

Paper on Inequality and its implications on Security, Public Safety and Migration- Andre du Pisani

A Discussion

**By Dr. William Ahadzie, Director, Research National Democratic Congress
Ghana**

Comrades, Ladies and gentlemen, I thank the organisers of this Dialogue between Africa and Europe for giving me the honour of sharing my thoughts on a brilliant paper written by the celebrated Prof Andre du Pisani on an equality thought provoking subject of global inequality and its economic political and social ramifications.

Growing global inequality has remained a paradox in a world with unimaginable wealth accumulation. In fact it is anomic because there is agreement that several factors in today's global economic environment have spawned more wealthy nations and individuals than any time in history. And yet in the face of this is also the stark truth of deepening poverty within the same context.

Given that all development efforts are man-centred or person-centred or as sociologists would say anthropocentric, may politicians who are entrusted with the power to rule lay claims to seeking to promote progress of the state. But as borne out by the evidence adduced in the paper just presented, the attempt to reduce income, locational and indeed gender disparities have not been as successful as it ought to have been. This is because the phenomenon of inequality is complex and the causative factors are elusive. And yet we must find the appropriate ways of reducing inequality in order to avoid the threats to social order, the stability of the state and to life and property as well as to reap the demographic dividends of our growing youth populations bulge.

And as you would expect an academic discourse is typically located within a theoretical framework, the choice of which rests with the author, especially if he is a professor like du Pisani. **(The prejudices of professors, we call theory-Mark Twain)**. This discretion is exercised in the choice of the International Political Economy (IPE) framework which provides analytic variables such as power, policy justice, the relationship between politics and economics the relationship between development and underdevelopment and the process of globalisation. Even though he admits lack of consensus the name and scope of IPE, he employs it to identify the causative factors of global inequality. These include

- a) Ideology
- b) The phenomenon of globalisation
- c) Country Development Policy choices
- d) Weak institutions
- e) Corruption and Capital flight
- f) Governance Systems
- g) Politicisation of Ethnicity

I discuss each briefly with my own illustration of how it has worked within our context.

Ideology

The author acknowledges that vestiges of mercantilism still exist where states exercise control over markets contrasting it with the neoliberal position that separates politics from the markets and that gives primacy to the market in the allocation of social goods. As we have seen in many parts of the world especially in Africa, where market is left unfettered, rent-seeking behaviours, tendencies towards monopoly and capital consolidation, deepen inequality (control of factor, commodity and currency markets). The claim that an unregulated market and free trade will lead to the best result for all states has proven to be false due primarily to the weak abilities of many countries in the south to be competitive in global trade.

I therefore associate myself with the assertion by the author that Marxists trace growing inequality and injustice to trans-national class forces emerging from the global capitalist economy. It is essentially a desire to maintain and/or halt slipping/declining hegemonic control in today's situation of global power imbalance in international markets.

Globalisation

At the centre of this concept of the remaking the world, is the issue of integrating economies, industries, markets, technology, communication, policy making and even biological factors such as climate change into a 'world system' for mutual rewards. Liberal economists extol the massive growth and efficiency payoff of economic liberalisation within the globalisation process. But this underlying assumption of free trade has been questioned. The author cites arguments by former World Bank economist Stiglitz that **free trade** does not necessarily lead to **fair trade**. Mercantilist states, mainly in the west have raised trade barriers (tariff and non-tariff) and are largely protectionist and until such restrictions are removed weaker trade partners largely here in Africa. will continue to lose out.

Oxfam and civil society groups in Africa have criticised trade policies in advanced industrialised countries and international agreements under the World Trade Organisation, Economic Partnership Agreement, Africa Growth and Opportunities Act etc as serving the interest of dominant states. Advocacy and activism at international meetings have not changed the asymmetrical trade relations.

Country Development Policy Choices

The paper shows success stories of countries in Asia that have regulated their internal markets through state interventions as against open liberalisation. This indirectly implies that governments have choices in the type of policies they pursue to liquidate poverty and promote economic growth. Ghana like many developing countries south of the Sahara has been compelled to accept and implement neo-liberal policies over decades that have had only marginal effects in resolving the multiplicity of development challenges that she faces (Extension of the IMF Programme by NPP). The recipe is standard

- a) Strict exercise of fiscal discipline

- b) Tax reform, including broadening the tax base
- c) Unified competitive exchange rates
- d) Securing property rights
- e) Deregulation
- f) Trade liberalisation
- g) Privatisation
- h) Elimination of barriers to foreign direct investment
- i) Financial liberalisation

These are not only externally imposed prescriptions for opening our markets to voracious fungible foreign private capital, they constitute a basket of conditionalities that serve as conditions precedent to accessing development assistance from the neo-liberal bi-lateral and multi-lateral lending institutions acting on behalf of mercantilist hegemonic and dominant states in the global trade arena.

Ghana has a record of religiously implementing such policies for over 3 decades but we are still part of the picture painted by the poverty status in the main paper. And so are many of the countries in Africa.

Weak Public institutions

Institutions for delivering public services are weak or have been weakened by our leaders. They are resource-starved and are unduly politicised. Governments have created parallel structures that are better resourced and indeed serve as conduits for channelling public resources to friends and family. Parliaments fail to exercise their oversight responsibility over the executive and typically play subservient roles.

Corruption

In many of our countries the government is the biggest spending agency and therefore wields enormous power in the procurement and distribution of public goods. Procurement laws are circumvented and the efficiency (value for money) and effectiveness of public spending are compromised. Such leakages in public expenditure result in huge losses of public resources needed for the delivery of goods and services especially on social interventions that should serve the poor. Where there are revenue shortfalls, governments tend to cut expenditure and usually on social spending.

Let me add that our partners from the advanced countries are heavily implicated in massive corruption deals. Huge kickbacks are offered corrupt government officials and such resources are siphoned out of our countries

Capital flight- Phoney agreements and repatriation of profits

Elite capture

Poor Governance Systems

All the tenets of good governance are undermined on purpose. Transparency, accountability, equity and inclusiveness (participation) are compromised.

Our winner takes all political systems leads to exclusion and rancour. When you lose elections you lose everything and therefore you spend your time in opposition frustrating the efforts of the incumbent.

Politicisation of Ethnicity

Many African countries are multi-ethnic societies. By default governance systems in some of our countries are captured by dominant ethnic groups and public resources are inequitably shared.

All these factors play some roles in creating disparities between the rich and the poor

Impact of inequality

The paper has thoroughly detailed out the impact of the growing inequality on security, public safety and Migration. But permit me to discuss a few

Inequality deepens social cleavages and threatens the identity of peoples living in the same or contiguous geographical spaces. When governments fail to hold these groups together, maintaining stability of our nations is threatened.(Existential threats). Agitations for secession and the desire to exit a hegemonic system increases,

For emphasis I will associate with the listed challenges that many of our countries face as a result of inequality. Trans-national crimes (foreigners in Ghana), cybercrimes(419), terrorism, drug dealing and trafficking, violent crimes (prisoners under the blue sky), emergence of private security companies (vigilantism), trafficking in small arms and light weapons, illegal migration, HIV/AIDS, money laundering maritime piracy and poaching.

Social Media Survey on migration

When I received the request to be a discussant on this interesting topic I did a snap opinion poll on my facebook page on the topic **Why will our youngmen and women risk their lives to migrate to Europe ?**

- a) Because of bad governance of our leaders in our society coupled with general ignorance prevailing in Africa
- b) Failure of leadership, greed and selfishness
- c) Need you ask? Poverty
- d) Policy failures

- e) We agree that we have a youth bulge in Africa and governments over the years have failed to craft policies to expand our economies to create opportunities for our youth hence they risk their lives to seek opportunities elsewhere
- f) Joblessness and a desire for a decent job
- g) Underperforming states due to failure of leadership
- h) This will continue if the western world continues to employ their neo-colonialist tools against our economic emancipation and thus making us ever dependent on them
- i) Greener pastures

Conclusion

I agree with the author on all the recommendations he has made. But for me they represent a one-sided advice – Yes to a large extent, much of the responsibility for fixing the problems engendered by inequality is on African leaders and African peoples. However, as contained in the paper, OXFAM and many other civil society groups have established the culpability of the West in the crises that Africa faces. The paper itself indicts the West for the relentless pursuit of an exploitative neoliberal agenda and an uncanny commitment to modern-day mercantilism. The West therefore will need an immediate paradigm shift and should reform its policies as a matter of urgency

I am attracted to the suggestion that urges an interrogation of EU policies in different sub-regions and countries of the world so as to develop collaborative policy and political approaches and policies to these issues. This is a medium-term response to a problem requiring immediate solution. At least, for now it must be **Trade not Aid or Fair trade not Free trade.**

Thank you for your attention