Attention Friends and Collegue in Africa and other countries.

We have the pleasure in sending you an essay on AGOA, written by Rajni Lallah of Lalit, Mauritius, in the context of the AGOA Business and Head of States Forum being held in Mauritius in January 2003. This essay is a must for any thinking citizen wishing to understand AGOA outside the prism of mainstream propaganda. The essay can be published or circulated to your friends and contacts via emails.

This essay is from the newly launched book "Diego Garcia in Times of Globalisation" written by Lalit and published by LPT.

Welcomed by the bourgeoisie in South Africa and Mauritius

AGOA – an instrument of the US ruling class

The US African Growth and Opportunity Act (AGOA) is directly linked to the question of the US base on Diego Garcia. Mauritius is immediately brought to heel, like a pet poodle, when its representative at the UN intimates that Mauritius may not support the US resolution on Iraq. (B-2's and B-52's set off from Diego Garcia for attacking Iraq.) The AGOA condition about submitting to US foreign policy is quoted in the press here, as a reason for cow towing. [1] *Not only that, AGOA is becoming an important link to all kinds of events on the political and economic scene in Mauritius. Privatisation, liberalisation, the government voting a "Prevention of Terrorism Act", factory closures, delocalisation, all these events are connected in one way or another to AGOA. This article explains how and why.*

The US has acquired a new colonial device to get African States to submit to US imperialist rule, with the active support of African ruling classes. The US *African Growth and Opportunity Act* (AGOA), enacted in the year 2000 (after literally years of trying to get it through) , gives President Bush king-size powers to decide which African State he will open the US market to, and which African State he will close the US market to. AGOA is ridden with conditionalities that African States have to submit to in order for President Bush to favour them by opening the US market to their capitalists' goods and services. At least once every two years, under AGOA, President Bush calls in African States that he deems "eligible" to an AGOA Forum[2] to tell them what he thinks their political and economic agenda should be. This colonial performance is what the Mauritian government is congratulating itself on hosting in January 2003.

When President Bush announced he would not be at the World Summit on Sustainable Development (WSSD) in South Africa, he also added that he was planning a visit to Africa in January 2003. Clearly, President Bush believes the AGOA forum to be more of a priority than world sustainable development. An "AGOA business forum" is also being held at the same time as the official "AGOA Forum" in January. At this second Forum US businessmen will be looking for African "brokers" to facilitate their implantation in those African States labelled "eligible" by President Bush. The Mauritian private sector is eagerly offering itself as the African "broker" for US multinationals. This is why the Mauritian ruling class has been tripping over its own feet as it's in such a hurry to get the AGOA business forum going. The United States Information Service (USIS) has been funding programs all over Africa to explain how AGOA can be used to create "Public-Private Partnerships" (the latest fashion in privatisation) in African countries. The USIS is also explaining how to use AGOA for "matchmaking" (their term) between African and American capitalists.

US business and African capitalists see in AGOA, growth and opportunity for themselves, and are busy negotiating joint ventures in regions of Africa where working people have less social and economic rights and where wages are the lowest. In countries like Mauritius or South Africa, there are massive delocalisation plans in process that will downslide wages, working conditions, and social and economic conditions of all the peoples of Africa.

Where the US *African Growth and Opportunity Act (AGOA)* comes from

AGOA has had many names. These last years, it has been called the *Africa Bill*, the *African Growth and Opportunity Bill*, the *Africa Act* or the *Trade and Tariff Act*. The voted version is now known as the *African Growth and Opportunity Act (AGOA)*[3] and is part of a law called the *Trade and Development Act of 2000.* It has had so many names partly because it was so unpopular that each time it got defeated in the US Congress, it had to be re-introduced by another name. It has taken several years for AGOA to be enacted. The US ruling classes have been persistent in pushing through AGOA because it is so central for the US imperialist strategy that dates from the 1990's.

In the 1990's, there was a major shift in US policy towards Africa. The US decided to make Africa a new zone for US capitalist implantation. This was clearly announced by the late Commerce Secretary Ron Brown of the Clinton

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[1] *L'Express*, Saturday, 26th October, 2002 gives an example of this.

[2] The purpose of the "United States - Sub-Saharan Africa Trade and Economic Cooperation Forum" under Section 105 of AGOA is "to discuss expanding trade and investment relations between the United States and sub-Saharan Africa and the implementation of this title including encouraging joint ventures between small and large businesses. The January AGOA Forum will be the second Forum of this kind.

[3] AGOA can be downloaded from the Internet at www.usinfo.state.gov/regional/af/trade.htm

administration in 1995[4]. The Clinton Administration Record[5] quotes Ron Brown: " the United States would no longer concede the African market to former colonial powers."

Clinton's regime had two over-arching, long-term policy goals[6]. Firstly, it was in favour of US business interests. What the US wanted was to implant US multinationals in Africa for them to control the rich natural and mineral resources including oil, gold, copper, diamonds, and for them to get a larger share of the African market. The Clinton Record refers to this goal in terms of accelerating Africa's "integration into the global economy" which would "advance American commercial interests through an invigorated emphasis on trade and investment". The second US policy goal was to get a firmer military hold on Africa. The Clinton Record refers to this goal as addressing "security threats" emanating from Africa. AGOA is based on both these US long-term policy goals: it imposes conditionalities that dictate economic policy in Africa so that US multinationals can operate lucratively and at the same time, coerces African States into supporting US foreign policy and "national security" interests. Ever since George W Bush was installed as US President, AGOA has become an instrument that perfectly addresses the needs of his regimes' aggressive military policies.

What does AGOA mean?

This law means that up till September 2008, the US President, just like a King, can open the gates of the US market to African goods and services from 48 African States, but will do so *only* if they accept US *conditionalities*. In AGOA, overt conditionalities are referred to as "eligibility requirements". Up to now, the US President has "declared" 36 African countries "eligible". AGOA "eligibility requirements" are actually being used by President Bush to close the US market to goods and services coming from nine "non-eligible" African countries: Angola, Burkina Faso, Burundi, the Democratic Republic of Congo, Equatorial Guinea, Gambia, Liberia, Togo and Zimbabwe.[7] Sudan, Somalia and the Comoros have not sought the "eligibility" favour from the US President, so, they have escaped AGOA's zone of influence. Since AGOA has been enacted, the US President has presented two annual reports to the US Congress which actually includes a country-by-country report on whether African States are observing AGOA conditionalities or not.

The United States government constantly harps on the need for *the rest of the world* to give capitalism a free rein. It wants, in the long-run, to transform everything, from goods to services, from water to the land, into commodities that are bought and sold for profit, without taxes, without regulations, without any public or democratic control. This is what it calls the "free-market". When it comes to its own market, the United States is not inclined to subscribe to "free-market" policy – it adopts protectionist policies in the interest of US capitalists that do not want their profit restrained by the entry of cheaper goods and services into the US market.

Supporters of AGOA acclaim it as being some kind of new "Lomé Convention" for Africa. Strangely enough, these supporters refrain from mentioning that "free" access of goods and services into the US market (as any other market), without conditionalities being attached, is due very soon in any case. The US is part of the World Trade Organisation (WTO) and is supposed to be committed, like other countries in the WTO, to opening its market *without any conditionalities being imposed.* Other protectionist agreements outside the WTO are also on the way out. The Multifibre Agreement, for instance, is suppose to be phased out in 2004. So why do our Governments accept all the conditionalities in AGOA, when the US market is supposed to have no gates soon, anyway? We do not know.

There are many conditionalities. Some are overt ones called "eligibility" requirements in AGOA, and others are covert ones, that are implied by the AGOA law. Let us look at just a few of them.

AGOA says: "Accept the US President as your King"

AGOA transforms the US President into a King with an empire in Africa. It is the US President who decides which African country to open or close the US market to. It is the US President who decides whether African countries are following AGOA conditionalities or not. It is the US President who orders African Heads of States to an AGOA Forum at least once every two years. It is he who decides when and where to call them to. It is the US President who also decides which goods and services from which countries he will give duty-free treatment to. If the US President decides that an African country is not in line with AGOA conditionalities, he can close the US market to that country.[8] The US Congress

[4] Ron Brown made this statement when he led a substantial U.S. private and public sector delegation to the Africa-African American summit in Dakar, Senegal in 1995.

[5] The Clinton Administration Record in Sub-Saharan Africa http://usinfo.state.gov

[6] The Clinton Administration Record

[7] US President's report to US Congress "2002 Comprehensive Report on US Trade and Investment Policy toward Sub-Saharan Africa and Implementation of the African Growth and Opportunity Act, The Second of Eight Annual Reports ", May 2002.

[8] Section 104(b) of AGOA

has given itself so much power that it can now decide which African country is "poor" or not. The US Congress has just amended AGOA (referred to as AGOA II), to give Botswana and Namibia "poor country" status even though the US barometer used in the first version of AGOA does not classify these two countries as being "poor".[9]

Another important point concerning AGOA is the procedure used for its establishment. AGOA is not a multilateral agreement negotiated between the US and African countries. It was unilaterally imposed by the US. It was proposed by the US President and voted in by the US Congress. This US law is a kind of "extra-territorial" legislation, as if Africa was a US colony.

Many African countries in Northern Africa (West Sahara, Algeria, Tunisia, Morocco, Libya and Egypt) do not fall under the AGOA "zone of influence". The colonial "carving up" of Africa lives on: the US can now, if it is not stopped, establish its own "colonies" in Africa that will be governed by AGOA.

AGOA says: "You must follow US foreign policy"

AGOA crudely states that African States, in order to fulfill requirements for eligibility, must not "engage in activities that undermine United States national security or foreign policy interests"[10]. This "conditionality" is *real*: it has already been used by President Bush. Burkina Faso has been refused "eligibility" under AGOA partly because it does not submit to US foreign policy. The US President's May 2002 AGOA report to the US Congress specifically mentions this under the heading "US National Security and Foreign Policy Interest". In this section, the US President states that "Burkina Faso has played an unhelpful role regionally, undermining stability and US foreign policy interests".

Already, Mauritius is feeling the weight of this conditionality. Since the passing of AGOA, the Mauritian government has unconditionally backed the US attack on Afghanistan, has blindly followed the US lead in voting through the *Prevention of Terrorism Act*, and is now shamelessly poised to support US warlords in aggressing the people of Iraq.

As the US pushed hard to get the UN Security Council to follow its war-mongering lead, the Mauritian government took the decision to support the key US resolution in the build-up towards attacking Iraq. This decision was made, according to Raj Meetarbhan of *L'Express*[11], after Mauritian Ambassador Koonjul in Washington signified the Mauritian government's intention not to vote for the US resolution. It must be said that a few days earlier, *Le Mauricien*[12] had reported Prime Minister Jugnauth as asserting, on the question of Iraq, that he was "confident that a diplomatic way out is still possible and that war can be averted." He was quoted from his message on the occasion of the 57th anniversary of the United Nations.

After the government's new decision on the US resolution to be brought to the UN Security Council, Foreign Affairs Minister Gayan was quoted by Raj Meetarbhan as saying that the government must not "put the country's interests in peril"[13]. It is not the "country's" interests he is talking about: he is talking about the interests of the Mauritian capitalist class that wants juicy tidbits out of AGOA. Even if it means the loss of thousands of lives in Iraq. Even if it means the dispossessing of peoples' means of livelihood in Mauritius and all over Africa. Even if it means the loss of peoples' basic fundamental rights. Typically, Raj Meetarbhan of *L'Express*, true to his tradition of mouth-piecing for Mauritian capitalists and their regime, qualified Ambassador Koonjul's resistance to savage US cowboy-style intervention, a "diplomatic blunder".

It must also be said that ever since AGOA was still a Bill, the press in Mauritius has persistently avoided commenting the fact that AGOA contains stringent conditionalities. For the first time, as if conditionalities in AGOA were the most normal thing, the press is now pointing to conditionalities in AGOA. Raj Meetarbhan of *L'Express* even quotes the section in AGOA about how African countries must not go against US national security policy and foreign policy.

AGOA says: "Protect US national security over security of peoples of Africa and the rest of the world"

The Mauritian ruling class does not care a whit about Mauritian people's real national security. It is willing to sacrifice this just to let people like Mr. Vigier de la Tour sell a few T-shirts and shorts on the US market. It has supported AGOA and lobbied intensively for other African countries to accept all its conditionalities even though AGOA might imperil the struggle to close down the US military base on Diego Garcia, part of the Republic of Mauritius. Or even other bases in Africa such as the US military base in Kenya. In Kenya, the US occupies an air base which was used in the attack against Afghanistan after the 11th of September, 2001. In Mauritius, the United States occupies a military base on Diego Garcia, an

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[9] The first AGOA of the year 2000 uses *World Bank* measurements to decide whether an African country is poor or not. AGOA was amended this year to include Botswana and Namibia as "lesser developed beneficiary country" by using *International Bank for Reconstruction and Development* measurements in their cases.

[10] Section 104(2) of AGOA

[11] *L'Express*, 26th October, 2002

[12] *Le Mauricien* of 24th October, 2002

[13] *L'Express* of 26th October, 2002

island illegally dismembered from Mauritius by the United Kingdom during independence negotiations in the 1960's. This island was "depopulated" by UK-US in order to transform it into a military base. The Mauritian people living there were forcibly removed to the main island of Mauritius and to the Seychelles. The base has subsequently been used to bomb Iraq in 1991 during the "Gulf war", to bomb people in Afghanistan last year, and is now to be the USA's main launching pad to bomb people in Iraq yet again. AGOA, and new US policy in Africa has very serious implications for the struggle to close down the US base on Diego Garcia, other US bases in Africa and for the struggle to demilitarise the whole African and Indian Ocean region.

AGOA and Diego Garcia

Since independence, the struggle for the closing-down of the US base on Diego Garcia and the re-unification of the Chagos with the rest of Mauritius has often been used by the Mauritian State as a negotiating point for "trade" on behalf of the Mauritian capitalist class. This sordid deal has now become "institutionalised" in AGOA: the Mauritian State's silence on the closure of the US base in return for the entry of Mauritian capitalists' goods and services into the US market. Mauritian capitalists and their State were so eager to get AGOA passed by US congress, that they undertook to get other African States in the region (through regional blocks such as COMESA[14], the SADC[15] and the now defunct OAU[16]), to lobby for support to encourage the US Congress to pass AGOA with all its conditionalities.

AGOA can now be used as an instrument to keep the US base on Diego Garcia intact for what the US would probably call its "national security or foreign policy interests". Particularly in the interests of its multinationals in the oil and armament business. The new Bush regime is aggressively using AGOA to secure these interests through military means. In the first *United States-Sub-Saharan Africa Trade and Economic Cooperation Forum* held in October 2001, barely a month after the 11th of September, President Bush made it quite clear what he thought African States' political priorities should be: to follow the US lead in combating US-defined "terrorism" including providing "the basing and overflight rights (…) by African countries", show commitment to "cracking down on terrorist financing", and ratify the 1999 Algiers Convention Against Terrorism. Of course, President Bush failed to mention that it is the US Government which is the only one ever found guilty of "terrorism" by the World Court on Nicaragua.

President Bush also made it clear that African States should change their stand after the WTO Conference in Seattle held in 1999. In the Seattle Conference, African States, acting as a block, managed to oppose new rounds that would have further entrenched the world into capitalist rule. This is why President Bush was so concerned about getting African States to stop this kind of resistance. He told African States represented at the 1st AGOA Forum that they should become "a powerful voice for the launch of a new round of global trade talks in Doha, due to begin next month." The quasi-ultimatum of President Bush was hardly veiled; at this forum; he said in very clear terms: "Every nation that adopts this vision will find in America a trading partner, an investor, and a friend."[17] If they did not accept the US vision, he would close the US market to them.

Of Oil, US militarisation and AGOA

There has been a growing interest by the US ruling class in African oil. Africa already provides some 15% of US crude oil imports. This is likely to increase still more through new production in West Africa and the construction of a pipeline linking southern Chad to Atlantic ports. In addition, there have been recently discovered offshore reserves on the West African coast. Particularly after the 11th of September events, Africa has become of key strategic importance to the US ruling class. The US no longer wants to be dependent on countries like Saudi Arabia, an ally that is not giving unconditional support to the US. The US wants to accentuate its strategy to increase its oil supply from Africa as it prepares for a US invasion of Iraq. At the same time, what US oil multinationals are clamouring for, is for the US to step up pressure for African States to give them "legally protected land ownership" i.e. to privatise land, and give US multinationals the land titles. They also want the US military to secure their operations in Africa. A *New York Times* article has made this public knowledge. The article, explaining how Africa has become strategically important for the US because of its oil, states quite clearly "There has also been discussion in Congress and the Pentagon about increasing military exchanges with West African countries and perhaps establishing a military base in the region, possibly on São Tomé, an island nation in the Gulf of Guinea".[18]

The new US strategy for oil in Africa would also have the effect of breaking up the Organisation of Petroleum Exporting Countries[19] (OPEC), the Middle East-centred oil cartel that has considerable control over oil production and prices. The *New York Times* article mentions that Gabon was an OPEC member but quit in 1995, and that now, Nigeria is considering quitting OPEC. The hacking up of

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[14] *Common Market for Eastern and Southern Africa*
[15] *Southern African Development Community*
[16] *Organisation of African Unity*
[17] President Bush Addresses African Growth and Opportunity Forum, October 29, 2001 (http://usinfo.state.gov)
[18] James Dao, *New York Times*, 19th September, 2002.
[19] OPEC has 11 country members. They are Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Qatar, Saudi Arabia, United Arab Emirates, Venezuela and Nigeria.

OPEC would greatly enhance US oil multinationals' power in the oil industry.

There is a strong Israel-based lobby allied to the US oil industry lobby that wants the US to use AGOA to open up West Africa to the US oil industry, and to secure this hold by setting up a military base on Sao Tome and Principe in West Africa. This lobby even has a name. It is called the *African Oil Policy Initiative Group.* This working group grew out of a symposium held in Washington, in January 2002, organised by the *Institute for Advanced Strategic & Political Studies (IASPS)*) which describes itself as a "Jerusalem-based think tank".[20]

In a document produced by this "think-tank", they have quoted declarations made by the Chairman of the U.S. House of Representatives Subcommittee on Africa, Ed Royce, linking the US oil strategy to both AGOA and also to the *New Economic Partnership for African Development* (a plan generally known as NEPAD, concocted by a few African Presidents to open up Africa to global capitalism). Both AGOA and NEPAD are seen as being instruments to ensure US control over African oil. Note that NEPAD is to be one of the main themes discussed in the official AGOA Forum.

AGOA imposes economic dictatorship

One of the conditionalities in AGOA[21] is that African countries must have a "market economy" in order to qualify for "eligibility". This means that the whole economy must operate on a profit-basis. Even basic services such as health, education, pensions, water, electricity, telecommunications, transport, and other social services must be transformed into "commodities" sold by capitalist business-operations. Measures to re-distribute wealth and to restrict class inequality such as taxes on companies, on capitalists, on business operations, must be gradually scrapped until they disappear altogether. This is an AGOA condition. A completely "free-market", one where democratic control does not exist, because everything is run by **private** companies. In Mauritius, as in many African countries, there has been intense resistance against such a system. In the 1970's, the *IMF-WB* (*International Monetary Fund - World Bank*) tried to get the government to impose such a system on Mauritius, but people opposed this so much, that the government fortunately failed to impose key measures in the *IMF-WB* programme. And strong opposition has continued in the trade union movement until today, thus slowing down the move towards privatising everything.

AGOA says: "Sell off everything that is public-owned"

Another condition is that people cannot *own* and *control* anything collectively. This is what the public sector was supposed to be: the people owning, running and controlling sectors of the economy. In nationalised sectors, public ownership and control was already far too limited in that it was, in practice, governments and their bureaucrats who exercised control. It was not, even at its best, workers and service-users who exercised control. However limited this form of control, the possibility of people organising and taking democratic control over the public sector remains an open one. What privatisation does is to make it much more difficult to regain any democratic control. It is a form of dispossessing of our collective heritage.

In African countries, the public sector's expansion was a means of decolonisation to stop foreign companies and their governments from controlling strategic sectors of the economy, and whisking away all the profits. Privatisation wipes away the historic progress in terms of decolonisation and exposes African countries to re-colonisation.

AGOA says: "Remove subsidies"

Yet another condition is that African States must eliminate subsidies altogether. This includes subsidies to ensure food security: subsidies on basic food such as rice and flour, subsidies on medicine, on vaccines, on contraception. Subsidies on agriculture for small-scale planters and farmers, subsidies on fishing, on animal farming; subsidies that are vital to the lives of many, many people in Africa will have to be wiped out. Subsidies on export-oriented industry will have to be removed. The US ruling class wants African States to eradicate subsidies stimulating local production so as to decrease importation. It wants to remove all other subsidies that were part of the de-colonisation process altogether.

AGOA says: "Eliminate Price Control"

Withdrawal of price control is included as another conditionality. The ruling class does not even want price control over the most basic of goods and services. It does not care a whit if water, electricity, staple foods, that are essential for peoples' survival, are too expensive for poor people to buy.

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[20] See document available on internet titled "African Oil: A priority for U.S. National Security and African Development": african%20oil.htm

[21] Extract from AGOA: "*Section 104.Eligibility Requirements*

(a) IN GENERAL.-The President is authorized to designate a sub-saharan African country as an eligible sub-Saharan African country if the President determines that the country-

(1) has established, or is making continual progress toward establishing-

(A) a market-based economy that protects private property rights, incorporates an open rules-based trading system, and minimizes government interference in the economy through measures such as price controls, subsidies, and government ownership of economic assets;"

AGOA says: "Submit to foreign companies"

AGOA imposes on African States that they must give foreign capital the same *treatment and measures* as national capital.[22] In other words, key measures to protect the sovereignty of African countries will be eradicated. Measures such as giving subsidies for local production or putting taxes, duties or tariffs on foreign goods to protect local production will no longer be possible. It also means that governments, to protect employment, will no longer be able to pass and enforce regulations on foreign firms that they employ workers of that country. Governments will no longer be able to limit foreign multinationals repatriating all their profit to their country of origin. This conditionality has even more serious implications: governments will no longer be able to stop foreign capitalists from actually *buying* land. There is now a strong multinational lobby in the US that wants governments around the world to sell them land, particularly where there are precious mineral resources, or oil, and hand them over the land titles. Since independence, laws protecting land and territorial integrity have been vital in protecting independence and sovereignty of countries with a history of colonisation. A State is defined partly by its territory. If governments are able to sell off land to non-citizens and their companies, then this could threaten independence itself.

The concept of "national treatment" for foreign companies was a key concept of the "Multilateral Agreement on Investment" (MAI) concocted by the *OECD*[23], a clubbing up of governments in the richest States in the world. The MAI was a kind of world-scale Constitution to give multinationals power over nation States – they could sue States for voting laws and regulations to protect the environment, workers' rights, to protect social services, strategic sectors of the economy, or to protect sovereignty. Giving foreign companies the same "treatment" as national ones, was part of the MAI agenda. The MAI was defeated because it was so unpopular world-wide, but parts of it are seeping into agreements and laws such as AGOA.

AGOA lowers wage rates and slashes work conditions in Africa

There are other specific conditionalities mentioned in AGOA that threaten employment in countries like Mauritius, that are pushing down wage rates and slashing up work conditions in the region.

AGOA imposes conditions on a country's imports

Under AGOA[24], the US will only open its market to garments made from yarn or fabric produced and assembled in the US or an African country. This concession was made by the US Congress to US capitalists in the textile sector that saw AGOA as being a threat to the American textile business. The only exception to this "rule" is in the case of "lesser-developed" African countries. "Lesser-developed" African countries are defined in AGOA as those with a per capita gross national product of less than $1,500 a year in 1998 (i.e. all "Sub-Saharan" African countries except Equatorial Guinea, Gabon, Mauritius, Seychelles, and South Africa).[25] In the case of "poor" countries, the US will not be fussy about where the fabric and yarn come from. This exception will only last up till the 30th September, 2004.

In Mauritius, there is no cotton grown, no yarn produced. So Free Zone capitalists in the textile business have a pretext to close down local textile assembly plants and re-open them in African countries either where yarn or thread is produced. Or they can move to countries that fall under the Special Rule for "lesser developed" African countries. There, they can continue importing yarn and fabrics from Asia, where it is cheaper, and export clothes, in certain cases, duty-free to the US. The biggest and oldest textile plant, *Floréal Knitwear*, had already started sacking workers. Almost 40% of its operations had been moved to Madagascar, before the political crisis that occurred when there were Presidential elections in Madagascar. Other factories followed suit. 100,000 jobs in the Free Zone are under threat. In the run-up for the AGOA Business Forum in January 2003, official State delegations from African countries such as Tanzania and Madagascar are already coming to Mauritius in order to entice Mauritian capitalists into delocalising their operations to these countries.

In Mauritius and South Africa, capitalists, particularly in the textile free zone sector and in the sugar industry, were already poised to delocalise to African countries where wages and work conditions are inferior to that of Mauritius. The "Special Rule" for "lesser-developed" African countries is accentuating delocalisation.

The irony about this "Special Rule" is that it is an incentive for African countries to get poorer, instead of inducing countries to work towards economic growth.

AGOA is a key "driver" in pushing wage rates and work conditions down in the African region: business can move around to wherever in Africa wages are lowest, trade union activity, the weakest, and oppressed people less organised.

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[22] Section 104 (1) (C) that reads: "*the elimination of barriers to United States trade and investment, including by-*

(i) *the provision of national treatment and measures to create an environment conducive to domestic and foreign investment;"*

[23] *Organisation for Economic Cooperation and Development*

[24] Section 112 of AGOA

[25] Botswana and Namibia have both obtained "lesser-developed country" status in AGOA II this year even though official figures show that they have a per capita GNP higher than $1,500.

"Growth and Opportunity" for US business
The US, through AGOA, guarantees that the entry of African goods and services into the US market will not cut into US business and profits. For instance, whenever certain African textiles or apparel threatens the US textile industry, the US President can suspend duty-free treatment.[26] African States have to conform to US directives on customs regulations so as to satisfy the US textile companies. Officials of the US can even snoop around in the Customs offices of African countries seeking AGOA eligibility, to check whether they are conforming to US Customs directives.

Not only does AGOA aim to pry open the African market to US business by imposing conditionalities, it also sets up a whole state bureaucracy in the US to assist US multinational implantation in Africa.[27] The US is also subsidising its capitalist implantation into Africa. In the October 2001 AGOA forum, President Bush had already announced the creation of a $200 million *Overseas Private Investment Corporation* support facility to give American firms "access to loans, guarantees and political risk insurance for investment projects in sub-Sahara Africa."

Since AGOA was enacted, the USIS has been preparing the way for US multinationals. It has been funding programs in Africa to explain how AGOA can be used as "the jumping-off point to create public-private partnerships in African countries and to establish matchmaking between African and American entrepreneurs".[28]

It is not surprising then, that so many profit-greedy US companies lobbied hard to get AGOA through the US Congress (see Annex).

US administrative blockades disguised as “human rights” infringements
As a concession to the wave of resistance against conditionalities in AGOA, the final version of the law contained a condition that African countries must respect “labour rights” and other "human rights" in order to be “eligible”. The United States is renowned for interpreting "human rights" in its own narrow imperialist interests. In Mauritius itself, the *Industrial Relations Act (IRA)* makes the quasi-totality of workers’ strikes illegal. Yet the US does not treat this as an infringement of labour or human rights. Or not yet. If the Mauritian representative at the UN does not follow the US line, then perhaps they will suddenly see the IRA as an infringement of human rights.

Customs definitions

The United States also interprets “eligibility” in a manner that corresponds to its own interests. The US Customs refused duty-free entry of Mauritian pullovers on the basis that they consisted of “Knit to Shape” that according to them, do not fall under AGOA. This US Custom's stand came shortly after the Mauritian government’s announcement that it would formally re-iterate its demand for the return of Diego Garcia to Mauritius.

Ironically, it was *Floréal Knitwear*, the Mauritian textile company that lobbied the most for AGOA, that had its pullovers denied duty-free access! Some weeks later, Mauritian garments were again refused duty-free entry into the US because the material used to make the pockets came from Asia. Mauritian capitalists and the Mauritian State had to run to the US President, to get AGOA clauses revised in their favour.

And in August this year, after the Mauritian State backed the US bombing of Afghanistan in the UN Security Council, after the Mauritian State passed the "*Prevention of Terrorism Act*" this year, despite widespread opposition to the extent that two Mauritian Presidents handed in their resignations because of the attacks on human rights and sovereignty contained in this repressive law, the US amended AGOA to satisfy Mauritian textile company interests (AGOA II). Even after the passing of AGOA II, African capitalists in the textile business are scared stiff of the law being reverted to stop their Knit-to-Shape from getting into the US market duty-free. According to *L’Express*, three US Senators are already challenging a Bill that proposes to refund duty already paid on Knit-to-shape clothes from Africa as from October 2000.[29]

Since AGOA’s apparition as a Bill, various viewpoints emanating from different economic and political sectors in Africa and the US have been expressed:

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[26] Extract from AGOA: ***Section 112 (3) C***
“(ii) DETERMINATION OF DAMAGE OR THREAT THEREOF.- Whenever the Secretary of Commerce determines, based on the data described in clause (I), or pursuant to a written request made by an interested party, that there has been a surge in imports of an article described in this paragraph from a beneficiary sub-Saharan country, the Secretary shall determine whether such article from such country is being imported in such increased quantities as to cause serious damage, or threat thereof, to the domestic industry producing a like or directly competitive article. If the Secretary's determination is affirmative, the President shall suspend the duty-free treatment provided for such article under this paragraph. If the inquiry is initiated at the request of an interested party, the Secretary shall make the determination within 60 days after the date of the request.
(iii) FACTORS TO CONSIDER.- In determining whether a domestic industry has been seriously damaged, or is threatened with serious damage, the Secretary shall examine the effect of the imports on relevant economic indicators such as domestic production, sales, market share, capacity utilization, inventories, employment, profits, exports, prices and investment.”
[27] Section 125 of AGOA
[28] *Washington Line*, September 12, 2002
[29] *L’Express* of 21st October, 2002

US and African Ruling Classes push for AGOA with all its conditionalities

AGOA, as we have seen, embodies the economic, political and military aims of the US ruling class in Africa. No wonder it galvanised the support of so many US multinationals, and was voted by both Democratic and Republican members of the US Congress.

The Mauritian and Kenyan States were particularly active in pro-AGOA lobbying work within COMESA. Ex-President Nelson Mandela, in the name of the South African government, initially opposed conditionalities being proposed in AGOA (when it was a still a Bill). This kind of State resistance was quickly quelled through the intervention of US-backed African countries. In the SADC conference held in Mauritius, the Mauritian PT-PMXD government proposed that a pro-AGOA statement be adopted by the SADC - this was during a crucial period when resistance against AGOA conditionalities within the labour movement and peoples' organisations in Africa and in the US was rising. African Ambassadors, including Mauritian Ambassador Jesseramsing in the US also actively lobbied for the US Congress to adopt AGOA. Prime Minister Navin Ramgoolam personally went to the United States to give his unconditional support to AGOA.

No wonder the State of Mauritius, with US support, dislodged Sudan (the officially OAU-backed African candidate) and made its unholy way into the UN Security Council. The new Jugnauth-Berenger government took to AGOA with the same ardour as the previous government. As a member of the UN Security Council, the new Mauritian Foreign Affairs Minister Gayan backed the US-led coalition's bombing of Afghanistan, called for the passing of laws to "prevent" terrorism, which has been used as pretext for ruling classes in various countries to pass repressive laws that whittle down fundamental human rights. The Jugnauth-Berenger government is now meekly following President Bush on his warpath to bomb Iraq, in case he takes offence and closes the US market to Mauritian capitalists' goods and services.

Mauritian capitalists in the Textile Free Zone paid huge sums of money to lobby for AGOA. *Floréal Knitwear* even delegated one of its officials, Mr. Vigier de la Tour, to work full-time, gathering support in the US Congress for AGOA. He worked hand in hand with the Mauritian State in this lobbying operation. There was also a *Mauritius-United States Business Council* (MUSBA) that lobbied for the adoption of the Bill.

Opposition to AGOA conditionalities in Africa, the US and internationally

In Africa, political organisations such as *Lalit* spear-headed the political campaign against AGOA conditionalities. When Prime Minister Navin Ramgoolam went to the US to support AGOA when it was still a Bill, Ram Seegobin, *Lalit* member went to the US to expose AGOA conditionalities, and campaign against them at the *Open World Conference* held in California, US, where representatives of some 55 countries were present. There, there was also a very strong delegation of the US trade-union movement. Within the African labour movement, there was widespread resistance against AGOA conditionalities particularly in Zimbabwe, Uganda and Mauritius.

In Mauritius, trade union leader Atma Shanto and *Lalit* member Ashok Subron were publicly insulted when they opposed AGOA conditionalities in the name of the labour movement united in the *All Workers Conference*. They were qualified as being "*indécrottable*" (a derogatory French term) by *Le Mauricien* editorialist, Gilbert Ahnee. Some time after, he invited Ram Seegobin and Mr. Vigier de la Tour for a face-to-face debate on AGOA. Ram Seegobin accepted this challenge debate at once. Mr. Vigier de la Tour refused to debate AGOA, and fled.

The pan-African women's network *Women in Law and Development in Africa* (WiLDAF) called on OAU Heads of States and US Senators to oppose AGOA conditionalities. A wide range of African-based networks, including *SAPSN*[30], also took the same stand. Networks in Africa such as the *Third World Network* have also stood against AGOA conditionalities.

The US labour movement opposed AGOA partly because of its neo-liberal conditionalities, partly because it meant a downsliding of wages on a global scale and partly because of the threat against US jobs, particularly in the textile sector. A wide range of networks, workers' organisations and political organisations in the US such as the *Citizens trade campaign, 50 years is Enough*[31], the *International Liason Committee* campaigned against AGOA arguing that it meant a "*NAFTA*[32] for Africa".

US capitalists took fright at the thought of cheap African goods and services getting in, duty free, into the US market. US capitalists in the textile sector were particularly known for having lobbied against AGOA on the basis that it was a menace to US business. This is why major concessions were made to them in the final version of the law.

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[30] *Southern African Peoples' Solidarity Network*

[31] A network against *International Monetary Fund – World Bank* 50-year reign, hence the name.

[32] *North American Free Trade Agreement* that progressive organisations and the labour movement have opposed because it attacks workers' rights and fundamental human rights.

Other international networks such as *ATTAC*[33] and *CETIM*[34] have campaigned against conditionalities in AGOA. *CETIM* and *WiLDAF*, in collaboration with *Lalit*, have, in the last session of the UN Commission on Human Rights, circulated a statement outlining the many infringements to human rights contained in AGOA.[35]

Resistance in the US and in Africa led to an alternative Bill called *Hope for Africa* being presented in the House of Representatives by Jesse Jackson (jnr). Although this Bill did not pass through, it drew attention to the colonial nature of AGOA.

One interesting development in the resistance movement against AGOA is that the US labour movement and anti-neo-liberal organisations and networks in the US, started taking up the arguments put forward by the more progressive section of the labour movement in Africa and by anti-capitalist globalisation forces in the region. The *AFL-CIO*[36], the confederation of the labour movement in the United States, for instance, transmitted the Mauritian *All Workers Conference* (platform of the quasi-totality of the Mauritian labour movement) call on US Senators to oppose conditionalities in AGOA. The US network called *Public Citizen* delivered a similar appeal of Pan-African women's network *WiLDAF*, to each US Senator. *WiLDAF* at the same time, submitted an appeal to all African Heads of State to oppose conditionalities in AGOA. Both *WiLDAF* appeals were endorsed by 216 women's organisations in Africa.

AGOA is an instrument of US and African ruling classes

We must continue to expose AGOA for what it really is: a tool of US imperialism. At the same time we must expose the role of African ruling classes in using AGOA to dispossess peoples in Africa of our collective property, of our economic, social, civil and political rights, and of our sovereignty.

Rajni Lallah

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[33] "*Association pour la Taxation des Transactions Financieres pour l'Aide aux Citoyens*" declaration at the International July 1999 meeting in Paris.

[34] *Europe-Third World Center*

[35] Question of the violation of human rights and fundamental freedoms in any part of the world, Joint written statement submitted by *Europe-Third World Center* (non-governmental organization in general consultative status and *Women in Law and Development in Africa* (*WILDAF*) (non-governmental organization in special consultative status), circulated in the 57th Commission on Human Rights on the 19th of March 2001, No. E/CN.4/2001/185

[36] *American Federation of Labour – Congress of Industrial Organisations*

Annex

May 19, 1998

The Honorable Trent Lott
United States Senate Washington, D.C. 20510

Dear Senator Lott:

As representatives of U.S. businesses that compete globally, we are writing to voice our strong support for S. 778, the Africa Growth and Opportunity Act. S.778 is pending before the Senate Committee on Finance and may soon be considered by the full Senate.

We urge you to support the passage of this important legislation. Similar legislation, H.R. 1432, has been passed by the House.

S. 778/H.R. 1432 provides effective responses to the challenges facing sub-Saharan Africa in increasing trade and attracting new investment. The bill would expand the availability of export finance, insurance and guarantees that support increased U.S. exports and promote more export-related jobs for American workers.

For example, risk insurance and financing by the Overseas Private Investment Corporation (OPIC) and loans and loan guarantees by the Export-Import Bank of the United States will help U.S. exporters gain access to the sub-Saharan developing markets.

To help stimulate African exports, the bill, in turn, builds on the well-established principles of the Generalized System of Preferences (GSP) to support African entrepreneurship and trade-related employment. These programs are important to a potential market of some 800 million consumers which has already been recognized by our European competitors. British and French investments were 300% and 200% greater, respectively, than U.S. investments during the early 1990s. These investments helped ensure European long-term presence in the region. Enactment of the African Growth and Opportunity Act intends to change this equation by helping U.S. companies compete with this already-established, and growing, market presence.

S. 778/H.R. 1432 would thus make a significant contribution to the economic development of sub-Saharan Africa. By harnessing the resources of private investment and trade, S. 778/H.R. 1432 would help raise the standard of living for the people of this region and create prosperity that is fundamental for long-term growth. Economic progress would, in turn, contribute to stability, peace and democracy, which are key goals of U.S. foreign policy and long-term objectives of the more than 40 reforming African nations that this bill intends to reach.

Essentially, this legislation creates a "win-win" for both American and African interests. We urge you therefore to support S. 778/H.R. 1432 and contribute to prosperity and democracy for the people of sub-Saharan Africa, as well as to new markets for American exports.

Sincerely,

Arkel International
Inc. Bechtel
Corporation
The Boeing Company
Case Corporation
Caterpillar Inc
Dayton Hudson
Corporation
Dillingham
Construction Corp.
Dresser Industries Inc
Enron Corp
Fluor Daniel Inc
Fuller Company
Kmart Corporation

Motorola Inc.
The M. W. Kellogg
Company
PEP BOYS
Raytheon United
Technologies
Corporation
International Energy
Development Council
(IEDC)
AEP Resources Inc.
The AES Corporation
Bank of America
Bechtel Enterprises
Inc.

Intergen Company
Citicorp N.A. Inc.
CMS Energy
Destec Energy
Edison Mission
Energy
ENRON Development
Corp.
Entergy Power
Development
Fluor Daniel
Corporation
Foster Wheeler Power
Systems

Raytheon Engineers &
Constructors Inc.
Southern Energy
International Inc.
Texaco, Inc.
Westinghouse Electric
Corporation
African Growth and
Opportunity Act
Coalition Inc.
Ford Motor Company
Co-Chair Moving
Water Industries
Co-Chair United
Meridian Corporation

Kmart Amoco Coca-Cola Company
Texaco Chevron Corporation
American International Group, Inc.
Barden International
CAMAC Holding
Citibank
C/R International
Enron Corporation
General Electric
Tyco Submarine Systems Ltd.
Cohen and Woods International
Coopers and Lybrand
Harris Corporation
Holland and Knight
Anthony Carroll, Esquire
Lehman Brothers
Leon Tempelsman and Son Occidental International Corporation
Pryor McClendon Counts and Company
SBC Communications, Inc.
The Obi Group
Westar Group, Inc.
Bristol-Myers Squibb Company
ANSELCO
Reichler, Milton & Medel
ABT Associates
WorldSpace, Inc.
Caterpillar, Inc.
Iridium West African Distributors
Bally's Lake Shore Resort
Teledesic Seaboard
Kaiser Aluminum and Chemical Corporation
The Bellamy Group
Advisory Board
The Honorable David Dinkins Constituency for Africa
C. Payne Lucas
AFRICARE
Daniel O'Flaherty
U.S.-South Africa Business Council
The Honorable Chester A. Crocker
Georgetown University
Ambassador David C. Miller, Jr. Corporate Council on Africa The Honorable Herman Cohen Cohen and Woods International