

An African Trade Revolution Takes Shape

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If the African Continental Free Trade Agreement (AFCFTA) is fully implemented following its symbolic launch on January 1, 2021, it will be the African nations' most ambitious united endeavor to assert financial oversight, transparency, and cooperation over their extractive resources. Africa will have the largest free trade area in any region since the founding of the World Trade Organization (WTO)—a single, continent-wide market for goods and services, business and investment. Still, its success is not guaranteed. The AFCFTA will either raise the costs for governments' complicity with corrupt foreign investment, or make it easier to illicitly traffic Africa's mineral wealth. If successful, it will be a giant step toward African economic sovereignty.

At this moment of transformative potential, the United States has an opportunity to act as a supportive partner to African leaders. The Biden administration has leading domestic and foreign policy experts with experience in African affairs and can benefit from a Democratic-majority Congress with African American lawmakers in key foreign policy leadership positions who have records of serious engagement with African issues. What matters most, however, is the change from within Africa.

A paradigm shift and continental rethink on trade and economic development is taking place, as reflected in the AFCFTA and similar trans-continental projects. Out of the total of 54 African countries, 24 have joined the Extractive Industries Transparency Initiative since it was started in 2002 to improve governance and oversight in the resource sector. African countries have also launched initiatives to strengthen taxation regimes, transparency, human rights, and scrutiny of offshore-registered companies.

African Mining Vision, a 2009 African Union policy framework, encourages member countries to apply income generated from mineral resources directly to domestic development. Similarly, African heads of state adopted the African Peer Review Mechanism in 2003 as a self-monitoring arrangement based on common codes of conduct and standards for human rights, democracy, and extractive industries. But there have been only meager efforts to implement these programs.

THE GHOSTS OF 1963

The AFCFTA is more promising. At its best, it will squarely place African nations on a path to economic and political unity—a path they elected to veer from in 1963, at the founding of the Organization of African Unity (OAU) in Addis Ababa, Ethiopia, in favor of merely cooperating politically. That event marked a major turning point for African economic and political development. African leaders representing 32 independent nations were not in accord on the preferred definition of unity for a post-independence Africa.

Two sides dominated the debate. One, championed by Ghana's first president, Kwame Nkrumah, argued for a supranational federation of nation-states bound by a common market, shared defense, and unitary foreign policy. The other view, the one that would define intra-African relations for the next sixty years, was championed by Emperor Haile Selassie of Ethiopia, the OAU's first president and host of the inaugural meeting. He proposed limiting African unity to cooperation at the intergovernmental level, rather than integration. African nations' shared mission would be to work for Africa's full political independence.

The emperor said, "We must make one final supreme effort; now, when the struggle grows weary, when so much has been won that the thrilling sense of achievement has brought us near satiation." He then defined what became the consensus priority among political leaders in Africa and in the African diaspora: to help end European

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imperialism and white-minority rule in southern Africa. “Our liberty,” he declared, “is meaningless unless all Africans are free.”

The emperor’s call for making common cause echoed a declaration in Nkrumah’s speech at Ghana’s independence celebration on March 6, 1957: “Our independence is meaningless unless it is linked up with the total liberation of Africa.”

Despite their agreement on the urgent need for “total liberation,” the two leaders’ proposed paths to achieving pan-Africanism sharply diverged on the nature of unity. Nkrumah regarded political independence as a means to achieve economic independence, without which no nation could be truly sovereign. “Independence,” he said in his address to the OAU meeting, “is only the prelude to a new and more involved struggle for the right to conduct our own economic and social affairs; to construct our society according to our aspirations, unhampered by crushing and humiliating neo-colonialist controls and interference.”

Nkrumah urged member states to formally integrate politically and economically as the United States of Africa, insisting, “We must unite in order to achieve the full liberation of our continent.” To secure true self-governance and forestall a crisis of control over natural resources and consequent political instability, Nkrumah implored his fellow leaders to “forge a political union based on defense, foreign affairs and diplomacy, and a common citizenship, an African currency, an African monetary zone, and an African central bank.” Nkrumah warned that if he and his fellow African leaders failed to recognize the limited sovereignty of their respective countries, it would spell Africans’ collective doom:

If, therefore, now that we are independent, we allow the same conditions to exist that existed in colonial days, all the resentment which overthrew colonialism will be mobilized against us. The resources are there. It is for us to marshal them in the active service of our people. Unless we do this by our concerted efforts, within the framework of our combined planning, we shall not progress at the tempo demanded by today’s events and the mood of our people. The symptoms of our troubles will grow, and the troubles themselves become chronic.

The sixty years that followed bore out Nkrumah’s prescient warnings on the continent.

The movement to dismantle white-minority rule in southern Africa—the course outlined by Emperor Selassie, and not opposed by

Nkrumah—grew into one of the largest transnational mass protest movements in history. The OAU was essential to the cause of ongoing liberation, supported by African leaders and activists in the African diaspora well into the 1980s.

During the same period, however, foreign multinational corporations’ extraction of African mineral wealth caused military and civil conflicts, labor exploitation, and environmental degradation. As Nkrumah alerted his fellow leaders in Addis Ababa in 1963, in what remains a distressingly accurate assessment today, “Our capital flows out in streams to irrigate the whole system of Western economy.”

FAIR TRADE?

As the sixtieth anniversary of the OAU’s founding approaches, African leaders have begun to reimagine intra-Africa relations. As they do so, they face unprecedented continent-wide crises, including climate shocks, the COVID-19 pandemic, and internal population displacement. Addressing these crises will require goodwill, common cause, and investment from partners outside the continent.

Nkrumah’s argument that economic integration is a rational response to African nations’ limited economic sovereignty is all the more timely given growing global demand for digital technologies and battery-powered vehicles, which has sparked resurgent foreign investment in African minerals. Lithium-ion batteries will soon render combustion engines obsolete. Africa, with the world’s largest reserves of cobalt, a key ingredient in these batteries, is critical to this transformation.

In this sense, Africa is the world’s technological breadbasket. But if the continent’s economic and political status quo remains unchanged, heightened pressure and competition among Europe, Asia, and North America for its mineral resources will continue to contribute to corruption, labor exploitation, and environmental degradation. There will be little to no discernable material benefits for the citizens of the African countries involved.

The Democratic Republic of Congo (DRC) has 60 percent of the world’s cobalt. Yet it ranks among the five most impoverished countries on global poverty indices. The DRC’s deprivation, corruption, and chronic civil war astound even the most experienced monitors of financial malfeasance and its consequences. Its resources, particularly copper and cobalt, are sold to private foreign investors for a fraction of their value,

robbing its citizens of the opportunity to use the wealth of their land to improve their lives.

DRC leaders, including former President Joseph Kabila, have reportedly enriched themselves through corrupt deals with some of those foreign investors. Israeli billionaire Dan Gertler's egregious bribes to amass billions of dollars in profits from diamonds, oil, and cobalt are well-publicized examples. The Biden administration reimposed sanctions on Gertler after they were lifted by outgoing President Donald Trump. But neither Gertler nor the DRC is an aberration; they are emblematic of the mining industry's opacity.

The greatest impediment to economic stability in African countries, with some exceptions, has been a fundamental lack of basic infrastructure to facilitate cross-border and international trade, from roads and railways to ports and storage facilities. Improvements in infrastructure will enhance production. China has invested heavily in infrastructure projects, which have given it a strategic advantage on the continent. It is now Africa's largest trading partner and biggest creditor; and it has acquired a dominant position in mining on the continent, in exchange for financing infrastructure. Chinese-owned firms mine 50 percent of the DRC's cobalt, and some 80 percent of cobalt chemicals (used in cathodes for lithium-ion batteries) are produced by Chinese companies.

While African leaders redefine intra-Africa relations and rethink Africa's economic relationships with foreign investors, intergovernmental and multinational organizations must radically alter their approach to economic and political engagement with Africa. The leadership of Ngozi Okonjo-Iweala, appointed as director-general of the WTO in February 2021, will be critical to ensuring that African interests and issues are addressed at this level. As Nigeria's finance minister, Okonjo-Iweala aggressively pushed for greater transparency and accountability in the government's dealings with foreign multinationals. She also worked for 25 years at the World Bank, rising to its second-highest position.

Liberalizing markets and shrinking the role of governments became the default prescription from the World Bank and the International Monetary Fund for African economies during the 1990s. These steps have failed to foster economic growth. Okonjo-Iweala can usher in a culture change to

make the WTO a more effective partner in helping Africa realize its trade ambitions.

RENEWING A PARTNERSHIP

The US government also has an opportunity to play a constructive role in shifting the paradigm on African investment and trade. President Joe Biden has signaled from the start of his administration that he is prepared to work for productive partnerships with African countries and to support the AfCFTA. On February 5, 2021, in his address via video to the 34th summit of the African Union (formerly the OAU), Biden touched on key issues for African economic development and sovereignty: increasing trade and investment; providing peace and security; and backing democratic institutions. He pledged US support and partnership for the AU, in a spirit of solidarity and mutual respect.

Even before his AU address, Biden took steps that will help rebuild the US alliance with African countries, such as resuming US participation in the Paris Agreement on climate change and membership in the WTO and the World Health Organization,

and ending restrictions on student visas and the travel ban on 13 predominantly Muslim countries put in place by Trump. Biden also ended Trump's Mexico City Policy, which blocked

US funding for foreign aid organizations that provide information about abortion or lobby for changes to abortion laws.

The Biden administration should support a new approach to African governance and economic development through the powers granted by the 2012 Magnitsky Act. This law enables the US government to freeze the financial assets of individuals and groups identified as human rights offenders and ban them from entering the United States.

Meanwhile, African American lawmakers and government officials are likely to continue their decades-long tradition of acting as the principal political proponents of mutually beneficial US policies on Africa. It would be wise to lead multilaterally through the US ambassador to the United Nations, Linda Thomas-Greenfield. Finding a more experienced diplomat for this position would have been difficult. Thomas-Greenfield served as assistant secretary of state for African affairs during President Barack Obama's second term and previously was the US ambassador to

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Liberia. She should be at the helm of Biden's Africa-related initiatives.

Representatives Gregory Meeks, who took over as chair of the House Foreign Affairs Committee in January 2021, and Karen Bass, who became chair of its Africa subcommittee, will lead on African affairs within the US Congress. Meeks' first official event as committee chairman was a roundtable hosted by the Center for Strategic and International Studies on "A New US Policy Toward Africa." He called Africa his top priority.

Renewed interest in African affairs is also an opportunity for the Congressional Black Caucus (CBC) to resume its historic role as the leading voice for African issues and interests within Congress. The CBC had been the primary proponent of a progressive US policy toward African countries since its founding in 1971, but its members' involvement in African affairs waned during the 1990s. African Americans remain a vital constituency for a reimagining of African trade and governance, now that conditions seem more auspicious.

Kwame Nkrumah's warnings about the implications of foreign involvement in African economic affairs should be a continual reference point for African leaders as they work to sway international

financial institutions to change their conceptions and reform their practices in relation to mining, investment, and trade on the continent. The United States, as a hub for international finance, has a special part to play in this transformation. Its government and financial institutions must break from past practices to avoid aiding and abetting corruption. At the very least, they themselves must not actively engage in promoting corruption.

A US–Africa partnership for people-centered development will mark a radical departure from the practices of the past. Mining and trading Africa's vital mineral resources, under African control, and in partnership with foreign investors and governments that recognize Africans' interests in global trade and the potential of its vast new free-trade area, will contribute to realizing Africa's elusive dream of economic security and independence. US support, accountability, and investment in Africa have the potential to play formidable roles in reducing corruption and promoting good governance. But it is up to African leaders to seize the occasion of a global energy transition to usher in an era of accountability, transparency, and human rights, so that the continent's resources may fuel stability and prosperity for its people. ■