

African Civil Society Statement on the Continental Free Trade Agenda at Africa Trade Week 2016

From 26 to 27 November, 2016, civil society organisations from Africa met under the umbrella of the Africa Trade Network in Addis Ababa, in advance of the Africa Trade Week and the seminar of the CFTA to discuss the challenges of Africa's economic transformation and integration and role of the CFTA. We have come to the following conclusions and make the following demands.

African Heads of State launched the CFTA in the context of continuing and worsening crises in the global economy which have played havoc with the lives of ordinary people in Africa and the world over. These crises have served to highlight once again the untenable situation of African countries due to their subordination in the global economy as primary commodity export dependent economies – a situation inherited from their colonial past but reinforced by decades of the application of neoliberal free market policies. The CFTA was meant to contribute to put an end to this situation, i.e., to be an instrument for the transformation and integration of Africa's economies driven by and meeting the needs and aspirations of all their peoples.

From the experiences of the variety of efforts undertaken and policies applied by African countries over the past 50 years or more of political independence, such transformation and integration of Africa's economies requires packages of policies that complement each other to build the capacity of African producers and productive capabilities in general; develop national and regional infrastructure; and create integrated national and regional markets for African products, producers and investment. Such policies must aim to develop national and regional linkages among various sectors of economic activity, including agriculture, manufacture, and resource extraction sectors. The policies must be based on, nurture, support and promote indigenous, domestic and regional enterprise in all variety, including through the development of productive networks among Africa's enterprises, from small and medium to large ones. Such policies must also promote and protect the economic, social, and cultural rights and material needs of the peoples across Africa.

The policies for the Africa's transformation and integration must depart from the one-size-fits-all approaches of the neoliberal structural adjustment era. Instead they must be sensitive to the particular situations and needs of different social groups, including along lines of gender, class, ethnicity, and other status. Promoting gender equity and equality to redress the societal subordination of women and their inadequate access to and control over a broad range of economic resources is integral to the project of structural economic transformation of the African continent. Similarly, the needs and rights of small-scale producers, farmers, and traders, workers' rights and the effects of the trade regimes on their livelihoods and precarious conditions of labour must be a fundamental consideration in states' deliberations around regional integration. Furthermore, regard must be paid to the differences among countries in different situations, including taking into account the specific realities of post-conflict countries.

Climate change and environmental degradation threaten the very possibility of structural transformation in Africa. Therefore urgent measures are needed to address the impacts of global warming, along with the capacity of African nations to adapt to and mitigate this growing crisis, and promote environmental sustainability.

Above all, Africa's experience of thirty years of the failure in the application of the so-called free market policies of neo-liberalism shows that the process of economic transformation and regional integration and the policies required cannot be left to the free-working of market forces. Rather they require the conscious, purposive and systematic role of the state, through a public sector that creates the appropriate regulatory and supportive framework for African enterprises as well as direct economic role in strategic areas. Crucial to this is the active role and space for all citizens, as various socio-economic constituencies and stakeholders, to effectively participate in and shape policies. As recognised in the Constitutive Act of the African Union, this involves the promotion of democratic principles and institutions, popular participation and good governance.

These policies and approaches are minimal necessities if the CFTA is to function as an instrument for the transformation and integration of Africa's economies – the role for which it was proclaimed. In addition, the same African governments which launched the CFTA have, in meantime, continued to undertake commitments and obligations under international agreements like the WTO and the EPA, as well as bilateral investment treaties and double taxation agreements, which go against the very imperatives of transformation. It will be therefore important to revisit and revise these commitments as part of the process of the such continent-wide initiatives as the CFTA.

Unfortunately, the processes of the CFTA as they have so far unfolded do not appear to be consistent with these minimally necessary pre-requisites. The processes involved in the design and negotiations of the CFTA are so far opaque and exclusive. The structures created for the CFTA have little or no space for the involvement of civil society, the private sector, and the different social groups and economic constituencies whose interests are implicated. In addition, information related to the CFTA process, including even the timings of the meetings of the CFTA structures and their agenda, tend to be treated as confidential and are not readily available.

Thus the perspectives and concerns of workers, farmers, traders, domestic producers, women's groups who have borne the brunt of trade policies of the past risk being marginalised in the CFTA process.

Instead, the bits of information so far available indicate that the predominant focus of the CFTA is on ambitious and aggressive elimination of tariffs and deregulation of services, with little regard for the different needs and capacities of different countries and socio-economic constituencies in Africa. Furthermore, this focus of tariff and regulatory restrictions appears to be at the expense of any serious efforts to co-ordinate and integrate even the other minimal measures related to productive capacity, infrastructure, etc., that was identified as part the programme of Boosting Intra-African Trade that was adopted as a necessary counterpart in the launch of the CFTA.

In short, it would appear that the same one-size-fits-all measures of trade liberalisation that have been experienced in the past are now being applied in an African setting, with the hope that it will somehow yield different results.

A CFTA of this nature will not fulfil the expectations of economic transformation and integration for which it was launched. On the contrary, it will simply contribute to creating a bigger African market for further domination by foreign products and investors over African products and investors, and bigger producers over smaller ones.

In the light of the above we demand that:

- Space must created at the national, regional and continental level for African citizens, and their socio-economic groupings – that is workers, farmers, traders, producers, enterprises, civil society, private sector – to participate effectively in a democratic and transparent process and ensure the reflection of their concerns and views in the negotiations;
- Information on the CFTA processes must be made available in a timely and accessible manner to citizens to enable their input and effective participation at national, regional, and continental levels;
- The emerging focus of the CFTA on across the board tariff elimination and deregulation of services must be counter-balanced with more attention to industrial and other policies to build domestic productive capacity;
- Rather than fast-tracking the CFTA on its own, there must be proper sequencing of any liberalisation measures with constructive policies to strengthen productive capabilities in African economies, build domestic enterprise and promote the rights and social protection of workers, farmers, traders, women and all other citizens.