AFRICA Fund: building a solution in southern Africa

by Ramtanu and Susan Maitra

Perhaps the most substantial outcome of the 8th Non-Aligned summit, held last September at Harare, Zimbabwe, was the formation of the AFRICA Fund—a means to assist the southern African nations to develop their now extremely fragile economies. It is an effort to, literally, build a barrier against all-out war in the region.

Formation of the fund is the result of a joint initiative of nine non-aligned nations, which include India, Peru, Argentina, Yugoslavia, Nigeria, the Congo, Algeria, and two southern African countries, Zimbabwe and Zambia.

AFRICA is an acronym for Action for Resistance to Invasion, Colonialism, and Apartheid. As the name suggests, the impetus to set up the fund was the need to counter the dangers the southern African nations face in light of the continuing crisis in South Africa over apartheid, and the inevitable economic problems these so-called front-line nations will encounter if serious economic sanctions are imposed on South Africa by the rest of the world. It is well known that these nations depend overwhelmingly on South Africa for trade, cargo movement, and other basics.

But the purpose behind the fund goes beyond stop-gap aid to tide over the immediate crisis, and one need not be an advocate of the sanctions tactic to see the fund's urgency and merit.

In the first place, the economic programs the fund was established to finance, consist of precisely the kind of basic infrastructural projects necessary to create a viable basis for restoring political stability in the region, and maintaining it in the long run.

In the second place, as long as the front-line states remain economic hostages to South Africa, any meaningful pressure on the Pretoria regime—sanctions or otherwise—necessarily risks a region-wide conflagration and probable superpower confrontation.

It is this grim prospect which the AFRICA Fund initiators want to head off. Unless there is a meaningful intervention by OECD and other advanced-sector nations, these front-line states will be forced to queue up in Moscow for assistance to attempt a military solution, plunging the entire region into a cauldron of superpower rivalries.

Thus although the Fund was initiated by the Non-Aligned Movement leadership, it is not intended to be a "South-South" affair. The participation of the developed nations is being actively sought. It is interesting to note, in this connection, that both Cuba and North Korea were kept off the Fund's committee, and nine of the most active and dependable members of the Non-Aligned have taken charge.

A Gandhi-García initiative

India, former Non-Aligned chairman, has been appointed chairman of the AFRICA Fund, and a special cell has been set up within the foreign affairs ministry in New Delhi to give exclusive attention to implementation of the proposed program. Prime Minister Rajiv Gandhi has reportedly asked Minister of State for Foreign Affairs Eduardo Faleiro to devote his time entirely to attending to this plan, under the general supervision of Foreign Minister N.D. Tiwari. Immediately following the Non-Aligned summit, Faleiro was sent by Prime Minister Gandhi to visit each of the front-line states, following up his own consultations earlier in the year, and, in particular, to identify criteria and urgent projects which can be assisted by the Fund.

Further, Gandhi has invited Dr. Alan García, the President of Peru and one of the prime movers behind the formation of the AFRICA Fund, to be the chief guest at India's Republic Day celebration to be held on Jan. 26 in New Delhi. In a letter to the Peruvian President published in the Peruvian press, Mr. Gandhi emphasizes that the Fund be made operative "as soon as possible," and proposes that a first high-level Committee of the AFRICA Fund be held in New Delhi early in December, and that "public activities" by a select group of industrialized countries on behalf of the Fund be launched forthwith.

The larger plan is to repair the damage caused by a decade of subversive warfare in the southern African region, and thus pave the way for establishing stable economies in those nations. Included in the plan are: improvement of telecommunications networks in Mozambique; establishment of a rail link between the capitals of Zimbabwe and Zambia—two land-locked states; repair of the railway lines between Tanzania and Mozambique; improvement of the port facilities at Nacala, Beira, and Maputo in Mozambique, among others. Indian railway experts have already been in Zimbabwe making surveys and preparing feasibility studies in order to assess the time and financial burdens involved in developing the rail systems.

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During his own visit to Zimbabwe for the Non-Aligned meeting, Prime Minister Gandhi assured his hosts that India would also attempt to foster the country's agricultural development.

The SADCC report

The concept of the AFRICA Fund was mooted in a detailed contingency plan drawn up by the Southern African Development Coordinating Conference (SADCC)—a body set up not too long ago by the southern African nations—prior to the Non-Aligned summit. The SADCC secretariat has pointed out that there are three major areas of economic activity in which its member nations are heavily dependent upon South Africa: labor remittances, trade, and transport. Once South Africa imposes countersanctions, SADCC said, labor remittances will fall, and the countries imposing sanctions on South Africa will have to take responsibility for handling capital flows on a concessionary basis to enable the SADCC countries to make adjustments.

The SADCC secretariat has also put forward a plan to maintain trade links to the outside world in the event of comprehensive countersanctions from South Africa—namely, developing the Beira corridor through central Mozambique as the region's main sea outlet, and patrolling it heavily to prevent disruption by South Africa or South African-backed local guerrillas. South African and guerrilla armies have repeatedly damaged the railway to Benguela port in Angola and the rail line in Maputo in Mozambique. The Tan-Zam railway, through Tanzania and Zambia leading to Dar-es-Salaam port, has failed to perform according to expectations.

According to the SADCC report, the plan will require extensive refurbishing of Beira and Nacala ports in addition to relaying a few dozen miles of railroad tracks. Further, it recommended that to improve the costly telecommunication-system linking the front-line states, which also reflects their dependence on South Africa, it will be necessary to set up a telecommunication-monitoring system.

Apart from projects in transport and telecommunications, the SADCC report underlines the necessity of an accelerated pace of industrialization and adequate assistance to strengthen the front-line states' agricultural sectors. The background documents for the Harare summit on the world economic situation, prepared by the New Delhi State Research and Information System for the Non-Aligned and other developing nations, endorsed the SADCC recommendations and urged action on them by the heads of state.

The World Bank vs. the 'Lagos Plan'

"We intend to participate actively in the forthcoming United Nations Special Session on Africa to lay the foundations for the region's long-term development," read a portion of the Economic Declaration of the OECD nations at the 1986 Tokyo Summit. But when the General Assembly was convened in New York City, to consider the proposal from the Organization of African Unity (OAU) for a $128 billion, five-year recovery plan for the continent, the OECD representatives demanded further submission to IMF-dictated "free market" measures to even consider it. The hollowness of OECD rhetoric is nothing new.

In the early 1980s, two main strategies were put forward to deal with the African crisis. One was outlined in the World Bank's "Accelerated Development in Sub-Saharan Africa: An Agenda for Action." The other is the OAU's $128 billion "Lagos Plan of Action for the Economic Development of Africa, 1980-2000." Predictably, the World Bank prescribed devaluation, price adjustments, austerity, "better management," and increased exports in the context of agriculture-based economies. Never mind the fact that these nations are already agricultural and generally one-commodity exporters, and have been bankrupted and caught in the treadmill of debt dependence for that very reason.

The Lagos Plan of Action, by contrast, rests on quite different objectives. First, a reorientation to internal development of the various national economies and, second, a shift to "self-reliance." Unlike the Bank's prescriptions, the Lagos Plan is a long-term strategy for industrialization and real development. Though technically sound, it requires foreign financing—a virtual impossibility in a world economic environment controlled by the World Bank-IMF.

There is no doubt that Africa needs large inputs of industrial technology, but first it needs the infrastructure to allow this technology to function productively, and this is where the AFRICA Fund is essential.