

Toward fair trade with Africa: Moving beyond AGOA in the US trade agenda

*Inside this
issue:*

*Trade
Serving
People, Not
People
Serving
Trade:*

*The US Interfaith
Trade Justice
Campaign
Page 15*

*Focus on
AGOA,
including*

*A Golden Yarn?
Page 3*

*Accounting for
AGOA
Page 4*

*AGOA and
civil society
Page 5*

*AGOA III
Page 6*

*Beyond AGOA
Page 7*

The people of the Niger Delta, our friends at Human Rights Watch reported in December, “have suffered horribly from living amid the source of Nigeria’s wealth.” They are speaking not only of the violence of the past year, largely perpetrated by ethnic militias and state security forces, but also of the broad context of oil exploitation that has pitted local community and environmental concerns against the massive power wielded by oil companies and government for years. Chevron, now ChevronTexaco, has not been immune from deserved criticism.

Last October, Colin Powell presented the Secretary of State’s Awards for Corporate Excellence to ChevronTexaco and its subsidiary, Chevron Nigeria, for exhibiting qualities of conscience, character and integrity.

This captures, for me, the ongoing irony—no, more than irony, the ongoing *tragedy*—of US-Africa trade relations. Our government makes gestures at being sensitive to Africa’s economic needs, provides modest opportunities for trade through such legislation as the African Growth and Opportunity Act (AGOA), then sustains policies designed to ensure that the true benefit will come to US corporate interests. It then commends US multinational corporations for their “character and integrity,” and commends itself for its compassion.

The reality is far different, and that’s what this issue of *Washington Notes on Africa* seeks to address. We spend a lot of time on AGOA, for it remains a critical piece of the US trade agenda with Africa. We and our colleagues critiqued the bill as it moved through Congress during the Clinton administration, and we have examined its implementation ever since. We need to share various assessments of what it has done, and not done. Now there is an AGOA III before Congress. Whether a trade bill can make it through Congress in a presidential election year is an open question, but we need to be aware of where priorities now lie.

What is more important to us than AGOA, however, is for us to articulate what just US-Africa trade relations would encompass. If AGOA is but a gesture, what should

(Continued on page 2)

THE US SAYS “NO”

Should economic policy be subordinate to, and serve, community needs?

(Continued from page 1)

justice advocacy present as an alternative? That is the gist of the Washington Office on Africa's testimony before the Senate Foreign Relations Committee in June 2003, and we have shared much of it with you in this issue. This alternative vision leads us to introduce the new US Interfaith Trade Justice Campaign, “Trade Serving People, Not People Serving Trade,” of which the Washington Office on Africa is a part.

Finally, we urge you to join us at our Ecumenical Advocacy Days, “I Will Feed Them with Justice” (see page 16), where we provide a major focus upon US-Africa trade. Workshops will draw attention to issues beyond AGOA and advance an alternative vision of just trade, with sessions on the Southern Africa Free Trade Agreement, TRIPS and access to affordable medicines, the US agricultural agenda and indigenous farmer rights, the US thirst for African oil, and water privatization. How these matters are addressed are, we believe, the true test of American compassion and fairness.

We'll give more attention to these in future issues and in our action alerts. They are critical:

- ⇒ The trade negotiations with the Southern Africa Customs Union countries deserve special monitoring, for they provide an opportunity for mutual agreement (something AGOA, as US-based legislation, did not do). Given recent trade agreement history, there are ominous aspects. The US has been notorious in seeking more restrictive patent protection provisions in recent agreements, with serious implications for African access to affordable medicines. The Central America FTA is a case in point. The US is notoriously secretive about it all, too.
- ⇒ Meanwhile, in other ways the US moves forward relentlessly with its agenda to make access to affordable medicines, to which it committed itself at Doha, as restrictive as possible.
- ⇒ The US agricultural agenda is dominated by the issue of subsidies, which serve to further impoverish African farmers. West African cotton is the preeminent example. But there is more, much more. The US biotechnology agenda seems indifferent to African concerns, whether those concerns be based upon risks to health, the environment, or access to international markets. Patenting of traditional seeds and agricultural practices remain a threat to smallholder African farmers.
- ⇒ Oil flows, simply put, matter more to the US than the tragedy of this unrealized opportunity for broad-based African development. The “publish what they pay” campaign—a way to provide transparency in oil company relations with African governments—is but one answer. Corporate responsibility is another. The US needs to be dealing more seriously with the reality that “petrodollars which could be used to reduce poverty have, in many cases, actually exacerbated it,” as the important 2003 report by Catholic Relief Services attests.
- ⇒ And then there's privatization. While our recent activism has been around the question of *water* privatization—where an essential for life is treated as an economic commodity—the issue pervades the US economic agenda. And for those of us concerned about economic justice, this is at the crux of it all: Who controls, and should control, economic activity? Should it be the companies with the massive resources to exploit both people and resources? Should it be the most powerful nation on earth? Or, should African governments and society have rights to define their own economic agenda? Should economic policy be subordinate to, and serve, community needs?



WASHINGTON NOTES ON AFRICA is published three times a year by the WASHINGTON OFFICE ON AFRICA, 212 East Capitol Street, Washington, DC 20003. We are a not-for-profit ecumenical advocacy organization seeking to articulate and promote a just American policy toward Africa. We monitor Congressional legislation and executive policies and actions and issue action alerts to advance progressive legislation and policy. We seek to work in partnership with colleagues in Africa, the Africa advocacy community in the United States, and grassroots organizations concerned with various aspects of African affairs. Executive Director: The Revd Dr. Leon Spencer. Phone: 202/547-7503. Fax: 202/547-7505. Electronic mail: woa@igc.apc.org. Website: www.woafrica.org.

SPONSORING ORGANIZATIONS OF THE WASHINGTON OFFICE ON AFRICA include the Church of the Brethren; Church World Service; Disciples of Christ; Episcopal Church; Evangelical Lutheran Church in America; Maryknoll Office for Global Concerns; Mennonite Central Committee; Missionaries of Africa; Presbyterian Church (USA); Reformed Church in America; Society of African Missions; United Church of Christ; and the United Methodist Church General Board of Global Ministries and its Women's Division.

A CORRECTION NOTICE TO LIBRARIANS (and others who notice such things): In our last issue, Fall 2003, we incorrectly identified the volume and issue as 28,3. It should have been volume 29, issue 2. We regret the error and the confusion it caused.

A Golden Yarn?

The impact of the African Growth and Opportunity Act

Draft report prepared by Sayeed Ahmed, Ana Caballero-Mengibar, Leslie Cutting, Betty McEntire, and Lawrence Zamora, under the supervision of Prof. Carol Thompson, Department of Political Science, Northern Arizona University (May 2003)

Note: We are pleased to share the summary of findings from an excellent study of the African Growth and Opportunity Act initiated at our request through long-standing Africa activist and scholar Prof. Carol Thompson. The full text appears on our website, www.woaafrica.org. We commend especially their country case studies, where AGOA's implementation is discussed under such rubrics as Export processing zones, Labor, Gender, Domestic vs. foreign resources, Environmental impact, Social and economic impact, and Agriculture. Views expressed here do not necessarily reflect WOA's position on AGOA.

AGOA eligibility requirements

Although each African state is theoretically cleared as fulfilling the "eligibility requirements" in order to trade under AGOA, in fact, the US Trade Representative (USTR) has designated many countries as eligible, even though they violate several of the so-called requirements.

Sweatshop conditions in several AGOA countries, including gross violations of human rights of workers, abrogates the very pre-conditions which the US government set up for AGOA partners.

Restrictions requiring the use of US thread or thread from AGOA eligible countries for duty-free entry constrains the goal of open markets.

If there is a loss or damage to US apparel industry sales, AGOA's apparel provision will be revoked, a violation of WTO rules.

The stringent intellectual property rights (IPR) requirements seem to have little or no relation to AGOA trade. It appears this supplemental condition, therefore, is a means for the US to enforce its national IPR laws on African countries resisting TRIPs of the WTO.

National treatment of foreign-owned enterprises is a requirement, but in fact, investment has mainly increased in export processing zones where foreign-owned factories

are greatly privileged over nationally-owned ones (suspension of labor laws, no taxes etc).

Beneficiaries

Trade has increased substantially from Sub-Sahara Africa to the USA for only six countries: Kenya, Lesotho, Madagascar, Mauritius, South Africa and Swaziland.

Trade sectors – Industrial growth or de-industrialization?

Trade has overwhelmingly increased in only one sector: textiles and apparel. Only in Kenya and South Africa did exports substantially rise in other sectors, primarily in agricultural products: Kenya by 235%; South Africa by 173.9%.

Some will applaud this result noting that the textile industry has historically been the impetus for further economic growth. Others will note that the Multi-Fibre Agreement (MFA) will expire on January 1, 2005, according to WTO rules; this expiration will allow textile and apparel industries in China, India and other Asian countries to compete freely in the US market with these miniscule and nascent industries in AGOA countries. If this occurs, AGOA will have encouraged only short-term, ephemeral (2-3 years) industrial production. De-industrialization in textiles is not new on the African continent, often resulting from

liberalization requirements of structural adjustment programs (e.g. Tanzania, Zambia, Zimbabwe). After 2005, AGOA may have reinforced, not reversed, this trend.

Eligibility

For sub-Saharan African countries to become eligible for AGOA, they must have been "determined to have established, or are making continual progress toward establishing"

- Market economy, with guaranteed right of private property
- Rule of law and political pluralism
- No barriers to US trade and investment
- "National treatment" of foreign corporations
- Stringent intellectual property rights
- Poverty reduction policies
- Increasing availability of health care and education
- System to combat corruption and bribery
- Respect for internationally recognized workers' rights
- Respect for internationally recognized human rights
- Elimination of certain child labor practices
- Refrain from activities that undermine US national security

(Continued on page 10)

Accounting for the Africa Growth and Opportunity Act

A work in progress by Ms Sherry-Lee Abrahams,

MPhil in International Relations candidate, St Antony's College, Oxford, and 2003 intern at the Washington Office on Africa

Note: We are pleased to share this thoughtful analysis of the African Growth and Opportunity Act. For space considerations, we have edited it for this issue of Washington Notes. The full text appears on our website, www.woafrica.org. Views expressed here do not necessarily reflect WOA's position on AGOA and on the AGOA III legislation before Congress.

I adopt the standpoint that the African Growth and Opportunity Act (AGO A) was a remarkable legislative achievement, founded on a genuine desire to integrate the African continent into the global trading realm. Yet, for all that was spoken on issues of access to the US market, of just and equitable trade policy, and of continued commitment to growth in sub-Saharan Africa, I strongly believe that the rhetoric of the administration did not match the actual outcome of the AGOA legislation. Its implementation to date and the current prospects for its expansion and renewal speak to these concerns....

Accounting for AGOA

One of the more important things to understand when assessing the progression of AGOA is the manner in which the legislation came into being in the first instance. It was originally the work of one Congressman, Jim McDermott (D-WA) and his legislative assistant, Mike Williams, who were determined to see the Clinton administration do something substantial in the way of trade and investment for Africa. During the negotiation of the Uruguay Round Agreement in 1994, they pressed for section 134 of that legislation, calling on the President to come up with an equitable trade policy for the countries of Africa. That set the process of what was to become AGOA into action, making it a legislative requirement and giving it a timetable.

What I am trying to highlight here is that although President Clinton himself showed concern towards the African continent and particularly towards the plight of the new South Africa, the drive for a comprehensive trade policy towards Africa was not, initially, coming from the

White House. Rather there were a group of concerned officials in the House who felt that the administration should be urged into taking this process forward. Therefore, in the first instance, this policy had to be "sold" to those in power who possessed the sole ability to see the legislation turn to substance. It was the fighting spirit of this core group, which saw Jim McDermott and Mike Williams joined by Congressmen Charles Rangel and Phil Crane and their staff members, which drove what was to become a bipartisan effort.

It was the work of this same group that led to the first foot in the door to the White House where people like Susan Rice, Gayle Smith, and Witney Schneidman would help to ensure that the legislation gained the necessary Presidential support to see it passed. What is important to remember here is that by the time President Clinton had left for his 1998 trip to Africa, the work of the initial inner core had already seen the AGOA legislation passed in the House and sent to the Senate. Thus, when the President left for Africa, he had something substantial to sell, a sign that he was committed to seeing the new partnership with the African continent unfold....

By 1999, when the bill came before the Senate, the President's promise to the African states to have the legislation passed encountered some serious domestic opposition. The textile producing states of the South waged a war on AGOA. Senators Ernest Hollings and Jesse Helms were relentless in their opposition.

The newly formed Office of the United States Trade Representative for Africa, led by Rosa Whitaker, and the President's White House AGOA team were forced into a reconsideration of the AGOA legislation originally passed by the House. The bill was formatted and then reformatted and by the end of the bipartisan effort, which had been absolutely necessary for a President whose party was not in control of the House..., the textile lobby got its way.

African countries eligible for AGOA

(by date of eligibility)

October 2, 2000:	Mauritania
Benin	Mauritius
Botswana	Mozambique
Cameroon	Namibia
Cape Verde	Niger
Central African Republic	Nigeria
Chad	Rwanda
Congo (Republic of)	Sao Tome and Principe
Djibouti	Senegal
Eritrea	South Africa
Ethiopia	Tanzania
Gabon	Uganda
Ghana	Zambia
Guinea	
Guinea-Bissau	May 16, 2002:
Kenya	Cote d'Ivoire
Lesotho	October 23, 2002:
Madagascar	Sierra Leone
Malawi	December 31, 2002:
Mali	Congo (DRC)
	The Gambia

(Continued on page 11)

AGOA's attempt to engage civil society A missed opportunity for dialogue and democracy

We have to admit that the agenda for the recent NGO parallel meetings to the AGOA-mandated US-Sub-Saharan Africa Trade and Economic Forum (a gathering of African and US finance and trade ministers) looks impressive. The gathering, titled the Second AGOA Civil Society Network Session, was held at Howard University in Washington in December. Diplomats, State Department officials, US Trade Representative staff, and colleagues

educating African leaders “in the concepts of democratic capitalism.” Yes, for those who are convinced that the free trade agenda is the answer for Africa to gather to engage in discussions about “sustaining AGOA’s momentum” is fine. But when the AGOA NGO meetings are used in this way, it is a missed opportunity.

African civil society propounds diverse views about the contribution AGOA makes to African economies. Some speak highly of AGOA’s vision,

December communiqué called, for example, for the US to address the critical issue of agricultural subsidies and for the promotion of female-owned businesses. But in the end the meetings tend to talk not about civil society’s visions for just and inclusive economic development but about—as an AID official proposed at the recent gathering—the helpful role for NGOs... helpful, that is, by helping “small and medium-sized African businesses to... take maximum

AGOA's call for an NGO meeting provides a singular opportunity to model democratic traditions by demonstrating that African critiques of an African government's trade policy enhance debate, strengthen civil society, and ultimately make for good governance.

from several non-governmental organizations (NGOs) were all there.

But with all due respect to these NGO colleagues, the provision in the original AGOA that created an ongoing means for African and US officials to hear one another (the “Forum”) and encouraged NGOs to hold parallel meetings to the Forum has not realized its potential, and in our view is unlikely to do so.

The Washington Office on Africa’s interest in the parallel meetings was that it provided an opportunity for African civil society to be at the table, to both engage in dialogue themselves and be heard by government officials.

The problem with the NGO meetings, however, is that they have been reduced to cheerleading for AGOA. This is perhaps to be expected with a Bush administration whose first Africa priority is trade and investment, and with key coordination of the NGO meetings undertaken by the Foundation for Democracy in Africa (FDA), whose “sole mission [is] to help integrate the African countries into the mainstream of the global economy” by

while others have condemned AGOA as principally serving a US corporate agenda. The NGO meetings under AGOA offered an opportunity for a valuable exchange. That’s not what has happened.

No meeting materialized in 2002, and the NGO meeting in Mauritius in January 2003 lacked integrity. African participation was limited and unrepresentative. The 2003 annual report on AGOA notes that only some 20 organizations attended, and they were mostly from the US and Mauritius. Financial support from the right-wing Heritage Foundation helped to identify who came.

The meeting in Mauritius also lacked integrity when, in its closing document, it welcomed other NGOs to future meetings only if they embrace the AGOA agenda and if they agree not to be “adversarial” in relations with government and business sectors. Critics of Chevron in Nigeria or US pharmaceuticals over access to affordable medicines need not apply.

It’s not that some of the proposals from the meetings are unhelpful. The

advantage of AGOA’s provisions.” Quite a different agenda, one that requires acceptance that AGOA is the answer, and that the NGO role is to celebrate it.

We have yet to see who from African or US NGOs attended the recent Washington meetings. US NGO organizations that were instrumental in planning for the Mauritius meeting, in addition to the FDA, included the Africa Society (National Summit), Constituency for Africa, and Bread for the World.

We stand by our call from back in 1999, for an independent coordinating structure committed to diversity at these annual NGO meetings; funding for African NGO participation (*see page 10 article on AGOA III*); and structures ensuring an active inter-relationship between the NGO meetings and the Forum. It’s the way for richly-diverse civil society voices to be heard, and modeling that matters more than cheering a modest piece of legislation.

(*WOA intern Beverly Lwenya contributed to this article.*)



AGOA III introduced in Congress: Legislation to expand and extend benefits

Congressman Jim McDermott (D-WA) and Senator Richard Lugar (R-IN) recently introduced a bill to amend the African Growth and Opportunity Act (AGOA). The AGOA III Act, as the bill (HR 3572) will be called, gives the original legislation high marks, confirms commitment to increase US-Africa trade, then moves on to address limitations of the original AGOA.

Textile apparel

The legislation notes, for example, the end of textile and apparel quotas world-wide in 2005. Even without quotas, however, duties remain an obstacle to export to the US, so if AGOA III succeeds (as it intends) in extending AGOA through at least 2015, Africa will still have some advantages for apparel exports over the rest of the world. (Earlier this year President Bush suggested that AGOA should be extended beyond 2008.) AGOA III also seeks to extend for four years the ability for the poorest AGOA-eligible countries to use third-country fabric for duty-free apparel exports to the US.

What we are talking about here are aspects of the narrow textile benefits that emerged from the original AGOA. Proponents of AGOA always argued that the textile benefits were the law's great attribute, but these benefits were also the most contentious, especially among Senators from textile states. In fact, the Senate version of the original AGOA required that in order for African textiles and apparel to enter the US duty-free, they would have to contain US thread or yarn or fabric. This rendered the textile benefit in AGOA virtually meaningless.

A compromise was finally reached by limiting benefits to apparel

rather than the more inclusive textiles. Duty-free and quota-free treatment would now be granted for any imported apparel made with US fabric or yarn; any apparel wholly assembled in Africa and not presently produced in the US; and apparel wholly assembled in Africa from fabric wholly formed in the region from either US or regional yarn, subject to an (increasing) annual limit. AGOA also extended preferential treatment for apparel wholly assembled in "Lesser Developed Countries" (defined as those with less than \$1,500 per capita GNP in 1998) regardless of the origin of the fabric.

What became known as AGOA II (actually a section of the Trade Act of 2002 [HR 3009] on the implementation of AGOA) did a bit of fine-tuning on apparel benefits. It also provided additional technical assistance to help African countries develop effective controls to prevent transshipment, which had been a key concern from the outset. (*Transshipment* refers to the shipment of apparel from Asia, principally, to Africa, where under AGOA benefits it could be shipped onward to the US.)

This may be far more than you want to know, but it is of critical importance. The Washington Office on Africa has argued for some time that AGOA is of *symbolic* significance—a sign that the US is prepared to treat Africa's economy more seriously—but that AGOA has had modest *real* benefits to Africa. Since AGOA proponents cite apparel as the evidence of AGOA's benefits, how it has worked, and how its restrictions have hampered benefits, matters.

AGOA III does make some progress in this regard, though what remains at the center is apparel assembled in African countries from US fabric and US yarn and thread. And

even the World Bank has found these "rules of origin" a severe limitation. In an October 2002 assessment report, they suggested that the absence of these restrictions would have increased AGOA's impact on textile exports five-fold.

Agriculture, AIDS, and infrastructure

AGOA III also aims to broaden the economic sectors that can take advantage of its benefits, particularly agriculture and value-added agriculture products. The bill will provide technical assistance to African farmers so that they can meet strict US sanitary/phytosanitary requirements. (This refers to health and safety standards for food as it is processed, packaged and exported. Strict US standards have led some in Africa to claim that US regulations are but an excuse for protecting domestic producers.) The bill also calls for technical assistance to African farmers to enable them to export their products to the US. "Dozens" of US agricultural experts scattered around Africa is the key medium.

AGOA III plans to contribute to confronting the AIDS pandemic by providing a tax deduction to US firms operating in AGOA-eligible countries when they make a cash donation to the Global Fund.

AGOA III attempts to address infrastructure issues (transportation, energy, telecommunications, water) necessary to increase trade. Having dismissed the thought that building roads, ports, energy grids, telecommunication and water systems solely to increase trade flows is not feasible, the authors of the legislation offered an interesting, if odd, solution: ecotourism. They argue that Africa should position itself to take advantage of a

(Continued on page 10)

Beyond AGOA: WOA's Executive Director testifies before Senate Foreign Relations Committee

In June Leon Spencer, WOA's Executive Director, was invited to testify before the Senate Foreign Relations Committee on the African Growth and Opportunity Act. He used the Senate opportunity to broaden the discussion from the narrow confines of AGOA. We reprint excerpts here, for the testimony highlights WOA's vision of economic justice as expressed through trade relations.

From the moment that the African Growth and Opportunity Act was first introduced in Congress, the Washington Office on Africa has been engaged in advocacy regarding US-Africa trade policy from the standpoint of a faith-based understanding of economic justice....

While critical of aspects of US-Africa trade policy, we and our colleagues in the Africa Trade Policy Working Group of the Advocacy Network for Africa are not anti-trade. We are convinced that – to the extent that African business initiatives are enabled to be competitive, benefits accrue to workers (especially those living in extreme poverty), and environmental concerns are addressed – mutually-beneficial trade relations will result, and will serve Africa's interests. At the same time, we are convinced that trade between such unequal partners cannot be the sole answer to Africa's development, and without continuing development assistance and substantial debt cancellation,

the economic marginalization of Africa in the global economic context will remain – to our detriment in the United States, as well as to Africa's.

The African Growth and Opportunity Act – by its very existence – indicated to many in Africa and in the United States that the US was at long last prepared to take Africa and its economies seriously. From the outset, however, we questioned the extent of the benefits of this legislation to Africa, and the price paid – the conditions established by AGOA – for access to those benefits. Early drafts of the legislation contained conditions that looked very much like the Structural Adjustment Programs of the international financial institutions – an economic agenda that even the International Monetary Fund has recently acknowledged has worked against Africa's interests. We looked warily at the “national treatment” and intellectual property rights conditions as indicative of a self-serving US agenda. We also questioned whether textile benefits would prove to be the stimulus panacea some claimed. We nevertheless welcomed the somewhat improved conditions in the final text, and we were prepared to applaud concrete pervasive benefits to Africa should post-AGO data so demonstrate.

With AGOA now in its third year since passage, here is what we see:

- ⇒ *Of the 38 eligible African countries, only 22 exported anything under AGOA by mid-2002.*
- ⇒ *Of the 38 countries, less than half secured duty-free access to the US apparel market by establishing rigid apparel export visa systems.*
- ⇒ *Of these, only six (Kenya, Lesotho, Madagascar, Mauritius, Swaziland and South Africa) significantly increased exports to the United States, primarily in the apparel sector (and of those six, Madagascar's exports dropped dramatically in the last year due to uncertainty after its controversial presidential elections).*
- ⇒ *Only 38% of apparel exports entered the US with duty-free AGOA benefits in 2001.*
- ⇒ *Only two countries (Kenya and South Africa) showed any substantial rise in other sectors, principally agricultural.*
- ⇒ *Oil remains the overwhelming sub-Saharan African export to the US. Apparel – again, the chief AGOA benefit to Africa – represents only 4.5% of total exports to the US.*
- ⇒ *In 2001 African exports to the US declined, while imports from the US increased. African exports to the US remain less than 2% of all exports to the US, while African imports from the US are less than 1% of US exports overall.*

(Continued on page 8)

Senate testimony: US trade policies unfair

(continued from page 7)

Certainly one can argue that for that small number of countries which have taken significant advantage of the apparel benefits under AGOA, the change is dramatic. In Lesotho, AGOA proponents claim an increase of 15,000 new jobs in a country where the unemployment rate hovered around 45% in 2002. Apparel exports totaled \$129.6 million in 2001, up from nothing. And yet the apparel industry in Lesotho is dominated by foreign ownership – Taiwan controls 65% – and a two-year NGO study of the garment industries in southern Africa revealed cases in Lesotho of sexual harassment, beatings, false recording of time worked, and extensive forced overtime, and conditions that included lack of ventilation, locked bathrooms and factory gates, and lack of protective gear. (Worthy of note is that respect for internationally-recognized workers' rights is one of AGOA's eligibility conditions.) An analysis of the key benefits from AGOA, then, illustrates contradictions, and the end of world-wide quotas on textiles through the Multi-Fibre Arrangement in 2005 complicates the situation even more....

Conditions

Concern about the rule of law, poverty reduction, health care, education, labor rights, and human rights are well-placed in AGOA eligibility criteria, and they represent an effort to place trade in the context of a just society. By

those standards it has been legitimate for this administration to raise concerns about Eritrea and Swaziland in particular.

It remains, however, a serious matter of concern to the Washington Office on Africa as to the application of the various narrowly-self-serving economic prescriptions among eligibility conditions. Insistence upon economic "reforms" that remove any barrier to US trade and investment and demand "national treatment" of foreign corporations ignores the fact that most industrialized nations, including the United States, achieved their economic status through "infant industry

"Claims that AGOA is a 'great success' are exaggerated. In fact, benefits to Africa have been quite modest thus far.

If the US is serious about mutually-beneficial trade relations with Africa, how can we take a symbolically-significant yet tangibly-modest Act and move forward?"

protection." Prior to 1913 the US was both the most heavily protected and fastest growing economy in the world. By suggesting that African efforts to protect fledgling industries from the might of multinational corporations, or that any barriers African countries impose upon US investment, prevent a "level playing field," the US Trade Representative is engaging in myth.

It is fair enough for the US to indicate its preference for particular economic policies by African governments. It is crucial, however, for Congress to demonstrate, in any future Africa-oriented legislation, its support of the right of African governments and civil society to define their own

economic agenda without penalty or threat of penalty by the US.

The free market and fair trade

The free market mantra of this administration is self-serving. No country in the world, including the US, practices free trade, and US "free trade policies" are widely seen by other countries as a demand for free access by the US to their markets, rather than the reverse. The recommendations of the Commission on Capital Flows to Africa that the US permit all products from Africa to enter the US duty-free and quota-free is in striking contrast to this reality, despite the gestures made in AGOA.

US long-term interests are secured by engaging in *fair* trade. Africa's certainly are. US interests are also served by stable African societies where governments effectively address the needs of their people. Africa's certainly are. Tragically, current US trade policies and actions undermine both fair trade and Africa's societal needs. Whatever the legislative vehicle, moving forward with an alternative vision of US-Africa trade policy, where the US practices what it preaches on free trade, and where ideas of managed trade are not anathema, is crucial for mutually-beneficial relations.

Here are some possibilities:

The Congress should eliminate the stunning domestic agricultural subsidies that so distort trade in agricultural products and limit African options for agricultural export to the US. It is not helpful for the US to point to Europe as the greater villain. The US has control over what it does, and when US policies prevent African access to its market, it has violated its own stated commitment to advance African economic growth. With up to 80% of Africans working in

(Continued on page 9)

*Senate testimony:****WOA outlines alternative trade agenda****(Continued from page 8)*

agriculture-related pursuits (and a majority of them women), these trade-distorting subsidies are harmful and wrong. Their impact is readily seen with regard to cotton in West Africa. The concept of “comparative advantage,” so crucial to free market analyses, falls by the wayside when subsidies are introduced into the equation. In Mississippi, it costs 82 cents to produce a pound of cotton; in Mali, only 23 cents. Yet with recent legislation increasing cotton subsidies beyond last year’s \$3.4 billion, the 25,000 American cotton farmers naturally are increasing their acreage, producing more cotton, further depressing world prices, and further impoverishing families in West Africa. Without addressing the subsidy issue, it is unlikely that any “AGOA-plus” legislation seeking to expand African agricultural exports to the US will have the desired effect. And, if no steps are taken on subsidies, the US needs to stop lecturing Africans about free trade.

The Congress should affirm the role of the state in addressing the common good by prohibiting any bilateral and, through vote and voice in international fora, multilateral demands for water privatization, full-cost recovery for health care, and user fees in primary education in Africa. The latter two – health and education – have been frequently addressed, though vigilance is still required. Water privatization remains a serious threat to Africa, where water as a commodity for profit places those in poverty and in rural areas at risk. Trade policy needs to serve people, not the other way round.

The Congress should endorse the African initiative to protect smallholder farmers and local communities by recognizing community intellectual property rights to seeds and traditional agricultural practices. This dominant privatization agenda in US trade policy – that everything, including life itself, can be owned and can, therefore, be controlled and marketed – is an affront to community. The patenting of life forms that are part of African agricultural and biological resources violates African rights. An acceptance by the US of a substantive (not merely procedural) review of TRIPS 27.3.b (the provision in the Agreement on Trade-related Aspects of Intellectual Property Rights regarding patents on micro-organisms), and of intellectual property rights held by *community*, are appropriate ways forward through TRIPS.

The Congress should mandate that the US respect the sovereignty of African countries to define their own policies regarding genetically-modified organisms. This is not an anti-GMO statement. Rather it is a recognition that many in the world find wisdom in a “precautionary principle” that US trade policy rejects, and they have a right to set national policy accordingly. The US efforts to undermine African support for the Cartagena Biosafety Protocol, and its claim to be acting to counter hunger in Africa with its WTO challenge of European GMO policies, are misguided at best. The implication in the recent US Leadership against HIV/AIDS Act, to the effect that any nation receiving US assistance to confront the HIV/AIDS pandemic cannot refuse food assistance that has been genetically modified, is arrogant and wrong, and legal correction should be made.

The Congress should mandate that the US fully embrace the spirit of the Doha Declaration regarding access to affordable medicines. The Bush administration pledge not to take any actions against countries that export drugs under compulsory license to low-income countries during times of public health crises is an unsatisfactory response to the agreement at Doha to resolve the question of countries lacking the capacity to produce such drugs themselves. This unilateral action by the US (having been the sole opponent to a multilateral solution, 143-1) leaves such African countries in these situations with no legal foundation for affordable access. Further, US insistence this month [June 2003] that the G-8 not mention the Doha Declaration and pay tribute instead to the pharmaceutical industry speaks volumes about US lack of commitment to affordable access. Moreover, despite the fact that the Trade Promotion Authority Act specifically includes respect for the Doha Declaration as one of the principal negotiating objectives of the US, there remains grave risk that in the current negotiations for a Southern Africa Free Trade Agreement, the US will seek to impose a TRIPS-plus standard that it has been unable to secure otherwise. The Congress should act to prevent this distortion of Doha.

Finally, the Congress should find avenues to commit the US to give precedence to peace and conflict resolution over trade considerations. Examples of US failure to do so abound. US hesitancy over action on conflict diamonds on the grounds that the Kimberley Process might violate WTO rules failed to ask whether trade rules are to exist in their own untouchable domain, or whether trade rules should serve a broader social agenda, where a just community restricts

(Continued on page 14)

FOCUS ON AGOA

A Golden Yarn?

(Continued from page 3)

Foreign ownership – Foreign direct investment (FDI)

Most of the enterprises that invested in textile and apparel manufacturing are from South-east Asia, especially Taiwan, Hong Kong, and Singapore. Among African countries, South African companies have investment in Lesotho, and Mauritius invests in Madagascar.

Moreover, companies from the US, France, China, India, Bahrain and Israel have investments in textile and garment factories since AGOA. Because they are investing mainly in export processing zones, foreigners pay little or no taxes and secure off-shore profits. Often the state is required to provide infrastructure (e.g., sufficient water is an issue for textiles).

Trade diversion

AGOA seems to have redirected trade away from traditional markets, mainly the European Union, toward the US. It appears this result was an original goal of AGOA, reinforced with the new negotiations for a USA/Southern Africa Customs Union (SACU) free trade agreement (FTA), which threatens the essence of the Southern African Development Community.

These trade protocols only partially and momentarily open the US market to African goods, while requiring unilateral concessions from Africa....

Regionalism

AGOA has facilitated both Mauritius and South African

investment in other AGOA-eligible countries where labor is even cheaper than in their own countries. Some will argue this expansion promotes regionalism. Others will note that such expansion exacerbates the regional economic domination of South Africa and Mauritius over, say, Mozambique and Madagascar, assisting the strongest economies. This result is not unusual for free trade relations, which privilege stronger economies....

Sweatshop conditions and gender

Working conditions in the sweatshops are appalling: unsanitary toilets in open view of cafeteria tables, inadequate light and ventilation, locked entry gates and bathrooms, no protective clothing, etc. Management systematically violates human rights by beatings, forced overtime and demanding sexual favors. Besides these hazardous working conditions, wages fall below national poverty lines. Further, women workers encounter frequent sexual harassment and discrimination. In some cases, married women face bias in obtaining jobs, with continuing discrimination in the workplace if they are hired.

Job creation under AGOA has not been a means for wealth formation of workers, who endure abuse for poverty wages. Familiar US labels (JC Penney, Wal-Mart, The Gap, Dress Barn, Route 66, Just My Size, Farah and many others) hide their relationship to such labor conditions by shipping via brokers.

Resistance

A growing number of African civic organizations are organizing and speaking out against the impact of AGOA. They note that there is no reciprocity on the part of the US to AGOA-imposed conditions (e.g., to respect African sovereignties). They are protesting the exploitation of cheap labor, little technological transfer, and little reinvestment by foreign factory owners in the African economies.



AGOA's apparel provisions

give sub-Saharan African countries that are already eligible for AGOA duty-free and quota-free access to the US for items made with US fabric, yarn, and thread. In order to be eligible for the apparel provision, countries must be qualified for the General System of Preferences (GSP) and they must have effective visa systems to ensure that illegal transshipment will not occur. In addition, they must have instituted enforcement and verification procedures for customs controls. The apparel provision is scheduled to end by September 30, 2008.

Special rule for lesser developed beneficiary countries

allows countries whose GNP is under \$1,500 per capita to gain duty-free and quota-free access for apparel (no matter the origin of the thread) until September 30, 2004.

AGOA III

(Continued from page 6)

rapidly growing industry. The resultant infrastructure used to support an eco-tourism industry could also be used to increase trade flow.

AGO Forum and NGO meetings

Finally, AGOA proponents at long last are authorizing grants to US NGOs to

host parallel meetings to the annual AGOA Forum of African and US finance ministers. WOA called for funding to assist African NGOs to attend parallel NGO discussions back when the original legislation was before Congress. Now, with these NGO meetings problematic at best (see page 5), the funds are likely to serve only the interests of the US neo-liberal economic agenda.

Still modest...

Little of this seems to us to be negative in and of itself. Extending AGOA benefits for another decade, providing technical assistance, even advancing eco-tourism, are appropriate, and any incentive to expand support for the important multi-lateral Global Fund to Fight AIDS,

(Continued on page 11)

Accounting for AGOA

Continued from page 4)

Their campaign ensured that duty-free benefits were kept largely to apparel alone, thus safeguarding textiles. The rules of origin ensured that only cotton from the US and from the eligible African countries themselves could be used in the production of apparel for export to the US (with a] valuable compromise that those countries classified as lesser developed states could use third country inputs up to 2004). The rules of origin provisions subdued fears of Asian “transshipment” through Africa, which the administration repeatedly stated had never been the intention of the legislation.

Why did the [limitations on] textiles benefits and the stringent rules of origin on apparel lead the original architect of the legislation, Rep. McDermott, to... reconsider voting for it?

To begin with, African countries were expected to manufacture cotton for use in apparel production almost immediately if they were to see any benefit from AGOA before its expiration in 2008.... Countries such as Mali, whose cotton quality falls below the standard desired by US consumers, has found itself importing [cotton] from the US in order to produce apparel for export. Thus its domestic farmers reaped no immediate benefit. On the flip side of the coin, a country like South Africa, which has a strong spinning and manufacturing capacity, has been able to use the rules of origin requirements to the benefit of her and her immediate neighbors. For

example, since the inception of AGOA, South Africa’s manufacturing industry has largely increased its demand for cotton from Mauritius and has been able to generate 90,000 new jobs in apparel production since 2000. The recent establishment of a Levi Strauss factory in Cape Town, which will focus

the greatest growth in their apparel production. In fact, Lesotho, Botswana, and Swaziland have been continuously touted as the success stories by AGOA’s main proponents.

There are some things worth considering here. These countries are also the ones that have seen some of the greatest Asian investment in their manufacturing sectors. Lesotho has recently been the case study of the Clean Clothes Campaign whose findings attested to a poor labor union movement, appalling worker conditions, and an overall concern about sustainability.

What bearing does this have on the actual legislation? First, Asian investors have had an incentive to locate in those countries that are allowed inputs in their apparel production from the East. This has meant that they have not had to source all of their cotton from the US. Second, the fact that these benefits to the lesser developed countries were only to be in place until 2004 made relocation somewhat worthwhile in countries such as Lesotho where the labor union movement was almost non-existent, a large work force could be easily assembled, old manufacturing shells put to use, and the benefits of the AGOA provisions set into place.

The *time-framework* of the legislation is the more serious factor here. It is arguably this push to make the most of the benefits as is physically possible in the period before 2004 that has resulted in the

(Continued on page 12)

Eligibility for AGOA’s apparel provision

- | | |
|--------------------|---------------------|
| <i>Botswana*</i> | <i>Mozambique*</i> |
| <i>Cameroon*</i> | <i>Namibia*</i> |
| <i>Cape Verde*</i> | <i>Rwanda*</i> |
| <i>Ethiopia*</i> | <i>Senegal*</i> |
| <i>Ghana*</i> | <i>South Africa</i> |
| <i>Kenya*</i> | <i>Swaziland*</i> |
| <i>Lesotho*</i> | <i>Tanzania*</i> |
| <i>Madagascar*</i> | <i>Uganda*</i> |
| <i>Malawi*</i> | <i>Zambia*</i> |
| <i>Mauritius</i> | |

** Also qualify for the Special Rule under the apparel provision (see box on page 10)*

solely on the company’s production for the US market, is symbolic of this success.

Yet, beneath this picture of success for those capable countries such as South Africa, a serious threat, and one that stands to affect South Africa’s neighbors more than herself, continues to loom. Madagascar, Lesotho, Swaziland, and under the Bush administration, Namibia and Botswana, were all granted lesser developed country status. It is not surprising that these countries, who have been privy to the third party input benefits, have seen

AGOA III

(Continued from page 10)

Tuberculosis and Malaria is welcome. It’s what isn’t done that remains the problem. Agricultural technical assistance doesn’t mean much when US subsidies of American farmers keep African products out of the country. And tax incentives to US firms who contribute to the Global Fund is but a modest gesture

for a US government that has avoided making significant contributions to the Fund itself. Still....

In the House, Rep. McDermott, who was key in the development of the original AGOA legislation in the 1990s, is joined by a bipartisan group of co-sponsors of AGOA III, including Ed Royce (R-CA), who chairs the Africa subcommittee of the House Interna-

tional Relations Committee, Charles Rangel (D-NY), William Jefferson (D-LA), Richard Neal (D-MA), Donald Payne (D-NJ), and Amo Houghton (R-NY). AGOA III was referred to the Ways and Means, International Relations, Financial Services, and Agriculture committees in November.



FOCUS ON AGOA

Accounting for AGOA

(Continued from page 11)

poor labor standard in Lesotho's many apparel production plants. More serious than the looming end of benefits for the lesser developed countries is the coinciding of the 2005 expiration of all quotas on textile and apparel production for export under the World Trade Organization Multi-Fibre Agreement and China's accession to the WTO during the same year. These considerations were what led some of AGOA's principal supporters... to a sense of disappointment over the policy outcome achieved...

Many of the predictions of the AGOA nay-sayers in the US South have failed to materialize.... The US Department of Commerce has failed to report on any substantial negative domestic impact as a result of AGOA. This serves as a testimony that Africa's share of the US textile market was so small to begin with, that her capacity for immediate large scale production was even smaller, and thus that "fears" of the huge textile lobby to which the administration succumbed were largely unfounded.

In spite of the many inconsistencies around the export of apparel and textiles and the room for the opening of US markets to more of these products from

Africa, the current administration has continued to emphasize the success stories of countries such as Lesotho, Botswana, and Namibia as proof of the present policy's success. So convinced is the administration that the then Assistant Secretary of State for African Affairs, Walter Kansteiner, dismissed the possible negation of AGOA's benefits to these African countries by the institution of the Multi-Fibre Agreement and the accession of China to the WTO. He remarked that while it is expected that the share of global production for large, cheap producers like China and Vietnam will rise dramatically, and high-cost, inefficient producers can expect to go out of business, the administration was still not convinced that all production would immediately leave Africa. The logic behind this is that tariffs will remain in place, giving AGOA producers roughly a 17% cost-break over competitors until 2008 when the legislation is presently set to expire.

An examination of actual investment flows to Africa should make us cautious about embracing the optimism of the Bush administration. In an address before the Congressional Black Caucus Foundation's Annual Legislative Conference in 2003, former USTR for Africa, Rosa Whitaker, testified that there have already been millions of apparel orders from Africa that have been cancelled as investors head for more cost-effective bases before the 2005 Multi-Fibre Agreement.

What does this mean for the way forward on AGOA?

Before one can attempt to make such an assessment it is important to look at the factual progression of the legislation to date. The 2002 USTR Annual Report to Congress on the progression of the AGOA revealed, quite strongly, that there had not been an overall increase in product diversification and in distribution of benefits across a broader spectrum of countries over the past two years. To begin with, the largest share of AGOA exports to date had come from three core countries. Nigeria with 69.5 percent, followed by Gabon (11.5 percent) and South Africa (11.3 percent). An overwhelming majority of these purchases were dominated by energy-related products. The remaining AGOA imports were comprised of smaller quantities of textiles and apparel, minerals and metals, transportation equipment, agricultural products, and chemicals and related products.

Agriculture, which has been consistently recognized as one product that all African countries possess the capacity to produce for export, represented a 1% value in the share of exports to the US in 2001. In fact, US agricultural sector imports from SSA declined by 6% in 2001 compared with the previous year.

As far as investment figures are concerned the activity of the US in Africa has been even smaller. The US share of global investment flow to Africa stood at \$798 million in 2001 – less than 0.1 percent of total US direct investment abroad. Speaking before the Senate Foreign Relations Committee, even Mr. Kansteiner could not shy away from the dismal performance of AGOA. He stated that excluding energy products, US AGOA imports, including products covered by its general system of preferences, had risen by 50% in 2002 to \$2.2 billion. He was forced to admit that this was relatively low when compared to overall US imports amounting to over \$1.1 trillion in 2002. The most important statement, and one that can be interpreted as rather unfortunate, was that *this amount was by no means trivial for Africa*. A policy that has failed to materialize in benefits for a large portion of sub-Saharan Africa is nonetheless deemed beneficial to a continent that has been consistently excluded from the global trade table and which is mired in a cycle of poverty. Some 17,000 new jobs in Lesotho in a matter of months is no small change in a country that faces a tremendous poverty challenge. Yet as much as we are called on to look to these successes and as much as African countries who have been desperate to be given access to the US market have supported this policy, in whose making they played no part, we have to remain alert to the policies' inconsistencies and its vulnerability to negation

(Continued on page 13)

African countries ineligible for AGOA

Angola
Burkina Faso
Burundi
Equatorial Guinea
Liberia
Togo
Zimbabwe

Did not seek
AGOA benefits:
Comoros
Somalia
Sudan

“If no steps are taken on [agricultural] subsidies, the US needs to stop lecturing Africans about free trade.”

Testimony by Leon Spencer, Executive Director of the Washington Office on Africa, before the Senate Foreign Relations Committee, June 25, 2003

Accounting for AGOA

(Continued from page 12)

in the near future.

To date, many countries have failed to receive eligibility status or have qualified and yet still failed to benefit. According to Kansteiner, these have simply been poor, isolated countries with relatively little economic activity, or little capacity to effectively produce and market products that might find buyers in the United States. Alternatively, the major winners from AGOA have been highlighted as having... reasonable commercial frameworks that allow businesses to set up and operate relatively freely and governments that have encouraged investment and trade. Further, they are also for the large part, relatively large markets—or tied to larger markets such as the Southern African Customs Union....

SACU, AGOA-plus; and the future of the US-Africa trade relationship

SACU member states—Botswana, Lesotho, Namibia, South Africa, and Swaziland—share a common tariff policy and share customs duties. South Africa boasts the union’s largest market and is also the principal exporter to the union’s member states. South Africa also holds a free trade agreement with the European Union. This arrangement allows for extended market access between the EU and South Africa. It is also thought to be one of the principal motivators behind the US decision to engage in free trade negotiations with SACU.

As we have seen, South Africa has emerged as one of the key benefactors of the Africa Growth and Opportunity Act Of 2000. Here, it has proved to be an investment and manufacturing stronghold for a significant majority of the US industrial and service sector in Africa. It is therefore not surprising that the US would want to solidify this relationship by expanding its market access to South Africa and her immediate neighbors.... It is thought that, if achieved, the US-SACU FTA will serve as a model for potential future agreements with other regional organizations....

The concern of the SACU member countries should be on the degree of reciprocity that such an agreement will generate. Will SACU members have to offer rapid

privatization and greater market openness in return for marginal concessions on the part of the US? Will there be moves to expand trade between the US and those SACU countries not presently benefiting from AGOA? Will there be a rise or a decrease in unemployment within the SACU [countries] as a result of the provisions of the FTA? Will the US be willing to negotiate on sensitive yet important issues such as the facilitation of greater access for SACU members to pharmaceutical generics for the treatment of HIV/AIDS?

When AGOA was first drafted it was the intention of its architects that the development spurred under the legislation would ensure greater preparedness among Africa’s poorest countries to enter into FTAs with the US in the future. The Bush administration has deemed the SACU countries ready for such an arrangement. Thus, the course they are embarking on with the SACU countries legitimately fits into the framework of AGOA.

The concern of advocates of US-Africa trade, I would argue, should be less on the SACU countries themselves and more on those countries that are still struggling to make do with AGOA. In this regard, there is a need for a campaign on behalf of countries such as Tanzania, Uganda, and Rwanda, who are only recently beginning to see any benefit from AGOA and whose manufacturing development will be fully dependent on continued investment – which can only be achieved if the window of AGOA were extended....

What AGOA has done is to at least prove that the capacity for growth and investment through trade does exist on the African continent. Making this potential for growth a reality for the majority of sub-Saharan Africa countries in a global investment climate that... certainly [has] not always been open to Africa’s potential is the real challenge. AGOA has only taken this process marginally forward. Yet for the large part, AGOA is all there is to go by. Offering support to the campaign for its meaningful extension, and more fundamentally, its expansion to include greater technical support and capacity-building for export of agriculture, is the surest way to ensure that come 2005 the majority of the continent is not left behind. As with the passing of the legislation in 2000, this is going to be no easy feat.



FOCUS ON AGOA

Senate testimony

(Continued from page 9)

products that fund rebel movements that cut off the hands and feet of children. The Bush administration opposition to capital market sanctions against foreign oil companies doing business in Sudan, despite a clear correlation between increased oil revenues and military expenditures by the Khartoum government, on the grounds that there should be no interference with Securities and Exchange Commission rules, is another case in point. And the exploitation of natural resources in the eastern Congo during the regional war in the DRC, denying Congolese society the benefits of its resources and its environment, has barely been addressed. Differing circumstances require different solutions, certainly, but the Congress needs to remain attuned

and prepared to act when trade undermines rather than advances a just peace.

These potential actions by the Congress represent a way forward in US trade relations with Africa that would affirm the value of trade in advancing African economies while offering a vision of economic activity as serving the common good. We may debate at length the role of export processing zones, the extension of textile benefits beyond 2008, and the proper place for capacity building within the direct context of the African Growth and Opportunity Act. Thoughtful proposals to assure AGOA eligibility for a period of, say, five years instead of annually; to broaden textile market access; and to extend AGOA itself, deserve consideration.

But...

unless the US makes it clear that we consider Africans as genuine partners who define their economic agenda, find without hindrance public as well as private means to address the needs of their people, and act in the trade realm to secure peace with justice, then we will undermine our own interests by projecting an image that our economic dominance permits us to ignore the needs and hopes of Africa.

The agenda we set above helps to make the word “compassion” genuine. And economic justice toward Africa, expressed concretely in US trade policy, actually serves US national interests.

It is appropriate to reflect upon the particular contribution AGOA makes to US-Africa trade relations, but I have sought here to use AGOA, as well, as a vehicle to reflect upon a broader US-Africa agenda, both economic and social. AGOA should, we believe, stimulate thought about next steps in trade that might leave the US legitimately talking about economic justice rather than about narrow self-interest.

Fundamental to this testimony is the view that business and trade, placed in the context of human rights and conflict resolution and a broad vision of societal good, will contribute to poverty alleviation in Africa. Business and trade, properly regulated to protect workers and the environment, and with sufficient flexibility to permit African governments to support small business initiatives against multinational giants, will help African economies. Business and trade, recognized as one aspect of human relationships but firmly subordinate to the hopes and needs of the community, will significantly contribute to the common good. Business and trade, left alone, protected from interference by government and people, will not. To the extent that the US agenda gives unchallenged primacy to a trade that exploits both resources and people, Africa will suffer. And so will the rest of us. The African Growth and Opportunity Act – in its strengths and its weaknesses – ought to take us in an alternative direction.



Trade Serving People; Not People Serving Trade *Next steps for global and economic justice*

The Washington Office on Africa is pleased to join with colleagues in the Interfaith Working Group on Trade and Investment in launching the US Interfaith Justice Campaign. The articles in this issue of Washington Notes on Africa focus upon one minor aspect of US-Africa trade relations but lead to a broader vision of what fair trade relations could be. A critical part of our initiatives will be this new campaign. We urge faith communities to join us. Here is a summary:

The US Interfaith Trade Justice Campaign is part of a larger international and ecumenical effort to engage people of faith in working for greater justice in the world trading system. Moral values arising from faith commitments compel people of faith to seek just and equitable economic relationships in all dimensions of life. In an age of economic integration and globalization, this imperative includes how nations relate to each other in their trade and investment policies and practices. The moral and spiritual principles of our religious traditions can provide practical guidance to address the profound and complicated ethical issues raised by current directions of trade and investment. To this end, the Interfaith Working Group on Trade and Investment invites communities of faith to join the Campaign.

The US Interfaith Trade Justice Campaign will address four major **trade policy areas**, advocating for:

- ⇒ Trade rules that further the right to food, food security for all, sustainable agriculture and greater self-reliance in developing countries;
- ⇒ Global and national trade policies and rules that guarantee access to essential services to all;
- ⇒ Democratic processes of participation, transparency and accountability in trade negotiations;
- ⇒ Regulation of transnational corporations to ensure that they contribute to poverty eradication, promotion of human rights and the protection of the environment.

Our **campaign objectives** are

- ⇒ To mobilize and assist national, regional and local faith communities to engage actively in education and advocacy for global trade justice;
- ⇒ To maintain a web-based resource center featuring educational and worship materials,

informational updates and action alerts on trade justice concerns;

- ⇒ To develop a communication network allowing people of faith and conscience to easily access the resources and participate in the activities of existing organizations working to bring more economic and social justice and ecological sustainability to global economic relationships;
- ⇒ To encourage advocacy on vital current policy struggles such as greater openness and democratic accountability of trade negotiations, access of impoverished countries to generic versions of essential medicines, global agricultural rules that are fair and small farmer-friendly, preservation of affordable water services, and promotion of fairly traded coffee and other products.

Who we are:

The Interfaith Working Group on Trade and Investment is a network of Washington, DC-based offices of religious institutions. It will act as a coordinating body for the US Interfaith Trade Justice Campaign. A coordinator will facilitate Campaign committees on education, advocacy and fair trade, moderate the web site and coordinate outreach.

The US Interfaith Trade Justice Campaign is a US national partner in an emerging international trade justice

campaign and part of the "Trade for People Campaign" of the Ecumenical Advocacy Alliance (EAA). The EAA, initiated by the World Council of Churches, is based in Geneva, Switzerland.

The Washington Office on Africa is both a member of the Interfaith Working Group on Trade and Investment and a supporter of the Ecumenical Advocacy Alliance. For further information, contact us.

Mission Statement

The US Interfaith Trade Justice Campaign, in partnership with religious institutions, will mobilize and facilitate an active engagement of faith communities in educational activities, policy advocacy and Fair Trade efforts, so that global trade and investment policies promote economic and social justice, human development and ecological sustainability.



**“I will feed them
with justice.”**

**Ecumenical
Advocacy Days
for
Global Peace
with Justice**

I will seek the lost, and I will bring
back the strayed, and I will bind up
the injured, and I will strengthen
the weak, but the fat and the
strong I will destroy.

I will feed them with justice.

Ezekiel 34:16

For details and registration
information, visit **WOA's** website,
www.woafrica.org, or go directly to
www.advocacydays.org

March 5-8, 2004

Register now!

Join us in our Africa track at the second annual gathering in Washington, DC. Hear such outstanding speakers as Samuel Kobia (tentative), Syngman Rhee, Robert Edgar, Bernice Powell Jackson, James Winkler, and Neville Gabriel

Our Africa track will offer...

- ⇒ A series of plenaries and workshops on debt and trade, two key economic justice issues in US relations with Africa
- ⇒ Discussions on other issues, such as HIV/AIDS, Sudan, the Congo, Liberia, development assistance, and small arms proliferation
- ⇒ Lobby visits with your members of Congress or their key foreign policy staff
- ⇒ Advocacy training workshops

**Ecumenical Advocacy Days for
Global Peace with Justice**
co-sponsored by the **Washington Office on Africa**

Return service requested



The Washington Office on Africa
212 East Capitol Street
Washington, DC 20003, USA

NON-PROFIT ORG.
U.S. POSTAGE
PAID
WASHINGTON, DC
PERMIT NO. 8986