

# **NEPAD LEADERSHIP: A COMPERATIVE ANALYSIS OF ROLES BY NIGERIA AND SOUTH AFRICA**

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## **ABSTRACT**

**T**he New Partnership for Africa's Development (NEPAD) is a concerted effort by Africa's political leaders to develop a comprehensive and integrated strategic policy framework aimed at raising the current levels of socio-economic development and reduces the high levels of poverty across Africa. The article examines the need for establishing the NEPAD and further investigates the level of leadership challenges facing the initiative. The article also explored some strategies that could assist in the implementation of the NEPAD's world acclaimed poverty eradication initiatives. It provides possible benchmarks that will assist the NEPAD implementation process to conform to acceptable codes and standards. However, the Comparative Leadership and Governance challenges faced by the Nigerian and South African governments are examined to identify relevant leadership qualities of the two countries. In conclusion, the article identifies progress made with the NEPAD initiative as a result of the leadership roles of Nigeria and South Africa. It encourages a continued collaboration between the Federal Republic of Nigeria and the Republic of South Africa with the aim of achieving a more focused and result-oriented NEPAD initiative which could secure sustainable socio-economic development in Africa now and in the future.

## **INTRODUCTION**

**A**frican countries experienced difficulties in their foreign policies as a result of many decades of military dictatorship and undemocratic governments. Therefore, it is understandable that the NEPAD initiative with favourable outcomes will be supported, not for the primary motives of international relations, but as a re-constructive apparatus for achieving the needs of all African people. It is hoped that the objectives of

NEPAD will reflect in the lives and standard of all Africans. The leadership of the Federal Republic of Nigeria and the Republic of South Africa had been important in charting a new course for Africa's development and integration. The efforts of presidents Obasanjo of Nigeria and Mbeki of South Africa will be recognised as they address the challenges that face the continent through their leadership in the NEPAD initiative. According to the 2001 OAU Summit of African Heads of States and Governments held in Lusaka Zambia, the NEPAD framework recognises the need for African countries to pool their resources in order to enhance regional development and economic integration. To this end, NEPAD emphasizes capacity building and also seeks to solicit funds through e.g. Foreign Direct Investments towards infrastructures, integrated development and poverty alleviation programmes. The NEPAD initiative recognises partnership among African countries; development agencies and developed countries alike. To achieve these goals in a more efficient way, NEPAD encourages sound socio-economic policies in each of the African Union countries. African leaders have long recognised the opportunities presented by a regional approach to development and have supported regional efforts for many years to sustain advances made in economic policy reform and democratic government. With the current challenges of conflicts, wars, poverty, unemployment and debt crises due to natural disasters, governing crises, the forces of globalisation and the HIV/AIDS pandemic, it is essential to examine these challenges and offer alternatives that could ensure sustainable development in Africa. Hence the need for establishing the NEPAD initiative.

## NEED FOR NEPAD

**A**t the dawn of the past millennium, the per capita income of many African countries is extremely low. South Africa's gross national product of US \$130 billion was exactly equal to the combined GNP of 46 of the 47 (minus Nigeria) Sub-Saharan African countries. Social indicators aptly demonstrate the extent of poverty and vulnerability across the continent. According to the aforementioned World Bank report, life expectancy at birth in Africa is only 54 years (and for Sub-Saharan Africa this figure is 47 years); the mortality rate of children under five years was 140 per 1000 persons. Furthermore, there were only 16 doctors per 100 000 inhabitants. The illiteracy rate for persons over 15 was estimated to be 41% with the continent being the only region in the past decade where school enrolment has declined at all levels especially among women and girls. In terms of infrastructure, only 58% of Africa's population have access to safe water while the number of telephones per 1 000 persons, is 18 compared to 146 for the world as a whole. (World Bank 2001:6).

The NEPAD framework is based on the need to address the deep dissatisfaction emanating from many decades of policy reforms that have done little to resolve the socio-economic stagnation of many African economies. According to the World Bank report most notable among these reforms is the International Monetary Fund (IMF) and the World Bank approved stabilisation and structural adjustment programme (SAP). Poverty is rife in Africa where about half of the total population lives on less than US \$1 per day. Furthermore, in the past two decades, economic growth across Africa has lagged

behind population growth. For Sub-Saharan Africa (SSA) the report also emphasizes that economic growth in the 1980s and 1990s remained below 2,5% while population growth was above 2,7%. (World Bank: 1996). Africa's trade and investment initiatives were also lagging behind. While the continent accounts for 13% of the world's population, its exports as a share of global trade is less than 1,6%.

A crucial input of finance and economic growth, Foreign Direct Investment (FDI), declined over the past two decades. Africa as a whole currently attracts less than 1 % of total global investment. In addition, per capita investment and savings have declined since 1970 with gross domestic savings as a percentage of GDP of only 16,1% in 2002 when compared to 20,2% in 1984. Political crises and low rates of return on investments have meant that as much as 40% of Africa's own savings are invested outside the continent ([www.state.gov/e/eb/rls/othr/11511.htm](http://www.state.gov/e/eb/rls/othr/11511.htm)). Following the economic hardship and high rate of poverty and underdevelopment confronting Africa, it became needful for African countries to speak in one voice in pursuing its socio-economic agenda hence the transformation of the former Organization of African Unity (OAU) to the African Union (AU) in 2000 and the subsequent establishment of the New Partnership for Africa's Development (NEPAD) in 2001, the Nigerian and South African governments were active frontline states in the establishment of the two African mega development institutions and its other organs.

## NEPAD PHILOSOPHY

Central to the NEPAD framework is the need for African countries to pool their resources. Therefore, the NEPAD initiative emphasizes strengthening the five sub-regional groupings on the continent namely, the Southern African Development Community (SADC), the Mahreb Arab Union (MAU), the Economic Community of West African States (ECOWAS), the Central African Development Community (CENSAD) and the East African Economic Community (ECC) through capacity building and within the rationalisation of existing regional organisations. NEPAD also solicits funds towards regional studies, infrastructure development programmes and poverty alleviation projects that would become an integral part of the NEPAD initiative. A multi-faceted approach was envisaged to harmonise economic and investment policies, provide essential public goods in the areas of transportation, energy, water, education and health facilities and to promote intra African trade and investments, to enhance Africa's competitiveness and enable economies to grow within the current context of globalisation (Nabudere 2002:60-61).

Most African countries export mainly primary products such as agricultural produce and mineral resources (mono-crop and mono-mineral), limiting international trade. In addition, African economies are characterized by small domestic markets, structural weaknesses such as underdeveloped physical infrastructures, ineffective financial sectors and poorly developed manufacturing sectors, which are highly dependent on imports for capacity utilisation and accumulation. These factors, among others, render Africa unattractive to potential investors. The low level of investment in essential infrastructure limits the continent's progress in diversifying the production base and export range.

Against this backdrop, president Thabo Mbeki of South Africa and Aboulaye Wade of Senegal proposed two initiatives respectively viz the New Millennium for African Recovery Programme (MAP) and the Omega Plan (OP). The major thrust of the policy would be to ignite a path of sustainable economic growth, substantial infrastructure development and alleviate poverty across the continent. Following an agreement reached through the Organization of African Unity (OAU), both the MAP and OP proposals were merged to form the New Africa Initiative, which was later, renamed The New Economic Partnership for Africa's Development (NEPAD), at the OAU Summit in Lusaka in 2001. Subsequently, NEPAD was adopted by the African Union (AU) as a programme that would ensure economic development and growth in Africa (Adejumobi 2002:17). It is necessary to recall the perception that NEPAD was conceived outside the continent, which often raises the issue of African ownership. The element of ownership is clearly defined towards considering the programme as a homegrown initiative that would enable Africa to take its destiny in its own hands. Similarly, the elements of partnership are not only between Africa and the G 8 states, but essentially include African domestic partnership among member states. The element of international partnership, which operated under donor relationship, must give way to equal partnership (Schoeman and Fourie 2006:333). The NEPAD concept of partnership recognises all its stakeholders (those operating within the NEPAD framework and those operating from outside) as potential partners and therefore, see their roles as crucial to the implementation of the NEPAD strategic thrusts.

## CHALLENGES FACING NEPAD

The NEPAD document identify the main objectives of the initiative to include the promotion of peace, security and political stability; the entrenchment and protection of democracy; a human rights culture and good governance; poverty eradication; sustained high economic growth and development; improving Africa's competitiveness and strengthening Africa's participation in global institutions, including working for a new global finance and trade architecture (NEPAD 2002). The objectives of NEPAD are to consolidate democracy and sound economic management on the continent in such a manner that the African leaders would make commitments to the African people and the world to work together in rebuilding the continent. Therefore, it is a pledge to promote peace and stability and a people centered development that should hold each other accountable in terms of the agreements listed in the programme.

The NEPAD document further explains that the *challenges* which underpin the achievement. The NEPAD objectives include:

- African ownership and responsibility;
- promotion of self-reliance;
- democratic principles;
- human rights, the rule of law and good governance;
- promotion of gender equality, respect for sanctity of human life;
- promotion of social justice; and

- fostering a new relationship with the developed countries that would be based on mutual respect, responsibility and accountability.

The accomplishment of these socio-economic and developmental challenges rest on mobilising substantial levels of investment in infrastructure development *especially in the areas of energy, information and communications technology*, human resource development including education, skills development, reversing the *brain drain* problem, health services, agriculture and making Africa's exports more accessible to the markets of the developed world. According to the base document, the most important trade-related areas of NEPAD include ((NEPAD 2002):

- *Infrastructure Inter-linkages within Africa*: NEPAD argues in favour of the building of cross-border and trans-African road networks, railways and other means of transport and communication; the consolidation of joint energy, water and other systems that would attract investments.
- *Encouraging Capital Flows Within Africa*: NEPAD recommends promoting intra-Africa trade and investment through the harmonisation of economic and investment policies. The bulk of the needed resources for the investment will be obtained from outside the continent.
- *Common and Co-ordinated Regulatory Frameworks*: The programme proposes a co-ordinated regulatory framework to facilitate cross-border collaboration in terms of national sector policies, harmonisation of economic and investment policies, monitoring regional decisions, drafting regulations dealing with manufacturing processes and standards of trade regulations.
- *Complementary and/or Combined Cross-Border Production*: The programme accepts that most African countries are vulnerable because of dependence on primary production and raw materials. It thus emphasizes inter-regional pooling and production strategies with increased inter-regional trade.
- *Agricultural Development & Food Security*: NEPAD considers improved agricultural performance as critical in increasing rural people's purchasing power, which will also lead to a higher demand for African industrial goods. There are some references in the programme to small-scale farming and women farmers, but the thrust is on large-scale private investment in agriculture.
- *The African Debt Problem*: The World Bank report of 1996 claimed that 33 of the 41 countries identified by the World Bank as *Heavily Indebted Poor Countries* (HIPC) are in Africa. It is worthy to note that none of the African countries north of the Sahara is among the HIPC, rather they use almost one-fourth of their export earnings to pay off debts. An individual, debt is financially *unsustainable* when it is impossible to keep up with the repayments.

Africa's debt is so large in comparison to the continent's income that it cannot be repaid. But as long as it is not cancelled, the constant pressure to pay it off is unrelenting. *Must we starve our children to pay our debts?* asked former Tanzanian President Julius Nyerere. Since debt payments must come first, with macro-economic adjustment

policies imposed by creditors, health and education budgets are simply decreased beyond recognition. For example, according to the World Bank report, Ethiopia's debt of \$10 billion (\$179 a person) at the end of 1996 may not seem like much compared, to the \$11 billion Europe spent on ice cream in 1997. However, it was almost thirteen times the amount the country earned in exports in 1996. Ethiopia used the equivalent of 45% of its \$783 million in export earnings in debt payments. Even after such a payout, Ethiopia's debt is still unbearable. These and other issues pose a huge challenge to the leadership of the New Partnership for Africa's Development (NEPAD) in tackling socio-economic ills plaguing the African Union member countries. However, setting up initiative may be relatively easy, but ensuring implementation is more complex hence the need to consider strategies that could ensure speedy implementation and evaluation of projects and programmes of the NEPAD initiative especially the highly acclaimed poverty reduction strategy.

## **NEPAD poverty eradication strategy**

It is widely acknowledged that the leadership challenge faced by NEPAD is huge hence there is a need to consider key issues that are central to the implementation of the NEPAD initiative. It is easy to view NEPAD as a multi-dimensional and multi-level process. As NEPAD is not only about development in a narrow sense, it should not be considered exclusively in terms of development aid either. Africa's wealth in terms of natural resources is unmatched. However, with a population in excess of 800 million, the continent contributes only 1% of the global domestic product and participates in a mere 2% of international trade. The leadership challenge of NEPAD lies in unlocking economic potential and enhancing the capacity of African countries to effectively participate and compete in the global economy. Furthermore, to realise the vision behind the NEPAD's poverty alleviation and people's ownership strategies, there is a need to consider the following (Ginwala, F, 2004):

- accelerate implementation of programmes of the regional economic communities and countries;
- mobilising resources from the private sector in Africa and elsewhere;
- moving international development agencies from research to implementation;
- building and strengthening international partnership beyond the G8 countries especially South-South co-operation;
- facilitating common African position in multi-lateral structures for e.g. The WTO meetings and
- broadening and deepening ownership and participation in other Pan-African development initiatives.

Following the above implementation strategies, there is a need to develop independent monitoring and evaluation mechanisms that would have institutional support as a watchdog to ensure that the NEPAD implementation process is neither used as a political tool for

canvassing elections nor as a support towards the tyranny of the corporate rule with the aim of benefiting big businesses to the detriment of the poor masses. President Obasanjo's administration handed over power to another elected government in 2007, Mbeki's administration is also expected to hand over power to another government before the end of 2009. There is no doubt, the exit of both presidents Obasanjo and Mbeki will leave some leadership vacuum in the political leadership of the NEPAD initiative. The continued support of the initiative by the two African major powers would enhance continuity of the NEPAD programmes. Therefore, the survival of the NEPAD programmes after the exit of Obasanjo and Mbeki will depend on the priority placed on the NEPAD initiatives by the in-coming heads of states and governments of both countries. To ensure good policy standards and prompt delivery on projects and programmes, there is a need to introduce some monitoring and evaluation mechanisms that could enhance the NEPAD process.

## **Bench-marking the NEPAD process**

As the NEPAD initiative did not provide any benchmarks to measure its performance, it may be difficult to assess commitments against actual performance of the G 8, the group of eight richest countries in the world namely, Canada, France, Germany, Italy, Japan, Russia, United Kingdom and the United States, Organisation for Economic Co-operation and Development (OECD) countries and other partners. It is also difficult to assess the NEPAD value system of a genuine new partnership based on mere mutual accountability and trust. African leaders have demonstrated high level of commitment to Africa's development in the NEPAD initiative and therefore can be held accountable for failure of the initiative.

To do so, it would be useful to develop a set of NEPAD indices aimed at monitoring actual (as opposed to rhetorical) improvements in the African condition of living and quality of life. These could be used in line with the targets and goals of the Millennium declaration. To achieve this, there is a need for the monitoring and evaluation institution to be independent to ensure that the NEPAD implementation process is in line with Africa's development needs. The following socio-political benchmarks are recommended for assessing progress or failures that may be experienced in the NEPAD initiative (Mills, 2004):

- the level of domestic and Foreign Direct Investments (separating those influences by the NEPAD initiative and those that are not influenced by NEPAD);
- the rise and fall of trade and capital flows since market access is a key NEPAD goal;
- African standard of living as measured by the Human Development Index e.g. the use of NEPAD as an election issue in African states;
- number of states subscribing to the APRM or those failing in the review process;
- level of corruption, political freedom in African countries;
- an assessment of democratization of government and human rights abuse;
- progress in the consolidation of the existing regional economic communities from seven to five as envisaged under the NEPAD framework.

These above recommended measuring apparatus could give impetus to effective leadership direction towards achieving the NEPAD objectives in accordance with the benchmarks. However, the article argues on possible leadership imperatives available to the NEPAD initiative with a view to drawing some leadership and governing experiences of the Federal Republic of Nigeria and the Republic of South Africa, assessing how the governments of the two countries confronted their similar policy challenges thereby indicating some leadership potentials that could benefit the NEPAD implementation process.

## LEADERSHIP AND GOVERNANCE CHALLENGES

**D**iplomatic ties between Nigeria and South Africa were restored at the end of apartheid regime and the election of a democratic government in South Africa, followed by the establishment of South African high commissions in Lagos, Nigeria and the Nigerian High Commission in Pretoria, South Africa respectively. In October 1999 South Africa and Nigeria established the South Africa-Nigeria Bi-national Commission (BNC) thereby formalising a strategic accord between the two countries. Promoting the FDI in both Nigeria and South Africa is a key rationale behind this new agreement. The two governments consider the Bi-national Commission as an effort to elaborate on a workable and achievable plan to ensure the development of both countries' human and natural resources. These are aimed at maximizing socio-economic development through economies of scale, global competitiveness and for specialisation based on a comparative and competitive advantage. It is also aimed at establishing the mechanisms for putting the benefits of economic co-operation to achieve peace, stability and social integration in other parts of Africa. The establishment of the BNC by two of Africa's economic superpowers means well for the continent's future. Due to the emergence of globalisation and interrelatedness of countries and regions, it has become obvious that countries and leaders have different views towards national, regional and global leadership and governing challenges hence the comparative considerations of Nigeria and South Africa.

### Nigeria

Prior to the end of apartheid in South Africa, Nigeria's uncompromising opposition to the apartheid regime in South Africa characterized relations between Nigeria and South Africa. This opposition took several forms, including support to the South African liberation movements, diplomatic isolation of the apartheid regime and the mobilisation of the international community for the imposition of economic, military, cultural and sporting sanctions against South Africa. Nigeria has for many years shouldered the responsibilities of peace and security in the Economic Community of West African States (ECOWAS) sub-region and on the continent in general. It participated in the UN peacekeeping operations in the Congo in the early 1960s and in UN verification missions in Angola (Chazan, *et al.*, 1992:341-5).



## Perspective on Globalisation

In his inaugural speech, President Olusegun Obasanjo suggested that his primary objectives have to do with confronting Nigeria's massive socio-economic challenges, promoting effective regional integration and reintegrating Africa into the world economy. There are common threads that run through the external economic policies of President Obasanjo's administration over the past half a decade. The policy directives of the Nigerian government stressed the necessity for attracting foreign capital, anti-corruption, promoting accountable and good governance, privatisation of state and public enterprises, and strengthening the capacity of law enforcement agencies. President Obasanjo, like some of his predecessors, elevated himself to international spokesperson on important economic matters concerning West African countries. It is incumbent on Nigeria to take on board the genuine fears and concerns of other states and, above all, win over their confidence (Williams, 2000:15-32).

## Manifestations of Globalisation

President Obasanjo placed strong emphasis on efforts to grapple with the ramifications of globalisation for Africa and the South towards the globalisation of the world economy. Nigeria is apprehensive about the lack of regional and continental co-operation and the growing economic gap between the North and South. The President is, therefore, of the opinion that "in the quest for a better and fairer management of a global world economy, it is now incumbent on Africa and the South to direct their energies to the unsatisfactory evolution of the multilateral trading system."(Williams, 2000:15). Although, there are writers and leaders who glorify globalisation as the panacea for the world's socio-economic ills, President Obasanjo asserts that globalisation in its various manifestations is experiencing a troubled relationship with the imperatives of development. The Nigerian leader maintains that Africa, the least developed of all regions and the least able to cope with external shocks, has borne the brunt of the adverse effects of the globalisation of the world economy. (NOPA, 1999). In taking their message to the powerful international bodies, President Obasanjo faced serious external impediments such as the fact that support from the North is not sufficient to yield the desired result as they have displayed their abilities to make many grand but empty promises. The Paris Club Debt Initiative serves as a good example of these promises. President Obasanjo laments the fact that in spite of African states pushing ahead with externally and self-imposed structural adjustment programmes (SAPs), the marginalisation of the African continent has turned into de-linking from the global scene. African governments are forging ahead with the implementation of far-reaching economic reforms and the maintenance of macro-economic stability, particularly through the introduction of a more open and business-friendly investment environment, and the provision of incentives to attract Foreign Direct Investment (NEP, 1999:31). President Obasanjo justifiably bemoans the lack of dividends stemming from

Africa's self-imposed SAPs. In his address to the United Nations (UN) General Assembly, 23 September 1999, president Obasanjo noted, "Africa's trade prospects continue to be hampered by the non-implementation of the special and differential provisions that favour developing countries".

## **Debt Burden**

President Obasanjo has campaigned and lobbied the world community for a greater focus on African affairs in the form of debt relief and greater market access to the North for Africa's trading goods. Furthermore, he made a formal appeal, as the chairman of the developing nations grouping, for Africa's debt relief, which prompted leaders of the G 8 to recommit their people to helping in the settlement of Africa's massive debt burden (Obasanjo, 2000). However, if one considers how the G 8 reneged on their undertakings at the Cologne, Germany, and the G 8 Summit in 1999, the African leaders led by Obasanjo and Mbeki were disappointed by the lack of real fulfillment of development promises by the G 8 member states. In his address in the meeting, President Obasanjo stressed, that the "The chronic debt burden is without a doubt, the biggest monetary and financial obstacle confronting Africa and the developing world". Debt relief for developing countries is not merely a plea for charity, but an urgent matter of social and economic justice. It has to be effectively addressed if there is to be peace and stability in the 21<sup>st</sup> century."

Clearly, the President is in favour of definite debt cancellation, not just reduction or rescheduling of the debt service regime, but debt cancellation that favours the ordinary people. He has also urged the international community to assist Africa to deal with what he terms illegal capital flight from Africa. On this view, Obasanjo asserts that "Africa's wealth has been illegally siphoned out of the continent by corrupt regimes and unpatriotic individuals working in close collaboration with foreign partners". He urged the international community to assist Nigeria and Africa in general in their recovery efforts. President Obasanjo never hesitated to call on the UN and the broader international community for the establishment of an international convention for the repatriation of all the money, illegally transferred from Africa and the rest of the developing countries. Furthermore, it is good news that the international efforts to address the debt burden have offered various exit strategies for most indebted African countries. For example, Nigeria paid of staggering debt of about USD \$36 billion between 2004 and 2005. Debt owed by most African countries such as Mozambique, Malawi and others had been written off completely.

## **African Integration**

One of the major issues announced to UN General Assembly by president Obasanjo in 1999, was that his administration has initiated policies aimed at revitalizing the economy in

order to create an enabling environment for investment and economic growth. Attracting FDI has been a major preoccupation of the Nigerian government. The President has committed his government to put in place appropriate legal frameworks for the protection of foreign investments and the repatriation of legitimate profits. The above assertions are supported by a deal between Nigeria and the Paris Club of sovereign creditors in 2000 that has resulted in a debt relief of US\$20 billion, but in the understanding that Nigeria pays outstanding arrears on interest of US \$6 billion. The success is an indication of a strong confidence-building on Nigeria as well as for the poorest of the poor African countries that may be benefiting from a debt relief amounting to US \$40 billion from Paris Club of sovereign creditors and the European Union respectively. President Obasanjo has a strong instrumental approach to regional co-operation and integration as recorded in his speech at the Economic Commission of ECOWAS. "We should ... all resolve to dismantle all physical barriers to free movement of persons, goods, and services along our community roads (Obasanjo, O: 2000). This is clearly an attempt to win over the confidence of fearful smaller neighbours. The Nigerian president has been trotting the region and the globe trying to obtain support for his strategies. He is no doubt keen to see Nigeria playing the role of one of the gentle African Big Brothers.

## **Consequences of the Military-Dictatorial Regimes**

President Obasanjo had lamented the devastating effects of decades of military rule on the Nigerian society and the continent as a whole. The Nigerian foreign economic policies are therefore also an attempt to deal with the legacies of its autocratic past (Williams, 2000:15). The economy remains mono-cultural as it depends on the sale of crude oil. Furthermore, analysts maintain that Nigeria is today one of the poorest countries in the world with a Gross Domestic Product (GDP) per capita of about US \$300. This should be compared to 1980's rate of US \$1 000. Real economic growth over the past four years was 2,8% on average. Agricultural sector development constitutes 32% of GDP. The incidences of poverty stand at 65,8%. The United Nations Development Programme (UNDP) ranked Nigeria 146 out of 179 countries on the poverty level. Thus, it is among the 30 poorest countries in the world. (UNDP, 2000).

It is important to point out that, President Obasanjo has set for himself the mammoth target of attracting some US \$10bn in FDI per annum and insisted that the ambition is a daunting challenge as foreign captains of industry do not generally heed the calls of their governments to flock to Africa and put up shop. However, with the present lead role on mediation in the Sudan's Darfur conflict, including peace talks between the government and two rebel factions; the Sudan Liberation Army and the Justice and Equity Movement, the international community is in support of Nigeria's battle for economic emancipation. The huge debt cancellation is a pointer to this assertion. In addition the Paris Club of sovereign creditors has validated the government's pro-reform strategy that has consolidated the country's power base. The analysis also highlighted the fact that structural diversification of the economy from oil and gas remains an imperative task.

## South Africa

Under the government of President Thabo Mbeki, South Africa resolved to obtain foreign investment and other resources to support the Reconstruction and Development Programme (RDP) aimed at addressing the imbalances of development and the capacity gap created by decades of apartheid rule. South Africa's priorities include close co-operation with its partners in the Southern African Development Community (SADC). South Africa's fortunes are indeed very important towards playing a leading role in the continental arena. (Maloka, 2000:10-11) This brought about the popular African Renaissance and International Cooperation Bill that was passed in the South African Parliament. Similarly, according to the *Mike Creamers Engineering News* of 30 July 2005, the Economic Risk Analysis publication of South Africa claimed that the President's achievements have placed him among the five short listed nominees worldwide for the Chatham House Price (Britain's Royal Institute of International Affairs) award for the individual who has made the most significant contribution to the improvement of international relations in the previous year. Thus they recognised the significant diminution of political risk in South Africa as well as the improvement in the national reserves, which have enhanced the sustainability of public finances (*Engineering News* 2005, July 30).

The South African Reserve Bank governors maintain that South Africa should not be afraid of or hold back from exercising its political power in shaping the integration of the South African regional economy. It is instructive that a target of 2015 had been set for the creation of a common market and a target of 2016 for full monetary union. Furthermore, the governors argued that it would not be dishonourable for South Africa – by far the leading economy in the 13- member Southern African Development Community (SADC) to play a leading role in the integration process and setting criteria for common market membership. (*Engineering News* 2005, July 30). However, the Bank was quick to point out that the other members of SADC are skeptical about the effect of South Africa asserting its political and economic hegemony while holding that position. The Bank also drew analogy from the lesson learnt from attempts to integrate Europe and claimed that the biggest economies must play the biggest role. Therefore, if South Africa controls 90% of the regional economy it should be prepared to play 90% of the role. Other schools of thought are arguing whether South Africa's regional interaction should be built on self-interest or on the basis of asymmetry, where weaker states get disproportionately greater benefits and longer adaptation time frames. It became obvious that South Africa's official policy in both the region and the continent is aligned to the asymmetric approach. (<http://www.engineering.co.za/eng/news/today/?show=70511>, July, 30 2005).

## Perspective on Globalisation

President Thabo Mbeki's first year in government suggested that the primary objectives have to do with confronting their country's massive socio-economic challenges, promoting

effective regional integration and reintegrating South Africa into the world economy. There are common threads that run through the external economic policies of the Mbeki government over the past half a decade. The foreign policy directives of Mbeki's government have stressed the necessity for attracting foreign capital, anti-corruption, promoting accountable and good governance, privatisation of state and public enterprises, and strengthening the capacity of law enforcement agencies hence the introduction of a special policing unit, the Scorpions. President Mbeki has been the international spokesperson on important economic matters concerning southern African countries. It is incumbent on South Africa to take on board the genuine fears and concerns of other states and, above all, win over their confidence. In short, support of other states for President Mbeki's role on the continent may not be difficult. (Botha, 2000:19) President Mbeki does not only emphasize the importance of economic regeneration to the renaissance of the continent, he also asserts that as part of the renewal of African pride, African must take responsibility for their own governance by making their leaders accountable.

## **Manifestations of Globalisation**

As President Obasanjo, Mbeki also placed strong emphasis on efforts to grapple with the ramifications for Africa and the South towards the globalisation of the world economy. President Mbeki's government views the first challenges of globalisation as the need to channel its forces towards the elimination of the twin problems of poverty and empowerment as well as socio-economic inequalities (Schoeman, 2002:355). In taking their message to powerful international bodies, president Mbeki also faces enormous external impediments such as the fact that support from the North is not sufficient to yield the desired result as they have displayed their abilities to make many grand but empty promises that have not benefited the poorest of the poor. President Mbeki, laments the fact that in spite of African states pushing ahead with externally and self-imposed structural adjustment programmes (SAPs), the marginalisation of the African continent has turned into de-linkage from the global scene. President Mbeki admonishes that, despite African states pushing ahead with trade liberalisation, the strengthening of the rule of law, improvements in legal and other instruments as well as the telecommunications and transport infrastructures, Africa's share of FDI has declined from 11% in the period 1976–80 to 4 % in 1996–97. Moreover, Africa suffers from the capacity-deficit problem.

For president Mbeki, the critical issue of the present time is how humanity should respond to the irreversible process of globalisation while addressing the fundamental challenges it faces. For him these issues include, among others, poverty, underdevelopment, and the ever-increasing gap between the North and South. He is in favour of an urgent review of the functioning of bodies such as the International Monetary Fund (IMF), the World Bank, the determination of the agenda and the manner of operation of the World Trade Organization (WTO) and the assessment of the role of the G 8 most industrialised countries. President Mbeki's government concedes that no country is untouched by the forces of globalisation (Williams 2000:16). However, this implies that the government's

position is to face the challenges posed by globalisation and at the same time seizes the available opportunities while minimising the risks. There is no guarantee that the global financial institutions would come to terms with overhauling themselves soon. If anything, they may end up defending the *status quo* because change might be detrimental to their gains and interests.

## **Bridging the gap between the North and South**

President Mbeki has punted the idea that South Africa will, in fact, play such a bridging role in the South and between the developing South and developed North. Thus, South Africa views itself as the architect to extract commitments from the North that would accelerate the development and economic growth of Africa and the South (Nzimande 1999:3). President Mbeki has increasingly been calling for a new economic world order. During President Jiang Zemin of China's visit to South Africa in April 2000, the two leaders called for greater strategic co-operation between their two countries and, in fact, called for a G77-China alliance. President Mbeki's vision of a new world economic order also involves the tackling of the digital divide. He has maintained that there is a need to prevent the Information Technology (IT) revolution from widening the gap between the rich and poor. During the G 8 Summit in Okinawa, Japan, leaders from the developed countries undertook to establish a Digital Task Force to develop IT policies and regulations and lower costs (Muthien and Khosa 2002:364). It remains to be seen whether the world's powerful nations will deliver on yet another promise. During an official visit to the United States, president Mbeki took the Clinton administration and other officials by surprise when he stressed that he was also there in his capacity as an African leader of the South's premier institution, the Non-Aligned Movement (NAM). President Mbeki explicitly promoted the idea that he was there as a spokesperson of Africa and the South (Williams 2000:16).

## **Debt Burden**

President Mbeki has seriously campaigned and lobbied the world community for a greater focus on African affairs in the form of debt relief and greater market access to the North for Africa's trading goods. At the G 8 Summit in July 2000 held in Okinawa, Japan, President Thabo Mbeki (who chairs the Non-Aligned Movement), made a formal appeal for Africa's debt relief. At this meeting, leaders of the G 8 recommitted themselves to helping to settle Africa's massive debt burden. As regards his South-South and North-South strategy, President Mbeki has made a commitment to start working jointly with other African countries and other partners in the developed world to compile a common agenda for a special programme for Africa's renewal. He has repeatedly maintained that there can be no African Renaissance if the debt crisis is not resolved. President Mbeki's government has gone so far as to suggest that South Africa's foreign policy should be

geared towards supporting the goals of the African Renaissance which can simply be defined as an agenda for Africa's political, economic and social renewal. The gaining of market access abroad for Africa and seeing its debt burden cancelled are two major objectives of his scheme. (Maloka, 2000:10-11).

## **African Integration**

President Mbeki has put the issue of overhauling southern Africa's regional institutions – including the Southern African Development Community (SADC) and the Southern African Customs Union (SACU) – squarely on the agenda. He has stressed the importance of South Africa acting in genuine fashion to enhance the prospects of regional integration as opposed to being a regional superpower and predatory state. President Mbeki has instructed all government departments to devise programmes that promote Africa's economic renaissance. In view of the foregoing, it is understood that president Mbeki is seeking to cultivate strategic partnerships between southern Africa and regional blocs such as the European Union (EU) and the Nordic countries. For him there can be no regional integration unless Africa brings to an end its intractable civil wars.

## **Consequences of Apartheid**

President Mbeki had lamented the devastating effects on South African societies of decades of apartheid. The South African foreign economic policies therefore, are attempts to deal with the legacies of their autocratic past. President Mbeki has poignantly described South Africa as a country of *two nations*. The one nation is largely White, much smaller but with living standards similar to that of Spain. The other nation is the mainly Black, chronically underdeveloped majority population with a standard of living similar to that of Congo-Brazzaville. South Africa is competing with Brazil for the infamous price of the world's most unequal society. Schoeman (200:355), points out that many African countries including the South African economy is experiencing jobless growth, South Africa has shed between 750 000 and one million jobs from 1994 to 1999. President Mbeki has therefore, understandably made poverty reduction both at home and abroad, the main feature of his economic agenda. During his speech of the Budget Vote in the National Assembly on 13 June 2000, he said that some of his government's biggest challenges are dealing with deeply entrenched poverty affecting millions of people especially the Black majority; a racially divided society in which the distribution of wealth, income and opportunity favour the White minority; and a society marked by intolerably high levels of violence, corruption and a crisis of social morality. His government wants to deal with the all-round disempowerment of the Black majority that was persecuted in a systematic fashion by the apartheid state. He is also careful not to derail the overall economic activities in the country by extreme black empowerment policies and programmes.

## LINKING NEPAD SUCCESS WITH THE NIGERIA-SOUTH AFRICAN LEADERSHIP ROLES

The argument in this article has proven that both Nigeria and South African governments under the leadership of presidents Mbeki and Obasanjo articulated bold foreign policies. Africa's economic growth and poverty alleviation had been the centre piece of their foreign policies. Both presidents enjoy respect in the North and the South. They view this respect and goodwill from abroad as an opportunity to spearhead the efforts to reintegrate Africa into the global economy and to lead the battle for its upliftment. The two leaders are also convinced that Africa's marginalisation in world affairs and the global economy are not merely economic debates; they are harsh realities. For far too long the North-South debate was characterized by mutual acrimony that amounted for little more than a dialogue of the deaf.

The two leaders engaged their Northern interlocutors more openly and more forthrightly. They want to effectively utilise the channels of communication at their disposal. Presidents Obasanjo and Mbeki are also presiding over deeply divided societies and are members of divided regional institutions. Foreign economic policies are tools at their disposal to try and make some inroads into both these considerable challenges. However, local alternatives and less dependence on foreign economies will save all African countries from being beggar nations. Both Nigeria and South Africa had demonstrated the principle of *brotherliness* by their roles in transforming the former Organization of African Unity (OAU) into the African Union (AU) in 2001 and the establishment of the New Partnership for Africa's Development (NEPAD) initiative and the Pan-African Parliament. Both countries serve as members of the NEPAD implementation Committee as well as the Security Council of the African Union. South Africa and Nigeria will have to delicately attempt to win over regional friends to support their integration initiatives. The two countries had learnt to be sensitive to the concerns of smaller states. They also have to tread carefully and recognise that essentially they are members of deeply balkanised regions. Economic integration imperatives often play second fiddle to political and security dimensions. At the very least, the two should be in harmony. In collaboration with regional partners they should continue to try and end the region's protracted civil wars. Both countries have taken the lead on initiatives such as restoring peace in Angola, the Democratic Republic of Congo (DRC), Liberia, Côte d' Ivoire and Sierra Leone. In spite all efforts being made by African heads of states and government through the leadership of Nigeria and South Africa, more challenges still dominate the continental development agenda.

NEPAD has succeeded in shifting the focus from aid to sustainable development. This requires the reconsideration of greater official development assistance, debt relief and greater market access. In the past years, NEPAD has also made significant efforts and made major progress in creating the African Peer Review Mechanism (APRM). The process calls for each country to create a national programme of action that identifies key problems and time-bound commitments of how the government intends to bring the country into line with its commitments under NEPAD and the Millennium Development Goals (MDGs). At



the end of December 2006, five countries had already been peer-reviewed. They include Kenya, Rwanda, Ghana, Mauritius and South Africa. NEPAD had also initiated and continued structured high-level engagement of continental stakeholders and international community such as the Meeting of African Heads of states and Governments, the G 8 leaders and others are testimonies that NEPAD has put Africa's development in the global agenda. NEPAD's ability to shift global perceptions of Africa, its ability to bring about genuinely new forms of partnership with developed nations and its ability to directly enlist Africa's best business and civil society thinkers in the task of improving the continent all hinge on Africa's ability to articulate clearly the NEPAD vision and show that Africa is capable to make tangible progress against those plans (NEPAD 2003).

## CONCLUSION

In order to sustain a multilateral body that seeks to set African countries individually and collectively on a better path for socio-economic development (NEPAD) in a holistic and comprehensive manner, the unique leadership and commitments of countries such as Nigeria and South Africa are required. Under the leadership of Nigeria and South Africa, the NEPAD process has evolved and had brought African Heads of States and Government together to chart a new course for Africa's development issues. These include the articulation and development of its vision and strategic policy framework, the adoption of the policy framework document and the preparations of the Initial Action Plan.

The leadership and governance processes in NEPAD have been characterized by a large degree of successes such as political and economic advocacy, mobilisation of additional resources and changing the development paradigm, within and outside the Continent, underscoring the unique roles that Nigeria and South Africa provide for NEPAD. Paradigm shift is taking place from donor-recipient relationship to real partnership based on common vision, commitments and mutual accountability. It provides a clear implementation mechanism for Africa's socio-economic development programmes with the regional economic communities and countries being used as the NEPAD *building blocks*. Therefore, Nigeria and South Africa who have relatively much higher GDPs among other African Union member states need to continue to play leading roles in the effort to addressing the poverty burden and other overweighing problems dragging the continent backwards.

The NEPAD leadership and government successes were limited in some areas e.g. the curbing of corruption and some other administrative malpractices in the public and corporate sectors of the economies in African countries. The need for a grassroots development approach of the NEPAD initiative and a reasonable participation of public and civil society organisations in its projects and programme development are still to be resolved. However, strategies have been put in place to ameliorate these problems. And more importantly, under the leadership of Nigeria and South African governments, NEPAD has created more inclusive structures that would adequately give equal representation of the African regional economic communities with the aim to conforming to an acceptable standard of representation at the NEPAD initiative.

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