

G8 SUMMIT: NO GREAT EXPECTATIONS

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"There are now just ten years in which to take the action needed for all developing countries to meet the Goals agreed at the Millennium Summit in 2000. We should continue the G8 focus on Africa, which is the only continent not on track to meet any of the Goals of the Millennium Declaration by 2015." - GLENEAGLES COMMUNIQUE July 2005

Voices of the South on Globalization is a monthly newsletter intended to inspire a meaningful North-South Dialogue by raising awareness for global interdependences and by offering a forum for voices from the South in the globalization debate. Each edition will present short analyses or commentaries from a Southern perspective on one particular issue of the globalization process.

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WILL THEY LIVE UP TO EXPECTATIONS?

Ramesh Jaura

Compared with German media's preoccupation with the spectacle surrounding the conclave of world's major industrial nations June 6-8 in Heiligendamm, the G8 Summit is apparently only of marginal interest to media in the developing world.

The German Presidency's focus is on development aid to Africa. "We know that we can really help (Africa) with our resources ... and we want to show to this continent our understanding of freedom, justice and solidarity is not limited to us but goes for the whole world," Chancellor Angela Merkel told the Bundestag.

According to Merkel, key discussion points will be the fight against HIV/Aids, forgiving debt and increasing aid to the continent. She added that another focus will be to speak with African leaders "about how the institutions and conditions in those countries can be improved so that help truly reaches people on the ground."

The African newspapers take note of this but express serious doubts whether the good intentions would ever become a reality. The G8 performance hitherto has been lagging far behind promises.

This was underlined by a report released on May 15 by the Africa advocacy organization, DATA (Debt, Aids, Trade, Africa). The report shows that aid is working in poor countries, but that most G8 nations are seriously off track in delivering on the historic promises to Africa they made in 2005.

The DATA Report 2007 finds that the G8 increased aid by less than half the sum needed from 2004-2006 to meet their 2010 goals. Estimates of forthcoming aid flows in 2007 show that the G8 are planning to do only about one third of what's needed to get back on track.

Analysing effective aid, the DATA Report 2007 says: The UK and Japan are on track to meet their promises. The U.S. and Canada are off track. Germany, France and Italy are dangerously off track. It concludes: The G8 needed to increase aid by 5.4 billion dollars between 2004-2006 to be on track. They only increased by 2.3 billion during this period. Of that most of the increase came from the UK and Japan. To get back on track the G8 must increase by 6.24 billion dollars in 2007.

DATA is very alarmed that whereas the G8 need now to increase by 6.2 billion dollars to get back on track, currently we can only predict increases worth 1.7-2.3 billion dollars for 2007 according to information available about current budget processes. Of all G8 nations, only the USA is planning sufficient increases next year. The rest of the G8 either have not presented clear data or are not planning adequate increases in their forthcoming budgets. *(Continued on page 6)*

"I LEAVE BERLIN WITH A QUESTION ON MY MIND"

Kumi Naidoo*

When I was in Berlin . . . something was playing on my mind. Wasn't it here in 1884 that my continent Africa was carved up so randomly by European powers? At the Berlin Conference borders were drawn and communities split leaving irreversible fault lines throughout Africa. Was it to redress the errors of the past that I had been invited to join thirteen other civil society campaigners for a meeting with Chancellor Angela Merkel?

The German leader's invitation expressed a wish to hear our concerns on poverty relief and climate change in advance of next month's G8 Summit on the Baltic coast. As a representative of the world's biggest anti-poverty campaign, The Global Call to Action Against Poverty (GCAP), I was there to put to her our demands for concrete outcomes and past promises to be honoured.

Alongside two colleagues from the South, we put to the Chancellor that history is the common denominator among the world's poorest countries. Africa, like most parts of the Southern hemisphere, is rich below the ground and impoverished above. This is principally because of colonial actions and the subsequent failure to redress the injustices that were done.

What we in GCAP, a coalition spanning over 100 countries and representing millions of people from all walks of life, are calling for now is that justice is done and a future planned that favours everyone, not just the richest.

To this end, we need more and better aid, fairer trade conditions and renewed efforts to lift the debt burden. We also need to hold our governments to account, in the north and in the south, so that the promises they make effect change in the lives of the poorest.

Central to our demands are the calls for effective, democratic governance, human rights and the realisation of gender equality.

Two years ago, the G8 leaders met in Gleneagles in Scotland and renewed an old promise. They dusted down a commitment made back in the 70's, to provide 0.7 per cent of their GDP in development aid. The circle of eight made a commitment that if met, would lead to millions of lives saved but to our disbelief they pushed the delivery date back.

I put to the Chancellor that aid is not a panacea. Since the Marshall Plan to reconstruct war-torn Europe sixty years ago, we know that it works when properly managed and directed to the provision of essential services.

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When we see how rapidly money is mobilised by these same governments when called up on to go to war then we, the people living in the poorest places on earth, cannot understand why a fraction of that money cannot be found now? The Chancellor appeared to nod her head in agreement.

My colleagues and I also called for a better future for the poorest countries, a future in which neither aid nor debt relief would be necessary. I explained that every day more and more African citizens are becoming aware of the unbalanced and unjust way world trade rules are set. They cannot believe European cows are subsidised to the tune of 2 Euros a day when half the people on the planet survive on less. They ask if this is some sort of global economic apartheid. If 6,000 white people were dying every day of HIV/Aids as is happening to the people of Africa, would they stand idly by? Given that what we are seeing in Africa and elsewhere in the developing world is a passive genocide or, if you like, a silent tsunami, I really do not know what to tell them.

Agri-businesses in the U.S. and Europe consistently flood the markets of the poor nations with produce so local farmers cannot even compete domestically, let alone think of exporting on a level playing field. It is our belief that the urgency is needed to bring the current round of trade negotiations to a just conclusion, the G8 must not push for a rushed deal in the World Trade Organisation, which then fails to live up to the promise of the Doha Development Round on fairer trade rules. We believe that in all regional and bilateral negotiations, development issues must not be used as concessions, but rather as critical components of a development friendly agreement. Poor countries need to be free to use trade and investment policies to promote food security, rural livelihoods, and future industrial development.

Germany has an opportunity to change the course of history. It could be remembered not as the place where Africa's woes began but where impoverished nations got the chance they needed to recover, once and for all.

Just as Germany benefited from the Marshall plan, surely a global Marshall plan now makes sense. It would ensure future generations live in a world characterised by political, social, economic, gender and environmental justice. I left Ms. Merkel, I hope, still nodding her head in agreement. ☑

PROMISES GONE UP IN SMOKE?

Tucungwirwe Rwamutega*

Out of the Gleneagles Summit, several promises for Africa's development were made. They have been ignored. The promises included full debt cancellation for 18 countries, increasing of aid and reaching a favourable trade deal for poor countries in the global economy.

It was not the first time commitments and promises were being made to Africa by developed countries. In 1970, the United Nations set a target of 0.7 percent of national income as the minimum aid threshold for developed countries, which was later ignored.

The German Chancellor Angela Merkel has already indicated that Africa's development will again be a key feature on the agenda of the G8 2007. As Africa waits for what will come from the German Summit, it is imperative to track the progress of the implementation of the Gleneagles promises.

On increasing aid, a recent report by the Organisation for Economic Co-operation and Development (OECD) indicates that, the world's major donors provided 103.9 billion dollars in aid in 2006, down by 5.1 percent in 2005.

On fair trade, there is no progress yet in the global economy. The leaders had referred Africa's concerns over trade, especially the contentious issue of farmers' subsidies in developed countries, to the 2005 World Trade Organisation (WTO) conference in Hong Kong.

This conference ended on a sharp deadlock because of developed countries' failure to end farmers' subsidies. Recent attempts to revive these stalled trade talks have not come to fruition.

Subsidies and other unfair practices by developed countries are a strong predicament for Africa's development and trade in the global economy. They are responsible for Africa's dwindling share of global trade that has been in steady decline from 6 percent in 1980 to 2 percent to date.

The failure of developed countries to agree with Africa and other developing regions on the issue of subsidies demonstrates that the rich countries want to see continued dependency of poor countries, not development.

On debt cancellation, there is some progress. With support from some G8 members, the World Bank is implementing the Multi-Lateral Debt Relief Initiative.

Under this initiative, countries that have graduated from the Heavily Indebted Poor Countries Initiative (HIPC) are eligible for additional debt relief. Tanzania, Rwanda and Uganda are among the beneficiaries.

Nonetheless, what the fans and advocates of debt cancellation forget is the fact that most of these debts, although forgiven, have enormous impact in Africa and cannot be recovered by 'mere' cancellation. For example, recent studies by Africa Action, a U.S.-based NGO, on debts in Africa indicate that the money spent paying back the debt and the interest on the debt expanded from an average of 1.7b dollars from 1970-1979 to 14.6 billion dollars from 1997-1999.

In addition, Africa received a total of 540 billion dollars in loans, paid back 550 billion dollars, and still retained a debt of 295 billion dollars between 1970 and 2002. In 1990 African countries paid out 60 billion dollars more than they received in new loans, and by 1997, this increased to about 162 British pounds. In 2001, sub-Saharan Africa borrowed 11.4 billion dollars, and paid back 14.5 billion dollars.

Africa's massive external debt burden is the single biggest obstacle to the continent's development and to the fight against HIV/Aids. The over 200 billion dollars that African countries owe to foreign creditors represents a crippling load that undermines economic and social progress. The All-Africa Conference of Churches has called this debt "a new form of slavery, as vicious as the slave trade".

After the 2005 G8 meeting, Prime Minister Tony Blair told BBC that "only people who can change Africa are ultimately Africans." I agree with him. I believe that people are not developed but develop themselves. All they need is ambition, sincerity, frugality, empowerment, incentives and the means. ☑

*The writer is a researcher at the Development Research Centre. This opinion column first appeared May 17 in NEW VISION published from Kampala.

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AND WHAT ABOUT THE EMERGING FIVE?

Jaya Ramachandran

As in past years, leading emerging economic powers such as Brazil, China, India, Mexico and South Africa have been invited to the Summit in view of their economic strength which has also helped to power growth in other parts of the world, including Japan. Backed by bio-fuels, President Luiz Inacio Lula da Silva is seeking a leading role in the G8 Summit. For Mexico it is a matter of prestige to be at the Summit. India is seeking to upgrade its engagement with the G8. China's global role will be tested in Heiligendamm. South Africa is hoping to "rekindle the flame of African solidarity". This emerges from media analysis spanning the five countries.

Brazil, an emerging economy that has become a world leader on trade and alternative energy issues, has made it clear that it will not settle for a secondary role when it arrives as an invited guest. "Brazil will take on a prominent role in Heiligendamm," the daily O Globo said recently, citing sources close to the government in Brasilia.

As the global leader in the production and use of biofuels, the largest economy in Latin America and eleventh-largest in the world, it intends to lobby for its ethanol at the Summit in the German seaside resort. "I am going to take my little bio-diesel package to the G8," President Lula was quoted saying recently.

Officials in Brasilia appear convinced that ethanol will not only bring into the country large amounts of welcome cash, but also contribute decisively to efforts to counter climate change on a global scale. Lula stressed that he does not expect oil consumption to stop and that he only plans "to 'un-warm' the planet with alcohol and bio-diesel."

The former trade union leader joked that he wants to be the "propaganda boy" of Brazilian energy policy, and said that when developed countries show an interest in using ethanol and other bio-fuels, developing countries will welcome them "with open arms to offer land, water, sun and qualified manpower."

Lula and the rest of the Brazilian delegation can indeed travel to Heiligendamm with a lot to be proud of in this aspect. The clean energy matrix of the South American giant relies mostly on hydraulic power and increasingly on biofuels, says an analyst.

Until recently, Brazil had been seen as a 'villain' when it came to climate change because slash-and-burn practices in the Amazon rainforest made it one of the world's five largest producers of greenhouse gases.

However, the creation of new protected areas and the application of stricter controls had reduced destruction to an annual 14,000 square kilometres in 2005-2006, compared to the annual rate of 31,000 square kilometres of destruction from 2000 to 2005.

"The continuing reduction of the destruction of the jungle is also part of our list of proposals," said government advisor Eduardo Krieger, president of the Brazilian Academy of Sciences. Krieger noted, however, that in return for its improvements Brazil expects the world's leading industrial nations to base their growth on cleaner sources of energy.

Mexico - the most populous Spanish-speaking country in the world - sees the invitation to the Summit in mainly as a question of prestige. To stand on a level with great emerging countries like China and India, but especially with South American giant Brazil, means that the world Summit already has served its purpose for Mexico, analysts said.

Mexico is a country of 104 million people and the thirteenth-largest economy in the world, but also the eleventh most populous country and the fifth crude oil producer. But unlike Latin American rival Brazil, it is still searching for the role it wants to play in the global economy in the future.

"Mexico should be a multilateral link in a multipolar world," President Felipe Calderon told ambassadors accredited to Mexico earlier this year. He pledged that Mexico would take on a leading international role, especially in Latin America.

However, the contents of this proposal are not yet clear, and it remains to be seen what side Mexico will take - the side of Brazil and similar countries, in favour of a redistribution of resources to benefit the poor, or the side of those who want the market to determine relative forces in the world economy.

Mexico does not guarantee freedom of investment in its energy sector, since among others the state oil company Petroleos Mexicanos (PEMEX), which has a monopoly in oil production, remains out of reach. For this reason monopolies - in the energy sector but also in telecommunications - have been strongly criticized and are blamed amongst other things for having thwarted Mexico's international competitiveness. Mexico has not announced any proposals it will be taking along to the G8 Summit. >>>

Reports from New Delhi say that backed by its fast-growing economy and emergence in world politics, India is looking to step up its engagement with the G8 in accordance with its professed role of promoting southern interests on the global agenda. Prime Minister Manmohan Singh will represent India as an outreach partner at the Summit at Heiligendamm, where important decisions are likely on climate change, African poverty and liberalization of world trade, says Siddartha Kumar in a dispatch for the German press agency dpa from New Delhi.

Growing international pressure on India, among the world's leading carbon dioxide emitter at 1 billion tons annually, has led to its reviewing its position on climate change with indications that a "flexible strategy" was being formulated for the conference. New Delhi feels it has a larger stake in global climate negotiations amid domestic concerns over latest studies that predict that India would be the hardest-hit by climate change.

"In its recent domestic policies, India has planned to cut carbon emissions using more clean energy like renewable sources, hydro and nuclear power," said Jayshree Sengupta, senior fellow at the Observer Research Foundation, a Delhi-based non-governmental thinktank. "But it will come under pressure at the Summit to put a ceiling on emissions," she said.

Although it is not ready to accept binding emission targets that might impact its progress, India is keen to push nuclear and clean coal technologies under the "green category" to ensure it has alternatives other than renewable energy and energy efficient technologies to fuel its growth.

In its recommendations towards devising India's stand, the Environment Ministry has suggested that India should not agree to restrictions on the use of coal - which accounts for more than half of the country's energy consumption - and that it should pursue nuclear and clean coal technologies.

Linked to climate protection is the energy-security issue which figures prominently on the Indian agenda. India would canvass for support among G8 members for its civilian nuclear deal with the U.S.

"Energy security and access to energy especially nuclear energy is important for India. India needs to get approval from the Nuclear Suppliers Group for the nuclear deal and it will try and expedite the process," said Major General (Retired) Dipankar Bannerjee, Director of Institute of Peace and Conflict Studies, another think-tank.

But while the G-8 meet could set the ball rolling for changes in its position on climate change, India has stuck to its stand on global trade talks. It has been advocating for an equitable trading system for the developing countries, that includes pressing US and other developed countries to cut farming subsidies while emphasizing on the development content of the Doha round.

India's Trade Minister Kamal Nath recently said he would work toward creating a balance of "give-and-take" among the developing and developed countries for ensuring the success of the trade talks. "India is being asked to play a lead role in bringing about a resolution between the developing and the developed countries by the US and EU. This role will come into focus at the Summit," Bannerjee said.

Besides international trade, energy security and climate change, transfer of technologies in infrastructure, poverty alleviation and disease control particularly in Africa are the priority areas on India's agenda. Although Indian expectations from the Summit are high on account of unprecedented ties with Germany, some experts are not too optimistic.

"Germany-led EU has different priorities which include a resource and energy driven policy to strengthen its economy, consolidating transatlantic ties, conflict zones like Afghanistan and Iran and the focus on China," said Alok Mukhopadhyay of the government-run security studies think-tank Institute of Defence Studies and Analyses. "India ranks lower down the priority list so it should not expect something really crucial from the meet," he said.

Andreas Landwehr reported from Beijing: China is viewed as a reluctant player in addressing the world's global challenges the G8 will be tackling at their Summit. But without the participation of the world's fourth largest economy solutions for the most pressing topics like climate change, trade imbalances, Africa, the nuclear conflicts with Iran and North Korea, as well as the fight against copyright piracy can hardly be found.

Although not a member of the exclusive club of rich nations, how the seven leading industrial nations -- U.S., France, Germany, Italy, Japan, Canada -- plus Russia are called, China has participated in their annual Summits since 2003 as an observer. In so-called outreach sessions the heads of the G8 countries will discuss global problems with China, India, Brazil, South Africa and Mexico.

"We are paying much attention to the dialogue," said a high-ranking official in Beijing ahead of the trip by China's President Hu Jintao to Heiligendamm, the dpa reported. But taking a back seat to proceedings is no longer an option for China, said British Foreign Secretary Margaret Beckett on a recent visit to Beijing.

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WILL THEY LIVE UP TO EXPECTATIONS? (Continued from page 1)

Calls for China to show leadership "will only get louder," she said, adding that one of the greatest foreign policy challenges for China is "reconciling the desire to work actively for a harmonious world with the doctrine of non-interference."

"Creating a harmonious world will not come about by default." On the global issue of climate change, China is expected to replace the United States as the world's largest producer of greenhouse gases this year, but is resistant to any limitations, slowing down international efforts to stop global warming.

For South Africa its participation in the "outreach" part of the Summit is part of a number of key events in 2007 and 2008 that are adding some velocity to the process of African unity, while there is also renewed focus on the progress of previous commitments made by the world towards Africa.

Foreign Affairs Minister Nkosazana Dlamini-Zuma has said that Chancellor Angela Merkel's commitment for the Summit to examine economic growth, governance, energy and the environment in Africa, "is encouraging". She expects the G8 Summit to also look at partnerships on economic growth and reform, at the promotion of private investment and at medical schemes and HIV and Aids.

"Together with other founding Nepad (New Partnership for Africa's Development) countries and the chair of the AU, we will take this opportunity to assess how far the Gleneagles commitments of 2005 have been implemented," said Ms Dlamini-Zuma.

In another key development, Ms Dlamini-Zuma pointed to the imminent launch of the Pan African Infrastructure Investment Fund - pioneered by President Thabo Mbeki - which is taking place during the African Union Summit in Accra in July.

Other developments that all deliver momentum to eventual African unity is the establishment of the African Human Rights Court, which will, said the minister, eventually be amalgamated with the African Criminal Court. Another instrument, the Pan African Parliament, is already pointing the way to African unity, while the Commission on Human and Peoples' Rights, needs more resources, said the minister. ☑

DISCLAIMER: The views expressed in this newsletter are not necessarily those of the Friedrich-Ebert-Stiftung or of IPS Europe.

But there is good news too which will certainly be taken note of by the African media when members of the Group of Eight leading industrial nations announce at the Summit plans to increase the money they spend combating Aids at the Summit.

"Germany, like other G8 member states, will increase the resources devoted to combating Aids," Chancellor Angela Merkel's spokesman Ulrich Wilhelm told a regular news conference in Berlin on May 29.

Wilhelm said details of the sums of money involved would be revealed during the Summit. Responding to a report in the Washington Post on the same day that U.S. President George W. Bush will call on Congress to provide 30 billion dollars toward battling the global Aids crisis over the first five years after he leaves office, Wilhelm said: "That's an important and very interesting initiative."

"It's obvious that this is a very important subject -- with Africa as the priority area," Wilhelm added. "The discussion is going to centre on what framework we'll use to increase our efforts as well as our financial support for combating Aids."

UNAIDS, the United Nations' anti-Aids agency warns that global funding for fighting the virus will rise to around 10 billion dollars in 2007 from some 8.9 billion dollars last year. But UNAIDS says this still falls well short of the 18.1 billion dollars it says are needed to fight Aids this year. In 2008 it estimates around 22.1 billion dollars will be needed.

According to the Development Ministry, Germany will spend around 400 million euros fighting Aids in 2007. Development Minister Heidemarie Wiecek-Zeul has been working behind the scene to achieve an agreement on resources for combating Aids. It remains to be seen whether the Summit results will render NGO criticism irrelevant.

Aditi Sharma, head of ActionAid's HIV Aids campaign, has charged that the G8 also failed to deliver on promises in fighting Aids made two years ago. "Since then Aids has killed nearly six million adults and children -- wiping out a population of a country larger than the size of Denmark," Sharma said.

"Will the G8 leaders continue to watch these deaths and only deliver more words at the Heiligendamm Summit?," Sharma asked. "The G8's credibility is now in tatters," Sharma added. ☑