

YES! AFRICA CAN LIVE UP TO ITS AMBITIONS

Keynote Address by

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PROTOCOLS

I want to start by thanking my hosts, the African, Caribbean Pacific Group of States (ACP) and the European Union (EU), for the opportunity for me to share some of my thoughts on Africa's future, especially pointing out some of the important elements that are bound to drive Africa's development well into the year 2030 and beyond.

I am always delighted when I have opportunity to share my thoughts and feelings about Africa with all its good and bad especially since in the recent past, Africa was regarded as a basket case with no hope for the future. But those who described Africa as a hopeless case at the turn of the century, heralded 'Africa Rising' one decade later.

What has changed or what is changing? Before delving into details of changing circumstances in Africa, let me ask, in conformity with the topic given to me to address – Yes! Africa Can Live Up To Its Ambitions -, what are the ambitions of Africa? Africa wants, in democracy, popular participation and good governance, to live in peace, security and cohesion to ensure development, growth, progress, human dignity, particularly in the global decision-making and division of labour and having its fair share of global prosperity for the welfare and well-being of all its people. It is duly recognized that there can be no global peace and security unless - and until - the whole of humanity is allowed stake in an enduring claim to global prosperity. Peace is not divisible. Threat to peace, anywhere, is threat to peace everywhere. Furthermore, peace is not simply the absence of war, peace is the totality of human tranquility, well-being and amity with fellow human beings and with the environment.

I must hasten here to point out that Africa is diverse and not homogenous at all. It is made up of 55 countries of which 54 are members of the African Union, AU. These countries are different in historical background, culture, language, religion, level of development and orientation. Burundi, Egypt, Libya, Mauritania, Mauritius, Rwanda and Somalia can be categorised as less ethno-linguistically diverse on the continent leaving about 90% of countries on the continent with high levels of ethno-linguistic diversity. Similarly, the continent is home to more than 2000 living languages, a reality that could make Africa alone account for about a quarter of all languages spoken in the world. A country such as Nigeria, with a population of over 178 million, has about 510 living languages and over 350 ethnic groups and is, therefore, culturally and ethnically as diverse as there are ethnic groups. Somalia is one of the less ethno-linguistically diverse countries in Africa made up of about 85% Somalis with the same language and religion. Despite the relative homogeneity of the Somali society at the macro-level, however, there is some degree of diversity at the clan level and clannism has been one of the major sources of the on-going instability in the country. Africa is also institutionally diverse. In many African countries, the formal institutions and systems of the modern state exist alongside centuries-old traditional institutions and leadership systems. In countries like Uganda and Ghana, traditional structures operate parallel to state structures and sometimes command enormous respect and loyalty of sections of the citizenry. Apart from the diversity created by the parallel existence, traditional institutions bear considerable diversity in terms of their organisation, culture and nature of checks and balances. Some traditional institutions, such as the Ibo village Assembly in Nigeria and the Tonga of Zambia, are decentralised traditional governance systems. Others, such as the Asanteman of Ghana and Twana of Botswana are centralised traditional political institutions. Despite the considerable influence of the traditional institutions, majority of African states have neither been able to harness their strengths nor found innovative ways of

synergising the usefulness of both institutions. Instead, their parallel operations and politicization have sometimes become the basis for conflict. This is the case in Uganda where state security agencies have sometimes clashed with Buganda loyalists who believe their kingdom is threatened by the political leadership of the country. The male and female population in Africa is almost of equal distribution within the various age cohorts, and provides another form of diversity on the continent along with its related issues, such as gender roles and sexual orientation. The male-female divide exists not only at the biological level but also at the level of access to power, allocation of positions and resources, and cultural stratification. Some traditional cultural identities have practices that effectively conflict with the modern norm of equality of both sexes and gender roles. In some cultures, women are treated as if they are “owned” by their husbands. In terms of power distribution at the national level, apart from countries such as Rwanda, which is consciously making efforts to bridge the divide of low representation of women in government and public offices, women are generally under-represented in decision-making processes, power distribution and resource allocation and this has been identified by the African Peer Review Mechanism (APRM) process as a trend capable of eroding democratic gains in some African countries such as Ghana.

So in our quest to learn lessons, we have to take into account inherent diversities within our societies. We also need to recognize that the growth and development strategies that have worked in one place in Africa may not necessarily work in another. Whatever may be their differences, Africa has separately and collectively suffered the same indignity, humiliation, dehumanization and exploitation.

But while recognizing these differences, I think there are a number of valuable lessons that can apply.

To put it in proper context, I have decided to go back to see where we were and to examine some of the rights and the wrongs in our actions in those

years. The last decade or two of the last century were described as lost years for Africa development because Africa was ridden with rigidity and lack of reform in our political, economic and social structures which led to stagnation and, in some cases, retrogression in our development. However, not every country in Africa has struggled over the last few decades. Botswana, for example, is a shining example of success in Africa - a stable democracy with the highest economic growth rates of any nation in the world since independence over four decades ago.

Ladies and Gentlemen, before I was inaugurated as elected President of Nigeria, two issues were of such great concern to me that I started doing something about them as I assumed the position of President. These were **corruption** and **debt relief**. I believed very strongly that we could get debt relief if we did what was right and insisted on it. So after the election, I decided to go round the globe with the assistance of the incumbent Military Head of State who provided an official aircraft for the purpose. The aim was to visit important centres of the world, meet leaders that I would have to deal with in my day-to-day activities as elected President of Nigeria. I also wanted to meet, see and be seen by those I had known and met before and make acquaintances of new ones. I started talking about issue of debt relief to these world leaders in Washington DC, New York, London, Geneva, Paris, Rome, Moscow, Addis Ababa, Pretoria, Brasilia, Beijing, New Delhi, Tokyo and Ottawa. It was in Washington with the President of the World Bank, Jim Wolfensohn, that I took up in some detail the kind of assistance I wanted from the World Bank. I had been told that Nigeria was not eligible for HIPC (Heavily Indebted Poor Countries) support under its existing terms and conditions. But I expressed the desire for debt relief based on the Nigerian population figure, the level of poverty and the mismanagement and corruption of the past, a blame that must be shared by Nigerian leaders and our business and development partners.

But Jim was kind and patient with me not only at that time but throughout

my tenure. I nicknamed him 'Uncle Jim' for his interest in Africa generally. On that occasion, he explained to me that the World Bank would do its utmost to assist in debt relief in preparing favourable reports if we did the right things and in regularly advising Nigeria on what to do. However, the ball in the final analysis would be in the court of Nigeria and Nigeria's creditors of the Paris Club. The London Club debt which was debt to the private sector essentially had been substantially negotiated in form of instruments that had to be redeemed through banks. I took Jim's advice seriously and acted on it. Wherever I went, I took up the issue of debt relief generally and debt relief in particular for Nigeria. In some quarters, I was laughed at. But I persisted and came to realise that on one-on-one with these world leaders, they took me seriously and seemed to see my point of view. Their reaction generally would be, "Yes, you have a point". Throughout my first term of four years, I seemed to get understanding and some sympathy but unmatched by any concrete action. Again, I had to take recourse to Jim. After expressing my dissatisfaction, he expressed that the World Bank and the international community had taken seriously all my reform programmes and if I should continue to do more of what I was doing, it would pay up in the end. I left him and went on to do a critical analysis of the entire exercise on my own, I realised that I was dealing at the highest political level where I was making an impact but I needed follow-ups at the level of "people who make things happen." These are ministers, advisers, director-generals and so on.

In October 2005, Nigeria and Paris Club announced a final agreement for debt relief worth \$18 billion and an overall reduction of Nigeria's debt stock by £30 billion. The night of the negotiation was described as "the night of blood on the carpet" as UK Chancellor of the Exchequer, Gordon Brown, would not close the session until agreement was reached. The negotiation meant that some 67% relief was obtained close enough to 75% that I was asking for. With the buy-back option taken up by us, the deal was completed on 21 April 2006 when the final payment was made and our

books were cleared of any Paris Club debt.

After the close of the books on the Paris Club debt, I made sure that we kept the pledge that the savings from the debt relief would be committed to realizing the Millennium Development Goals, MDGs. I also took a step further to clean up on the London Club debt as was held in redeemable bonds and promissory notes.

But the question remains: Are loans and debts incurred by developing countries another form of imperialism or a shackle of keeping them in perpetual poverty? From what I saw of the pressure on most developing countries to borrow in the late 1970s when petro-dollar was accumulating in European and American banks on the basis of developing countries' under-borrowing situation, not minding what the money was used for nor the capacity to pay back and the corruption involved in most of the loans, one would want to believe the theory of incipient imperialism and deliberate policy to under-develop the developing world by the agents of the developed world. Even when most of the Western governments have settled the debts with their financial and commercial/industrial institutions, they kept the debts alive in their books, mounting pressures for paying back and when there is any default, they resort to debt rescheduling and piling up of the debt. It was 'operation no mercy'.

But it must also be said that the principle of 'the buyer must be cautious' should apply to developing countries. They should eliminate the corruption aspect of the loans. It is also up to the governments of borrowing nations to ensure judicious, effective and profitable utilization of loans secured. All in all, my experience amounted to the blame being shared between the two parties with the borrowers bearing more than fifty per cent of the blame. Borrowing countries, especially in Africa, need to enhance their negotiating capacity and build strong institutions that can stand up to the formidable capacity and expertise of the international banks and credit/financial institutions.

Across many countries in Asia, governments base their legitimacy and reasons for retaining power on their economic growth strategies and the focus on poverty reduction and expanding opportunity. In contrast, too many governments in Africa, however they came to power, quickly begin to believe that only they can be trusted to rule their countries. The result becomes Government for the benefit of the ruling elite rather than society as a whole. National wealth is siphoned off to enrich the few, not to help the many. Corruption flourishes, inequalities and grievances worsen.

Ladies and Gentlemen, Governments cannot afford to forget that the role of the state is to serve its citizens, not the rulers. Economic development must combat poverty and inequality in the long term and make tangible improvements in peoples' livelihoods in the short term.

Bad governance in post-independence Africa precipitated several conflicts. Democracy was less fashionable and corruption was pervasive. As such, production was hampered and investment into Africa was only in oil and other essential minerals to propel the Western economy. The situation was so bad that the Economist magazine described Africa as a hopeless basket case at the turn of the century. And yet the Asian tigers made a quantum leap in the last two decades of the twentieth century.

During the last half of the last century, countries such as Algeria, Tunisia, Libya, Egypt, Angola, Democratic Republic of Congo, Republic of Congo, Ethiopia-Eritrea, Guinea Bissau, Liberia, Rwanda, Sierra Leone, Somalia, South Sudan, Sudan, Uganda, Mali, Central African Republic and Nigeria witnessed one form of escalating conflict or the other with their attendant consequences.

It was the reality of the situation that struck African leaders to initiate the reform of the OAU to AU in 2001 with the New Partnership for Africa's Development, NEPAD, after embracing the UN-initiated MDGs (Millennium Development Goals), which is committed to eradicating extreme poverty

and hunger; achieving universal primary education; promoting gender equality and empower women; reducing child mortality; improving maternal health; combating HIV/AIDS, malaria, and other diseases; ensuring environmental sustainability; and developing a global partnership for development.

The new African initiatives, in terms of AU and NEPAD, have some significantly unique elements that put Africa on a new trajectory of development. These are made of the Constitutive Act of the AU which is markedly different from the Charter of the OAU in that democracy, good governance and security are made the bedrock of the new organization and borders within Africa are no longer sacrosanct in cases of impunity in the treatment of citizens of any country by their government.

Not less significant is the rejection of any government emerging from non-democratic process from membership of the Summit of the organization and the establishment of the APRM, which emanated from NEPAD. The twenty-first century was ushered in by African leaders with reform spirit and agenda initiated by them and endorsed in Kananaski, Canada, by the G-8 and a promise of support with resources and other commitments. Almost all African members of the AU bought into the new reform agenda enthusiastically and with national reform agenda and programmes to implement NEPAD and the AU programmes in agriculture, education, health, public service reforms and so on.

The net result of this is that the first decade of the twenty-first century has, in general, been a decade of progress for Africa with almost two-thirds of African countries growing their economy at about five per cent GDP. Most African countries are making progress in education and healthcare delivery. Agricultural production has been markedly on the increase. Six out of the ten fastest growing economies in the world are said to be in Africa. On the political scene, there are much less sit-tight leaders than there had ever been in Africa since independence. Inter-African conflicts have almost been

completely eliminated, remaining intra-African conflicts that are fast diminishing. There are greater areas of cooperation, collective security and mutual development programmes particularly in the sector of infrastructure. The situation has improved so much that the Economist magazine saw the possibility of the twenty-first century being the African century if the trends are maintained.

But for Africa, it is not yet Uhuru. There are essential issues that must be addressed seriously and urgently in the political, socio-economic and international areas of our national and continental life. Good governance and democracy, with all its ramifications, must still be the bedrock of all national and continental activities. Conflict resolution and management with early warning and pro-active measures to defuse conflict before they become hot, violent and destructive must be sustainably put in place. Africa must pursue continental union government surely and steadily in the best interest of all: big - medium - and small size countries. Democracy and good governance must be immediately followed by security, stability, development and cooperation measures at the continental, sub-regional and national levels. There are more reforms necessary in our countries to retune and reposition our economies. We must particularly prepare for shifts and shocks like the ones that hit the US in form of financial and economic crisis of 2008 and Euro-zone debt crisis. Africa must rely less on aid which will continue to dwindle and rely more on trade and direct foreign investment if conducive environment is created with adequate mobilization of internal resources for investment. Infrastructure is a major handicap to economic development and to doing business in Africa. This and other handicaps such as corruption must be removed. We must ensure high return on investment in Africa to make Africa the irresistible destination of first choice for investors. Africa should set a target of annual growth rate of at least ten per cent of GDP, in the next twenty year which will make Africa to quadruple its GDP. It is this rate of growth that can start an effective redress of the looming danger of unemployment.

If Africa is able to address the remaining and somewhat hanging political issues at national, sub-regional and regional levels, the economic issues will present little difficulties to address, and progress will be sustained continentally. Then, the most poignant and seemingly dangerous issue of unemployment, particularly youth unemployment and restiveness with generational tension will be easy to address. The challenge of unemployment, demography, poverty and generational tension are serious challenges that good governance and great leaps in economic progress can tame and bring under control. If all these are attained, I see a vision of peace, security, stability, development, cooperation and unity in Africa which will hasten the emergence of an African Union Government. Put another way, in the next twenty years, if the present trend continues and is improved upon, I see African lions waking up from their slumber prancing and rumbling over the African landscape and beyond with the following:

- a. Average growth rate of at least 10% GDP per annum.
- b. More strategic management of resources among African countries.
- c. More cooperation than competition among African countries.
- d. Inter-African trade now standing at 11% going to 20-25%.
- e. More utilization of renewable energy resources.
- f. More direct foreign investment flow into Africa.
- g. Balanced management of the new scramble for Africa to avoid domination from any centre whether Brussels or Beijing.
- h. Africa renowned for democracy and good governance.
- i. Africa of near-full employment.
- j. Africa steadily concretizing Union Governance.

- k. Africa more self-reliant more self-assertive, more stable, taking its rightful place in global division of labor and participation in decision-making.
- l. Africa with less corruption and more human rights observance and transparency.
- m. Africa claiming its rightful place within the comity of nations and making commensurate contribution in order to make the world a better place for all.

African policy-makers must learn from Asia's success and develop similarly comprehensive plans for creating jobs, developing skills, boosting education, improving infrastructure and modernizing agriculture. They must also understand the leading role the state plays in achieving these ambitions.

Given the way government prevented global economic meltdown, the important role of the state is undergoing a review. Even prominent skeptics now accept just how important it is in providing both the framework and social floor for markets to function to the benefit of society.

In Asia, more than anywhere else, the state has played this role for a long time. But it is doing much more than merely setting market parameters. It is charting the course and actively driving the agenda for inclusive growth.

The Chinese government, for example, has been instrumental in driving coordinated policy reforms for the country's remarkable transformation from an agrarian to an industrial economy.

In Singapore, the state has created a knowledge economy through targeted investments in high-class and life-long education. ~~This great institution is testimony to the success of this policy.~~

Across the region, governments have led a green revolution that has enabled them to feed their citizens. In India, for example, the government invested in irrigation, roads, education and subsidies – for fertilizers, energy and credit.

We cannot underestimate the importance of improving agricultural productivity. Progress simply can't be delivered unless governments ensure their people are fed. None of these examples are devoid of problems. But they all show that when governments address the needs and aspirations of their people, just what a difference they make.

These lessons are, however, not as easy to apply in today's environment as when they were first shaped in Asia. African policy-makers now face a whole set of new barriers which their Asian counterparts did not a couple of decades ago. They cannot, for example, duplicate the interventionist "export-push" strategies that gave rise to the East Asian miracle. Current WTO rules forbid some of the necessary national policies.

Africa's policy-makers also face serious structural barriers. There is a legacy of shallow markets and high transport costs because of the way the continent was divided and infrastructure built. It can still be easier, for example, to export goods to Europe than to neighbouring countries in Africa.

Africa is also afflicted, as I have already mentioned, with a wide-spread weakness of governance systems and institutions which prevents the success of many Asian countries being easily replicated.

While most countries, including Singapore, rank towards the bottom of global corruption rankings, the position is reversed in Africa. Institutions are often brittle and trust in the ruling elites weak.

We see the importance of effective institutions that provide checks and balances as well as credible accountability mechanisms that ensure

benefits are spread equitably. These include a free press and strong civic society.

We need as well a clear commitment to human rights and the rule of law. As I pointed out a decade ago, some leaders view human rights as a rich country's luxury. Others can treat them as an imposition, if not a plot. This is demeaning to their citizens. Only when a government is grounded in the rule of law – fairly and consistently applied to leaders as well as their citizens - can society rest on a solid foundation. Only when the rights of all, including minorities are respected, do we have the long-term basis for stability and prosperity.

Democracy, inclusive governments and shared society are also important for the sustainable health of all societies. Democracy also means protecting the rights and interests of the minorities. We need broad agreement on policies even in transition so the first three years of any Government are not wasted in reversing the policies of its successor, only for the remaining time to be spent campaigning for re-election.

Fortunately, and despite some glaring set-backs, the last couple of years have already seen some remarkable improvements in the quality of African governance. We need to see these improvements continue.

We need more progress, too, on regional integration. In Africa, the limitations of small market size are very real, particularly for the large number of landlocked countries. The economies of scale and improved regional infrastructure which Africa needs to compete successfully in global markets can only be achieved by increased political and economic co-operation.

To achieve and sustain higher growth levels, Africa needs to devise balanced economic policies that create jobs, lift the barriers on entrepreneurship and help attract foreign direct investment. There must be

dramatic improvements in infrastructure and greater investment in education at all levels and for girls and boys.

Africa also has an opportunity in the situations in Europe and the US, which began in 2008. If these two regions are struggling to buoy up their economy again, Africa is projected to keep growing by not less than five per cent GDP. That projection will be assisted by demands from China and India which will lead to more investment from Brazil, Russia, India and China without leaving out other Latin American and Asian Countries. Africa must take advantage of the window of opportunity.

Of course, Africa has learned to put the past behind her and look hopefully to the future, taking account always of the changing dynamics of the global architecture in politics, security, economics and overhanging issue of climate change and power equation. Africa has accepted rightly the responsibility for its fortune and misfortune. Africa is the architect of its own architecture, of course realizing and living with the global realities and prevailing trends, attitudes and conditions.

And, indeed, there is no doubt that with the prevailing seriousness of purpose on the part of the AU and its member-countries, Africa will soon reach the Promised Land.