

Role of Civil Society Organizations in the Implementation of African Growth and Opportunity Act

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The recent announcement by the United States (U.S.) of a comprehensive offer to eliminate tariffs and trade barriers in the negotiation for the Free Trade Area of the Americas (FTAA), that is expected to take effect in 2005, is not a surprise to many. The FTAA has been a major priority for the Bush Administration, and an important tool in its efforts to maintain U.S. leadership in the World Trade Organization (WTO) negotiations.

This bold initiative once enacted will lead to the creation of the world's largest free market, and represent a major global trade liberalization accomplishment. The FTAA includes 34 countries with nearly 800 million people and an estimated \$13 trillion market which covers the entire Western Hemisphere.

What the United States is offering its neighbors in the Western Hemisphere is the elimination of import duties on the majority of industrial and agricultural imports, and access to its service, investment and government procurement sectors. Within five years after the FTAA takes effect, the US is also offering duty free entry of textiles and apparel imports from the region into the

United States provided the other countries reciprocate. In return the U.S. wants to create benefits for American farmers, workers, consumers and businesses and maintain its position as the world's largest economy.

"The United States has created a detailed roadmap for free trade in the Western Hemisphere—we've put all our tariffs on the table because free trade benefits all and brings us closer together as neighbors," said U.S. Trade Representative, Robert B. Zoellick while announcing the U.S. offer. It is expected that other FTAA countries will respond to the U.S. offer by presenting their own offers, and negotiations will begin in preparation for the FTAA Ministerial meeting in Miami this November.

What are the opportunities and challenges that the FTAA presents to the nascent democracies and emerging free markets in Africa? Can Civil Society Organizations work with African government and the private sector to help maximize the opportunities while addressing the challenges?

The signing into law of the AGOA, a U.S. trade law two years ago, and the recent agreement to negotiate the

first free trade agreement (FTA) with five southern African nations (Botswana, Lesotho Namibia, South Africa and Swaziland) members of the Southern Africa Customs Union (SACU) by the U.S, signals a new dawn in U.S.-Africa relations: one that must emphasize value added exports from Africa's new factories, manned by well paid African workers under fair labor conditions, in a free society, who are able to afford American products, vacations and other services.

Since the signing of AGOA into law in May 2000, U.S. imports from Sub-Saharan Africa have increased 61.5 percent. The United States imported \$8.2 billion of duty-free goods in 2001 under AGOA, including the Act's GSP provisions, representing almost 40 percent of all U.S. imports from Sub-Saharan Africa. The United States is Sub-Saharan Africa's largest single market, purchasing 27 percent of the region's exports in 2000.

U.S. exports to Sub-Saharan Africa reached record levels in 2001, growing to nearly \$7 billion, a 17.5 percent increase from 2000. This increase in exports from the U.S. to Africa contrasted with a decrease of 6.3 percent in U.S. exports worldwide. These

results show that the United States exported more to Sub-Saharan African countries in 2001 than to all of the former Soviet Union and Eastern European countries combined. The above results represent a small but substantial gain for supporters of improved economic ties between the U.S and the nations of Africa.

However, critics of AGOA complain, that the vast increase in the U.S. import from Africa are energy-related. While AGOA seeks to increase textile and apparel imports, little is being done to increase the import of African agricultural products or the export of U.S. technology and other agricultural implements to Africa. Of the total U.S. imports of energy supplies, about 87% are AGOA products. Approximately 88% of total U.S. imports of transportation equipment are under AGOA. Meanwhile, only 23% of U.S. imports of agricultural products are under AGOA. This means that less than a quarter of agricultural products coming into the United States from Africa receive AGOA or Generalized Systems of Preferences benefits, meaning such goods are not duty-free and having little or no impact on the un-employment and poverty problems in the rural areas of Africa.

Since the majority of the population in Africa lives in rural areas, with little or no prospect for jobs there are massive migrations to the urban areas, overwhelming the limited infrastructure, increasing crime rate and other social problems.

The solution to this problem some

argue is to work through the provisions of AGOA, and provide the necessary training and technical assistance to African public/private sector through civil society organizations. This they argue will increase the quality and volume of U.S imports, i.e.,

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value added agricultural products, textile and apparels, consumer products, light industrial products, information technology software and hardware from Africa under AGOA and the GSP provisions, while encouraging increased participation of small and medium size enterprises.

The Second U.S. Sub-Saharan Africa Trade and Economic Cooperation Forum recently hosted by the government of Mauritius,

January 13–17, 2003, for the first time included a session by non governmental organizations (NGO). The NGO Forum proposed 52 recommendations, on how civil society organizations can address some of the present shortcomings of AGOA, and make AGOA more effective and efficient, and more importantly how AGOA can better serve the interest of the African people.

During AGOA NGO Forum the delegates established an AGOA Civil Society Network. The Network currently comprises approximately 102 NGOs based in both the U.S. and in Africa. The Foundation for Democracy in Africa (FDA), a U.S. based NGO, and Mauritius Council of Social Services (MACOSS) an African based NGO were elected as co-chairs of the group and charged with establishing and managing an initial secretariat for the AGOA Civil Society Network.

The mission of the Network will be to empower African people through their civil society organizations to work with government and businesses in maximizing the benefits of AGOA.

One hopes that the AGOA Network will rise to the occasion and work with the public and private sectors on both sides of the Atlantic Ocean in a cooperative rather than adversarial way, using constructive criticism and the law when necessary to preserve the interests of the African people.

For more information on the AGOA Civil Society Network and membership in the Network, please visit www.democracy-africa.org