USAWC STRATEGY RESEARCH PROJECT

U.S. ECONOMIC POLICY IN SUB-SAHARAN AFRICA:
ARE WE POINTED IN THE RIGHT DIRECTION?

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### U.S. Economic Policy in Sub-Saharan Africa

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Fostering economic growth and prosperity in Sub-Saharan Africa (SSA) is important to our national interests. There has been very little improvement in the economic status of the average African since the end of colonial rule. Many African countries are poorer now than they were at the time of their independence. Problems with potential global impact such as failed states, HIV/AIDS, environmental degradation, and endemic poverty and starvation continue to exist. As a nation, the United States is at a critical juncture, where it finds itself without peer, and at times, with a less than desirable image. As a result of improvements in technology, communications, and transportation, many in the Third World realize that they are truly deprived and look to the U.S. for leadership and resolution. To be sure the U.S. cannot be all things to all nations but our continued good fortune will depend on international stability and the continued improvement of the human condition in disadvantaged regions. SSA is a critical link to international stability, and in turn, our good fortune in the coming years. This paper will examine current U.S. economic strategy in SSA and attempt to assess its efficacy in improving the conditions in that region.
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U.S. ECONOMIC POLICY IN SUB-SAHARAN AFRICA: ARE WE POINTED IN THE RIGHT DIRECTION?

All of us share a common vision for the future of Africa. We look to the day when prosperity for Africa is built through trade and markets.


It is very important that the U.S. not lose sight of the strategic significance of Sub-Saharan Africa (SSA). In today’s environment it is very possible that well intentioned policies in this region may effectively be placed on a back burner as we focus the vast majority of our national attention to the Global War on Terrorism (GWOT) with an emphasis on the Middle East. Admittedly, it is unrealistic to suggest that the U.S. abandon this effort or turn our backs on the Middle East. It may be prudent, however to energize efforts to enable SSA to turn the corner on their socio economic plight. From approximately 1960 to 1973, however, economic growth in sub-Saharan Africa was relatively promising. Since 1973 the countries of SSA have grown at rates well below other developing countries.1 To be successful in the GWOT we will need strong allies on every continent. Africa will be a key player in this effort. All elements of national power should be brought to bear in this region to ensure that SSA is able to develop into a strong partner in the global economy and an effective and willing ally in our pursuit of our national interests. Priority of effort should involve the economic element of national power. SSA is it is a largely undeveloped commercial market of more than 800 million potential consumers and is a region that, if properly managed, could feed itself and other parts of the world.2 This paper will examine current U.S. economic strategy in SSA and attempt to assess its efficacy in improving the conditions in that region.

HISTORICAL OVERVIEW

A large number of Americans have an inaccurate perception of Africa. In order to understand the complexities of the African dilemma, it is important to understand what Africa really is, how her present condition has come to be, as well as the significant factors affecting her economic health.

The image projected by the media conjures up visions of one monolithic continent with steaming jungles, National Geographic-like settings, starving refugees, and ethnic conflict. Given the media proclivity for negative news, coverage about African initiatives that slowly improve economies, gradually increase literacy, limit the spread of AIDS or battle against
corruption are not as newsworthy. Africa is a very diverse continent with 53 independent states and more than 800 languages and regional dialects. Only 10 or so of those languages are spoken by cultural groups of more than one million people and most African languages are used by groups of fewer than 100,000 people. The majority of those states (48) lie in what is commonly called Sub-Saharan Africa (SSA).

Slavery and the legacy of colonialism have had a significant impact on the current state of being in SSA. For over 400 years the institution of slavery altered the normal progression of indigenous social development and relations as Africans turned on other Africans in pursuit of power and money. Some historians estimate that more than 15 million Africans were forced to leave Africa to cross the Atlantic to be sold into slavery. This forced emigration adversely affected economies, politics, societies and cultures in different parts of Africa. These events forever changed what may have been a relatively normal and positive course of growth and development for the continent.

As was the case with much of the third world, Africa was heavily colonized. Many of the problems that haunt Africa had their origins in a meeting known as the Berlin Conference in 1884. At the time of the conference, most of Africa remained under traditional and local control. The conference was essentially an effort to prevent conflict among the world powers wishing to colonize Africa at the time. Countries represented at the time included Austria-Hungary, Belgium, Denmark, France, Germany, Great Britain, Italy, the Netherlands, Portugal, Russia, Spain, Sweden-Norway (unified from 1814-1905), Turkey, and the United States of America. The final result was a hodgepodge of geometric boundaries that divided Africa into fifty irregular countries. The new countries lacked rhyme or reason and divided coherent groups of people and merged together disparate groups who really did not get along. The nature of the relationship between the colonized and the colonizer was not a symbiotic one but rather one that, over time, fostered dependency and distrust among the indigenous people.

The African colonies started wrestling their independence from the European colonial powers beginning in 1951 (Libya) and ending with the transition to majority rule in South Africa (1994). It is important to note that Ethiopia was never a formal European colony and Liberia, which proclaimed independence in 1847, was essentially “colonized” by freed slaves. Ghana, in 1957, was the first SSA country to gain independence. Although each independent African country had unique economic features, most countries inherited similar economic structures from their colonial experience. Most were dependent on either mining, settler agriculture, or the small scale production of a single cash crop. Colonial governments did little to promote economic specialization or diversification and did little to provide basic education and health...
care for the majority of the populations of their colonies. The inability or lack of interest in
developing a suitable infrastructure has also been attributed to the economic depression in
Europe at the end of the 19th century. The colonial powers felt that they had no money to
spend on political administration, social programs, or economic development in their colonies.
Most revenue went towards structures crucial to stability and political control like the military and
police forces. As a result, the new governments were generally left with under-developed
commercial, transportation, communication and educational infrastructures and an unskilled
labor force.

The legacy of colonialism has made it very difficult for most of the African states to enjoy a
significant degree of prosperity or stability. Some African experts argue that the current
dilemma extends from an unrealistic expectation that institutions created under the various
colonial authorities could provide a firm base for the development of critical infrastructure.
During the 1960s, the African states became a “theatre of heroic struggle that mobilized local
elites in a quest to overthrow colonial power and install new governments espousing the ideals
and aspirations of liberty, economic development, and social justice.” Thirty years later, the
new African states are far from fulfilling this early promise. The results have been
disappointing for both those states that adopted a capitalist mode of development—Cote d’Ivoire,
Nigeria, and Zaire—and those that opted for the socialist path of development—Angola, Guinea,
and Tanzania.

MAJOR FACTORS AFFECTING ECONOMIC PROSPERITY

The AIDS epidemic, ethnic conflict, and internal/external corruption are major factors that
affect economic growth in sub Saharan Africa. While AIDS is a relatively new issue, ethnic
conflict and corruption have been a part of the African condition for some time. Although these
are treated as separate issues below, all three are interrelated and create a significant barrier to
economic progress. These conditions also encourage the flow of skilled, entrepreneurial and
professional segments away from the continent in search of stability and prosperity elsewhere.

AIDS

As awful as this situation is, the fact that Africa must struggle through this crisis may be an
impetus for change. Ralph Peters’ makes an interesting observation in an essay in Parameters,
The Atlantic Century, where he points out that the effects of catastrophes are rarely linear and
people can react unexpectedly. Peters goes on to point out that AIDS could take Africa in
several directions, leading to militarized societies based along tribal lines, or to the breakdown
of tribal control, to the rise of violent millenarian sects, or to more egalitarian societies, to an
opening of markets, or their collapse. This is not to infer that the AIDS epidemic should be left alone to run its course, but rather in the process of vigorously working through its resolution it may yield an opportunity for a new beginning. It may cause states to in effect take an operational pause to resolve issues of corruption and ethnic conflict.

Peter Wehrwein, editor of the Harvard Health Letter, noted that one of the paradoxes of the HIV epidemic in SSA is that for most of the 1990’s, it had not made a dent on standard macroeconomic yardsticks such as gross domestic product (GDP), a measure of the total value of goods and services produced by an economy over a period of time. In the cold logic of supply and demand, the labor surplus in most African economies meant that workers removed from the workforce by AIDS can be replaced without a loss of productivity. The absence of a clear economic indicator may explain, in part, the relatively luke-warm response by the developed nations and Africa to the potential impact in this region in its early stages. The International Monetary Fund and World Bank policy of structural readjustment programs insisted that African governments cut down their budgets. One of the ways chosen was to reduce social expenditures, health care, and education which resulted in a health care infrastructure that had been systematically weakened over the years.

Today the economic impact of the AIDS crisis has become much more significant than Wehrwein noted in 1999. A recent World Bank study suggests that AIDS could cause economies in some developing countries to collapse in two generations. AIDS weakens the economies of African countries in three ways, according to the report. First, the disease mainly affects and kills young adults, removing their salaries and wiping out human capital -- the person's accumulated job and life skills. Second, the deaths of young people weaken or destroy families, ruining the mechanism by which a person passes on human capital to succeeding generations and draining the family resources needed to send children to school. Finally, the chance that the children themselves will eventually contract the disease in adulthood makes personal investment in education seem less important.

There are important second and third order effects that support immediate and aggressive efforts to controlling this epidemic. Large numbers of people with weakened immune systems can become a breeding ground for other historically controlled diseases or mutated, drug resistant strains of new diseases. Given the ease of world travel, these ailments may be very difficult to contain on the continent. The crisis also limits the ability of African militaries to participate in multinational peacekeeping and stability operations in the region and elsewhere. South Africa, for example has an infection rate of 40%. Regional stability is critical in order to attract investors to the region and stimulate economic growth. Millions of people are threatened
with hunger and poverty as the AIDS epidemic in Africa takes a toll on farm output.\textsuperscript{23} Up to 80 percent of the southern African population depends on small-scale agriculture for food and livelihood.\textsuperscript{24}

The challenge for policy makers and agencies that seek to help promote growth and development across Africa is to understand how the epidemic is affecting the behavior and activities of everyone in society.\textsuperscript{25} Special attention needs to be given to the challenge of maintaining (and even increasing) productivity of those who are HIV-positive.\textsuperscript{26} There have been success stories on the continent. Uganda and Senegal in particular have been successful in reducing their AIDS rates.\textsuperscript{27} Efforts in these countries included a heavy emphasis on the modification of behavior and cultural norms. These successes, while laudable and necessary, may be negated by the ongoing civil conflict in Uganda, where rape has become an instrument of the war and high rates of HIV infection have been found among the warring factions.\textsuperscript{28}

Economically, Senegal still has significant issues to address in its peanut and fishing industries but the relatively low HIV infection rate should allow the government to focus its energies in those areas. Earlier this year, the Bush Administration persuaded Congress to authorize $15 billion over the next five years to fight AIDS in Africa and the Caribbean. Adequate funding and access to drugs is important in this endeavor but the true center of gravity may be education and awareness and a shift in cultural norms. Interestingly, populations in most SSA countries will continue to increase despite high levels of mortality.\textsuperscript{29}

ETHNIC CONFLICT

The Development Economics Research Group at the World Bank conducted a study that yielded some interesting findings. First, conflict is overwhelmingly a phenomenon of low income countries.\textsuperscript{30} Second, the faster the rate of economic growth in a country, the lower the risk of conflict.\textsuperscript{31} Third, dependence on primary commodities substantially increases the risk of conflict, unless the primary commodity is extremely desirable, as in the case of oil in Saudi Arabia.\textsuperscript{32} Most states in Africa have commodity-based economies. The study did not identify a significant correlation among factors such as military expenditure, economic equality, or political rights and concluded that while ethnic conflict is an issue, Africa’s high incidence of civil war is fundamentally due to economics, not its social structure.\textsuperscript{33} The persistent instability and fighting are part of a viscous cycle as they cause countries to divert significant resources away from basic infrastructure, education, and healthcare to purchase weapons and equipment to prosecute conflicts. This seemingly endless cycle of conflict is also a deterrent to foreign investment.
CORRUPTION

Corruption also has a negative impact on economic growth. According to the U.S. Agency for International Development (USAID) Handbook for Fighting Corruption, corruption arises from institutional attributes of the state and societal attitudes toward formal political processes. Institutional attributes that encourage corruption include wide authority of the state, which offers significant opportunities for corruption; minimal accountability, which reduces the cost of corrupt behavior; and perverse incentives in government employment, which induce self-serving rather than public-serving behavior. Societal attitudes fostering corruption include allegiance to personal loyalties over objective rules, low legitimacy of government, and dominance of a political party or ruling elite over political and economic processes. One could argue that this corruption is not only a vestige of colonial rule but also a result of conditions created by superpower posturing during the Cold War as the U.S. would turn a blind eye to leaders corrupt practices in order to keep them in the Western camp. Corruption allows inefficient producers to remain in business, encourages governments to produce flawed economic policies, and provides opportunities for bureaucrats and politicians to enrich themselves by extorting bribes from those seeking government favors. Correcting the situation is and will remain problematic. Cleanup programs depend primarily on the police, the national judiciary, and the press but few African countries have an independent press free of government manipulation and most police/judicial systems are pervaded by high levels of corruption.

TRENDS IN US POLICY

The East-West confrontation prior to 1990 appeared to assure the greatest justification for broad based and long term support for an African policy. The Cold War made Africa an integral part of U.S. containment policies and elevated several countries to preeminent positions in national security bureaucracies. In the 1970’s, the primary emphasis for aid was placed on meeting the needs of the poor and disadvantaged in the Third World. This may have been due in part to a growing concern over poverty in America as domestic concerns influenced foreign aid policy. In the 1980’s, under the Reagan administration, there was a shift from what was generally development oriented aid to aid that was driven by political developments related to the Cold War. After the Cold War, Africa was essentially lost in the shuffle as more robust economies moved towards globalization.

CURRENT STRATEGY

A more prosperous, healthy and stable Africa is in America’s best interest, and contributes to U.S. efforts to foster world-wide economic growth and increased trade, and to combat
transnational security threats. The Bush administration focuses on three interlocking strategies for the region:  

- Countries with major impact on their neighborhood such as South Africa, Nigeria, Kenya, and Ethiopia are anchors for regional engagement and require focused attention
- Coordination with allies, friends and international institutions is essential for constructive conflict mediation and successful peace operations; and
- Africa’s capable reforming states and sub-regional organizations must be strengthened as the primary means to address transnational threats on a sustained basis.

**Key Initiatives In Support Of U.S. Strategy**

The Africa Growth and Opportunity Act and the Millennium Challenge Account are the two key initiatives that are central to the U.S. economic strategy in SSA. These initiatives and the associated supporting programs provide the basic framework to pursue economic policy in SSA.

**Africa Growth and Opportunity Act (AGOA)**

This is the centerpiece of programs directed at the nations of Africa. The Act offers tangible incentives for African countries to continue their efforts to open their economies and build free markets. Specifically, the Act authorizes the President to designate countries eligible to receive the benefits of AGOA if they have established, or are making continual progress toward establishing market-based economies; the rule of law and political pluralism; elimination of barriers to U.S. trade and investment; protection of intellectual property; efforts to combat corruption; policies to reduce poverty, increasing availability of health care and educational opportunities; protection of human rights and worker rights; and elimination of certain child labor practices. Additionally, target countries must not engage in activities that undermine U.S. national security and foreign policy interests, engage in gross human rights violations, or provide support for international terrorism.

AGOA legislation directs the President to target U.S. government technical assistance and trade capacity building in AGOA beneficiary countries. This mandate includes assistance to both government and non-governmental actors. The Act directs the President to target technical assistance to governments to liberalize trade and exports, to harmonize laws and regulations with World Trade Organization (WTO) membership, to engage in financial and fiscal restructuring, and to promote greater agri-business linkage. The Act also includes assistance for developing private sector business associations and networks between U.S. and SSA.
enterprises. Technical assistance should also be targeted to increasing the number of reverse trade missions, increasing trade in services, addressing critical agricultural policy issues, and building capabilities of African states to participate in the WTO, generally, and particularly in its services. Other programs/agencies that support the goals of the AGOA include:

- **United States – Sub-Saharan Africa Trade and Economic Cooperation Forum** - Under AGOA, the President was required to establish within a year of enactment, after consultation with Congress and the other governments concerned, a United States-Sub-Saharan Africa Trade and Economic Cooperation Forum. The purpose of the forum is to provide a mechanism to discuss expanding trade and investment relations and facilitate the implementation of the AGOA.

- **Trade for African Development and Enterprise (TRADE) program** - This program is a USAID initiative. The TRADE initiative is designed to provide technical assistance to help Africans reform their trade and investment policies, promote U.S.-African business linkages, support African regional trade integration, and take full advantage of the provisions of AGOA. Three “Regional Hubs for Global Competitiveness” have been established in Botswana, Ghana, and Kenya to further technical assistance objectives.

- **Overseas Private Investment Corporation (OPIC)** - The OPIC was established as a development agency of the U.S. government in 1971. OPIC helps U.S. businesses invest overseas, fosters economic development in new and emerging markets, complements the private sector in managing the risks associated with foreign direct investment, and supports U.S. foreign policy. By expanding economic development in host countries, OPIC-supported projects can encourage political stability, free market reforms and U.S. best practices.

- **Export Import Bank of the United States (Ex-Im)** - The Ex-Im Bank is the official export credit agency of the United States. Ex-Im Bank's mission is to assist in financing the export of U.S. goods and services to international markets. The bank enables large and small U.S. companies to turn export opportunities into real sales that help to maintain and create U.S. jobs and contribute to a stronger national economy. Ex-Im Bank does not compete with private sector lenders but provides export financing products that fill gaps in trade financing, assuming credit and country risks that the private sector is unable or unwilling to accept. They also help to level the playing field.
for U.S. exporters by matching the financing that other governments provide to their exporters.51

- **U.S. Trade and Development Agency** - The U.S. Trade and Development Agency (USTDA) advances economic development and U.S. commercial interests in developing and middle income countries. The agency funds various forms of technical assistance, feasibility studies, training, orientation visits and business workshops that support the development of a modern infrastructure and a fair and open trading environment.52

**Millennium Challenge Account (MCA)**

The second key initiative central to the U.S. economic strategy for SSA, the MCA, is a commitment of the United States to raise its grant aid by a factor of 50 percent over the next three years resulting in a $5 billion annual increase over current foreign aid levels.53 Many other countries and multinational development assistance agencies will be asked to help co-finance this new account, and their participation would augment the original proposal from the United States.54 In January 2004, President Bush signed legislation creating a Millennium Challenge Corporation (MCC), authorizing it to administer the MCA and providing $1 billion in initial funding for FY04. The general criteria for participating in the MCA include ruling justly, investing in people and encouraging economic freedom.

**OTHER STRUCTURES AND ORGANIZATIONS**

SSA has one of the highest numbers of economic groupings in the developing world. There are nine regional organizations: the Economic Community of West African States (ECOWAS), the West African Economic and Monitory Union (WAEMU), the Common Market for Eastern and Southern Africa (COMESA), the Southern African Development Community (SADC), the Southern African Customs Union), the East African Community (EAC), the InterGovernmental Authority on Development (IGAD), the Indian Ocean Commission (IOC), and the Central African Economic and Monitory Community (CEMAC).55 Many countries have membership in several regional organizations. Unfortunately the overlapping nature of these agreements and participation costs has been cited as an impediment to successful regional integration.56 U.S. strategy continues to encourage and support regional economic integration efforts in SSA as a means of stimulating economic growth by improving economies of scale and reducing transaction costs for the region and international businesses.
Generally, the states in Africa welcome assistance from the U.S. and the international community. The theme among academics and politicians in Africa is that the U.S. should do more to address the AIDS crisis, more to promote free trade, and more to support African efforts to promote peace and stability in the region.

The war on AIDS can be won but it will require a major shift in some aspects of U.S. policy. African efforts to defeat AIDS are hindered by international obstacles such as the SSA overwhelming debt burden which competes with resources that could be allocated to the AIDS fight, difficulties in accessing essential anti-AIDS drugs, and a relatively weak health care infrastructure. In many African countries governments respond more to pressure from donor communities than from political pressure their own people. The international community continues to rely too heavily on central governments to deliver services and should instead go directly to the civil and private sector. There is a significant degree, albeit somewhat disjointed, of private sector support flowing to the region. In the last decade U.S. government aid has been far outstripped by private donations from foundations, private voluntary organizations (PVO), corporations, universities, religious groups, and individuals giving directly to needy family members abroad. Cancellation of bilateral and multilateral debt would also allow governments to better resource activities to address the epidemic.

The African Growth and Opportunity Act set a general framework that can provide real opportunities for Africa. Gains under the AGOA could be greater however if there were not so many conditions and exclusions under the act such as rule-of-origin requirements that require exporters to source certain inputs to a particular product from within Africa or the U.S. Using apparel as an example, this precludes the producer from obtaining yarn or fabric from a supplier outside of the U.S. or Africa even if it may be more cost effective. Estimates suggest that absence of these conditions could have magnified the impact of AGOA nearly five fold. There is widespread support for the extension of AGOA beyond its current expiration in 2008.

A sampling of African views on U.S. trade initiatives by the Africa-America Institute suggests that the U.S. needs to broaden and formalize the process by which it consults with Africans about policies affecting them. There is a general perception that Africa and her economic concerns have been marginalized in of the globalization process, essentially de-linking Africa from the global economic system. There is no longer any requirement for the U.S. to counter Soviet influence in the SSA. The region has lost whatever geostatic advantage it had during the Cold War and has lost the leverage it once enjoyed as a major supplier of rare
minerals and cheap labor that fueled the western industrial machine. Access to strategic minerals and oil, once constrained due to superpower posturing, are much more accessible.

Inconsistent application of policy in the region over the years is another noted shortcoming. The U.S. has never formulated a coherent economic policy but has relied on an assortment of foreign assistance programs: food aid, disaster relief, development support, and security assistance. Former, General Secretary of the United Nations, Boutros Boutros-Ghali points out in an essay on the marginalization of Africa that:

The only strategy proposed by the rich countries is for the indebted, developing countries to adopt stringent reform programs and to reach agreements with the IMF and World Bank. They also advocate a new, miraculous remedy, the introduction of political pluralism along Western European lines. Such a prospect risks being ineffective not only because Africa has no democratic traditions and continues to be dominated by tribalism, but because democracy cannot take root unless certain minimal institutions and an adequate living standard exist. This performance, combined with the rapprochement between East and West, has resulted in less interest in Africa on the part of the rich countries. If there has been any dialogue at all between Africa and the industrialized countries it has been a dialogue of the deaf.

The historic role the U.S. played in destabilizing many of the African countries currently at war gives the U.S. a unique responsibility to engage with African efforts to achieve peace and stability. Groups organized and supported by the U.S. to destabilize pro Soviet regimes during the Cold War still operate creating instability in states like Angola and the Democratic Republic of the Congo. For each of the major conflicts ongoing in Africa there exists a peace process, often a settlement plan, and an African body to guide a peace process. What is crucially missing, in many cases, is the international support needed to ensure peace and stability.

**ASSESSMENT OF CURRENT U.S. STRATEGY**

U.S. economic strategy appears to be reasonable. The desired end state in SSA is a stable region that will not foster conditions conducive to terrorism. Achieving peace and stability through the vigorous and consistent exercise of economic/political power is the best way to get there. Although it could be criticized as favoritism or geopolitical manipulation, the U.S. emphasis on anchor states instead of the entire region is reasonable and realistic. The U.S. does not have the resources to address the ills of an entire continent at once. The amount of aid directed to the all the nations in SSA over the next several years is very small when compared to the amount that will be spent on Iraq alone in one year.

Currently the United States conducts a small share of its total trade with SSA. In 2002, the United States exported $5.9 billion to SSA, or 0.9% of total U.S. exports of $629.6 billion.
The United States imported $18.2 billion from the region, or 1.6% of its total imports of $1,154.8 billion.\textsuperscript{71} Although U.S. trade with SSA is small compared with major trading partners, it is comparable to U.S. trade with several other developing regions. Most U.S. trade with the region is with a small number of countries.\textsuperscript{72} Eighty-two percent of U.S. imports from the region were from four countries in 2002: Nigeria (32%), South Africa (23%), Angola (18%), and Gabon (9%).\textsuperscript{73} Exports were similarly concentrated, with 60% of U.S. exports to two countries: South Africa (42%) and Nigeria (14%).\textsuperscript{74} All other countries accounted for 6% or less of U.S. exports. Natural resources dominate U.S. imports from SSA. Almost four-fifths of all U.S. imports from the region in 2002 were either energy products (64%), which were almost exclusively petroleum, or minerals and metals (15%).\textsuperscript{75} Other notable U.S. imports, much less in total value, were trousers, automobiles, sweaters, and cocoa.\textsuperscript{76} If the U.S. remains on this glide path or perhaps more importantly is able to maintain this glide path through successive administrations, SSA may well become a significant trading partner.

The African Growth and Opportunity Act provides a well reasoned framework for success. There are some challenges inherent in this framework however. Several topics may be important to Congress in the oversight of AGOA and in potential legislation amending the act. These issues concern the expiration of the Act in 2008, rules of origin provisions concerning textile and apparel, facilitating the use of AGOA benefits by more countries and the impact of AIDS epidemic on economic gains under the Act.\textsuperscript{77} President Bush has pledged to seek extension of the AGOA beyond 2008.\textsuperscript{78} Convincing private business/industry and the rest of the developed international community to invest and devote even more resources before suitable infrastructure and stability are in place will continue to be challenging. The U.S. cannot, however, allow the situation to continue to fester and provide a springboard or safe haven for terrorism or transnational criminal activity.

The U.S. will have to provide leadership as a global power. Surprisingly, the domestic support appears to exist. An analysis published by the Program on International Policy Attitudes (PIPA) in April 2003 revealed that the general public is generally in favor of aid to Africa and that this support is higher than for other regions of the world.\textsuperscript{79} Most Americans see Africa as somewhat important to the war on terrorism and support the U.S. providing money and technical assistance to African anti-terrorism efforts.\textsuperscript{80} There is modest support for increasing aid for democratization and poverty reduction as a way to address the root cause of terrorism.\textsuperscript{81} A strong majority supports U.S. aid to address the problem of HIV/AIDS in Africa, and considers the crisis quite serious and believes that it will affect Americans.\textsuperscript{55} The U.S. could do more to help but other actors such as the Africans, pharmaceutical companies and the United Nations
should do more as well. Africa is a potential commercial market of more than 800 million consumers and is a region, if properly managed, could feed itself and significant parts of the world. Tapping that potential requires American business, private enterprise, and banking, to aggressively pursue the development of the region.

RECOMMENDATIONS

The basic framework for success already exists via the AGOA, MCA, and other collateral programs. There are some minor course adjustments that may warrant consideration:

- Facilitate unity of effort in the private sector. This includes continuing formal efforts to leverage opportunities to create public-private sector alliances in the U.S. and vigorous pursuit of opportunities to partner with indigenous NGO's and private enterprise in SSA. Emphasis should be on the health, agriculture, and education sectors. The State Department should engage in some degree of “strategic monitoring” of these activities to facilitate a unity of effort where appropriate.
- Look for targets of opportunity. Continue deliberate efforts to “fix” designated anchor countries (South Africa, Nigeria, Kenya, and Ethiopia) identified in the National Security Strategy, but be willing to pull in other nations that may offer window of opportunity for intervention. Recent events in Liberia stand out as one example of an opportunity lost, especially since the rhetoric of the parties in conflict seemed to favor our involvement as an honest broker. In cases where use or show of military force is warranted to boost this process, it should be pursued. All actions should of course have some degree of regional and international support.
- Forgive bilateral debt. Debt forgiveness will provide countries an opportunity to allocate funds to improve critical infrastructure and provide a much needed stimulus to investment recovery and economic growth. The U.S. should lead by example in this endeavor. Debt forgiveness should be subject to clear and specific conditions. Recipients should be put on notice that forgiveness would be a one time opportunity based upon bilateral agreement on a plan of action for economic recovery. Future aid should be tied to a good faith effort to institute economic reform.

CONCLUSION

It is incumbent on the U.S. to provide the global leadership to assist the nations of SSA. The National Security Strategy demands it, and much of the world expects it. There is, however, no quick fix. The quest for political and economic freedom, peaceful relations with
other states, and respect for human dignity will take patience and resoluteness of purpose. U.S. interests in preventing terrorism, drug trafficking, the spread of AIDS and environmental degradation are significant in Africa and are best met by providing greater economic opportunity for all Africans. While U.S. short or mid term interests in SSA may not rise to the vital level, one could argue that there are vital interests for many of our key partners in Europe and Asia, partners we rely on for as we pursue other U.S. objectives world wide. Additionally, China, a potential peer competitor in the out years, has pursued significant bilateral trade and investment opportunities since the 1990’s in an effort to increase its economic and political influence in the region. While it is also incumbent on less developed nations to vigorously address their core issues, and wealthy nations to lend a hand, internal efforts and international interventions are less likely to succeed without the forceful leadership of the United States. This is a strategy that must remain consistent through many administrations to come.

WORD COUNT = 5703
ENDNOTES


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