDB, AFRISTAT, RECs, MS

Source: African Charter on Statistics





- i) to produce quality statistics for Africa;
- ii) to coordinate the production of quality statistics on governance, peace and security in Africa;
- iii) to build sustainable institutional capacity in the African statistical system;
- iv) to promote the culture of decision or policy making based on governance statistics.

## Implementation, monitoring and evaluation mechanism

The main technical groups established within the framework of ShaSA are presented in the table 2 below:

The specialized technical groups comprise statisticians and specialists of Member States, RECs, Pan-African organizations and other designated institutions.

AUC coordinates the implementation of the strategy and prepares annual implementation report which is submitted to the Committee of Directors General, the highest consultative body which discusses issues relating to the development of statistics on the continent. The Committee of Directors General sees to the monitoring of the full implementation of the strategy as well as the implementation of the Charter and reports to the Conference of Ministers of Finance and Economic Development and to the Assembly of Heads of State and Government. Each working group prepares and sees to the implementation of a sector based action plan. The working groups also prepare an annual report which is examined by the Committee of Directors General.

## 2.3 Pan-African Statistical Training Centre

The shortage of qualified statisticians in Member States have often been raised in evaluations carried out within the framework of the progression of National Strategies for the Development of Statistics (NSDS), regional and continental statistics capacity building programmes. The analysis clearly shows that there is acute shortage of qualified statisticians in African States and even in regional and continental organisations. It is therefore important to build the capacity of African statistics to produce qualified statisticians who would be capable of generating quality statistics in all aspects of socio-economic life and who would be able to cope with the demand for statistics arising from emerging challenges.

tiques de qualité  
sur la gouvernance, la paix et la sécurité en Afrique ;

- iii. développer une capacité institutionnelle durable pour le système statistique africain ;
- iv. Promouvoir une culture de la décision ou de politique basée sur les statistiques de gouvernance.

## Mécanisme de mise en œuvre et de suivi et évaluation

Les principaux groupes techniques formés dans le cadre de la SHaSA sont contenues dans le tableau 2: ci-dessous :

Les groupes techniques spécialisés réunissent les spécialistes et les praticiens des Etats membres, des CER, des organisations panafricaines et d'autres organisations désignées.

La CUA assure la coordination générale de la mise en œuvre de la Stratégie et prépare un rapport annuel de mise en œuvre qui est soumis au Comité des DG, la plus haute instance de dialogue où les questions liées au développement statistique sur le continent sont discutées. Le Comité des DG veille au suivi de la mise en œuvre intégrale de la stratégie ainsi que la mise en œuvre de la charte et fait rapport à la Conférence des ministres des finances, du plan et du développement économique et au Sommet des Chefs d'Etat et de Gouvernement. Chaque groupe de travail prépare et assure la mise en œuvre d'un plan d'action sectoriel. Il prépare également un rapport annuel qui est examiné par des Comités des DG.

## 2.3 Centre de formation Panafricain de la Statistique

Le déficit de statisticiens qualifiés dans les États a été maintes fois relevé par les évaluations faites dans le cadre de l'élaboration des stratégies nationales pour le développement de la statistique (SNSD), des programmes de renforcement des capacités statistiques aux niveaux régional et continental. Le diagnostic montre clairement l'absence de statisticiens qualifiés au niveau des États africains et même dans les organisations régionales et continentales. Il s'avère donc important de renforcer les capacités du système statistique africain en statisticiens qualifiés afin de le rendre capable de produire des statistiques de qualité sur l'ensemble des domaines de la vie socioéconomique et faire face à la demande en statistique liée aux défis

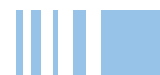



**Tableau : Groupes Statistiques spécialisées portant sur la mise en œuvre de la Charte**

No	Groupes Techniques Spécialisés	Chef de file	Pays chef de file (à déterminer)	Composition (Autres membres)
01	GTS-GPS. Gouvernance, Paix & Sécurité	CUA		CEA, BAD, ACBF, CER, Etats membres
02	GTS-ES. Secteur extérieur (Commerce extérieur et balance des paiements)	CUA		CEA, BAD, ACBF, CER, AFRITAC, Etats membres
03	GTS-MF. Monnaie & Finances	AACB		CUA, CEA, BAD, ACBF, CER, AFRITAC, Etats membres.
04	GTS-NA&P (AGNA). Statistiques des comptes nationaux et des Prix	BAD		CUA, CEA, ACBG, CER, AFRISTAT, Etats membres
05	GTS-II&T. Infrastructure, Industries & Tourisme	BAD		CUA, CEA, ACBF, CER, Etats membres
06	GTS-PFPS&I. Finances publiques, Secteur privé et investissements	BAD		CUA, CEA, ACBF, CER, AFRISTAT, AFRITAC, Etats membres
07	GTS-STE. Science, Technologie & Education	CUA		CUA, CEA, ACBF, CER, Etats membres
08	GTS-So. Démographie, Migrations, Santé, Développement humain, Protection sociale & Genre	CEA		CUA, BAD, ACBF, CER, Afristat, Etats membres
09	GTS-Env. Agriculture, Environnement & Ressources Naturelles	CEA		CUA, BAD, ACBF, CER, FAO, Etats membres
10	GTS-CB (AGROST). Formation statistique et Renforcement des capacités.	CEA		CUA, BAD, CER, Afristat, Etats membres
11	GTS-Emploie et Secteur Informel	CUA		BAD, CEA, CER, Etats membres
12	GTS-Classification	CEA		CUA, BAD, Afristat, CER, Etats membres
13	STG- Statistiques sur les faits d'état civil	CEA		CUA, BAD, AFRISTAT, CER, Etats membres
14	STG- Harmonisation statistique	CUA	Afrique du Sud	CUA, BAD, Afristat, CER, Etats membres

Source : Charter africaine de la Statistique (2009)





## Insight

There is acute shortage of qualified statisticians in African States and even in regional and continental organizations. It is therefore important to build the capacity of African statistics to produce qualified statisticians...

In addition to the deficit of qualified personnel, there is also the issue of cultural difference in the organisation of national statistics systems and the fact that the certificates awarded by the different education systems (Anglophone, Francophone, Lusophone etc.) are not recognised by other countries. Furthermore, the system for generating statistics differs from one country to the other, thus limiting the mobility of African statisticians and impacting negatively on the effectiveness of the coordination and harmonisation of statistics.

It is to address these shortcomings that the Heads of State and Government adopted a decision (Assembly/AU/Dec.424 (XIX) in July 2012 mandating AUC to build, in collaboration with ECA and AfDB, the capacities of national and regional training centres, and work towards the establishment of a Statistics Training Centre for Africa.

The project aims at establishing a world class centre of excellence capable of training a critical mass of highly qualified statisticians. The establishment of the school is also to enable the definition and implementation of a policy on the training and management of human resources necessary to enable our continent to have experienced statisticians capable of generating comprehensive, relevant, and quality statistics in time, and based on harmonised concepts using information and communication technology. Furthermore, the school will make it possible to break down the language barrier and address the difference between the systems for generating statistics inherited from the colonial era and which still exist in Member States (Anglophone, Francophone, Lusophone etc). It will contribute significantly to improve coordination and harmonisation of statistics in Africa. The school will be part of the Pan-African University.

A cela s'ajoute la différence culturelle dans l'organisation des systèmes statistiques nationaux dans les pays et le fait que les diplômes obtenus dans les différents systèmes éducatifs (anglophone, francophone, lusophone, etc.) ne sont pas reconnus dans certains autres systèmes éducatifs. De plus, les systèmes de production diffèrent d'un système à l'autre rendant limité la mobilité des statisticiens africains et impacte négativement l'efficacité de la coordination et de l'harmonisation statistique.

C'est pourquoi, les Chefs d'Etat et de Gouvernement ont par ailleurs pris une décision (Assemblée/AU/Dec.424(XIX), en juillet 2012 mandatant la CUA, en collaboration avec la CEA et la BAD, de renforcer les capacités des centres nationaux et régionaux de formation, et d'œuvrer à la création d'un Centre de formation statistique pour l'Afrique.

L'objectif de ce projet est de bâtir une école de référence de classe internationale capable de former une masse critique de statisticiens de haut niveau. La création de l'école vise également à définir et à mettre en œuvre une politique de formation et de gestion de ressources humaines nécessaires pour permettre à notre continent de disposer des statisticiens chevronnés capables de produire des statistiques de qualité, pertinentes, complètes, et diffusées à temps, basées sur les concepts harmonisés en utilisant les nouvelles technologies de l'information et de la communication. De plus, l'école permettra de mettre fin à la barrière linguistique et remédier à la différence entre les systèmes de production statistique hérités de la colonisation et qui existent présentement dans les pays (anglophones, francophones, lusophones, etc.). Cela contribuera à améliorer significativement la coordination et l'harmonisation des statistiques en Afrique. L'école sera partie intégrante de l'Université panafricaine.

### 3. Pourquoi l'Afrique doit-elle se doter d'une structure Panafricaine pour le développement de la statistique?

Réussir l'intégration économique et politique de l'Afrique s'impose aujourd'hui comme la première des priorités de l'Union africaine. C'est pourquoi, elle a fait de l'approfondissement du processus d'intégration un des axes privilégiés de ses actions. Pour ce faire, depuis 1963, date de la création de l'Organisation de l'Unité Africaine, jusqu'à nos jours, plusieurs initiatives ont vu le jour pour booster ce processus.

Au nombre de celles-ci figure principalement le traité d'Abuja, adopté en 1991 et entré en vigueur en 1994, qui est perçu comme la feuille de route majeure, voire le tableau de bord consensuel qui non seulement comporte des étapes décisives, mais







## Insight

The Abuja Treaty, like the other initiatives, involves activities that demand reliable and comparable statistics which must constitute the basis of the African statistics system.

### 3. Why should Africa have a Pan-African institution for the development of statistics?

The attainment of economic and political integration of Africa has become the most important priority of the African Union. This is the reason why the Union has made the deepening of the process of integration one of the main planks of its actions. From 1963, the date of the establishment of the Organisation of African Unity, to date, several initiatives have seen the light of day to boost the process. Notable among the initiatives is the Abuja Treaty, adopted in 1991 and entered into force in 1994, which is considered as an important roadmap, or a consensus based performance chart which does not only include decisive stages, but also fixes specific deadlines in the integration process. The Abuja Treaty, like the other initiatives, involves activities that demand reliable and comparable statistics which must constitute the basis of the African statistics system.

Comparison, it is often said, can be misleading at times. In Europe the main architect or the key component of the European statistics systems is Eurostat which is the European Statistics Institute. In Europe statistics were compiled as treaties were approved (DUPAYS S). With the multiplication of treaties the need for statistics was felt in several sectors. However, the advent of the single market (Single Actin 1986) sharply increased demand for statistics, especially corporate statistics. The demand for statistics peaked following the economic and monetary union enshrined by the Maastricht Treaty of 1992. The control mechanisms relating to the Treaty, especially the Maastricht criteria based on GDP, public debt and public deficit, the stability and growth pact of 1997 increased the need for statistics. Prior to the

encore fixe des échéanciers précis sur le sentier du processus d'intégration. Le traité d'Abuja, tout comme les autres projets, comportent des activités qui nécessitent de disposer des statistiques fiables et comparables qui doivent constituer le fondement du système statistique africain.

Certes, comparaison n'est pas raison a-t-on coutume de dire. En Europe l'artisan principal, voire la pièce maîtresse du système statistique européen est Eurostat qui est l'Institut Statistique Européen. En Europe, la statistique s'est construite au fil des traités (DUPAYS S, Op. cit). Avec la multiplication des traités le besoin en statistiques s'est étendu à plusieurs domaines. Toutefois, l'avènement du marché unique (acte unique européen en 1986) a accru fortement la demande de statistique, surtout de statistiques d'entreprises. Un pic en demande de statistiques a été atteint avec l'union économique et monétaire, symbolisé pour le traité de Maastricht en 1992. Les mécanismes de pilotage liés à ce traité, notamment les critères de Maastricht fondé sur le PIB, la dette publique et le déficit public ; le pacte de stabilité et de croissance en 1997, ont renforcé les besoins en statistiques. Auparavant, les statistiques européennes se limitaient aux grands agrégats macro-économiques. Mais le pilotage de la politique monétaire par la BCE, a accru le besoin de statistiques de court terme portant sur, entre autres, l'activité, les prix, la situation des finances publiques et du marché de travail.

Par ailleurs, avec l'approfondissement de l'intégration, la nécessité de disposer des statistiques européennes comparables s'étend bien au-delà des indicateurs traditionnels. Ainsi, la Commission a-t-elle mis en place toute une série d'indicateurs structurels dont certains sont même difficiles à cerner.

L'Institut statistique européen, EUROSTAT, ne produit pas directement de statistique. Il rassemble celles produites par les Etats membres à travers les Instituts nationaux de statistique qui, de ce fait, doivent se plier à l'harmonisation des concepts et des nomenclatures, et à la production d'indicateurs spécifiques. En Europe, l'accroissement des besoins en statistiques dû à la floraison des traités a conféré à Eurostat un rôle stratégique dans l'approfondissement de l'intégration économique, voire même politique. La production d'indicateurs spécifiques qu'exigent le suivi et l'amélioration de la mise en œuvre des Traités, indicateurs qui vont au-delà de la statistique traditionnelle, fondent la raison d'être d'Eurostat.

A la lumière de ce qui précède, force est de reconnaître que l'Afrique doit tout mettre en œuvre pour constituer le chaînon manquant de son processus d'intégration. Toutes les initiatives fondatrices de son intégration requièrent des statistiques spécifiques





period, European statistics were limited to macro-economic aggregates. However, the supervision of monetary policy by ECB has increased the need for short term statistics which relate, among others, to economic activity, prices, the situation of public finances and the labour market.

Furthermore, with the deepening of the integration process, the need to have European statistics that are comparable goes far beyond traditional indicators. Thus, the Commission has introduced a series of structural indicators, some of which are difficult to define.

The European Statistical Institute, EUROSTAT, does not generate statistics. It collates those produced by Member States through national statistical services which, consequently, have to comply with the harmonization of concepts and nomenclature and the production of specific indicators. In Europe, the increased need for statistics fuelled by the multiplicity of treaties has conferred a strategic role on Eurostat in deepening economic and even political integration. The generation of specific indicators that the monitoring and improvement of the implementation of treaties demand, indicators that go beyond traditional statistics, constitute the justification of Eurostat.

In the light of the foregoing, one is obliged to admit that Africa must do everything to restore the missing link in its integration process. All the initiatives underpinning its integration require specific statistics that the traditional statistics system does not provide and cannot provide. These specific statistics must be generated by the African Institute of statistics that we propose to call "StatAfric". As the adage goes, "the dream of today is the reality of tomorrow". If establishing "StatAfric" is a dream, AU should accept to carry this dream and endeavour to translate it into reality. This is because Africa cannot continue to plan its future, prepare projects, monitor and evaluate them, build its future on the basis of statistical data provided by the external world. Generating statistics is an important part of the sovereignty of Africa. Failing to do this would mean accepting to surrender part of this sovereignty.

In spite of the interventions by various partners, quality comparable data on African countries, available in real time and generated by the African statistics system to respond to the needs of African integration are almost inexistent. Statistical definitions and concepts differ from one country to the other and/or from one region to the other, making comparisons difficult and generating aggregates that are of little relevance from the regional and/or continental perspective. Likewise, statistics on good governance, peace and security and on other sectors necessary for the monitoring of the political and socio-economic situation of countries which is the fundamental objective of the African Union are not gener-

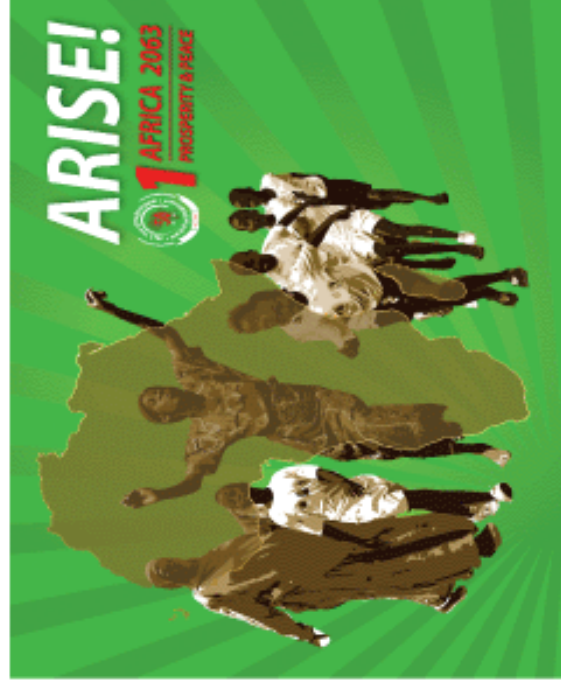
que le système statistique traditionnel ne fournit pas et ne peut pas fournir. Ces statistiques spécifiques doivent être produites par l'Institut africain de la statistique que nous suggérons d'appeler « StatAfric ». Comme le dit l'adage « le rêve d'aujourd'hui, constitue la réalité de demain ». Si créer « StatAfric » est un rêve, l'UA doit accepter de porter ce rêve et de mettre tout en œuvre pour le traduire dans la réalité. Car l'Afrique ne peut pas continuer de concevoir son avenir, d'élaborer ses projets, de les suivre et de les évaluer, de bâtir son avenir à partir des données statistiques fournies par l'extérieur. Produire ses propres statistiques, constitue aussi un pan important de la souveraineté de l'Afrique. Ne pas le faire, c'est accepter d'aliéner une partie de cette souveraineté.

## Insight

Le rêve d'aujourd'hui, constitue la réalité de demain ». Si créer « StatAfric » est un rêve, l'UA doit accepter de porter ce rêve et de mettre tout en œuvre pour le traduire dans la réalité.

Malgré toutes les interventions des différentes initiatives des partenaires, les données comparables de qualité sur l'ensemble des pays africains, disponibles à temps opportun et produits par le système statistique africain en vue de répondre aux besoins de l'intégration africaine, sont quasiment inexistantes. Les définitions et concepts statistiques différent d'un pays à l'autre et/ou d'une région à une autre, rendant les comparaisons difficiles et générant des agrégats sans une grande pertinence du point de vue régional et/ou continental. De même les statistiques sur la bonne gouvernance, la paix et la sécurité et plusieurs autres domaines nécessaires pour le suivi de la situation socioéconomique et politique des pays qui est un objectif fondamental de l'Union africaine, ne sont produites par aucune des institutions panafricaines. La création d'une institution panafricaine de statistique au sein de l'UA (appelé STATAFRIC) vient donc à point nommé pour répondre à tous ces besoins. La création de STATAFRIC permettra le renforcement des capacités du Système Statistique Africain en vue de la production des données com-





**Note:**

Any member state using the art works can change the slogans into their own local languages best suited to their target audiences.



"Our children may learn about the heroes  
of the past.

Our task is to make ourselves  
the architects of the future."

Jomo Kenyatta, first president of Kenya, 1981.



Note:

Any member state using the artwork can  
replace the pictures inside the African map,  
with their respective heroes and heroines  
and use their quotes like it is displayed here.  
Converting to local languages can also be  
effective to reach targeted audiences.





ated by any African institution. The establishment of a Pan-African Statistics Institute within AU (STATAFRIC) comes at the right time to address all these needs. The establishment of STATAFRIC will make it possible to build the capacity of the African statistics system to enable it to generate quality reliable and comparable data in real time. The peculiarity of this institution compared to existing ones lies in the fact that it will be able to address the demands of the African integration process according to the roadmap of the African Union. The objectives of the institution are as follows:

## Insight

The establishment of STATAFRIC will make it possible to build the capacity of the African statistics system to enable it to generate quality reliable and comparable data in real time.

parables de qualité, fiables et disponibles en temps opportun. La particularité de cette Institution par rapport aux autres institutions déjà existantes est de répondre aux besoins de l'intégration africaine selon la feuille de route de l'Union Africaine. Cette institution vise les objectifs suivants :

i. Coordonner la mise en œuvre de la charte africaine de la statistique et la stratégie d'harmonisation des statistiques en Afrique

- i) Coordinate the implementation of the African Charter on Statistics and the Strategy for the Harmonisation of Statistics in Africa (SHaSA);
- ii) Ensure the smooth operation of the African statistics system so as to ensure the availability of reliable and harmonised statistics needed for the monitoring of the African integration policies;
- iii) Make available to the African Union quality statistics needed for the preparation, monitoring and evaluation of programs, as well as statistics needed for decision-making in Africa.

### Furthermore, the institution will carry out the following activities:

- i) Carry out advocacy in favour of statistics at all levels;
- ii) Implement the African Charter on Statistics and a Strategy for the Harmonisation of Statistics in Africa (SHaSA) so as to enable the development of a reliable and comparable statistics on the continent;
- iii) Generate the required statistical data for the preparation, monitoring and evaluation of policies and programmes of the African Union within the framework of the integration process;
- iv) Coordinate statistics activity on the continent;
- v) Build the institutional and operational capacities of the African statistics system;
- vi) Contribute to the mobilisation of financing for the development of statistics in Africa.



(SHaSA)

- ii. Veiller au bon fonctionnement du système statistique africain en vue de disposer des statistiques harmonisées et fiables nécessaires pour le suivi des politiques d'intégration de l'Afrique ;
- iii. Mettre à la disposition de l'Union africaine des statistiques de qualité indispensables à l'élaboration, au suivi et à l'évaluation des

### Par ailleurs elle aura à assumer les missions suivantes :

- i. Faire le plaidoyer en faveur des statistiques à tous les niveaux ;
- ii. Mettre en œuvre la charte africaine de la statistique et la stratégie d'harmonisation des statistiques en Afrique (SHaSA) en vue du développement des statistiques comparables et fiables sur le continent ;
- iii. Produire les données statistiques nécessaires à l'élaboration, au suivi et à l'évaluation des politiques et programmes de l'Union africaine dans le cadre de la mise en œuvre du processus d'intégration ;
- iv. Coordonner l'activité statistique sur le continent ;
- v. Renforcer les capacités institutionnelles et opérationnelles du système statistique africain ;
- vi. Contribuer à la mobilisation du financement en faveur du développement de la statistique en Afrique.





## Conclusion

The development of statistics in Africa is one of the main contemporary challenges that African leaders need to address. To be able to overcome the challenge each State must have a national statistical service worthy of its name and which will form integral part of the national statistical system.

Thus, dynamic, efficient and developed National Statistics Institutes will constitute the backbone of the African Statistics Institute whose establishment is now a matter of urgent necessity. Yes, statistics have a bad reputation. This brings to mind the famous statement made by Churchill: "I only believe in statistics that I have falsified myself" (D Reveliin, 2008). Disraeli also added "there are three kinds of lies: lies, damned lies and statistics" (ref S DUPAYS 2008). In spite of the controversy that can be generated with statistics, it is an incontrovertible fact that they play an essential role in the design and formulation of private and public policies. D Revelin (2006) reminds us that if statistics do not provide an exact reflection of social reality, they are however useful for understanding social phenomena and for formulating public policies. Even if statistics are lies, Africa should be able to have control over its present situation and build its future with its own lies. From this perspective, StatAfric like Eurostat, is very important and, as a matter of fact, deserves to be established.

## Conclusion

Il convient de noter que développer les statistiques africaines s'impose aux leaders africains comme un des défis contemporains à relever. Pour y parvenir, chaque Etat a l'obligation de se doter d'un institut national de statistique digne de ce nom et qui constitue un segment de la clé de voûte du système statistique national.

Ainsi les Instituts nationaux de statistique, développés, performants et dynamiques constitueront le socle ou la colonne vertébrale de l'Institut statistique africain dont la création s'avère aujourd'hui comme une impérieuse nécessité. Certes les statistiques ont mauvaise réputation. Que l'on se rappelle de la célèbre phrase de Churchill : Je ne crois aux statistiques que lorsque je les ai moi-même falsifiées. » (D. Revelin, 2006) Et Disraeli de renchérir : « il y a trois sortes de mensonges : les mensonges, les sacrés mensonges et les statistiques » (cf. S. DUPAYS, 2008). En dépit des polémiques que l'on peut susciter autour des statistiques, force est de retenir que celles-ci jouent aujourd'hui un rôle essentiel dans la conception et l'élaboration des politiques publiques et privées. D. Revelin (2006 Op. cit) rappelle que si les statistiques ne peuvent donner un reflet exact de la réalité sociale, elles n'en demeurent pas moins indispensables pour la compréhension des phénomènes sociaux et l'élaboration des politiques publiques. Même si elles constituent un mensonge, l'Afrique doit maîtriser son présent et bâtir son avenir avec ses propres mensonges. De ce point de vue, StatAfric à l'instar d'Eurostat revêt toute son importance et tout son intérêt, et de facto mérite d'être créée.

## Bibliography

1. Revelin D (2006) "Can we trust social statistics? Economic Problems, June (p 41-48)
2. DUPAY S (2008) Deciphering social and economic statistics. DUNOD, Paris
3. African Union Commission (2009): African Charter on Statistics
4. African Union Commission (2010): Strategy for the Harmonization of Statistics in Africa

## Bibliographie

1. Revelin D. (2006) « Peut-on faire confiance aux statistiques sociales ? in Problèmes Economiques, Juin pp.41 – 48
2. DUPAYS S. (2008) : Déchiffrer les statistiques économiques et sociales. DUNOD, Paris
3. Commission de l'UA (2009) : La Charte africaine de statistique
4. Commission de l'UA (2010) : La stratégie d'harmonisation de la Statistique en Afrique.



# INTERNSHIP CONTRIBUTION

## **A Comparative Analysis of Pan African Institutions, the Commission of African Union, the Economic Commission for Africa and the African Development Bank: Objectives, Functions, Programmes, Achievements, Constraints and Perspectives.**

**BY BILLIE GETACHEW**

### **INTRODUCTION**

Africa, being one of the least developed continents in the world, faces a great challenge of coming out of deeply entrenched poverty, destitution and hopelessness. In addition to its relatively untapped resource potential, a number of institutions have been operating to help alleviate these prevailing conditions. Since the 1960s when African countries attained their independence, scholars have made direct or indirect references to the important role of institutions in development and suggested, in the context of the debates of the time, that the chief problem faced by the emergent countries of Africa in their quest to build democracy and development was the absence of “modern” institutions. The African Union commission (AUC), African Development Bank (AfDB), Economic commission for Africa (ECA), African Development Fund (ADF), Pan-African Institute for Development (PAID), Global Pan African Movement (GPAM) and so many other institutions were established with their own objectives, functions, programs, more importantly with a focus on African Development agenda. This study fully concentrates on the operations of the three Pan-African institutions; the African Union Commission, United Nations Economic Commission for African and the African Development Bank.

Multiple efforts by these organizations are committed towards the thorough development and unity of African countries. There is a renewed impetus to establish closer economic and political ties among the continent's numerous countries based on heightened understanding of past failures. With the existence of constant threats with challenges of development and globalization, the Pan-African institutions are ever more working hard in response to the emerging global order.

### **1.1 Historical Background of Pan-African Institutions**

In order to grow sustainably and crawl out of the extreme poverty it is in, Africa has no choice but to integrate into world economic and financial systems. The success of the Eu-

ropean Union (EU) since the 1950's bears a strong testimony to the potential benefits of regional integration. The concern of regional cooperation and integration predates independence.

The establishment of the OAU in 1963 by the newly emerging states was inspired by the determination to promote unity of African countries and coordinate their cooperation efforts for the achievement of improved living conditions for the people of the continent (Tessema, 2010). Over the last 50 years, the institutional framework for Africa's integration and developmental process has evolved through a number of phases in response to changing realities. The establishment of the African Union (AU) in 2001 constitutes the latest phase in the development of regional cooperation in the continent. All Pan-African institutions were established with the common intentions of promoting economic and social development and integration in Africa.

The historical foundations of the African Union originated in the union of African States, an early confederation that was established by Kwame Nkrumah in the 1960's, as well as subsequent attempts to unite Africa including the Organization of African Union was established in 1963. The OAU initiatives paved the way for the birth of the AU. The idea of creating the AU was revived in the mid 1990's. With the Sirte Declaration in 9th of September 1999, the AU was established with a general vision of an integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in global area. The main difference one can note between the OAU and the AU is that the OAU was distinctly a political union whereas the AU is involved with a variety of continental aspects ranging from economic and social to technological and environmental areas.

The AU secretariat, the African Union Commission, a key organ playing a central role in the day-to-day management, defends its interests and serves as a representative of the AU for it to achieve its objectives of political and socio-economic integration, peace and security, promotion of democracy, good governance and human rights, and defending the interests of





# Insight

All pan- African institutions were established with the common intentions of promoting economic and social development and integration in Africa.

the continent and its people. Among the structures similar to that of the AU, the African Development Bank Group, a multilateral development financial institution, is involved in the promotion of economic development and social progress in regional member countries (RMCs). The Bank is an international organization specialized in development issues, in fruitful partnership with its 53 African Regional Member Countries and 24 non-regional partners drawn from the Americas, Asia and Europe and a vast network of development institutions. It comprises of three distinct entities under management; the African Development Bank (AfDB, parent institution), African Development Fund (ADF), and the Nigeria Trust Fund (NTF). Established in 1964, the AfDB began operations in 1966 after 20 member countries subscribed to 65% of the bank's initial capital stock which was estimated at 250 million USD.

It has the overall objective to contribute to the economic development and social progress of its regional members, individually and jointly by contributing to poverty reduction efforts in RMCs by providing loans and grants to African governments and private companies in the RMCs and mobilizing resources to finance operations. Another institution that works hand in hand with the above two Pan African institutions for the support of economic and social development of its 53 member states is the United Nations Economic Commission for Africa. Established in 1958, ECA is one of the five regional commissions under the administrative directions of the United Nations Headquarters. As the regional arm of the UN in Africa, it is mandated to support the socio-economic progress, foster regional integration and promote international cooperation for Africa's development. It reports to the United Nations Economic and Social Council (ECOSOC).

There seems to be a misconception out there that the UN-ECA is originally a Pan-African institution. In fact, in reality it's primarily and mainly a UN agent. As principally a UN body, the ECA is not a true Pan-African institution but is adopted

and accepted as one, amongst the masses, due to its function and dedication to aid Africa's development and betterment. It has a dual character; it is a Pan-African organization and a UN body and is best known for its independent thinking. Its strength derives from its role as the only UN agency mandated to operate in Africa at both continental and regional levels and to harness resources and bring them to bear on Africa's development priorities as set out by the AU. In the last 50 years of existence, UNECA's interventions in Africa have included research and knowledge production; policy analysis, articulation, development and advocacy; convening stakeholder meetings and building consensus around key development issues and providing technical assistance and capacity building through advisory services to African countries and RECs.

## 1.2 The Need for Integration (Theoretical Framework)

As Toussaint (cited by Tessema, 2010) put it "development and underdevelopment must be the most overworked words of our age". With the growing dependency on western countries after gaining independence, African countries have been working on replacing it by a horizontal relationship between third world countries and especially between one another. Integration is something that these counties believe to be a driving force to solve the issue of underdevelopment. Plenty efforts and plans have been made to promote regional and continental integrations. And as stated in the previous section, it is a concern that unites all three Pan-African Institutions, which were established to partly contribute to and whose efforts are directly and indirectly directed towards this major goal in mind. It is for this reason that this section gives much attention to integration in Africa, as it is the building block for the establishment of these institutions and seemingly the main ticket out of poverty into a sustained developmental state. According to Haas (1971), regional integration is a process of combining separate economies into larger political communities. Generally, regional integration can be political, economic, social or cultural. Regional integration has been further defined by theorists as a process of peacefully creating a larger coherent political system out of previously separate units each of which voluntarily cedes some part of its sovereignty to a central authority and renounces the use of force for resolving conflict between members. Dr. Kwame Nkrumah on his speech about "The need for self-critical objective diagnosis" gave an early nudge towards the focus on integration:

If imperialists are faced with so many external and domestic difficulties, how often can they afford to step up their aggression in Africa? To answer this question, it is necessary to examine the internal factors which make our continent so vul-







# Insight

Regional integration has been further defined by theorists as a process of peacefully creating a larger coherent political system out of previously separate units

nerable to attack, and particularly to look closely at the question of African unity.

Sovereign states participate in regional integration for various reasons because they expect tangible benefits, whether political, economic or social. Politically, a country may participate in a regional scheme in order to bolster its military prowess, augment its political stature, and deter or wade off aggression from hostile neighbors. Similarly, countries may integrate so as to achieve economies of scale, optimally allocate scarce resources, and accelerate economic growth or to increase trade. Socially, countries may also participate in regional integration for socio-economic reasons, either to facilitate factor mobility or to stem the influx of immigrants from less affluent neighboring countries. In any case, participating in regional endeavors can plausibly increase the fortunes of the domestic economy.

**By definition, regional integration entails the coming together of two or more states, normally through reciprocal preferential agreements, based on one of more of the following successively more integrating cooperation arrangements:**

- Preferential Trade Area (PTA) or Agreement, where member states charge lower tariffs to imports produced by fellow member countries than they do for non-members;
- Free Trade Area (FTA), a PTA without any tariffs on fellow members' goods;
- Customs Union, an FTA using the same or common tariffs on imports from non-members;
- Common Market, a customs union with free movement of the factors of production;
- Economic Community, a single-currency common market or monetary union in which fiscal and monetary

policies are unified.

If political sovereignty is given up, an economic community becomes a federation or political union with common legislation and political structures.

Regional integration can foster competition, subsidiarity, access to wider market (via trade), larger and diversified investment and production, socio-economic and political stability and bargaining power for the countries involved. It can be multi-dimensional to cover the movement of goods and services (i.e. trade), capital and labour, socio-economic policy coordination and harmonization, infrastructure development, environmental management, and reforms in other public goods such as governance, peace, defense and security. However, integration can be complicated by perceived or real gains or losses among the members that may lead to disputes and a sense of "loss" of national sovereignty. For success, integration thus requires strong commitment in implementing the agreed arrangements, fair mechanisms to arbitrate disputes and equitable distribution of the gains and costs of integration.

The impetus for regional integration draws its rationale from the standard trade theory, which states that free trade is superior to all other trade policies. As an extension of this basic principle, therefore, free trade among two or more countries will improve the welfare of the member countries as long as the arrangement leads to a net trade creation. That is, though as the theory of the second best indicates, regional agreements do not guarantee an improvement in the welfare of member countries; they could do so provided the trade diversion is minimal and trade-creation tilts the balance.

Theoretically, and in practice, regional integration framework can be further discussed, on the basis of whether they entail the removal of trade barriers or the adoption of common policies. According to Brigid Laffan (1992) cited by Lanre-Olu, most-favored nation, free trade area, and customs union, which involve the elimination of trade barriers, are manifestations of "negative integration." Conversely, common markets and economic unions denote "positive integration," because they usually require institutional edification and policy coordination. It could, thus, be generalized that the more advanced the level of integration, the greater the incidence of positive integration.

Regional integration initiatives in Africa have a long history, dating back to the establishment of the South African Customs Union (SACU) in 1910 and the East African Community (EAC) in 1919. Since then, a number of regional economic communities (RECs) have been formed across the continent, particularly since the 1970s. Currently, there are about ten or so regional economic groupings in Africa. Today, there





is no country in Africa that is not a member of at least one regional economic group. As reflected in the number of regional agreements, both in the continent and worldwide, the issue continues to occupy a centre stage in the economic policy agenda of countries.

In addition to agreements at a regional level, attempts have also been underway to create economic integration (and ultimately meaningful economic union) among African countries at a continental level. This effort culminated in the signing of the African Economic Community Treaty (or the Abuja Treaty) in 1991, which came into force in 1994. Among the initial objectives of the treaty is to establish continent-wide economic integration by strengthening the existing (and encouraging the formation of new) RECs across the continent. Despite the unsatisfactory performance to date, there seems

## Insight

Regional integration can foster competition, subsidiarity, access to wider market (via trade), larger and diversified investment and production, socio-economic and political stability and bargaining

to have been a renewed momentum to invigorate the process of integration of African economies. This is reflected in the resurgence of political will expressed in the Abuja Treaty of 1991 and in the relatively recent formation of the African Union. Among others, first, formation and the strengthening of various regional blocks outside of Africa (in Europe, Asia and the Americas) seem to have forced African countries to reconsider the issue more seriously if they are to avoid further marginalization. Second, the realization by African countries (particularly the small ones) that their respective national markets are too small to provide the benefits of economies of scale and specialization. Third, the liberalization initiatives undertaken by almost all countries in Africa have also created a conducive environment to pursue an outward-looking economic policy, which encompasses economic cooperation in general and trade liberalization policy in particular. Whether these factors, among others, are sufficient to take the integration initiative to a higher level or not remains to be seen, but that they have created some optimism than ever before is

apparent.

## 1.3 Previous Efforts and Factors Hindering a Sound Integration in Africa

It may be a keen observation to the obvious to say that integration in Africa is a worn-out topic. African regional integration was a dream of many of the continent's leaders, and gave impetus to the creation of the Organization of African Unity (OAU) in 1963. Over the years, many other institutions were also established in Africa's different regions. But for the most part they did little to increase trade or other interactions amongst African countries.

African countries, in their quest for unity, economic and social development under the structures of the OAU, have taken various initiatives and made substantial progress in many areas which paved the way for the establishment of current efforts. Notable among these efforts, some identified by Soumana (2006), are:

- Lagos Plan of Action (LPA) and the Final Act of Lagos (1980): incorporating programmes and strategies for self-reliant development and cooperation among African countries.
- The African Charter on Human and People's Rights (Nairobi 1981) and the Grand Bay Declaration and Plan of Action on Human Rights.
- Africa's Priority Programme for Economic Recovery (APER) in 1985: an emergency programme designed to address the development crisis of the 1980s.
- OAU Declaration on the Political and Socio- Economic Situation in Africa and the Fundamental changes taking place in the World (1990); which underscores Africa's resolve to seize the initiative, to determine its destiny and to address the challenges to peace, democracy and security.
- The Charter on Popular Participation adopted in 1990; a testimony to the renewed determination of the OAU to endeavour to place the African citizen at the center of development and decision-making.
- The Treaty establishing the African Economic Community (AEC) – 1991; commonly referred to as Abuja Treaty, it seeks to create AEC through six stages culminating in an African Common Market using the regional Economic Communities as building blocks.
- The Mechanism for Conflict Prevention, Management





and Resolution (1993); a practical expression of the determination of the African Leadership to find solution to African problems.

- Cairo Agenda for Action (1995).
- African Common Position on Africa's External Debt Crisis (1997).
- The Algiers decision on Unconstitutional Changes of Government (1999) and the Lome216 Declaration on the framework for an OAU Response to Unconstitutional Changes (2000).
- The 2000 solemn Declaration on the Conference9+ on Security, Stability, Development and Cooperation; establishes the fundamental principles for the promotion of Democracy and Good Governance in the continent.
- Africa has also initiated collective action on the protection of the environment, in combating the HIV/AIDS pandemic, malaria and tuberculosis as well as a sundry other issues.
- The Constitutive Act of the African Union: adopted in 2000 at the Lome Summit
- 

## Insight

With a vision of "An integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in global arena", the African Union

The New Partnership for Africa's Development (NEPAD) adopted as a programme of the AU at the Lusaka Summit in 2001.

The various regional economic cooperation initiatives, while moving at different paces in terms of the implementation of the provisions of their respective treaties, are showing some progress, even if it is slow. Some of the main challenges relate to the lack of political will on the part of some governments to enforce the necessary reforms in their respective countries, including making the needed amendments to their laws and regulations and the workings of their institutions.

There are also challenges related to economic preparedness, as members of economic communities are not always as close economically as they are geographically. The idea of regionalism has to also be marketed at home, which is easier for some countries than others. According to the current assessment, a number of RECs continue to face challenges, particularly in the following areas: inadequate financial resources, lack of human resources, multi-membership of countries, duplication of mandates, insufficient cooperation between RECs, poor coordination and harmonization of policies, weak institutional infrastructure, and inconsistent policies of Pan African institutions. These significantly contribute to the slow progress towards regional and continental integration.

## 2. Objectives, Functions, Programmes, Strengths and Weaknesses of Pan African Institutions

### 2.1 The African Union Commission

The AUC, the main driving force for the unity of African countries, operates in a more general way and deals with broader aspects of the continent's issues. It develops the basic guidelines for which route the continent is to take towards its tough journey to development. All other Pan African institutions operate in accordance with the AU visions and priorities. As it can be seen earlier, the RECs and these other institutions have, more or less, very similar goals and the AUC serves as the framing institution. With a vision of "An integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in global arena", the African Union has shifted focus from supporting liberation movements in the former African territories under colonialism and apartheid, as envisaged by the OAU since 1963 and the Constitutive Act, to an organization spear-heading Africa's development and integration.

The mission of the Commission is to become "An efficient and value-adding institution driving the African integration and development process in close collaboration with African Union Member States, the Regional Economic Communities and African citizens". The Commission endeavours to fulfill its mission by developing clear goals and strategies and by committing the requisite resources for effective discharge of its mandate. This would require the AUC presenting specific proposals to give full effect to its texts, and bring new possibilities and benefits to the citizens of Africa.

The objectives of the Union as stated in article 3 of the Constitutive Act, are inter alia to achieve greater unity and solidarity; defend the sovereignty, territorial integrity and independence of its member states; accelerate political and socio-economic integration; promote and defend African common





positions; encourage international cooperation; promote peace, security and stability; promote and protect human and peoples' rights; uphold democratic principles and institutions, popular participation and good governance; establish the enabling conditions for Africa to play a meaningful role in the global economy and in international negotiations; and promote sustainable development and the integration of African economies.

Based on its recent four-year strategic plan of 2009-2012, these are the core functions of the Commission are to reduce conflicts and bolster continental peace and security (a centre piece of the vision and mission of the Commission), promote sustainable social, economic and human development; accelerate continental integration; promote good governance, democracy, human rights and gender equality as well as the protection of Africa's cultural heritage; strengthen cooperation with member states, civil society organizations, the Organs of the AU and partners; and improve the capacity, operational efficiency and effectiveness of the Commission.

Important instruments of integration such as the establishment of the African Central Bank, the African Monetary Fund and the African Investment Fund feature prominently in its institution building priorities. Included in its functions, are actions "to develop policies and strategies for the acceleration of economic integration; to coordinate the activities that relate to the promotion and development of the process of regional economic integration; and to mobilize resources for economic development and integration projects".

The Commission's strengths lie in its power to convene continental governments; evolve common continental positions on matters of interest, be they continental, international or global; set common standards and norms through legal in-

struments; formulate and implement continental policies and programmes in strategic areas of common interest such as peace and security, infrastructure, energy, etc.; articulate and coordinate common positions on matters of global interest; mobilize resources in support of continental policies, programmes and plans; and speak for all the governments and peoples of Africa.

The Commission acknowledges that it suffers from certain weaknesses which according to its Strategic Plan 2009-2012, can be summarized as manifesting themselves through its processes and systems, its inflexible structural arrangements, inadequate physical structure, unsupportive organizational culture and attitudes to work, lack of team work, administrative management and leadership challenges, a weak human resource base, poor image and branding, and serious financial resource inadequacies.

The different departments of the AUC carry out different tasks but they all carry in their mandates to coordinate, harmonize and facilitate all activities consolidating the process of integration and development like the remaining Pan African institutions. But in contrary, the AUC, through its Peace and Security Council has the power, among other things, to authorize peace support missions, to impose sanctions in case of unconstitutional change of government, and to "take initiatives and action it deems appropriate" in response to potential or actual conflicts. The PSC is a decision-making body in its own right, and its decisions are binding on member states. The AUC also has the mandate of political oversight and leadership over continent-wide programmes at political, economic, social and cultural levels. In other words, the AUC has a leading and coordinating position as compared with the other institutions and every programme by any other organ has to go within its framework. It is not primarily a research institution like the ECA, even though promoting and coordinating research and development initiatives and the dissemination of findings among Member States is one of its main operations. It is also not a primarily financing organization like the AfDB but is involved in mobilization of resources.

## Insight

The mission of the Commission is to become "An efficient and value-adding institution driving the African integration and development process in close collaboration with African Union Member States, the Regional Economic Communities and African citizens".

## 2.2 The African Development Bank

Currently based in Tunis, Tunisia after relocating from its headquarters in Abidjan, Ivory Coast because of instability there, the AfDB, during its forty years of operations, has financed 2,885 operations, for a total of \$47.5 billion (AfDB, 2010). In 2003, it received an AAA rating from the major financial rating agencies and had a capital of \$32.043 billion. The AfDB has four principal functions (Ibid 2010). First, it makes loans and equity investments for the economic and social advancement of the regional member countries (RMC). Second, it provides technical assistance for the preparation and execution of development projects and programs. Third, it pro-







# Insight

The largest share of AfDB lending goes to infrastructure projects, followed by multi-sector operations, which are usually loans for various policy reforms or general budget support for a government.

motes investment of public and private capital for development purposes. Fourth, it assists in coordinating development policies and plans of RMCs. The AfDB is also required to give special attention to national and multinational projects and programs which promote regional integration as is the case with the rest of the Pan African Institutions. The largest share of AfDB lending goes to infrastructure projects, followed by multi-sector operations, which are usually loans for various policy reforms or general budget support for a government. AfDB support for infrastructure, private sector development, and the extractive industries (particularly mining) is expected to increase over the coming years.

Regardless, AfDB is still a relatively small source development finance for Africa. According to the most recent figures, AfDB provides only 6% of total development assistance to the continent. It lacks the financial resources, the staff capacity and the range of staff skills and experience of the World Bank. While the AfDB's lending had not expanded significantly in past years, 2006 figures indicate that things may be changing. Between 2005 and 2006, the AfDB's lending increased by more than 30%. Over the same period, private sector operations doubled in value. The Bank is now positioning itself as the continent's leading development finance institution thanks to the adoption of a 2008-2012 mid-term development strategy (MDS) geared mainly towards core areas mentioned above. The AfDB provides African countries with ordinary (Bank) and concessional (Fund) loans, as well as with grants and technical assistance. In 2008, the AfDB approved 42 loans and grants, 28 loans totaling UA 1509.28 million and 14 grants totaling UA 13.57 million. Approvals increased in 2008, rising 8.4 per cent from UA 1.67 billion in 2007 to UA 1.81 billion in 2008 (Vinaye et al, 2011). From 2006–2008, most of the resources were invested in the focal areas of infrastructure, governance, private sector development, and regional Integration. Other focal areas included agriculture and food security, social and human development, gender

mainstreaming, environmental sustainability, and support to middle-income countries (MICs) and fragile states.

The African Development Bank, just like its Pan African counterparts, has played an important role in promoting intra-African trade through its Regional Integration Strategy centered on institutional capacity building and regional physical infrastructure. The AfDB's focus on trade facilitation is a natural complement to its growing role as a financier of regional transport infrastructure projects. It has been designated the lead agency to facilitate "NEPAD infrastructure initiatives". In North Africa, for example, the AfDB has actively intervened in a number of road and railways projects. The Tangiers Marrakech railroad project in Morocco (UA 375 million) represents the largest intervention to date by the bank (AfDB, 2011).

According to the 2011 AfDB report, in line with the Bank's 2008-2012 Medium Term Strategy, infrastructure has been a priority area of financing, absorbing over half of the Bank's resources (USD 6 billion in 2009). The energy sub-sector represents 57 percent of the Bank's infrastructure portfolio, signaling the Bank's commitment to tackling power outages and energy deficiency across Africa. Transport makes up another one-third. Although the Bank's approvals for infrastructure projects have considerably increased in recent years, they represent a small fraction of the estimated USD 93 billion annual financing required for closing Africa's huge infrastructure deficit. This means that the international donor community has a key role to play in meeting this challenge.

Private sector development is a key component of trade facilitation in Africa, where trade opportunities are often limited by lack of industrial diversification and low levels of private investment. The Bank is a fervent supporter of private sector development in Africa, and this is increasingly manifest in its operations. Gross approvals of private sector projects increased 22 percent in 2010 to USD 6.2 billion. Lending to the private sector is expected to increase faster public sector lending during the current decade. Financial services have absorbed about 60 percent of the private sector portfolio, reflecting the general view that financial deepening is critical to industrial growth and private sector development in Africa, especially through small and medium enterprises (SMEs).

According to the Multilateral Organization Performance Assessment Network (MOPAN), an informal network of 15 donor countries, survey done on the African Development Bank in 2009, the Bank's strengths include:

- Decisions of allocating concessional aid funding





- Monitoring external results
- Contributing to policy dialogue allocation decisions
- Financial accountability
- Organization-wide strategies are based on a clear mandate. (Corporate focus on results) And the identified key areas of improvement include:
  - AfDB needs greater flexibility and efficiency in the procedures that it uses – adapting better to local conditions and capacities.
  - Focus on thematic priorities; there is a need for greater emphasis on thematic priorities such as gender equality and environmental protection. AfDB's focus on good governance, a focal area in the Bank's Medium Term Strategy, is viewed as much stronger than that of the integration of gender equality and, to a lesser extent, environmental protection as a real weakness of AfDB.
  - Managing human resources; In particular, country donors see a need for the AfDB to keep international staff in country offices long enough to maintain effective partnerships and suggest a need for the AfDB to strengthen the transparency of its systems for recruiting and rewarding staff.
  - Using performance information; Evidences suggest that there is room for the Bank to improve in this area; it is noted that there is need for better tracking of the implementation of evaluation recommendations reported to the Board and a need for the AfDB to better manage 'unsatisfactory' activities. Partners on the other hand, provide a more positive view on its practices in this area.
  - Using country systems: it is indicated that the AfDB needs to better use government systems for national procurement and to reduce the use of PIUs that run in parallel to government.
  - Delegation of decision making: the ability to propose loan activities locally is indicated as an area for improvement.

## 2.3 The United Nations Economic Commission for Africa

As the only UN agency mandated to operate at the regional and subregional levels, its ability to harness resources and bring them to bear on Africa's priorities reflects ECA's leader-

ship role in coordinating UN inter-agency support to NEPAD. ECA's mission is aligned with the priorities of NEPAD and the AU as its mandate is to assist the AU with its priorities. It has a supportive role. Particularly, ECA focuses on developing capacities and managing knowledge towards achieving regional integration and meeting Africa's special needs. The AfDB and the African Institute for Economic Development and Planning operate within the framework of the ECA, as it in turn operates in line with the agenda of the AU. The Commission is essentially a research organization, dealing with all aspects of economic and social development in Africa with the objective of helping to harmonize national policies in various sectors in support of integration efforts and to strengthen the RECs as building blocks of the AU. ECA, contrary to the AfDB, whose main operations include of financing and loaning, operates in terms of service lines, namely knowledge generation, sharing and networking, advocacy and consensus-building, and advisory services and technical cooperation.

**Knowledge Generation, Sharing and Networking:** ECA plays an important role in fostering the generation and sharing of knowledge products from within the Commission and, increasingly, also from other partners on the continent and outside on critical development issues. ECA undertakes research and policy analysis in order to support informed decision-making and policy formulation to better meet Africa's development challenges. In that context, building on its successful experience with Poverty Reduction Strategies, the ECA plans expand its peer learning activities to other areas. It continues to publish the following cross-cutting flagship reports: Economic Report on Africa (ERA); African Governance Report (AGR); Assessing Regional Integration in Africa (ARIA). Supporting the African Peer Review Mechanism (APRM); African Women's Report (AWR) and; the Sustainable Development Report on Africa (SDRA). Other publications include demand-driven studies, policy papers and monographs on specific topics. ECA will also continue to organize workshops at the subregional level to enable sharing and dissemination of experience.

**Advocacy and Consensus Building:** The Commission serves as a catalyst for African development activities through its efforts at advocacy and consensus building among member States. ECA assists member States and the many organizations on the continent that have common goals to coordinate efforts and enhance coherence in their support to African countries and major intergovernmental organizations. Consensus-building extends to the formulation of common positions on important global issues and thus to the moulding of Africa's "voice" on such issues. Conferences and major meetings, including ECA Conference of African Ministers of Finance, Planning and Economic Development, the African Development Forum and the Big Table, are the most successfully employed means for outreach.





Advisory Services and Technical Cooperation: ECA assists member States, regional economic communities (RECs) and other major regional and subregional organizations in developing their capacities to design and implement development policies and through technical cooperation. The key modality for delivery of this service is the provision of demand-driven advisory services including at the subregional level, as well as workshops and seminars. ECA will move some of its regional advisors to its subregional offices (SROs) thus bringing them closer to the client.

The main functions of the ECA include the study of problems of the economic and social development of the African countries, the promotion of the economic development of the African states, and the strengthening of their economic relations both with one another and with other countries. The Commission makes recommendations and offers advice to its members on matters falling within its competence and carries out appropriate studies and compiles surveys, reports, and other types of information. All its efforts are directed towards the achievement of these outcomes; progress towards achieving the MDGs, including poverty eradication and gender equity, development of priority productive sectors, development of ICT and participation in knowledge economy, stronger institutions, strengthened and networked Centres of Excellence, improved macro-economic policies and economic governance, increased integration into the global economy, improved statistical capacity of member states, trade, finance and economic development, food security and sustainable development, governance and public administration, economic cooperation and regional integration, gender and women development, social development, knowledge management and sharing, and stronger sub regional activities for development.

Although operating in different way, the ECA has very similar goals with the other Pan African institutions. ECA's role is consistent with and complementary to those of the AU and AfDB and such cooperation among the three continental institutions will be further enhanced by the revival of their joint secretariat. In addition to advancing the debate on integration, ECA provides substantial support directly to integration institutions such as the AUC and the RECs. This included technical contributions and support across sectors and, in the particular case of the RECs, the adoption of multi-year programmes of support (MYPs). Despite this, the identified challenges faced by ECA are inadequate involvement by member states and other stakeholders in priority setting as well as the work of ECA, need to build more on its capacity to ensure effective programme performance assessment and the continued limitation in the dissemination and knowledge sharing.

### 3. Focal Areas of Developmental Activities

**3.1 Regional Integration:** The AUC operates and focuses on the continental as well as regional aspects of integration. It has the mandate to take political integration programmes in addition to economic and social integration. It also works on rationalization and harmonization of RECs. ECA, on the other hand, supports this effort by participating in debates, promoting trans-boundary cooperation and supporting other regional integration institutions through Multi Year Programme. Major reports like the African Integration Review II and III can be notable among other efforts. Similarly, AfDB's lending concentrates on infrastructure development (transport, energy, water, and ICT) between RMCs. For instance, according to the medium term strategy's mid-term review, 14% of the Bank Group's lending in 2010 went to this area. Non-lending activities included the approval of a Regional Integration Strategy and launch of a Regional Integration Strategy Paper.

**3.2 Food Security and Agriculture:** The African Union Commission is involved in this area by promoting agricultural development and food security through the CAADP. The 2003 African Union (AU) Maputo Declaration directed all AU member countries to increase investment in the agriculture sector to at least 10% of the national budget by 2008. ECA is involved by a more regional approach by development of regionally coordinated value chains of selected strategic food and agricultural commodities while improving infrastructure, water management, storage, and trade related capacities for access to local and regional markets is the focus of AfDB. In 2010, approximately UA 178 million has been channeled to the agri-business and forestry sector.

**3.3 Peace and Security:** Peace and Security remains a key strategic issue for the African Union. The AUC is a more prominent agent in peace and security of Africa as compared to its contemporary Pan African institutions. It has a mandate to lead peace and security programmes and can move into conflicts. It promotes the Common African Defense and Security Policy (CADSP) and programmes on Post Conflict Reconstruction and Development (PCRD). On the contrary, ECA assumes the supporter position by providing technical assistance in peace and security to AU, primarily, RECs and member states. In relation to this, the African Development Bank established the Fragile State facility and its implementation arm in 2008 with a resource envelope of UA 648 million to assist eligible states to consolidate peace and stabilize their economies.

**3.4 Infrastructure and Transport:** As its priority area and being a spearhead of infrastructural activities in the continent, AfDB investments made regarding any developmental







activity are directly or indirectly linked with infrastructure. By 2010, investments in infrastructure operations represented 60.4% of the Banks total investments with 39% out of it going to transport (AfDB, 2011). ECA, furthermore, assisted in transport by preparing a framework for monitoring the implementation of recommendations in the Accra Declaration on Road Safety. AUC's involvement can be manifested through PIDA (Programme for Infrastructure in Africa).

### 3.5 Institution and Capacity Building:

AUC is the vehicle which coordinates Africa's integration and development as developed and owned by Member States. It is strategically placed to promote the building of institutions and capacities for the continental integration and development agenda. The Commission harmonizes Member States' decisions and translates them into action plans to be implemented through/by Member States and the RECs. Correspondingly, ECA supports institution building efforts and technical capacity of AUC.

### 3.6 Good Governance:

In addition to its stronghold in peace and security mission which promotes good governance, AUC is also aims to strengthen and facilitate the development of coordinated continental human right promotion and protection by developing Africa-wide Humanitarian Policy. ECA supports this process through its African Governance Reports used by governments, policy makers, intellectuals, civil society organizations, etc. It also participated in increasing the partaking of different countries in signing of UN and AU anti-corruption schemes. In its capacity as a strategic partner in the implementation of the African Peer Review Mechanism (APRM), ECA will continue to provide technical support services to the process. Likewise, AfDB participates in this procedure by funding. According to the Mid-term Review of its Medium Term Strategy, the Bank channeled UA 3.06 billion.

### 3.7 Gender Equality:

Gender equality is also one of the objectives of the Commission of African Union to promote youth and women empowerment. The African Union has declared 2010-2020 as African Women's Decade. ECA and partners devoted the sixth session of the African Development Forum to launch an Africa-wide campaign to eliminate violence against women. It is as a result of ECA's support that many African Countries have developed gender policies, as well as adopted the Convention on the Elimination of all forms of Discrimination. Regarding this field, the AfDB also undertook gender assessments in poverty reduction, health and education projects and a multinational study on gender responsive budgeting.

### 3.8 Environment and Climate Change:

One distinguished progress in this area was the joint collaboration of the AUC, ECA and AfDB to establish the African

Climate Policy Centre and the Climate Information for Development in Africa Programme (Clim-Dev Africa). In 2010, AfDB created the Energy Environment and Climate Change Department. In 2009, it had also approved the Climate Risk Management and Adaptation (CRMA) and undertook a preliminary assessment of 206 projects approved since 2007 to assess their exposure to climate risks.

### 3.9 Trade and Private Sector Development:

Promotion of private sector development partnerships is a point of focus of all three Pan African Institutions. Investment and implementation of private-public partnership (PPP), development and implementation of programmes on African private sector, informal economy and competitiveness and an investment of UA3.4 billion in 2008-2010 are actions being taken by ECA, AUC and AfDB respectively. Intra-African trade is also a major point of concern for these institutions. Boosting Intra-African trade was the theme in the 2012 AU heads of state summit and multiple efforts are put into it. ECA and its Trade Policy Centre helped to establish the Pan African Alliance on E-Commerce. It also assisted in implementation, monitoring and review of the Aid for Trade Initiative. The African development Bank contributes to this in terms of infrastructure investments to enhance trading amongst African countries. Moreover, an alliance with the Global Coalition for Electronic logistics was recently secured by the AUC and this action is believed to highly support African SMEs by providing an up-to-date soft infrastructure which gives full and transparent trading data and facilitates an open trading platform online for free. The usual trading process is anticipated to be simplified and this agreement is assumed to give light as to where core hard infrastructures should be given

## Insight

Boosting Intra-African trade was the theme in the 2012 AU heads of state summit and multiple efforts are put into it. ECA and its Trade Policy Centre helped to establish the Pan African Alliance on E-Commerce.

attention to.







### 3.10 Relationship with RECs:

The AUC has direct linkage to the RECs and many programmes dedicated to the support of RECs. It also promotes convergence of RECs' programmes through the implementation of the Minimum Integration Programme. ECA provides support to RECs through its Sub Regional Offices based on established sub-regional priorities and initiatives. AfDB relates with the RECs through its regional integration strategies.

### 3.11 Knowledge Initiatives and Education:

Knowledge management and development is one of ECA's strongest suits. It built and launched several knowledge networks such as the United Nations support to AU/NEPAD Regional Consultation Mechanism, 'Observatory on Regional Integration' knowledge network and a knowledge network. In collaboration with AfDB, ECA organizes the African Economic Conference. Furthermore, AfDB's flagship publications include African Development Report, Selected Statistics on African Countries, African Economic Outlook and jointly with the World Bank and World Economic Forum, the African Competitiveness Report. With regard to education, the Bank approves the HEST (higher education, science, technology and vocational training) strategy which targets the provision of infrastructure (buildings and equipment) for centres of excellence, deepening of knowledge on the linkage between employment, youth and skill development, and employment sector reforms. Approved projects linking HEST to production sectors since 2008 totaled UA 227 million. Also, AUC aims to develop and sustain human capabilities through increased access to education.

### 3.12 ICT, Science and Technology:

Multiple countries in Africa get support from ECA in developing comprehensive national information and communications infrastructure plans and sectoral e-strategies. And as part of Science for Africa Initiative, ECA launched an African Innovation Endowment Fund. The Commission of African Union is also working on platform for knowledge sharing and collaboration created through a strengthened ICT. ICT took 2.7 % of AfDB's infrastructural plots for regional integration since 2008. In the ICT sector, priority has been given to broadband and backbones infrastructure that connect countries to one another and to the rest of the world.

### 3.13 Statistical Development:

The African Centre for Statistics was established to strengthen the role of ECA in enhancing statistical capacity of member states, improving economic management and tracking progress towards MDGs. AUC similarly has in its mandate to develop and implement programmes to strengthen statistical data collection, analysis and dissemination capabilities of Member States and RECs. In addition, it coordinates research and development initiatives and dissemination amongst member states. Furthermore, there is a joint publication of the African Statistical Yearbook by the AUC, AfDB and ECA. Regardless, there seems to be a problem in comparing the statistical figures among countries as terms of living, conditions and other variables diverge considerably from one country to the other. AUC is currently proposing an apt plan of action with a term of reference to solve this issue. There needs to be a standard way of comparison in order to ease this difficulty.

### 3.14 Migration:

AUC is highly concerned with policies and programmes on migration and combating human and drug trafficking. ECA

Table 1

Stage 3 Abuja Treaty*	AMU	CEN-SAD	ECOWAS	ECCAS	COMESA	EAC	IGAD	SADC
Free Trade Area	No progress	In progress	Established	Created and in force	Established	Established	In Progress	Launched
Customs Union	No progress	No progress	Amidst implementation process	Pro-posed for 2012	Launched	In full force	No progress	Proposed for 2012

\* Stage three of the Abuja Treaty requires the establishment an FTA according to a timetable for the gradual removal of tariff and non-tariff barriers to intra-community trade and the establishment of a customs union by means of adopting a common external tariff.





supports such a scheme by the International Migration and Development Report.

### 3.15 Industrialization, Energy and Mining:

In collaboration with the AUC and UNIDO, ECA organizes and surveys the biennial Conference of African Ministers of Industry (CAMI). AUC's promotion to industrialization emphasizes value addition. With regards to mining, AfDB is directly involved with financing whereas ECA supports with study groups and study tours. The International Study Group for Mining and a study tour for energy experts from existing power posts as well as AUC and RECs are notable ones.

### 3.16 Sports, Culture and Social Welfare:

AUC has the continental reach and mandate of fifty-three Member States to coordinate and promote policies and programmes on sports and the development and promotion of cultural and creative industries.

### 3.17 Continental and Global Cooperation:

With its strategic position to convene continent-wide operations and pass decisions, AUC promotes the growth of intra-African cooperation, establishes global strategic partnerships for Africa. Moreover, it furthers African common positions in multi-lateral and regional forums including WTO and EPAs negotiations.

## 4. Impediments to Meeting African Developmental Objectives:

**With Respect to Development:** The maintenance of an environment of peace and security is one of Africa's foremost challenges, as violent conflict remains a major obstacle to development in several parts of the continent. In addition to this imperative, there are four major challenges that need to be addressed. These are achieving the MDGs by building and promoting strategies to promote sustainable and equitable growth; pursuing regional integration to overcome the limitations of Africa's small and fragmented economies; integrating Africa in the global economy in order to benefit from globalization; and strengthening African institutions in order to improve governance and management of the development process.

**With Respect to Continental and Regional Integration:** According to the ARIA IV, tremendous efforts are being made to accelerate regional and continental integration. The AUC, working with the UNECA, the AfDB and the RECs, has made notable progress in this area, by: Developing MIPs, working to establish three pan-African financial institutions, the African Central Bank, the African Monetary Fund, and the African Investment Bank, preparing a continental PIDA, and developing a template to be used as a guide for negotiations for Economic Partnership Agreements (EPAs).

Regional integration has been the core focus of the Pan African

## Insight

Pan-African Research and Development Institutions, notably, AfDB, ECA and the RECs are providing support to the institutional setup for improving macro-economic and financial

and all other African development institutions for decades. Hence, it is critical to see where its stance is. Status of efforts to establish FTAs and customs unions in the eight RECs

**Adopted from Assessment of Regional Integration in Africa IV (See Table 1 below) With respect to overall integration, the identified problems include:**

- Multi membership of several RECs and persistence of tariff and non-tariff barriers
- Insufficient coordination between Pan African institutions and lack of cohesion in the face of several development partners
- Lack of complementarity of member countries' production structures.
- Lack of financial and human resources
- Lack of political will to mainstream regional commitments and agreements into national plans to ensure the success of the process.
- Weak national and regional institutions.
- Lack of coordination and harmonization of economic policies.
- Lack of coherence and links between sectoral cooperation programmes and macro-economic policies implemented
- Lack of involvement of other stakeholders – the private sector and civil





society - in the cooperation and integration process.

- Inadequacy of human and institutional capacity for the design and implementation of cooperation and integration programs.
- Disproportionate allocation of resources highly skewed in favour of conflict related issues as against economic cooperation and integration issues.
- Inadequate physical infrastructure.
- Poor perception and assessment of costs and benefits associated with the process:
- High incidence of conflicts and political instability.
- Poor design and inadequate sequencing of regional integration arrangements.
- Multiplicity and overlapping membership of regional integration schemes and mandates.
- Inadequate funding of regional integration process and related institutions.

**5. Tripartite Partnership between the AUC, ECA and AfDB Various AU conferences of African Ministers in Charge Integration, recommended the AUC, in collaboration with the UNECA, AfDB and the RECs, should review the stages of the Abuja Treaty, taking into account the recent AU declarations.** Pan-African Research and Development Institutions, notably, AfDB, ECA and the RECs are providing support to the institutional setup for improving macro-economic and financial convergence in the continent. Africa still needs to do more to accelerate this (Lanre-Olu, 2011). In relation to this, there are various collaborative actions taken by these institutions to tackle African developmental challenges from different angles. To name a few:

- ECA, AUC and AfDB jointly prepare and publish annually progressive reports like Assessing Regional Integration in Africa and Millennium Development Goals Report. Other important publications like the African Economic Outlook and the Economic Report on Africa are also prepared by two of the three institutions with ECA as the centre stone for both publications and with the collaboration of AUC in the first and AfDB in the latter. Furthermore, publication of the joint ECA/AfDB/AUC Statistical Yearbook provides users with statistical information on African economies on a coordinated basis and helps prevent duplication of effort and the production of conflicting data and thereby improve the quality

of data on African countries.

- Holding under the theme "Acting on Climate Change for Sustainable Development in Africa", the 7th African Development Forum was an opportunity for the joint ECA-AUC-AfDB, Secretariat, to launch the Climate Information for Development of Africa (ClimDev-Africa) programme, which is a joint initiative aimed at guiding the effective integration of climate information and services into development planning, while ensuring the mainstreaming of climate considerations into policies and programmes directed at achieving the Millennium Development Goals (MDGs) and sustainable development in Africa. This programme was officially launched on 13th October, 2010.

- After ongoing consultations with the sub-regional offices of AUC and AfDB on prospective areas for collaboration between the two organizations, ECA and SADC, a framework for collaboration between the institutions was adopted along with the identification of areas for joint intervention. Joint activities in the 2008-2009 period included a workshop on water and sanitation organized with AUC and AfDB; a workshop on population, migration and regional integration organized with the International Labour Organization (ILO), the International Organization for Migration (IOM) and SADC; ongoing work on a joint publication with SADC that focuses on the contributions of individuals and institutions to promoting gender equality and development; and the work with SADC on the development of a regional gender monitoring tool.

- ECA organized the ministerial meeting in Tunis in collaboration with the African Development Bank (AfDB) and the African Union Commission (AUC). ECA, AfDB and AUC are also providing support to the Committee of Ten Ministers and Governors of Central Banks. These technical assistance support and advisory services have played a crucial role in ensuring that African views and concerns are adequately presented to the international community, particularly the G-20 (UNECA, 2010).

- In 2007, ECA and AfDB organized a Big Table Forum on the management of natural resources, which led to the establishment of a multidisciplinary international study group (ISG) on mining. The work of the ISG, which was coordinated and supported by ECA, led to the development of an African mining vision, which was adopted by the AU Heads of State in February 2009. The vision advocates "transparent, equitable and optimal exploitation of mineral resources to underpin broad-based sustainable growth and socioeconomic development".

- The sixth African Development Forum, organized in Addis Ababa in November 2008 by ECA in partnership with AU, AfDB and the United





Nations family, was a major advocacy and consensus-building event. The forum brought together over 800 participants including government ministers, parliamentarians, international, regional and sub-regional organizations, civil-society organizations, the private sector, traditional and religious leaders, the media and youth. It provided an opportunity for the continent to take stock of progress made towards achieving gender equality and women's empowerment and ending violence against women; identify the challenges constraining implementation of policies and strategies; and articulate concrete actions to hasten the translation of African countries' commitments into reality. African ministers of finance and planning and governors of central banks met in Tunis, Tunisia, on 12 November 2008 to discuss the implications of the financial crisis for Africa and to identify appropriate policy responses to cushion its impact in the region. The meeting was jointly organized by the Economic Commission for Africa, the African Development Bank, and the African Union Commission. The communiqué issued at the end of the meeting emphasized the need for bold and decisive actions to mitigate the effect of the crisis on African economies.

- ECA, AUC and AfDB also jointly inaugurated the Coalition for Dialogue on Africa in March 2009. The coalition is designed to forge strong partnerships for dialogue and build consensus around key continental issues and challenges. Two follow-up meetings in October and November 2009 discussed the salient issues of trans-boundary crime and political instability in Africa and on Africa's response to the global financial crisis.

- With regard to land policy, the African Regional Land Policy Framework and Guidelines (ALPFG) were officially adopted

by the African Union Conference of Ministers in Charge of Land in April 2009 and the African Union Summit in July 2009. This was the outcome of the AUC-ECA- AfDB joint Land Policy Initiative (LPI). Key considerations in this regard were to ensure the formulation and implementation of comprehensive land policies, and to achieve economic efficiency, social equity and environmental protection.

- In addressing Africa's infrastructure needs, collaboration continues between ECA, AUC, the NEPAD secretariat, AfDB and the RECs in promoting the Programme for Infrastructure Development in Africa (PIDA). To that end, it will provide strategic and technical support for the formulation of policies and strategies to improve infrastructure development and related services, including strategies to finance infrastructure projects.

- Knowledge-sharing and networking among development practitioners was made easier with the organization of the African Economic Conference in 2010 and 2011, by partnership of ECA with AUC and AfDB. This will enhance policymakers' access to the latest research findings on economic issues, thus improving economic policy making and research gaps in the continent. Furthermore, these institutions have collaborated to fashion a continental response to the global economic and financial crisis.

**6. Improving Efficiency (Merging/Proper Division of Tasks)** Theory proves that using a united front to approach common goals is a more conventional way of obtaining better solutions or approaching a pareto front. In order to efficiently get at a desired result, an organization must rank its objectives, try to reduce the design space to a more easily managed form, evaluate all the possible combinations of efficiently carrying out tasks given time, energy and resource constraints, and employ multiple runs to generate optimal solutions. For Africa to achieve an economic and political union, a concerted effort must be made to pursue policies that ensure the convergence or unifications of programmes, activities and functions of intergovernmental and Pan-African institutions (ARIA II).

Overlapping mandates, objectives and protocols and functions create unhealthy multiplication and duplication of efforts and misuse of the continent's scarce resources, making regional economic communities inefficient. In his speech on February 2006, H.E Mr. Abdoulaye Jannet, United Nations-Under-Secretary General and Executive Secretary of the United Nations Economic Commission for Africa noted that he sees a seamless relationship between the UNECA, AUC and the AfDB and that Africa would meet the Millennium Development Goals if it is able to galvanize its efforts. This had led to agreements to have regular meetings, at least once annually affirming that they

## Insight

For Africa to achieve an economic and political union, a concerted effort must be made to pursue policies that ensure the convergence or unifications of programmes, activities and functions of intergovernmental and Pan-African institutions (ARIA II)







Area of Activity	Leading Institution Involved			Comparative Advantage to
	ECA	AfDB	AUC	
Integration	X	X	X	AUC
Food Security and Agriculture	X	X	X	AUC
Peace and Security	X	X	X	AUC
Infrastructure and Transport	X	X	X	AfDB
Good Governance	X	X	X	AUC, AfDB
Institution and Capacity Building	X	X	X	AUC
Environment and Climate Change	X	X	X	Joint ECA, AUC, AfDB
Gender Equality	X	X	X	AUC
Trade and Private Sector Development	X	X	X	AUC, AfDB
Knowledge Initiatives	X	X	X	ECA
Education	X	X	X	AUC, AfDB
Support to RECs	X	X	X	AUC
ICT, Science and Technology	X	X	X	AUC
Statistical Development	X	X	X	AUC
Migration	X		X	AUC
Industrialization, Energy and Mining	X	X	X	AfDB
Land Policy	X	X	X	Joint AUC, AfDB, ECA
Sports, Culture and Social Welfare			X	AUC
Continental and Global Cooperation			X	AUC

would revive their joint secretariat and give it more dynamism so that it could facilitate great coordination. Notable joint efforts have been put into work as shown above but the question of whether or not these Pan African institutions are complementary remains vague. Joint implementations of key outputs bring about various comparative advantages in support of Africa's development. This is especially important in the light of the need to optimize the use of available resources to address emerging and ongoing developmental challenges. The recent global and financial and economic crisis placed a significant burden on the available financial and other resources. Deepening of partnerships amongst AUC,

ECA, AfDB and RECs helps to cope up with the limited resources that are straining the scaling-up of activities.

Moreover, the outcomes of a meeting of the committee of Trade and Regional Cooperation Integration in 2007 also stressed the need for the ECA, the AUC and the AfDB to design a common framework in support of rationalization strategies of the regional economic communities. The common framework should allow the three Pan-African Institutions to accompany the regional economic communities in their transformation into free trade areas, custom unions and com-





# Insight

...in the 2009-2012 Strategic Plan of the AUC, ECA is to support it in areas of trade, gender, ICT, governance, statistical development, public administration, land policy and climate change.

mon markets. Similarly, the strategic plan of 2009-2012, the AUC is hoping to strengthen the joint secretariat of the AUC, AfDB and the ECA, developing and implementing an internal framework for harmonization and coordination of relations with these partners. This shows that efforts of these organizations can go hand in hand if given the proper amount of attention by strategically distributing and merging of tasks where necessary. Building partnerships and collaboration among continental institutions and development partners is at paramount importance to achieve required results by harnessing the required resources, ensuring coherence and avoiding duplication of activities.

Since the major goal of the Pan African Institutions is more or less to promote an integrated and developed Africa, all efforts must be channeled in systematic way avoiding the routine of failed or unsatisfactory trials. It is comprehended that with the focus of each institution on its respective priority area and collaboration where necessary, Africa can have a clear shot of getting to its destination faster. Although separate entities, the relationship between these institutions is not well defined. It is important to clarify the relationships and responsibilities, and to delineate communication channels among the various entities according to the programme-steering organs, implementing organs and supporting organs. The repositioning of ECA in 2006, AU's 2009-2012 strategic plan and 2008-2012 medium term strategy plan of the AfDB have in their mandates to harmonize activities between these organizations as lessons learnt from past failures and to enhance effectiveness and optimize from comparative advantages.

As is currently being witnessed, each institution has to focus on taking steps that pay big returns and a natural starting point could be setting priority areas. Once a formal line of implementation is set, just like the theory of concentric diversification in business where new ventures are strategically

related to existing ones, the actions of one institution accompanies the others'. From all the undertakings to augment partnerships among these institutions and its positive outcomes, one can easily see that the basic, common objectives of the Pan African Institutions are concomitant to one another in contrast to what some might have anticipated. These partnerships need to be strengthened, with a view to assisting African countries to tackle critical issues of common interest such as gender development, climate change, governance and regional integration. And with each organization setting priority areas, completion of projects will be relatively easier than if the case was otherwise.

The following table illustrates how each Pan African Institution is involved in various African developmental focal areas. As it can be noted from the above table, ECA, being a primarily research organization and mainly operating through knowledge development services, has a comparative advantage in the area knowledge management and development.

Other than that, ECA is a support agent and therefore its comparative advantage is nothing more than assisting the AU. AUC's comparative advantageous in areas of integration as it is involved with its continental aspects in addition to regional integration with a much stronger unifying and outreaching position, peace and security as it has the power to mobilize forces into conflicts, good governance and direct link to RECs. Furthermore, as a secretariat of the African Union, it is the prominent body in all the mentioned developmental areas of focus. Being a financial institution, AfDB is the one that takes a more active role in activities. It can be seen from the table above that Infrastructure, private sector development, governance and education have been recognized as The Bank's comparative advantages and set as priority areas. Adequate financing in these areas can thereby trickle down and affect the remaining efforts in reaching the MDGs, directly or indirectly.

The layout of how these institutions are to work together has been acknowledged. For instance in the 2009-2012 Strategic Plan of the AUC, ECA is to support it in areas of trade, gender, ICT, governance, statistical development, public administration, land policy and climate change. Moreover, ECA and AfDB committed to a partnership that prevents duplication, exploit synergies and maximizes their combined development impact based on complementary activities under the following key development themes; regional integration, RECs, trade and private sector, agriculture natural resources, energy, environment, gender equality, governance, knowledge management, capacity building and statistics. Although at present there seems to be no clear organizational structure that maps out the formal relationships, duties and functions, and the allocation of responsibilities, in the AU system. But recent efforts seem to be showing a promising future with the





# Insight

Based on all facts stated above, it is safe to say that the well functioning of institutions for African development is beneficial to any African country.

joint secretariat of these institutions being well underway. This point can be further substantiated by the Workshop on Institutional and Strategic Frameworks for Sustainable Development in Africa, a joint workshop by the ECA, AUC, AfDB, UNDP and UNEP, undertaken to define an institutional framework by taking into account institutions at regional and sub regional levels. In a speech in The Standards, African Union Deputy chairperson Erastus Mwencha supported the above statement by pointing out the strong need to improve the manner in which responses are provided in support of mutually agreed activities, including harmonization of activities and programmes. Given the slow recovery of the global economy, there is a critical need for Africa to garner sufficient political will to make bold decisions on issues of self-sufficiency financing. This can be one solution to why most member states of RECs find it difficult to adequately meet financial obligations to integration schemes and the failure of such schemes to effectively implement their programmes and policies.

Of the previously stated major challenges facing the three Pan African Institutions, one can note that they are facing some common ones. For instance, inadequacy of financial resources and qualified staff is a common factor that is shared by these institutions, and amongst other things, holding them back from fully implementing their goals. Joining forces, in programmes deemed necessary, will save time and help pool resources and can be a major source of available qualified personnel. Since the AUC has the capacity to convene continental governments, call agenda-setting meetings, mobilize finances and has a direct linkage with all the RECs, it should be the one to formulate and forward a steady structure in which the Pan African institutions are to work together. The handling of resource mobilization and opportunity to let continent-wide goals and standards to be set by the AU, could lead to scale and scope economies and better coordination among development partners.

Moreover, these united initiatives are breaching the issue of out-reach and weak presence faced by the African Union and the ECA, as they bring about much media attention and create awareness among a larger amount of citizens of African countries. ECA's partnership with AU should focus on consensus building and advocacy for Africa's development, domains where the AU has high competence and its partnership with AfDB should concentrate on resource mobilization, which is an area where AfDB has high competence. With respect to the issues that RECs face, each Pan African Institution can take leadership in addressing them. For instance, AU should take lead in addressing one major challenge of IGAD which is related to regional conflicts and ECCAS with political and financial obstacles. AfDB can be the main aid to other RECs like CEN-SAD and EAC whose main problems are associated with weak infrastructural and industrial sectors. SADC and COMESA have the need for elimination of duplicity of efforts and cooperation among SADC, EAC and COMESA as they have overlapping members constitute of a point of focus for the ECA.

Based on all facts stated above, it is safe to say that the well functioning of institutions for African development is beneficial to any African country. And despite the fact that LDCs have been characterized with poorly functioning regional and continental institutions, measures are and should further be taken to curb such references. A sharp distribution, among such leading institutions, should be made between lines of communication of operating tasks and the groups' ability to organize their selves for such a task.

## 7. Way Forward

- The African Union is the cardinal African body. ECA is only one of the UN bodies just like the others such as the Economic Commission for Asia and Economic Commission for Europe. The Economic Commission for Europe, for instance, is not seen interfering with the functioning of the EU. Likewise, AfDB is only a financial organization. Therefore, by no means should the latter two institutions assume a parallel power post with the AU. The relationship, even in cases where they are working together, should be that of a superior-subordinate one.
- Each institution should attempt to be more confined to its vicinity authority wise. For instance, ECA should realize its supporting position in practice. This will eliminate disregarded power feuds between the organizations. Furthermore, a significant amount of employees seem to misunderstand the very mandate of their own organizations let alone their job descriptions. This lack of knowledge has created an impediment to the smooth flow of actions and needs to be resolved.

- In addition to the numerous problems





Africa is facing as a whole, the institutions that are operating to change this fate themselves remain to be internally unstable, weak and corrupt. Improvement in the quality of staff is highly needed.

- There is a paramount need for a universal form of statistics to simplify and enable the true comparison of figures between African countries. The AUC should hold the fort and strive to resolve this concern. Moreover, AfDB should only be concerned with and produce financial statistics that it deals with and the same applies to ECA as well.

- Even though the positive interrelationship between development institutions in Africa has been proved worthy, nothing substantial is taking place regarding attempts to alter this situation. The ECA and AfDB should be willing and ready to take constructive criticisms and a comprehensible line of action from the African Union.

- There is further effort required to clarify responsibilities and relationships and ensuring effective linkage between regional, sub-regional and national processes in advancing sustainable development. In addition, information exchange between Pan African, regional and sub-regional institutions should be clearly defined. Furthermore, involvement of media should be enhanced.

- It is argued that each Pan African Institution covers too many activities at the same time, requiring large input of resources,

especially capacity. Lack of uniformity in such situations could weaken implementation as well as outcomes of the process. There should be standardized guidelines to define the relationship between the AUC, ECA, AfDB and other African development partners, and the responsibility of each must be clearly spelt out. Fortunately, this has been identified and efforts are well underway to resolve this problem like the establishment a joint secretariat of the AUC, ECA and AfDB. But this process should include more than just joint programmes and include a task distribution structure on whom should be concerned with what within a specified time frame.

- Poverty eradication and regional integration efforts in Africa still remain in vain as the poverty rate is unacceptably high burdening 40% of the population (NEPAD, 2011) and integration progress is still slow and unsatisfactory. One can see that all efforts must be well targeted and supported by good policies and institutions that ensure effectiveness. Thus, the African Union should make it a priority, in the same level of importance it is giving to promotion of integration and development in Africa, to make out a ground plan for the harmonization of activities.





## Summary MDG Report 2012

### Assessing Progress in Africa Toward the Millennium Development Goals.

## RÉSUMÉ Rapport 2012 sur les OMD

### Évaluation des progrès de l'Afrique par rapport aux Objectifs du Millénaire pour le développement.

With less than three years to the 2015 deadline, it is imperative that development partners and policymakers accelerate progress on the MDGs and assess the successes and failures of the current goals, in an attempt to shape and develop an inclusive and sustainable post-2015 development agenda. The question is not about having a set of international development goals after 2015, but rather, what the proposed framework will consist of. Underlying all these is the question of which option is likely to have the greatest impact on poverty eradication in Africa.

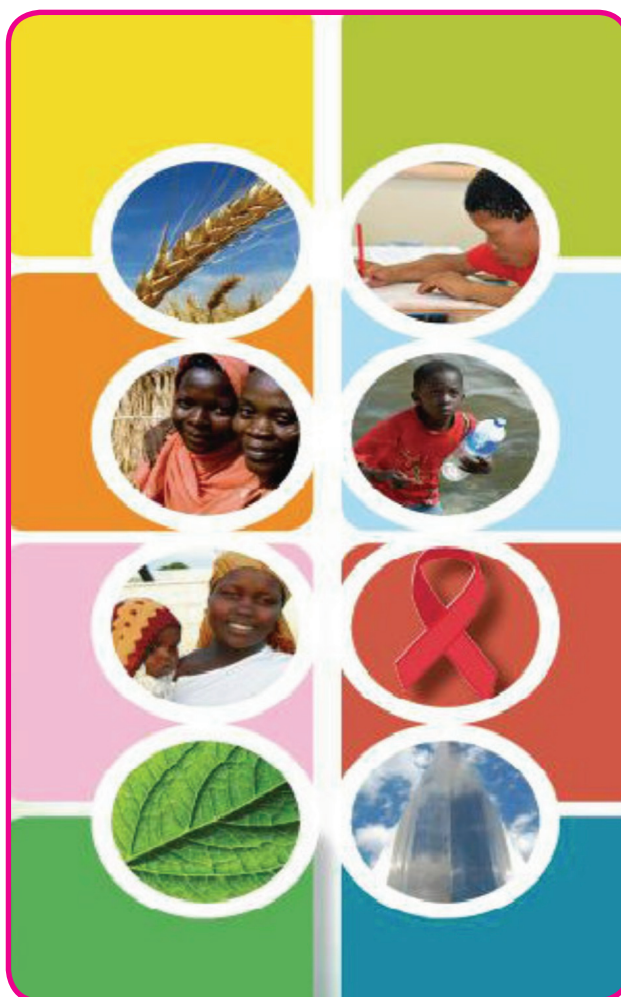
As the international development community evaluates the contributions of the MDGs and begins the process of defining a post-2015 global framework, Africa too must articulate its common position. Although the MDGs have led to socio-economic gains in the continent, poverty remains rampant and much more needs to be done.

Feedback from African member States through the regional workshop in Accra and the electronic survey suggests that post 2015 agenda should reflect current and emerging challenges. This approach must comprise a judicious mix of development enablers and outcomes. The post-2015 development agenda should include all policy areas currently addressed by the MDGs.


À moins de 3 ans de l'échéance de 2015, il est nécessaire que les partenaires au développement et les décideurs accélèrent les progrès vers la réalisation des OMD et évaluent les réussites et échecs des objectifs actuels fixés, en vue d'élaborer un programme inclusif et durable de développement après 2015. La question n'est pas d'avoir une série d'objectifs internationaux de développement pour l'après 2015, mais plutôt de définir la structure de ce cadre proposé. La question est plutôt de savoir quelle option pourrait être à même d'avoir le plus d'impact sur l'éradication de la pauvreté en Afrique.


Tout comme la communauté internationale du développement évalue les contributions de la réalisation des OMD et entame le processus de définition d'un cadre mondial pour l'après 2015, l'Afrique doit définir sa position commune. Bien que les OMD aient permis des gains socio-économiques sur le continent, la pauvreté demeure généralisée et il reste encore beaucoup à faire.

Les avis des États membres africains recueillis lors de l'atelier régional à Accra et l'enquête électronique suggèrent que le programme après 2015 reflète les défis actuels et futurs. Cette approche doit comprendre un judicieux mélange d'instruments de développement et de résultats. Le programme de développement après 2015 devrait inclure tous les domaines d'action Actuellement couverts par les OMD.





Learning from the implementation of the current MDG's, a post- 2015 development agenda for Africa must pay more attention to local context, go beyond social needs by emphasizing the productive sector (e.g. agriculture, inter-regional trade, and infrastructure) and address the needs of people below the national thresholds. Some of the strategic elements for consideration in the post 2015 agenda include focusing on equity dimension, stressing productive as much as on social sectors, creating jobs for youth, food security, addressing resilience issues and adopting the sustainability agenda especially confronting the challenges of climate. 

En tirant les enseignements de la mise en œuvre des OMD actuels, le programme de développement après 2015 pour l'Afrique doit accorder plus d'attention au contexte local, Certains des éléments stratégiques dont il faut tenir compte dans le programme de développement après 2015, sont, entre autres, une attention particulière à la dimension équité, un accent particulier sur les secteurs productifs, les secteurs sociaux, la création d'emplois pour les jeunes, la sécurité alimentaire, les questions de capacité d'adaptation et l'adoption du programme de développement durable en particulier faire face aux défis du changement climatique. 



The only way to ensure success in our continent's endeavors is to move together as one united continent and people. Unity is our watchword, unity is our salvation, We should look at ourselves as a continent, not only as individual countries.

**Nkosazana Dlamini-Zuma ,**

AU chairperson, 15 october 2012



## Notes

[illegible]

# Announcements

- The African Integration and Development Review (AIDR) is a multidisciplinary journal available to all Africans to share their ideas and opinions about the process of regional and continental integration.
- The Review is composed of a Scientific Committee of international repute belonging to intelligentsia of African integration issues.
- The AIRD is currently accepting papers for publications. It calls upon academicians, researchers, students, the civils society, the private sector and political and economic decision makers to share their ideas and opinions by submitting their publications.
- When submitting your articles authors must abide by the following policies:

## Editorial policies

All articles submitted to the African Integration and Development Review are assessed anonymously by two or more outside readers. Multiple submissions are not accepted. Once a paper has been accepted for publication, it may not be withdrawn by the authors without consulting the editor.

- The African Integration and Development Review is not responsible for the opinions expressed in the articles.

## The manuscript should:

- Not be more than thirty pages long, including the list of references, all double-spaced and printed on one side of the paper only;
- Include an abstract, of not more than 100 words, a biographical note and a bibliography;
- Include an introduction and conclusion;
- Contain a cover page including the title of the articles, the author's name and affiliation as well as any acknowledgements that may apply.
- The location of tables, figures and maps in the text should be indicated. They should also be numbered consecutively and placed on separate pages. Maps or graphs must be in camera-ready copy with the final version of the manuscript.
- Numbers below 10 are written in words. The percentage sign is used in both text and tables provided that it is separated from the figure by a space.
- Quotations of more than five lines should be indented without quotation marks.
- Letters used as statistical symbols or algebraic variables, test scores and scales should be in italics.
- Notes are limited to content notes only, and should be numbered consecutively and placed as a footnote; the numbering should be restarted on each page.
- References are indicated in text, using the author-date method of reference, e.g. (Kouassi, 1998), (Abebe, 1987, p.10-13; Makeba, 1990, chap.2)
- Indicate the bibliographical references as follows:
  - Book: Fanon, F. (1961), *Les Damnés de la Terre*, Paris, Francois Maspero.
  - Article in book: Jean-Paul, Azam (1988). "Examen de quelques problèmes économétriques soulevés par la Méthode d'analyse des Stratégies." Dans *Stratégie de développement Comparées*, sous la direction de Patrick et Sylviane Guillaumont, Ed. Economica, Paris, pp.157-164.

# Annonces

- Le revue Africaine de l'intégration et de développement (RAID), une revue offerte à tous les Africains pour faire connaître leurs idées et opinions sur le processus d'intégration régionale et continentale.
- Une revue de renommée internationale encadrée par un Comité Scientifique hautement qualifié, rigoureux et exigeant et appartenant à l'intelligentsia africaine sur les questions d'intégration régionale.
- Academicians Chercheurs, Universitaires, Etudiants, Société civile, Secteur privé, décideurs politiques et économiques n'hésitez pas à faire connaître vos idées, à partager celles-ci, en soumettant vos articles pour publication dans la Revue Africaine de l'Intégration et de Développement qui est la vôtre.
- Pour soumettre vos articles prière de vous conformer à la politique de publication ci-dessous:

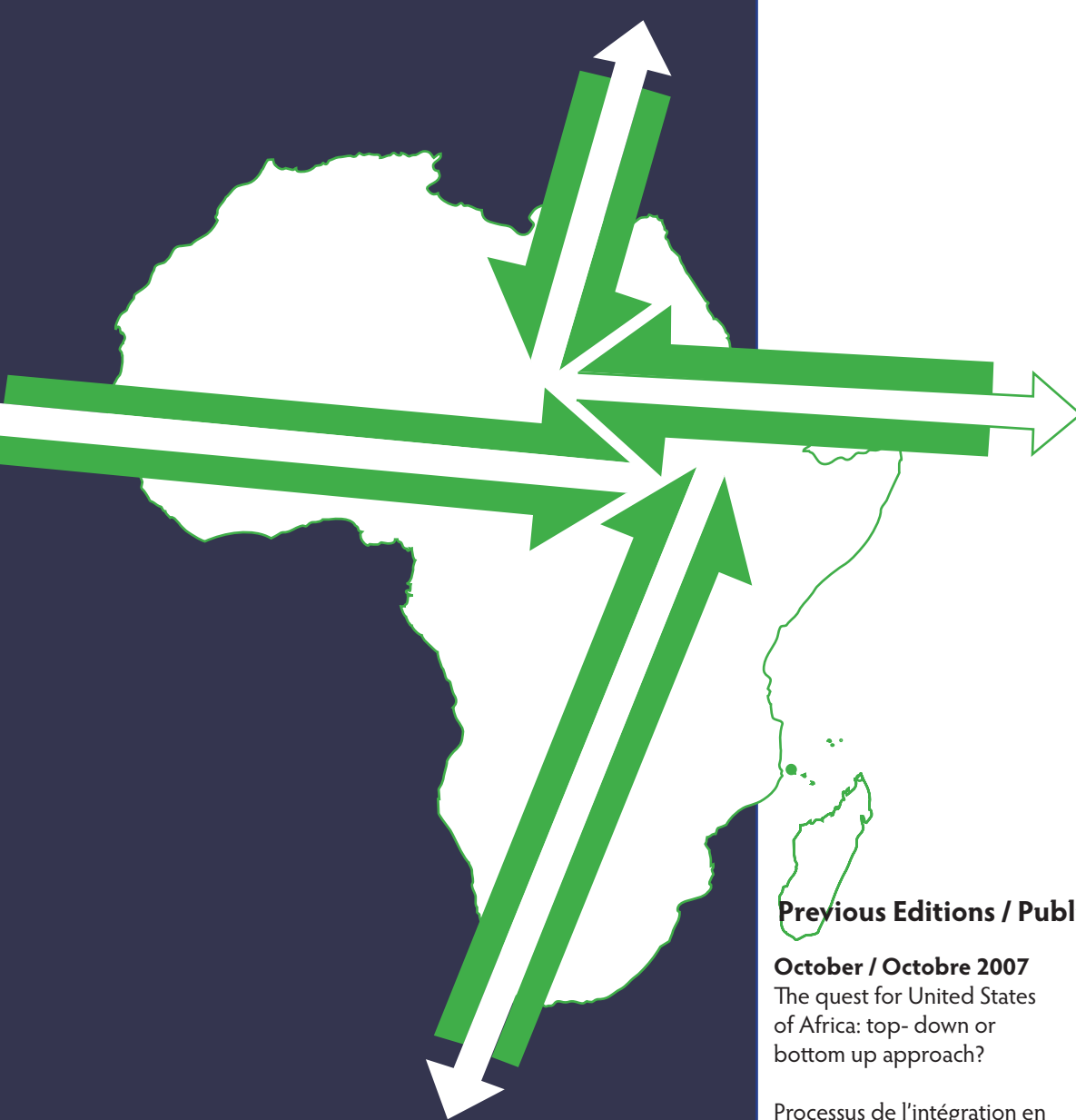
## Politique rédactionnelle

Les articles soumis à la Revue Africaine de l'intégration et de développement sont évalués de façon anonyme par au moins deux lecteurs externes. La Revue n'accepte pas de publier des articles présents simultanément ailleurs. De plus, une fois l'article accepté, l'auteur ne peut le retirer sans l'assentiment du Rédacteur. Les opinions exprimées par les auteurs n'engagent en rien la Revue.

## Veiller à ce que l'article comporte:

- Au plus trente pages, références comprises, imprimées à double interligne et d'un seul côté du papier;
- Un résumé en français et anglais d'au plus 100 mots, une notice biographique et bibliographique;
- Une introduction et une conclusion;
- Une page titre donnant le nom de l'auteur, son affiliation et, le cas échéant, les remerciements.
- Indiquer l'emplacement des hors-texte (tableaux, graphiques, cartes, etc.) dans le manuscrit, les numérotés et les présenter sur des pages à part. Soumettre cartes et graphiques en prêt-à-photographier.
- Ecrire les nombres inférieurs à dix en toutes lettres et utiliser le signe de pourcentage dans le texte et les tableaux, en prenant soin de les séparer du nombre par une espace.
- Mettre en retrait et sans guillemets les citations dépassant cinq lignes
- Ecrire en italique, dans le texte et les équations, les lettres utilisées comme symboles statistiques ou variables algébriques, scores de test et échelles
- Limiter les notes aux explications absolument nécessaires, les numérotés consécutivement et les présenter en notes de bas de page; la numérotation doit être recommencée sur chaque page.
- Indiquer les références dans le texte selon la présentation auteur-date, par exemple: (Kouassi, 1998), (Abebe, 1987, p.10-13; Makeba, 1990, Chap.2)
- Indiquer les références bibliographiques comme suit:
  - Livre: Fanon, F. (1961), *Les Damnés de la Terre*, Paris, Francois Maspero.
  - Article dans un livre: Jean-Paul, Azam (1988). "Examen de Quelques Problèmes Économétriques soulevés par la méthode d'analyse des Stratégies." Dans *Stratégies de développement Comparées*, sous la direction de Patrick et Sylviane Guillaumont, Ed. Economica, Paris, PP.157-164.





#### **Submission of manuscripts:**

Manuscripts should be sent to:

#### **Economic Affairs Department, African Union Commission**

PO Box 3243

Addis Ababa, ETHIOPIA

Tel: +251-1-551 92 87

Fax: +251-1-551 02 49

E-mail: mkwezalambam@africa-union.org

ReneKouacy@yahoo.com

DossinaY@africa-union.org

Ambelab@africa-union.org

#### **Presentation des articles**

Envoyer l'article au :

#### **Département des Affaires Economique, Commission de l'Union Africaine**

B.P. 3243

Addis Abeba, ETHIOPIE

Tel: +251-1-551 92 87

Fax: +251-1-551 02 49

E-mail: mkwezalambam@africa-union.org

ReneKouacy@yahoo.com

DossinaY@africa-union.org

Ambelab@africa-union.org

#### **Previous Editions / Publications Précédentes**

##### **October / Octobre 2007**

The quest for United States of Africa: top- down or bottom up approach?

La Crise Financière et son Impact sur les Economies Africaines

Processus de l'intégration en Afrique: approche par le bas / approche par le haut?

##### **January / Janvier 2010**

China and Africa: Assessing the Relationship on The Eve of Focac IV

##### **January / Janvier 2008**

The Chinese Presence in Africa: An Opportunity or an Obstacle to the Development of Africa?

##### **July / Juillet 2010**

Africa, Multilateralism and Human Security  
L'Afrique, Multilatéralisme et Sécurité Humaine

La présence chinoise en Afrique: une opportunité ou un obstacle au développement de l'Afrique?

##### **March / Mars 2011**

The Lisbon Treaty of the European Union: Implications for the Africa-EU relations  
Le Traité de Lisbonne de l'Union européenne: Impact sur les relations Afrique - UE

##### **April / Avril 2008**

Democracy and Development in Africa  
Démocratie et Développement en Afrique

##### **September / Septembre 2011**

Integration, Trade and Internal Market: Shared European and African Experiences  
Intégration, Commerce et Marché Intérieur: Echange d'expériences européennes et africaines

##### **June / Juin 2008**

Agriculture and Development in Africa  
Agriculture et Développement en Afrique

##### **January / Janvier 2009**

The Current Financial Crisis and Its Impact on Africa

# AFRICAN UNION HEADQUARTERS NEW AFRICAN UNION CONFERENCE CENTRE (AUCC)

