

Concrete results of smart partnership

STAR 2001

THE Smart Partnership meeting in Uganda last week saw an intermix of some interesting issues regarding African development, lessons from the Malaysian experience and South-South co-operation in the shaping of global opinion and policy.

The meeting was attended by the political heads of over 10 African countries, as well as Malaysian Prime Minister Datuk Seri Dr Mahathir Mohamad, and more than 700 participants, including politicians, civil servants, business representatives and the media.

The four-day dialogue has been part of a series of "smart partnership" conferences held annually in Southern Africa and biannually at Langkawi.

In fact the whole process began in Langkawi in 1995 as an initiative to bring African and Malaysian political and business leaders together to promote South-South exchange of views, policy experiences, trade and investment.

The Kampala meeting was a huge affair, as several hundreds of the Uganda political, bureaucratic and business elite turned up in full force.

The Ugandan President, Yoweri Kaguta Museveni, who hosted and chaired the event, evidently took the dialogue seriously and had his entire Cabinet and top civil servants, as well as captains of commerce, attend.

Among the other African heads who came were President Mbeki of South Africa, President Chissano of Mozambique, President Mkapa of Tanzania, President Moi of Kenya, President Muluzi of Malawi and the

The 'Smart Partnership' dialogue in Kampala recently saw the leaders of Malaysia and several African countries discussing a **range of** economic and social issues, including foreign and local investments, and the response of developing countries to the challenges at the World Trade Organisation. A new agency to exchange news between Asia and Africa was also launched.



to investments, especially the need not to neglect the interests of local investors and firms even as countries compete for the more glamorous foreign investors.

President Benjamin Mkapa of Tanzania made the link between local and foreign investors by stating that foreign investment is attracted to a country only if it already has a thriving economy resulting from local firms and products.

"Local investment is the magnet to attract FDI," he said.

"We need to stimulate the local consumption of products of our local firms, only then will foreign firms be attracted. If we don't do that, the small and medium enterprises that represent local investment will wither and die and the process of globalisation or FDI will not be sustainable economically or politically."

existing WTO agreements).

Chissano added that the WTO agreements must be "extensively reviewed and reoriented to place a true development dimension, including poverty eradication as their primary purpose. We should avoid treating human needs as mere commodities.

"In this regard we should not allow the patenting of life forms, the continuation of patent practices that jeopardise biodiversity, food security and local people's rights, and continuation of provisions in the WTO's intellectual property agreement that prevent governments from limiting or denying patent protection on life-saving medicines."

At the end of the conference, a conclusion of the discussions on WTO was presented. This stated that in the next few years the WTO should focus on resolving the many existing problems, and that at the WTO's Ministerial conference developing countries should not agree to new issues (such as investment, competition and government procurement) becoming negotiating subjects.

Political leaders should also pay more attention to policy making at the WTO, and information must be given to the public.

In his own summing-up of the con-

presidents of Botswana and Sudan.

The Malaysian delegation was headed by Dr Mahathir and included Energy and Multimedia Minister Datuk Leo Moggie, Rural Development Minister Datuk Azmi Khalid, and business and media industry leaders.

Also present were the **Secretary-General** of the Commonwealth (whose secretariat co-organised the meeting) and the deputy chief of Caricom, the agency of Caribbean states.

At the opening session, Dr Mahathir, who is credited with having started the whole process many years ago, summarised the concept of smart partnership among countries, as follows:

“There is no point impoverishing other countries. If we help them to be prosperous, their people will stay at home and not become refugees in your country. The solution is to avoid confrontation, and there is no need for anyone to lose.”

The main theme of this year’s dialogue was foreign direct investment (FDI) and how to attract it to the Africa region. The discussions started on the expected footing, of how to improve the investment climate through the correct policies of political and macroeconomic stability, infrastructure and skills development.

But many participants also stressed the need for the balanced sharing of benefits between the foreign investors and the host countries.

At a dinner talk, Dr Mahathir spoke at length on this theme and the African leaders and participants were particularly keen to learn from the Malaysian experience. Throughout the dialogue, loud applause greeted those who spoke up for a more comprehensive approach

Mkapa warned that FDI should not “smother” aspects of local production, otherwise the local firms would “wither away.” He argued that protection of local production should be strengthened, otherwise **globalisation** would undermine local products.

A major theme that emerged during the dialogue was the “smartening up of the World Trade Organisation” so that benefits from it would be a “two-way street.”

This topic generated considerable interest in view of the upcoming WTO Ministerial conference in **Doha** where important decisions will be taken on the trade system’s future. A closed door session on this subject was held, with only heads of **government** attending.

According to sources, Dr Mahathir, who moderated the discussion, cautioned his fellow leaders against accepting the proposals of the developed countries to have the WTO take in non-trade issues into the trade system. At the open discussions, many speakers and participants were speaking in the same vein. Mozambique’s President Joachim Chissano made a strong statement **criticising** the WTO’s working methods and legal framework for not meeting developing countries’ needs.

“To make WTO rules work for the poor, an urgent reform process is needed,” he said. “No comprehensive round of new trade negotiations should take place on non-trade related issues unless we clearly reach a politically binding and contractual commitment to advance the implementation issues.”

(Implementation issues refer to the problems facing developing countries in not being able to get benefits from trade, and in having to fulfil their obligations from the

ference proceedings, President Museveni said that on the discussions on the WTO there was the following consensus: “Let us consolidate and solve the present problems and not embark on new issues.

“We must monitor closely what happens in Geneva at the WTO between now and November (the **Doha Ministerial meeting**).”

A concrete achievement at the Kampala meeting was the launching of a new system of sharing and disseminating news among African and Malaysian newspapers and agencies.

Known as the Smart News Network International (SNNi), the system will be run through a **website** operated in Kuala Lumpur by Bernama. African and Malaysian newspapers will contribute articles regularly to the **website**, and each paper will be able to draw news and features from the system.

The aim of the system is to promote the use of articles originating from local journalists, and thus facilitate alternative sources to the mainstream global media which has been **criticised** for carrying reports biased against developing countries.

The SNNi is an attempt to get more balanced **news** coverage on developing countries in the media of developing countries. It remains to be seen how well the system is **operationalised**.

All in all, the Kampala meeting generated a lot of intense discussion on a range of economic, social and political issues, whilst business people of the various countries increased their contacts. What was impressive was the seriousness of most participants, who came early each day and left late at night.

The next Smart Partnership global dialogue will be in Langkawi next year. The theme will be determined later.