

Bait for bosses, Government bites, hook for the people

AGOA: The Sting¹

There is a lot of noise being made about the AGOA Business Forum to be held in Mauritius in January 2003. The *Africa Growth and Opportunity Act* has recently even been cited as a fitting reason for the Mauritian Government's UN representative, Mr. Koonjul, to follow USA foreign policy blindly.

The public certainly need to know rather urgently what exactly AGOA is, if AGOA is "obliging" our Government to act against the interests of the Mauritian people, just because Mr. Bush, the new self-appointed imperial master, tells it to do so.

The AGOA forum in January seems to be going to have two parts.

One is a purely business thing to take place at a hotel².

The bite

The other is a meeting between the President of the USA, who according to the AGOA law itself, has to attend such a forum with African Heads of State, once every two years. So the Heads of State of the 48 countries concerned will sit and imbibe the political line President Bush feeds them. No doubt it will be on questions like Iraq, Afghanistan, the "war on terror", and so on. This way African Heads of State will know for-sure, for-sure what Bush wants them to do. Then they can bite.

It was President Clinton who guided the AGOA through until it became a law. The law was called "AGOB" at the time, when it was still a Bill, and that was probably a better name for it. In Mauritian Kreol if you "gob" any passing bit of bait, you're sure to get hooked. The law is literally one "*Agobe ubyen a-lese*".

What was that Bill, and what is that law?

It divides Africa up. Splits it. Just as 100 years before it the Berlin Treaty split up Africa between the European powers. There are 48 countries named in the law. They make up the "false continent" that the World Bank created called "Sub-Saharan Africa". The rest of Africa is left to other means of control, including military attacks like those against Sudan and Somalia.

The bait

AGOA is an American law. As such, it only applies to the USA. It concerns the US customs department. What it does is to fix the tax that companies from different African countries pay as their products go through US customs. What this means for Mauritian companies, like that of Mr. Maurice Vigier de la Tour, is that he can get a 17% deduction on tax for his Floréal Knitwear garments. This way they compete better in the USA market.

That is the bait.

The bait is a 17% discount on tax for the textile bosses.

Never "bait" without a "hook".

¹ A reference to the film shown in Mauritius in the French translation *L'Arnaque*

² The Hotel that the State uses for everything.

The hook

The hook is the “conditions”. But while the bait is offered to one set of people (the textiles bosses), and when it is the Government that “bites” (*kan Guvernman gobe*), it is in another set of peoples’ throats that the hook gets stuck: ordinary working peoples’.

We all suffer the conditions if Mr. Vigier de la Tour gets his bait. For him to qualify for a US customs bargain price, the Mauritian Government has to impose draconian conditions on the whole of the Mauritian people. These conditions, broadly speaking, suit what are called US’ interests, but that are more accurately the interests of US capitalists.

Although we said there are 48 countries that the US has decreed to be in AGOA, this is not automatic. There are fewer actually concerned. A country has to get a kind of “fitness” first, an “eligibility certificate”.

This certificate is awarded by none other than the President of the USA himself. He gets to decide. And there are conditions to comply with.

Conditions

Conditions are basically of three kinds: (i) production-related, (ii) economic-policy-related (ii) foreign-policy-related. Who judges if a country is in compliance? Of course, you have guessed: the USA. It is US customs officials for production-related conditions, the President of the USA for the rest.

The production-related conditions are the only ones, until a few weeks ago, that were mentioned. Some people even denied that there were any other conditions at all.

The fact is that from the end of 1998 right up till the law was passed in the US in 2000, *Lalit, Muvman Liberasyon Fam* and the trade union movement (except for Yousouf Sooklall and Auguste Follet) were miles ahead of the intelligentsia: we had already foreseen the dangers of these conditions. We still oppose them tooth and nail.

Production-related conditions

For garments to get into the US market, they have to be made from raw materials from the US or from Africa. They cannot be made from raw materials from India, Malaysia, China, Pakistan, for example. This means that the US Customs refused the 17% reduction on Mauritian garments because the pockets used other material.

This isn’t all. Companies operating from places the US decrees to be “very poor”, defined as a *per capita* income of less than so many dollars per year³, can get the 17% deduction on customs duty without respecting the country-of-origin rules for raw materials.

It is this condition, as predicted by *Lalit* that was the very first effect of AGOA on the Mauritius people. It led directly to sackings. Bosses closed down big factories in Mauritius, and set them up in Madagascar, which has the “very poor” certificate.

There are even countries, which do not fit the AGOA criteria for “very poor” status, but which can be decreed “very poor” if they are particularly important to US interests.⁴ For that status a Minister has to suck up even more than Anil Gayan and Paul Bérenger do.

³ \$1500 per annum per capita

⁴ Thus both Botswana and Namibia got granted this little extra favour recently.

And then, it is, of course, the US Customs Officials who interpret AGOA. This is how they refuse to give the 17% discount for garments that are “knit-to-shape”.

But, even if all the production-related conditions are respected, the Customs officers only let in garments from a Mauritian boss, if Mauritius has got a certificate of compliance that the US President hands out.

Economic policy conditions

A country can only get an eligibility certificate if it satisfies the US President that it is engaged in a constant process of *privatization* and *liberalization*.

This includes turning social and economic rights (water, housing, education and health) into commodities, which big corporations invest in for profit. No matter what the electoral platform of the Party in power. No matter what UN Conventions the State has signed.

This condition includes removal of subsidies on food production, whether to help planters, fishermen or animal keepers. It means removal of subsidies on medicines. It means Government gives foreign investors the same treatment as local capitalists.

It means no more democratic freedom to choose an economic policy.

Otherwise, no certificate for Mr. Textile Boss’s garments.

Political conditions

The President of the US can only give his certificate of eligibility if he is satisfied on two counts.

First, the country must be acting in accordance with US security needs. (Not its own security needs, no!) This is important right now for the US bringing to heel Ministers like Gayan and Bérenger on the Iraq question, whatever Jugnauth may have said in Beyrouth, or Koonjul may have made people in New York believe. It is also crucial to making Jugnauth, Gayan and Bérenger act like well-trained lap dogs on the issue of the Diego Garcia base.

Second, the country must act in accordance with US foreign policy. This means that Governments like ours, so keen to get Mr. Vigier de la Tour a 17% profit-increase, are giving up their voice in the United Nations. Government will just tell Mr. Koonjul to watch what the Bush’s man does, and do likewise. Empires have no allies, only vassals⁵.

The resistance in US

As you would imagine, all thinking people opposed this law over the years prior to its passing.

For a start in the USA there were citizens’ associations, Afro-American associations and trade unions that opposed AGOB, as it was then called. They opposed the law for very good reasons, in particular there was massive concern about the humiliating conditionalities. They also opposed the law, in some cases, on the egoistical but still reasonable⁶ grounds of fear of losing their own livelihood.

⁵ This phrase borrowed from Ignacio Ramonet in *Le Monde Diplomatique*.

⁶ A US worker who loses his job, can end up with no means of staying alive, no health care for his family, very little social security, and the worker can very easily end up in prison, in that country which has more prisoners than any other country in the world.

The US textile-producing bosses obviously opposed the law for their protectionist reasons.

In the US Congress, there were many Representatives and Senators against the law. The law was processed in “bipartisan” fashion, that is to say there were Republicans and Democrats both against and for. The law went back and forth between the two houses and between committees of both houses and of both parties.

But when President Clinton went on and on with his pressure, and when the US retailers banded together with huge multinational corporations with mining interests and organized a massive campaign in favour, the law eventually scraped through.

**

Resistance in Mauritius

All over Africa there was stiff resistance to the conditionalities of the African Growth and Opportunity Act. It came primarily from the trade unions and the women’s movement. MLF organized some 240 women’s associations Africa-wide to sign a petition to oppose the AGOA conditions. African Heads of States were sent copies of the mass petition. Nelson Mandela opposed the conditions vociferously.

In Mauritius, the trade unions were divided, and AGOA became one of the reasons for the break-up of *All Workers’ Conference*. Most trade union federations opposed the conditionalities, realizing that they favored one of the sections of the bourgeoisie (textile bosses) at the direct expense of the rest of the people of the country. However, Yousouf Sooklall of the FDUF⁷, was influenced by the textile bosses and the Government into thinking that the AGOA would create employment.

From Mauritius, it was the MEPZA, the Government and the Press that took a prominent part in getting the AGOA voted in the USA.

Mr. Maurice Vigier de la Tour became a kind of “ambassador” for the law in the US as well as here.⁸

Peter Craig, the Government representative who promotes trade with the US, also ran a virulent campaign here and in the US in favor of the “esclavagiste” legislation.

Navin Ramgoolam, who was Prime Minister at the time, actually went on a speaking tour in the USA to militate for the law, convincing Americans that Africans would benefit.

Editorialists called us and trade unionists who opposed AGOA “anti-patriotic”, “indecent” and much else.

It is indeed strange that this piece of legislation, which one would expect to affect only the citizens of the country where it is voted, comes to affect us. It does this only because of the cowardly collusion of our Government, influenced by greedy textile bosses. So, it is *the Mauritian State* that will impose the conditions. It does so because the parties in power are in the grip of the private sector lobby⁹.

⁷ Free Democratic Unions Federation

⁸ It should be remembered, however, that he refused to come to a “debate” with Ram Seegobin, to have been organized by Le Mauricien

⁹ The scandal around Rogers and Air Mauritius gives an indication of how party funding allows this kind of pernicious anti-democratic influence to be brought to bear.

Globalization

So, in this way, AGOA is perhaps the finest example yet of exactly how today's capitalist globalization actually works: The US Congress passes a law; it gives increased profit opportunities to US and Mauritian capitalists; it does this through politics imposed by the Mauritian State; all this at the direct expense of working people in Africa, who have to pay in the form of the conditions that directly cut their standard of living, strip away their human rights, diminish the little democratic voice they had won through past struggles.

LALIT's resistance

Lalit was opposed to the conditions from the very beginning. We ran what turned out to be a new kind of campaign. We worked in the trade unions, in the women's movement, at the level of SADC doing petitions against the conditions to lobby all the African Heads of State against the conditions. And, we even ran a campaign in the USA, and at international level. We were represented at the International Tribunal on Africa in Los Angeles, where a *Lalit* representative¹⁰ was a witness who deponed on 5th and 6th February 2000, on the negative effects of AGOA conditions on the lives of working people in Africa. Our representative also attended an Open World Conference in San Francisco on 12, 13, 14th February, 2000 at a plenary session where delegates from more than 60 countries were present, he spoke on the dangerous link between the AGOA conditionalities and the question of the Diego Garcia military base.

Over 80 US radio stations broadcast interviews with our Representative, on the question of AGOA and its effects on the working people of Africa.

Lalit's first e-mail and internet campaign was run against the AGOA.

Since AGOA was voted

Although the vote was close, AGOA finally did get through. It was in 2000. What has its effect been?

First, the US customs have been very good at being "lipu pul" with every pullover that Mauritian bosses have tried to get Customs exemption on. And since the "bait" has an expiry date, every delay means the conditions are being imposed for nothing. According to US ideology, in a few years' time the WTO will prohibit all the existing customs barriers in the world. So, AGOA resembles a product with an imminent expiry date that is being sold to African countries at an exorbitant price. What the problems at US Customs mean is that certain well nigh irreversible¹¹ conditions are being respected without even Mr. Vigier de la Tour getting his bait, which in any case will not benefit any of the rest of us.

The message of this fussiness about pockets or about "knit to shape", is that the Mauritian Government has to become a real "ti-tutu", otherwise there will be further fussiness.

Second, because the AGOA rules make Madagascar eligible for garments using cheaper raw materials from traditional Mauritius trading partners in the East, the bosses in the textile industry here, just, as we have said, closed down and went and set up in Madagascar. Not only are wages lower and the labor non-unionised, but raw materials

¹⁰ Ram Seegobin

¹¹ Short of a world revolution, which of course is possible.

can be got cheaper for qualifying for entry into the US market. So, Floreal, and several other companies closed factories, sacked workers, and transferred production. For profit. So much for patriotism.

So the direct effect was for the number of jobs here to fall, and for production itself to drop. This happened as the first direct result of AGOA.¹²

As any thinking person can see, the factory closures are not the only loss: the threat of factory closures has had a downward pressure on already very low wages in the textile industry in Mauritius. Children eat less well because of this.

Third, as predicted by us in *Lalit*, AGOA has unfortunately already been used as blackmail in order to make our Ministers bow down to George Bush. The law passed in the Clinton era gets even more draconian effects when a new emperor like Bush comes to power.

So, the direct effects continue. They are not pretty. The Prevention of Terrorism Act (POTA) was passed with its ugly certificate of urgency under direct pressure from the US through the mechanism of AGOA conditionalities.

And there's the US plan to bomb Iraq unilaterally. We again see AGOA raise its ugly head. The US President decides to hold the AGOA Forum, which the law obliges him to hold and to attend every two years, in Mauritius. Preparations begin. Then when the resolution on Iraq comes up, the world is divided: the USA wants to attack without going through the UN, while even powerful countries Russia, France, Germany, China don't agree. The Mauritius Government would previously have been free to say that a blank cheque cannot be given to the USA. The Prime Minister at the Francophone Conference in the Lebanon actually did say that. Then when the US press decides to, it spreads it around that the Mauritian representative at the UN, Mr. Koonjul, may not vote with the USA, *wham!* The USA begins a campaign. It completely invents a story that there is a risk of a specific act of terrorism in Mauritius, either against a "Christian" church or against a government building. This is hard for Messrs. Bérenger and Gayan to deny, because in order to please their US bosses, they had had to come on TV and radio to say how there was an imminent danger of terrorism in the country, so that people would stop protesting against the POT Bill. Bérenger even had to come up with the Lanate lark. So much for patriotism.

What the US is doing is threatening to transplant or cancel the promised AGOA forum – the ground is being prepared for Bush to say it's too dangerous to come here – if Mauritius does not blindly follow US foreign policy.

So, Gayan and Bérenger immediately reassure their US masters that Mauritius is in fact an unconditional vassal. Poor Mr. Koonjul pays the humiliating price.

Abject.

So, through the AGOA we see the USA threatening, in one stroke, to ruin the Mauritian tourist industry. A rumour can do that.

Talk about terrorism.

But there you are.

¹² The long general strike in Madagascar after the Presidential elections however forced all the textile bosses to leave Madagascar, some returning to Mauritius.

Conclusion

AGOA means short-term benefits, or more often a mere mirage of short-term benefits, for the Mauritian textile bosses (in terms of a maximum of 17% profits increase and less restricted market for them) and some big dinners for Government ministers, while the whole of the Mauritian people will suffer the effects of the draconian and destructive conditions.

To us in *Lalit*, of course, this is not news. We did not, at the time when AGOB was being introduced in the US Congress, just make a prediction. No. We did our level best – in Mauritius, in Africa, in the USA and at an international level, too – to stop this law from ever coming on to the US statute books. We did this precisely because we knew of its truly terrible effects on the peoples of Africa, whether manual workers, employees of Government or private sector, planters, animal rearers, fishermen. The effects are particularly vicious against women, who have the additional burden of preparing food, raising children, caring for the sick and disabled.

But these negative effects are only felt because our Government *wants* them to be. What we need now is a Government that looks after the interests of those who elected it to power and not after the interests of its *bailleurs de fond* (who finance them legally and/or illegally) nor after the interest of US foreign policy. What we need is more democracy.

Perhaps a start would be a campaign in their constituencies for the revocation of Messrs. Gayan and Bérenger, who have decided to be the ones to bow down furthest to the American bosses and the Emperor they control.

Ram Seegobin and Lindsey Collen
5th November, 2002