

HAKIM BEN HAMMOUDA

Special Advisor to the President of the African Development Bank

Thank you Lionel. I think your introduction is important. At the African Development Bank we are working on the bank's long-term strategy for the next ten years. And it is true that we consider the question of the continent's resilience to be crucial. For us, it is about Africa's ability to withstand the shock of the global crisis. Africa, like every other region of the world, was affected by the 2008 crisis, which restricted the growth that began at the start of the century. But with the latitude or room for manoeuvre the continent has gained by improving macro-economic management, all African countries had the means to relaunch the economic apparatus. For us, truly, the Renaissance probably took place ten or twenty years after the concept was first used. That is a fact, something very important.

To answer your question, it is true: in this dynamic, this resilience, there is more than one Africa. There are regions, I think, where the situation, taking into account a certain number of factors, including for example the importance of regional dynamics, the importance of integration, the importance of the drivers of growth in the region's biggest countries, has withstood better than others. It is true that there are slightly different situations. That is what we are trying to bring out, at the African Development Bank in any case, to show the different dynamics between regions, sometimes between countries.

But over and above the diversity of African situations, we always say that the continent has shown great resilience. In fact, ten African countries are among the top performers internationally, in terms of growth. Not just over one or two years, but systematically for a number of years.

Now, as the topic is governance, I think that this resilience also has risk factors. We will speak later and in greater detail about the risks as we perceive them. But, at least in relation to governance issues, there are both internal and international risks. Internally, as you said, there are significant developments on the continent and it is important to emphasize these. The previous session was about North Africa, and it was probably one of the bastions which have for years resisted advances in the field of good management and governance. I think that, as in all regions, it takes a long time to implement transformations. But we should highlight the significant advances in good governance in Africa. With the Arab Spring, I am convinced that North Africa is heading in a direction where democracy, the role of the private sector, the role of growth and lastly of the market, will be important elements. These will be difficult years but I am convinced that the right path will be found.

Even so, it is an important development in terms of good governance. I was speaking to some journalists today. The subject of corruption was virtually unpronounceable in some countries. Last year the Mo Ibrahim Foundation came to Tunis and organised an enormous conference on the issues of governance where everyone talked about corruption and lots of other things, which would have been unimaginable just a few months earlier.

I think that these are relatively important evolutions. That does not mean that all the problems have been dealt with. I really liked what Mo said about overseas corruption yesterday, and how the problems have really not been sorted out and there are still governance issues to be dealt with.

Second question, moving on to global governance which I think is important, and however much Africa participates, progress remains insignificant, which endangers African resilience. There are two questions at the heart of global governance today. There is the question of trade negotiations, which Pascal Lamy talked about last night: the Doha round and the promise made to us in 2001 when it was launched about the fact that this would be a development round and finally a round for Africa to sort out the issue of cotton, to sort out a certain number of issues. And above all there is the question of the agricultural subsidies granted by rich countries and which cause suffering among African farmers.

The Doha round is not working and this is really causing big difficulties today for the situation in Africa. The increase in the price of agricultural products on international markets poses a considerable risk of instability in Africa for a very



simple reason. All the policies imposed in Africa over the past two or three decades have resulted in very low agricultural production today, meaning that Africa is dependent on international markets and big producing countries for its food.

There is a second issue which I consider important. We need to take a look at the climate-change agreement reached, with great difficulty, in Qatar. It is a very important issue and I am still waiting to see the results and, really, if the promises made to help African countries fight climate change are a reality or remain promises as they have been for several years, without anything concrete being put in place.

I think of a reborn Africa, an Africa which is emerging, an Africa which is taking its place in the world, an Africa which is increasingly becoming a land or destination of hope, but an Africa which remains fragile and which in part, given the theme of this conference, depends a lot today on global governance and the resolution of a certain number of issues connected to global governance. Thank you.

Lionel Zinsou, Chairman of PAI Partners

Hakim, is that how the AfDB sees things? In the interaction between the private sector and public governance and in regional integration, does the AfDB see drivers to create an economy which generates jobs? Is it going to build the infrastructures of the regional economy? To go from Lagos to Kara crossing our two countries, it takes Edem and me 28 minutes in a plane, but 48 hours in a lorry. That causes a few problems for intra-regional trade, bearing in mind that we are in a customs union.

Why 48 hours? Because we are stopped 48 times. We have awe-inspiring civil services, which we borrowed from the French. We are stopped by customs, the military police, the civil police, the riot police, officers from the Water and Forests department, who stop you several times, etc. Will you finance the infrastructures of regional integration?

Hakim Ben Hammouda, Special Advisor to the President of the African Development Bank

Thank you Lionel. Just one comment and I will come back to your question. What is very important, what Mo, the Prime Minister and Jean-Michel have said, it is this new Africa which is being set up. Increased management of Africa by African institutions, by Africans themselves. We no longer expect anything from the outside and we are relying a lot more on our own forces and resources.

People speak about the reduction in aid and development following the crisis, etc. But I think that there is an increasing desire to break free from aid. To not see aid as the only way to finance economies.

A few weeks ago we talked about Zambia, which went to the markets and actually got ten times more than it was looking for. More and more African countries are getting ready to...

Lionel Zinsou, Chairman of PAI Partners

An interest rate a little lower than Spain's.

Hakim Ben Hammouda, Special Advisor to the President of the African Development Bank

But there really is a new Africa which is being set up, which is emerging, where there is much more self-confidence than in the past.

Lionel Zinsou, Chairman of PAI Partners

Does that create jobs?

Hakim Ben Hammouda, Special Advisor to the President of the African Development Bank

I am going to come back to your question. That is what is so important, what is in the process of emerging. That is what we are seeing every day in the field. Two weeks ago, the three of us went to a meeting in Geneva with 500 African business leaders and it was like a breath of fresh air, there was optimism and hope in a world which was much more worried, in a city, in Geneva or in Europe, very worried about the future. That is what is really very important, essential, and which is emerging a little in this Africa. And the African Development Bank is part of this, it is playing a role in this evolution.

Regarding the first question about jobs, (Jean-Michel, in my opinion, is right) one of the biggest issues is that African growth is not creating enough jobs. And that is a real problem.

And there are two issues which have to be raised and discussed. Firstly, there is the quality of the education system. The President of the African Development Bank often says, after visiting a certain number of places in Tunisia, that we cannot even employ the graduates right away. That means that the quality of their education was insufficient. So that means that there is a real problem with the issue of education, which does not make this job any easier.

The second issue, which Jean-Michel came back to and which is very important, is that even if the private sector is not offering jobs and the civil service even less so, these young people cannot create their jobs on their own. It is linked to the funding and structural problems.

We have inherited a colonial banking system which is only suited to traditional funding models with guarantees, etc., so this causes enormous problems. Some banks, particularly in Morocco and others which have worked in North Africa and Sub-Saharan Africa, have tried to break out of this colonial business model, which probably explains their success and their ability to think outside the box, for example in Abidjan, and to go into working-class neighbourhoods, and above all to help create jobs.

The issue of regional integration, which Mo highlighted, is a very important one. And this issue has not been absent from the African debate. In my first year studying economics, it was explained to me that regional integration was an important element. That was a very long time ago. And it was explained to me that that was what was going to guide Africa. I have attended meetings and at every meeting I go to, people speak about regional integration. I think that what Mo is saying is that are we moving beyond rhetoric to really get into reality.

Today, much of the African Development Bank's portfolio has two essential features: funding of regional integration and infrastructures. But what is very important is that we have moved beyond rhetoric and made very significant progress, as I said, with two elements which are, in my opinion, essential. Firstly, these are regional infrastructures, and secondly they are not just public regional infrastructures, the private sector also plays a significant role in funding these infrastructures. And if there has been a change in this new Africa, it is at the level of regional integration; not that the theme has come onto the agenda, but finally we are moving a bit beyond major action plans like those of Lagos and elsewhere, and really moving on to their execution and implementation.