



LIONEL ZINSOU

Chairman of PAI Partners

Christopher DICKEY, Paris Bureau Chief and Middle East Regional Editor for *Newsweek Magazine*

Thank you very much, Jean-Michel. Lionel, you have known Jean-Michel for a long time, and one of the things we were discussing last night is that you have trouble disagreeing with him. However, listening to Jean-Michel just now, with the macroeconomic approach to what is happening in Africa, I am thinking of all the headlines. Maybe the media are to blame, but I am thinking of a war between Kenya and Somalia, Somalia as a failed state. What is going on in Zimbabwe? What is going on in North Africa with the revolutions there?

All the problems that exist in Africa - are they the kinds of problems that are going to ultimately hinder this kind of growth that we are discussing or are they gradually being resolved by the kind of growth that we are talking about?

Lionel ZINSOU, Chairman of PAI Partners

Thank you for these questions. Good morning, dear friends, ladies and gentlemen. I think that we can measure the impact of conflicts. The OECD does this. The African Development Bank does this every year in publishing the African economic perspectives. It is threefold - conflict, victims of conflicts and trouble with public order are just one-tenth today of what they were 10 years ago. Yes, we have residual conflicts in the Great Lakes part of Africa. Yes, we have the failed state of Somalia, creating economic, social and political problems everywhere. Yes, we have residual conflict. It has an impact of exactly one-tenth of what it used to be, so it is absolutely not a threat to growth. It has even been a condition of this revival of growth, starting in the year 2000. We have had 12 years of very homogenous sustained growth throughout Africa, and it has been a precondition for success.

Even if it makes headlines in the European or American press, it is no longer an obstacle. We have a bit of a problem with the perception of Africa. Africa is still seen as a continent of conflicts, pandemic disease, hunger and so on. Five or six years ago, I would have said this ill perception was a major problem for Africa. Today I think it is a major problem for Europe. It has totally changed because as Africans, we have been perceived by the OECD countries as a sort of hopeless continent during the 1980s and 1990s. In a sense, we tended to share this view and to see ourselves through a sort of European or American biased viewpoint. This has totally disappeared.

We are in a world where we interact with Latin America, Brazil, the Middle East, and not only in North Africa where you have this new continent Middle East/North Africa, but you have the whole of Eastern Africa and South Africa interacting in a major way, and now Nigeria and so on with the Middle East. The Far East is even more so. Today, in our daily life, our exchanges with India, Korea and China are essential. In a country like Benin in West Africa, our first trade partner is China. Our second trade partner, which is more unknown, is India. Our third is France. It has totally changed over the last 10 years.

In a sense, the fact that we are perceived as a risky continent with a perception of political risk that is just far too high compared to the evidence, or perceived as an area of conflict or ill governance is no longer an obstacle to our growth today. It is an obstacle to Europe playing its normal role in Africa by overemphasising what used to be the problems of Africa in the past. For somebody like me who is both French and from Benin, this is a stressful matter. Look at the statistics of capital equity. Europe owns Africa. Tomorrow it will be the Africans, the Chinese and many other parties, but for the time being it is France, the UK, Spain, Portugal, the colonial heritage.

Europe owns Africa. Europe owns Africans' minds because of the legal frameworks, because of the language, but Europe is totally absent from a vision of the future of Africa, even if it is better today than five years ago because



probably Europeans think there is something that the Indians and the Chinese have seen that we have missed. One of the reasons why it is so popular is that Asia becomes important in Africa. It is so popular for Africans because it is the only reason why the Europeans start to wake up. The only reason is a fear of China playing such an important role, just because the perception of Africa by China is totally different. It is not neo-colonialism. It is just a country looking at a continent with a sort of pragmatic view and nothing like a colonial heritage.

It is so important for the Africans. The models of growth are changing in African minds. Sir Bob Geldof has created a private equity fund with a humanitarian objective and he calls this fund the 8 Miles Fund because there are only eight nautical miles in between the south of Spain and the north of Morocco. From time to time, I ask myself, 'Is it eight miles or is it 800 miles or 8,000?' It is easier today to go from Cotonou, the capital of Benin, to Shanghai. The trade goes that way. Is there an eight-mile gap from the Straits of Gibraltar or is it a growing gap of 8,000 miles? In African minds, it is very important for Europeans to wake up in this respect.

The perception of Africa has to change, to answer your question.

Christopher DICKEY, Paris Bureau Chief and Middle East Regional Editor for *Newsweek Magazine*

Certainly, one of the reasons the perception is negative is because of issues of governance. Who runs the countries in Africa and how are they being run? 20 years ago we would probably have been talking about what a success story Côte d'Ivoire was, and we know that it does not look like such a success at the moment. There is a feeling, I think, in the outside world that things can go well, that development can progress and then there is a fight among different factions in the country, not just Côte d'Ivoire, but other countries, and all of a sudden, it all starts to come apart at the seams. How do you address that? Do you see that that is improving as well or do you think that is going to improve as a result of this growth? Is it some sort of endemic problem in Africa that is going to be a problem for the foreseeable future?

Lionel ZINSOU, Chairman of PAI Partners

Judge the governance by the acts and the outcomes. This continent has 25% debt to GDP. It is not only gestures from OECD countries, but also domestic efforts for structural adjustment. This continent has less than 3% deficit in public spending as a continent. You have variance around that, but it is quite a homogenous continent. People think it is very, very different. Yes, it is a bit better in terms of tax structure in oil-rich countries, a bit different in other countries, but the variance is very, very tight.

We will end up being the only continent respecting the Maastricht constraints. This continent has a positive trade balance. It is the only continent with a trade surplus in China. China is 15% of African exports. It is only 1.5% of African imports. You could say it is because China considers this continent is not rich enough to be a market and just a source of supply of raw materials. I do not know, but I know that it is the only continent with a trade surplus.

You could say that in terms of governance attracting investment, attracting the savings of the diaspora and so on, it has a decent record. People talk about corruption. Look at the outcomes. Look at the facts. It is not that badly governed in terms of état de droit, in terms of the rule of law in Africa and in terms of elections, in terms of democracy. I would not say we are the continent of the rule of law. Having been Marxist, Leninist, Republic plus the record of coup d'état in the 1960s and so on, and enjoying the rule of law and having done that for the last 20 years now, I would take Ghana as an example of coming back from hell in our neighbourhood and progressing. I would say we are probably the continent where the rule of law is progressing the most and the fastest.

Again, I would not say we are the continent of the rule of law, but also in terms of governance, I would not say that Europe or the United States are in a position today to keep the same authority in terms of being a model. I would say



Africa has internal reasons to make progress and these internal reasons are public opinion and the emergence of the middle class. The key reason is the education of this middle class and access to a world of information in the remotest parts of Africa. The President of the French Republic years ago thought that the African peasant farmer had not yet entered history. We were so shocked that over the last two or three years, we decided to enter history very quickly.