

## **Position paper "Africa and the G20 – Approaches for a progressive Africa policy"**

Cooperation with Africa has been declared a focus at the G20 summit in July 2017 and a "Compact" with Africa (CWA) is to be concluded. We advocate a progressive Africa policy showing solidarity, and in this position paper, we are presenting a social-democratic viewpoint on CWA. We demand a CWA that aims at a socio-ecological transformation of African and European societies.

The G20 as an exclusive club to which the most powerful economies belong has become an influential forum for global economy issues. Its decisions have to some extent serious impacts on poorer countries. The African continent is virtually excluded from the G20 process. In the "Year of Africa 2017", the G20 intends to create jobs and generate growth in selected African countries using investment partnerships, and to curb migration to Europe. This approach stands for a neoliberal understanding of economics and may in certain circumstances aggravate post-colonial structures of dependency. It is the opposite of what we consider a progressive Africa policy.

We call instead for initiating a socio-ecological transformation of African and European societies in an approach characterised by partnership, as also established in the Sustainable Development Goals (SDGs). Justice, peace, sustainability and solidarity must be the focus of such an approach. Up-to-date Africa policies may no longer be based on growth paradigms of the past that harm the environment and are elitist. Social and ecological crises make societal upheaval unavoidable. This is why we demand instead that social and political participation be made the essential basis of political action (Just Transition). The partners of progressive Africa policies are thus not developing countries under authoritarian regimes, but players committed to functioning democratic systems and poverty-reducing economic and development policies in their countries and regions. It is also clear that there can be no uniform policy for such a large and heterogeneous continent as Africa. Policies need to be differentiated within the scope of a regional political approach.

### Time for a paradigm shift in our Africa policy

In view of global political shifts and pressing joint challenges, it is high time to realign our relationships to the African states. Current initiatives to promote policies for Africa, in particular the G20 and the CWA, provide us with the opportunity to sustainably position Africa policies on the political agenda. As an informal association of states, the G20 cannot take any legally binding decisions, but it can set political priorities and enhance processes in global institutions. However, in the context of a political approach that is based on partnership, state and non-state players from the African continent need not only to be involved in policy-making, but we also have to agree collectively on common political stances. It is important to take existing programmes of the African partners into account, such as the Agenda 2063 of the African Union (AU). Furthermore, every Africa policy initiative needs to be developed bearing in mind that colonialism created structures whose after-effects continue to shape Africa's political, social and economic development to the present day.

Joint challenges can only be mastered jointly, as opposed to the traditional donor-receiver relationship, which – as we all know – has become anachronistic. This is why we need a political paradigm shift to cope with social, economic and political structural changes. German and European Africa policy showing solidarity need to be included in one joint political approach based on a set of coherent and interdepartmental policy measures – not pursued in a number of contradictory initiatives and levels of action. Uncoordinated action by single ministries will cause misunderstandings and uncertainties. Only with a coherent and coordinated approach will it be possible for our counterparts to understand German Africa policy and will we be able to assertively advocate our democratic social model.<sup>1</sup> The basis for our policies in Africa needs to continue to be a regional political approach and the cooperation with the African Union (AU) and regional economic communities (RECs). Bilateral agreements with individual states, such as for example the current EU-Africa migration partnerships with individual countries, undermine the logic of integration efforts by regional organisations such as the AU pursuing regional solutions.

#### Worldwide socio-ecological transformation as a joint objective of African-European partnership

Blatant social injustice, economic crises, ecological imbalances, the enrichment of the few at the expense of many, and the crisis of democracy as a consequence of rising populism or increasingly authoritarian development models are problems that affect both Africa and Europe. It will not suffice to find answers for the supposedly weaker partner as the “Compact with Africa” does. In our opinion, a good and responsible partnership is a relationship that places greater emphasis on joint objectives than on shared problems. Together with our African partners we want to commit to a global social and ecological transformation in Africa and in Europe which balances everyone's right to a decent life with the limitations of our planet's resources. Our cooperation in partnership is enshrined both in international treaties and agreements such as the Agenda 2030, the Sustainable Development Goals (SDGs) and the Paris Agreement on Climate Change, and in concepts from Africa that already exist such as the African Union's Agenda 2063. Germany should set a good example and shape the great number of initiatives for Africa in a coherent fashion, and transparently and clearly communicate them to our African partners. This also means that we have to be much more committed at the European level and work to actively co-shape initiatives between the EU and Africa.

#### Enlarging the G20 and making it more inclusive

With the exception of South Africa, no other African states are ordinary members of the G20 process. This means that the African continent is de facto excluded. Inviting hand-picked representatives of Africa as guests to a G20 meeting or granting the AU or another African country permanent membership will not change anything about

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<sup>1</sup> See also the position paper "A progressive policy towards Africa – African countries as global partners". Available online under <http://www.spdfraktion.de/system/files/documents/positionspapier-afrika-englisch.pdf>

this fundamental deficit. This is another reason why the United Nations remain to be the only democratically legitimised forum for responding to global challenges. In addition, the governments represented in the G20 do not necessarily represent the interests of their population. Some of them are in favour of authoritarian development models and for the most part have joined the G20's neoliberal development paradigm. In order to consider not only the interests of the elites, elements of participation in the G20 agenda will have to be strengthened and a far-reaching societal debate will need to be triggered. We welcome the existing on-going dialogue with civil society, but it is definitely not enough. The participation of social groups and in particular of civil society and trade unions needs to be institutionally strengthened in the G20 process. This can be achieved, for example, using the procedures in the context of the High-level Political Forum (HLPF) as outlined in the Agenda 2030, or by initiating multi-stakeholder civil society forums to precede the Civil Society 20 (C20) process. The Labour 20 (L20) process also needs to gain more influence in order to incorporate the developments sketched out here into the labour world. Only in this way can the deficits of democratic legitimacy that characterise the G20 as a self-proclaimed forum be mitigated, and the preferential access that clearly overrepresented business lobbyists and representatives of orthodox economic policies have been enjoying so far be prevented.

The "Compact with Africa": investments are fine, but they have to be differentiated, sustainable and fair

The "Compact with Africa" intends to use investment partnerships with individual African countries to give a boost to the economy and create jobs, thus reducing the "pressure to migrate" towards Europe. It is intended that every year 50 billion US dollars be collected to offset infrastructure deficits. Furthermore, 20 million jobs are to be created every year until 2035. The draft Compact was presented by the World Bank, the International Monetary Fund and the African Development Bank. Many African countries are highly sceptical of international financial institutions with good reason due to the negative experience they have had with often unilateral structural adaptations measures imposed on them. Lending practices, demands for public budget cuts, but also because investment and infrastructure projects have often had negative impacts on development, pushing the countries concerned into a spiral of indebtedness and dependency. This is why the underlying interests, functioning logic and path dependencies need to be questioned particularly critically - also to ensure that a new structural indebtedness of African countries be avoided. We advocate for the significance of the indebtedness of many African countries, which has reached threatening levels in some cases, to finally be adequately reflected also in the scope of a G20 presidency. We support a review of comprehensive debt settlement options for the affected countries under Germany's G20 presidency, so that a consensus be reached and steps towards implementation initiated.

The Compact's modular approach aims to improve the overall conditions for private investors in Africa by means of a mix of reforms and various instruments. The fact that to date so-called "good performers"<sup>2</sup> have applied and been selected suggests that the investments will not reach the poorest and weakest countries that especially

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<sup>2</sup> Currently: Côte d'Ivoire, Morocco, Rwanda, Senegal and Tunisia

need them. To achieve long-term development goals, it would be necessary, however, to strengthen players that advocate functioning democratic systems and poverty-reducing economic and development policies in their countries and regions, rather than authoritarian developing countries.

The Compact does not answer the question of what type of private investors are meant and how the populations of individual countries are to benefit from them. These questions are crucial, however, if the aim is not just to develop a market for foreign companies and investors, but to contribute to structurally transforming Africa and fighting against social injustice and poverty. We therefore demand that international private investors not be substituted for the role of the state. Investments also need to be embedded in an adequate industrial and agricultural framework to arrive in labour-intensive sectors. At the same time, investments in social safety nets and instruments of social policy should not be neglected, precisely to cushion macroeconomic crises and safeguard minimum social standards. The Compact thus far emphasises the importance of macroeconomic stability, but the approach proposed to privatise public infrastructure and open its financing to public private partnerships (PPP) has in the past often led to extraordinarily negative consequences across the globe.

For investments to truly contribute to economic and social developments in Africa, certain framework conditions also have to be fulfilled. We therefore demand that the G20 governments and partner countries when concluding investment partnerships comply with their international obligations to protect human rights, adhere to ILO core labour standards and additional ILO conventions, regulate multinational enterprises, and be an economic role model. Especially from a German perspective, human rights, social and ecological standards and the principles of Decent Work are the core of discussions on poverty reduction and sustainable development. It cannot only be a matter of the quantity of jobs on the African continent; the quality of the jobs must be at the very centre of the efforts. We also call for a pertinent review mechanism within the CWA as a guarantee that corresponding standards and regulations are complied with.

The Agenda 2030, SDGs and the Paris Agreement on Climate Change also need to be the basis for any investment partnership to create inclusive, environmentally friendly and sustainable growth which neither aggravates existing inequalities nor strengthens infrastructure systems that currently have very high emission rates. We welcome the fact that the Compact calls for measures against illicit financial flows such as money laundering, tax evasion and corruption. We must support the tax authorities of African states in a targeted manner and work together with them closely to make them able to contain illicit financial flows effectively. The German G20 presidency should commit to implementing and bundling the numerous existing initiatives. Selecting only some countries that are willing to bring about reforms for investment partnerships, as intended by the Compact, will lead to new conditionalities and weaken Africa's regional integration. German policies must by no means undermine regional and pan-African organisations, resulting in club governance rather than multilateralism.

Migration is not an issue that the G20 will deal with explicitly. However, investment partnerships with Africa are also motivated by domestic fears of increased migratory

pressure. Unemployment, as the “Compact for Africa” states, builds up pressure to migrate to Europe and creates instability. This is why investments are intended to ensure that young Africans can also find jobs in their own home countries in the future rather than leaving in search of a job in Europe. From our point of view, there is the danger of seeing the need to strengthen Africa's economies too narrowly from the perspective of migration: in fact, international migration research proves that economic development usually leads to more migration in the short term. Besides, the predominant part of - voluntary and involuntary - migration movements in Africa is taking place on the African continent itself. We instead advocate for a legal framework to enable controlled labour migration. The current fear of increased migratory pressure should not make us lose sight of the significance of controlled labour migration, also for the aging population of industrialised countries. Without addressing the causes for poverty and inequality comprehensively and coherently, however, only the transaction costs for the illegal transfers of migrants will increase and thus incentives created for a criminal sector extremely harmful to development policies. We believe that a global policy approach needs to be strengthened instead of bilateral approaches, in order to do justice to the complex interaction between global trade relations, underdeveloped economies and weak institutions that are also consequences of the history of colonialism. We thus demand that the G20 support the development of a “Global Compact for Safe, Orderly and Regular Migration” during the multilateral “Global Forum on Migration and Development” (GFMD) summit meeting to be held in Berlin from 28 to 30 June 2017.

In the “Year of Africa” 2017, we have thus far seen a political shift of focus towards European economic and trade interests. We must not lose sight of the fact that a progressive Africa policy needs to combine foreign, security and development policies in a global approach. We see such an opportunity at the EU-Africa summit which will take place in Abidjan in November 2017. Germany and the EU will be able to show that they are not subordinating their joint political goals for Europe and Africa to an agenda of investment and growth for Europe.