

**MARZO 2014**

## **New Vision of Africa's Development The role of NEPAD and South-South Cooperation**

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It is a great pleasure for me to be here tonight as the head of the New Partnership for Africa's Development and it is an honor to have this conversation, but because I would like to have it on a conversation's mode, with one of you, in order to identify what are the main characteristics of Africa's evolutions to the last –let us say– fifty years, and how these evolutions have framed a radically differing context from what Africa was 25 or 20 years ago; there is an invisible transformation that is taking place, and there are visible aspects of that transformation that I would like to highlight. From these highlights, I will move to framing the possibilities that exist in a design of quotation cooperation's between Africa and Latin America, and this specific area of Africa and Argentina.

I have a power point that will guide me, please see it as a guiding instrument that will shape the conversation that we have. I don't want it to be a rigid instrument; as a matter of fact, I am not very in favor of power point but let us use it as a guiding instrument. And I will focus on very specific items, I will start in the global context in which we are and I will end by Africa's response to the challenges of that global context. There is a famous Spanish "hombre de letras", Ortega y Gasset who was saying: "*of all the changes that can be imagined, we can draw two categories: the first category has to do with when something changes within the world, and the second category has to do with when the world changes*". The main theme of that presentation will be linked to that second category.

\* Lecture held at the Argentine Council for International Relations on March 11th 2014.

After having looked at the global context, we'll target what are the main triggers of Africa's transformation, analyze the challenges that we are facing even if we are transforming, and ask ourselves the question about the existence, or nonexistence, of an African system. And by looking at that question, we will automatically –maybe mathematically– refer to the state and sore of the African state as a specific entity. But it needs to be looked in its historical construction, in order to understand what it represents today; and looking at the insertion of Africa into the global economy we will see what Africa's position today in the value change is. Opportunities exist, we'll highlight some of them, and spend some time on the concept of structural transformation and what it means for the continent, and I will end by the responses that Africa is giving in framing this transformation process.

So, if we look at this global context, I will highlight three issues; multilateralism is not working very well currently: the reform of the Security Council is, as you know, not progressing significantly, most of the negotiations related to the climate change, processes of the negotiations, are not giving outcomes which can be considered as positive, especially for the African continent. We

thought, but the outcomes of Bali wouldn't come out to be what has been called “Bali light agreement”, and that the spirit of Doha would shape another type of outcome. By giving these few examples, and even looking at how the entities have behaved and what the impacts have been, after a series of cases of development within the UN system, we can ask ourselves today, as the theater is on walk, if the impact of what was developed within the multilateral frameworks, if these impacts, really produced significant changes. We can look at the glass as half full or half empty, but in the specific case of Africa, in each one of these issues, if we make a link between what our interests are and how they have been defended, but it is certain that of the outcomes of the negotiations process, we cannot be “hopefully” satisfied of these outcomes, and then we need to project a kind of relativism in what we consider as limited outcomes in the functioning of multilateralism.

Secondly, linked to that issue, when we think about global governance, and the emerging structures of that global governance, from the G7, to the G8, to the G20, and we target the enticing capacities to solve very specific issues, we also need to ask ourselves what

has been the impact of the functioning of this structure in changing the world we are living in. We know that the G20 played a critical role in the 2008 crisis and it came out with solutions which were not comprehensive solutions but adapted solutions to ad hoc situations, but if we think in terms of real transformation of a specific condition, so that the causes of that crisis could be erased, I do not personally think that in that specific case global governance, as it can be defined, has worked properly. Looking at what they call the “fable of multilateralism and the limits of global governance” cannot impeach us, at the same time, to think that we are in a period where the policy space and the potential to design new solutions but policy space, does exist. But what the Overseas Development Institute calls the “age of choice”, and referring to Africa that age of choice is particularly important. Why is it important? On the basis of the failures of multilateralism, the limits of global governance, Africa has to first start by looking carefully at how it can reshape its development strategies, by counting all its own potential and providing a policy space albeit by a law to defend these interests. And in doing so, it can really have a spank of choices which are quite important, and we will talk about them in

the course of this presentation.

When we look at –as you know, the post-2015 agenda is one of the main agenda of the human system currently–, Africa has defined common positions of post-2015 –and in fact a common position–; we have moved from the thinking of the MDGs which was guided essentially towards social issues, towards a post-2015 agenda turned towards transformation, meaning by transformation that productive capacities and industrialization need to be at the center of the post-2015 agenda. It is a radical change in terms of thinking; as you know, when we came out at the end of the 90s, off the structural adjustment processes, our capacity as Africa to think strategically in the long term was totally erased. And we were proposed as development instruments, poverty reductions strategies. And that was quite paradoxical, because when you have a continent which has the highest density of mineral resources, a high proportion of arable land, endowed by natural resources, and this continent is proposed poverty reduction strategies instead of wealth creation, it has an impact not only in the mines but also in the public policy design process. So, we did the shift in the post-2015,

by saying poverty is still a challenge that needs to be tackled, but given the comparative advantages that we have, the best way to fight poverty is to create wealth, and the best way to create wealth is to take advantage of our productive capacities, and look at industrialization in an intelligent way. And evidently, by doing so, we are not neglecting inclusivity –and we cannot neglect inclusivity because two thirds of our populations are under 24–. In the history of demographics, there has never been such a unique situation where two thirds of the population is under 24; the median age in the African continent is 19, in Europe it is 47, and we cannot ignore that unique specificity that will have enormous consequences on our governments' systems.

So, within the multilateral system, and within the existing global governance mechanism, we absolutely need to force, prioritize, enhance, maximize the issue of industrialization, and, evidently, have inclusive growth strategies. Why do we need to do so? Because Africa is changing, it is changing quite significantly, demographically –as you know, we have demographic rates that are 2.8 and 3.2, we have not finalized our demographic transition, and the majority of our population is young and lives in rural areas and international

intergenerational change is taking place–. The level of intra-African migration is much higher than the migrations of Africans outside the continent, which means that there is an invisible integration, through that migration, which is taking place. And in terms of innovation, we are making quant of leaps: in 2011, the mobile phone ecosystem provided more than 5 million jobs in a very complex industry, which is the telecom industry, and contributed to about 50 billion dollars to government revenue –internal revenue–. And 60.650 million mobiles inscriptions in 2012 were registered, which is more than the United States or the European Union. Today, the average small-scale farmer in any African country, and we have seen that in backland, uses his cell phone to check what are the prices of his production in a market which is 150 kilometers away. So, that silent telecommunication revolution has had enormous consequences, but the interesting theme is that a complex industry has been able to create conditions of adaptations and conditions of ownership of upper technologies by those who are, for example, the most vulnerable –like small scale farmers. It is a huge lesson; it is a lesson, first of all, for the governments, in

terms of the potentials for empowering the citizens, and it is a lesson for our scientists and our public policy makers, because it helps them see that a sophisticated technology can be owned and managed and used effectively in order to provide progresses for transformation.

I will not turn yet into a detailed fast line because most of you know it, but just one figure, and that figure is figures either of the World Bank, from the higher bank or from the OECD: 34% of the population can be considered to be middleclass today on the continent, continent of 1 billion inhabitants and it is expected to grow, all things be equal, to 1 billion in 2060. It is a significant rate of the transformation that is taking place. Second figure: the rate of increase of foreign investment is higher in Africa than in other region of the world. And this is why, among other things, you see a particular interest in the domain of agriculture and in the domain of specific infrastructure projects. So, that transformation is not localized to specific regions, it is a continent of wide transformation. But, having said that, huge challenges remain: the poverty levels remain high –absolute poverty rate is next to 50% in Sub-Saharan Africa, absolute number of poor has grown steadily between 1981 and 2010. I

was saying in the last slide but –Seven of the fastest growing economies, of the ten fastest growing economies, are African, but 6 to 7 of the most unequal economies are also African, because we have the social inequality problem which is quite important. Given the fact that we have not finalized our demographic transition –we still have two thirds of our population under 24– and youth employment is a huge challenge and in my view it will be the main challenge of any African politician maker in the next twenty years.

Fragile democracies are in minority but they still exist: out of the 54 African countries we still have, let's say, 12 fragile democracies, but 12 is still too much. Another challenge is about our natural resources governance. As you know, when we did this study with a group presided chair by President Beki, of South Africa, we found out, after eighteen months of studies, going through many specialized institutions, that the illicit financial flows out of Africa could be evaluated at between 40 and 50 billion dollars a year. So, many people think that these illicit financial flows are related to corruption, but they are not related to corruption, they are essentially, at about

65%, related to multinationals who are not paying our taxes, for several mechanisms: taking advantage of the weak capacity of the contractualizing, the weak capacity of negotiating and the weak capacity of the taxation system. So, that is a crucial issue, because these numbers are quite important. Evidently, you have a percentage of corruption, which is also linked to that, but mainly this is the main reason. The other challenge is regional integration; we have the frameworks, these frameworks have progressively been implemented but still, our level of intra-African trade is between 9 and 12%, and it is one of the lowest of the world. And if we want to increase that level of intra-African trade, infrastructure development will absolutely be essential.

So far, we have looked at the global context and its limits, we have looked at how Africa is changing, and what are the challenges Africa is facing, but now if we make a pause and we reflect conceptually on how development is thought about in our context, and how this thinking about development has a relation with what is taking place completely on the ground in terms of transformation, I would like to highlight a few issues; first of all, the political vision of development. When policy makers are elected, they need to produce results and

impacts if they want to be reelected. The long term dimension, the long term thinking, is automatically comforted with the necessity of short term delivery. And we cannot think about a long term perspective process if we do not take into account that democratic constraints that make that delivery, in the short term, is obligatory if you want to be reelected: first point of the triangle.

The second point of the triangle: the development's expert vision; Africa has been submitted to 100.000 theories of development since its independence, with different schools of thoughts: neoliberal, socialist, neosocialist, and these development's experts visions, which seem not to be ideological, somehow they have ideological foundations because they reflect interests. So a development's expert vision is not a neutral vision; in relation to that, if we look at the way we have been reducing our dependency to ODA, to aid, we can say that, somehow, the honorship of our strategies has been enhanced by the fact that we have reduced by dependency also to development's expert vision.

Last point of the triangle: the researcher's vision, which is a very interesting one; whether they are in science, in technology or



in anthropology, their way of looking at development is many times micro, not only micro, but many times micro, many times linked to the ground. And you know of the works of Esther Duflo and so on, many of them that have come out with mechanisms that can best alleviate poverty, best create bases for sustainable transformation. But what I want to say by that is: the political vision, the development's expert vision and the researcher's vision are not always complementary; so when you sit in the chair of an African policy-maker who has 1,000 priorities, limited resources, the huge constraints of creating jobs for the youth, in terms of public policy design it has a huge complexity. And that huge complexity has to find a solution, and that solution will not come from development's expert vision or researcher's vision. Why will it not come from them? Because we tend to make as if the African state has the threats of any other state –and as you know, in the political science field, a lot of studies have been done on state behavior, but few studies have been done on how public administrations are effectively delivering on their objectives.

To contextualize that aspect, I wanted to refer to three phases in the construction of the

African state: the first phase, after the independence, was mainly aid-centered and schizophrenia. Aid-centered is highly understood, schizophrenia why? Because within specific boundaries, which could not be changed it was asked to African states to, at the same time, foster regional integration. So you had the intangibility of the boundaries, but you needed to think about regional integration. And that was not easy at all. The second phase was when we were faced with structural adjustment processes, after the petroleum shock and our level of debt went very high. In order to reimburse the debt, we had to go through severe adjustment processes, and these severe adjustment processes erased the capacity of the state to think, and it locked the state still in a kind of aid-centered perspective. Now, through the structural adjustment processes, we were able to stabilize our economies and have quite good macroeconomic indicators, and rearrange for management of our public finances. So that today, I'm not the one who says it, Christine Lagarde is saying, the public finances of most African countries have better management today than Europe public finances, if you look at many specific criteria. So, we lost a lot from structural

adjustments but, at the same time, we learnt how to manage better and we found out, NEPAD is a showcase of that, that all the shifts of our development strategies were important, and in learning this development strategy we needed to really reconstruct the state but to take into account that issue of honorship.

I will make a brief parenthesis on Africa's position in the value chain, global context and its limits: transformations are taking place, challenges remain, the African system is more complex than we think, the state is reconstructing itself; but still, globally, our insertion in the global economy faces new challenges. And if we look how we are inserted in the value chain you see that we, in terms of value aggregation and value addition, are still lagging behind, which means that, yes transformation is taking place, but that transformation is not solid enough in order to procure sustainability. Now, what are the opportunities that we do have in order to create the conditions for sustainability? First of all, it is not very well known, but we have the means of our ambitions. Foreign direct investment is about 50 billion dollar per year, capital flight, that we need to fight against, can be estimated at 80 billion a year, the tax internal revenue has been multiplied by five in the last twelve

years, but still we have tax evasion. So, in terms of public internal resources, we have the means of our ambitions if we rationalize a certain number of aspects.

Governance has been improving, and the mere fact of having multiplied by four our internal revenue is a significant result of improvements in governance. And we have a tool, which is called the African Year Review Mechanism, where 30 countries have a deal to review that with scrutiny in terms of economic governance, political governance, corporate governance, in a totally independent way, so that they could derive out of these exercises national plans of actions built to target their deficiencies.

We have an institutional architecture for integration, that has its challenges but the African Union is working, it has its processes. The regional economics –the economic communities– have a huge role to play, and we are looking at a common free trade area by 2017. I don't think we will reach it by 2017, but all the ingredients do exist in order to move towards that continental free trade area, and that's the most important theme.

And today, coming back to that increase in terms of policy space, the international



context is more conducive if we focus, and give priority, to honorship and leadership. So, if we really want to succeed in that structural transformation, beyond the development's expert vision, beyond the researcher's vision and beyond the political vision, we need to work and, I'm not the one who's saying it, it's a reflection that comes from our finance ministers, our foreign ministers, we need to work on the policy design process. Up to now, the policy design processes were top-down processes. We need to combine top-down to bottom-up, because of the challenges we have; and in the process of reconstructing the state that has to be a priority. The era of experts, centrally localized, defining for the whole nation specific policies, that era is slowly eroding itself, because of the specificity of our demographic situation. That's why we absolutely need to combine top-down and bottom-up, because the solutions are not immediate, and as the solutions are not immediate, you need to associate bottom actors so that they believe in the local transformation, otherwise they will be obsessed by short terms results and then, the seeds of conflict can exist. Secondly, the diminishing of social inequality reduction is absolutely fundamental. We have the most unequal continent in the world. If you

add to that the fact that we have the youngest continent in the world, you have an explosive situation. So, whatever you do in public policies, –whether it is education, health, nutrition– reduction of social inequality has to be at the center. And, lastly, youth employment has to be a corner stone; so, that aspect is very important. If you take a medium size African country, let's say of 20 million inhabitants, with a demographic growth rate of 3%, the cohorts of young coming on the employment market every year can be estimated at about 300,000. So, if you have a civil service which has difficulties in an airy because of macroeconomic conditions, and you have an incipient industrialization process, you need to tap it somewhere to create these jobs. And this is why, in most African countries, development will be agricultural-led development. We will not reinvent the wheel; Europe went through that process and we will go through that process too. So, agricultural development becomes a political priority because it will help create the conditions for youth employment. But agriculture not seen in a social perspective, agriculture being seen as a business, in order to transform the farmers, small scale farmers,

into entrepreneurs, macro entrepreneurs, meso-entrepreneurs and the state, there, will have a huge role to play. And in order to play that role it cannot be a top-down mechanism, it has to be a combination of top-down and bottom-up. What does it imply? It implies that we rethink about governance system, and citizen empowerment will be a critical condition for democracy, renewed leadership with a stronger accountability, and regional integration as a trigger of national solution. If I take the example of energy, energy in terms of deficits, as a cost to the African continent, estimated at about two points of GDP, the economic growth rate that we have known in the last six to seven years was about 5%. The economic growth rate which is needed in order to attend the MDGs is about 7%, so if we had been able to solve this energy deficit, we could have done better in attaining our development goals within the MDG perspective.

And lastly, the partnerships have to be reserves trigger. The romantic figures are other, but we are looking at these real results, and results in the partnership we are engaging in. So, the various pulses that we have given have been framed within our long term transformation, we albeit several plans: the Lagos plan of action, the African union was set in 2002, NEPAD in

2001; NEPAD was a response to the G7+1 criticism of the lack of a comprehensive strategy at a continental level, and NEPAD was aimed and framed around two main values: honorship of our strategies and regional integration. I won't be long in that. It is a long term planning, but we really thus have a sustained transforming process, and sector strategies. I will not be long even on that. We have, in the African Union, a specific strategic focus which can be highlighted in three blocks: agricultural food security, regional integration and infrastructure, climate change, human development, economic and corporate governance, gender empowerment. Why am I saying so? There is a continental consensus on the fact that this need to be the strategic framework within which we need to walk. And the role of NEPAD is to play, to be, the development agency of the African Union in facilitating the implementation of these networks, and this is why we have been integrated into the African Union, to give the African Union a concrete instrument in order to facilitate implementation. Up to now, we needed have an implementation arm, now we have an implementation.

It means very concretely that the time has

spent is to CEV: a Algiers-Lagos highway, 4,400 kilometers, which is almost finalized. That highway has been rightly done on knots, by liaising focal points within the countries through which the highway goes, by making sure that the missing links are completed, like in Niger for example, 100 kilometers, helping mobilize the resources, so that that missing links can be resorted and that is the case. And this year, in 2014, we'll have achieved that highway, 4,400 kilometers, mainly on public funds (PPPs). But at the same time, when we think about the gas pipeline from Nigeria, through Niger, to Algeria for the European market, we think about PPPs: so, our role, as a development agency, is to help frame the PPP, help mobilize the adequate resources, and put in place the monitoring and evaluation system that will help look at the implementation of that projects. We do the same for the Brazzaville-Kinshasa Bridge, which will be extended by height by a world underlain. So we are about implementation: these projects are within frameworks, these frameworks reflect sector strategies, but have been approved consensually in a bottom-up approach from the regional economic communities.

Just to give you an example of what we are completely doing, we have a continental framework which is called CADEM

(Comprehensive Africa Agriculture Development Program). This framework has specific principles, these principles provide a group link, this group link has been implemented in 50 countries out of 54. It is an illustration on how we envisage regional integration because, by having the same group linked –taking into account evidently local specificities–, it facilitates the delivery process of the regional integration. And all the African Union frameworks, whether it is in agriculture, in environment, in health and in education, are looking towards that delivery process. In infrastructure, for example –it is an example I wanted to give– we have 60 priority projects which are already under work, on which we are working, from North to South and West to East; so this is also an illustration on how regional integration is progressing in a coherent manner.

Now, having looked at the conditions of transformation, and how it is reflected on the ground, let me say a few words about the south-south cooperation and the importance we give to south-south cooperation. I think I'm running out of time so I will, could you go to the next slide? Two quick slides: what do we do with Brazil? If you look at this map,

you will see that Brazil is boosting an economic diplomacy, and they link their agencies, like BNDES, with diplomatic agreements and their specific business interests. So all these dots that you see relect where BNDES is and EMBRAPA is, Odebrecht, is, Petrobras, VALE, etc. It is a longterm strategy, based on economic diplomacy, where their foreign ministry brings wherever they go their bracket companies, and they frame bilateral agreements in order to boost their companies. There are many PPPs in that domain. But that's the Brazil, let's say, investment strategy.

Next slide quickly. Well, China, the crucial feature of China is, the role of Chinese finance, Chinese finances –absolutely critical in the strategy, because they involve their policy banks to their commercial banks and they move heavily into infrastructure projects. Just to highlight one sentence that reflects the way China sees its engagement to Africa, which is a reflection we assess this differently: “there isn't an African country that we will not invest in”. For China, risk –I wouldn't say doesn't exist– but risk is not an obstacle to investment. And it's embedded firmly in the strategy and evidently it gives you another footprint on the continent. Quickly –I will not talk about Japan we don't have sufficient time– just to say about:

Japan is returning very strongly on the continent and from here, I will be going to Tokyo, on the Joint Monitoring Committee, which looks at Africa-Japan cooperation, but just one sentence: Japan is returning strongly. Now, NEPAD and Argentina: how can we look at a way forward? Yesterday afternoon, I was at the foreign ministry for a very positive interaction and I think, given the accumulated experience, knowledge and know-how of Argentina, there is a huge potential for cooperation and there is a potential for creating profitable investment opportunities and mutual learning. Several domains can be targeted: we will work on the NEPAD side of that, with our Argentinian policy within the African Union framework. I am sure that there are specific domains, not only agribusiness, that can be used in Africa in a very profitable way, but the thing is: I was invited by that multinational mass, which is the chocolate, chewing gum and so on. They all invited me because we're discussing an Africa's strategy, so they wanted to interact to Africans. I spent three hours with a board. So, what the problem is? Africa is transforming. You need to be present: if you are no present now and you wait for what you think are the least, you might not be at the table at the right moment.

So, there is a process that is taking place, that process is incipient: and I told you, you need to be at the table at the incipient steps of the process; otherwise the conditions of partnership might be much more constrained. In the next thirty years, the world will need to produce the amount of food that it has produced in the last 3000 years. Africa will be a critical actor, if it has the right policies, the right knowledge, the right know-how, and the right partnerships, in helping feed the world. So these partnerships, looking at these challenges, are critical and they need to be framed now –they don't need to be framed ten years from now.

Last slide, the series of change we have –I will be very brief because I can't take longer to go for it, what is about theoretical framework: the necessity to put an emphasis on productive capacities, which has really to boost our industrialization process. We cannot do it if we have not the state of our governance system adapted to that, we cannot do it if we don't think in terms of public policy design, in a combination of bottom-up and top-down, and we cannot do it if we don't boost the entrepreneur capacity of our populations, and essentially our small-scale farmers. So this is how we intend to change, and in that change, evidently, we need partners, and Argentina is

potentially a strong partner. Let me thank you again for having invited me, and thank all of those who played a critical role in inviting me, that was an honor to be here and thank you.

*We appreciate the assistance provided by Justine Gonda to publish this article.*

**Ibrahim Assane Mayaki** / He is Niger's candidate for the post of ILO Director-General. Scholar, diplomat, political leader and head of an international organisation, Mr. Mayaki is highly knowledgeable about international issues and global concerns. His work involves constant bilateral and multilateral negotiations. Mr. Mayaki has always kept open and constructive dialogue with Niger's social partners. His candidacy is supported by all his country's trade unions and the employer organisations.

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Prior to that, Mr. Mayaki was from 2004 to 2009 the Executive Director of the Platform in support of Rural Development in West and Central Africa (the Rural Hub), based in Dakar, Senegal with the mission to support policies related to the development of agriculture and trade as well as the build of human capital.

Mr. Mayaki was the Prime Minister of Niger between November 1997 and January 2000.

From 1996 to 1997, Mr. Mayaki was Niger's successively Minister for African Integration and Cooperation and then that of Foreign Affairs. As Prime Minister, Mr. Mayaki promoted the expansion of social dialogue in Niger by creating governmental structures charged with consulting and negotiating with the country's social partners. In collaboration with the International Confederation of Free Trade Unions (ICFTU), he organised the National Forum on Social Dialogue and initiated a series of consultations and measures culminating in the establishment of the first National Commission for Social Dialogue in Africa in 2000.

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Between 2000 and 2004, Mr. Mayaki was a visiting professor of international relations and the rights of international organisations at the Université de Paris-Sud. He was also research director at the Center for Research on Europe and the Contemporary World of the same university. Mr. Mayaki also worked in Niger's mining sector for 10 years.

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**Para citar este artículo:**

Mayaki, Ibrahim (2014), "New Vision of Africa's Development. The role of NEPAD and South-South Cooperation" [disponible en línea desde marzo 2014], Serie de Artículos y Testimonios, N° 87. Consejo Argentino para las Relaciones Internacionales. Dirección URL: <http://www.cari.org.ar/pdf/at87.pdf>