

## LIONEL ZINSOU

Co-President of the Fondation AfricaFrance; Former Prime Minister of Benin;  
Former President, PAI Partners

**Sean CLEARY**

We saved the two Prime Ministers for the back end of the programme, in order to be able to shift the narrative and to provide the solutions. I am going to turn to our good friend Lionel Zinsou to wrap up the presentations.

**Lionel ZINSOU**

Thank you very much and good morning. I have discovered that Senegal was an English-speaking country now, so I decided that, as a Benin citizen, I will speak French. Our sister, Aminata, has relieved me from making my first part Afro-optimistic, as she gave us the statistical, immediate and future reasons to feel that at least there is no suspense about the continent's potential being expressed. I thank her and am absolutely on the same line. I also thank the President of the Economic, Social and Environmental Council, whom I would like to thank, incidentally, on behalf of all the participants for the exceptional welcome here in Morocco, for the third time, for this conference in Marrakesh. You referred to the dividends of the integration yet to come. I believe that this is indeed one of the very major drivers for the future.

You presented it in a bit of a dramatic way, saying: "Only 12% of our trade takes place amongst ourselves." Actually, it depends on which part of Africa you are discussing. East Africa is moving very quickly, and is just above 20%. UMOA's West Africa is also progressing fairly quickly, and is a bit above 15%. It is important to bear in mind that the continent as a whole accounts for 3% of the world's total import and export flows. When 20% of our trade takes place between us, on a continent that accounts for 3% of world trade, we are already overweighted, compared to what we represent.

One thing struck me in our colleagues' three speeches. It is the extraordinary volume effects that we need to keep in mind when discussing Africa. You said it: 1.2 billion people who are going to turn into 2 billion. That is, what Europe did in a century – it doubled its population in the eighteenth century – is going to be done in a generation. No one has ever done this. China has never done this. There are extraordinary volume effects in play. We are adding a country per year. There are 55 of us, but every year we are adding 25 million of our children.

We are adding a Senegal, plus a Mauritania, plus a Gambia every year, where Europe is declining by two or three Slovenias each year. Our geography is dynamic, but the volumes are quite amazing. The EUR 2,500 billion you commented on, Cheikh Tidiane, in purchasing power parity, should be multiplied by a factor of 3. We are faced with something that is a dynamic, and I pay tribute to the President and CEO of the AFD who elaborated on this theme. We are faced with a dynamic that, stated in purchasing power parity and not merely at the current exchange rate, is, no matter how you look at it, a very, very important volumetric reality.

I would like to emphasise that this African development is much more endogenous than people tend to believe. For example, direct investment flows are fundamental, qualitatively and even quantitatively. When you add it all up, they account for 5% of the continent's GDP per year. The continent is, after Asia and far ahead of Europe, and obviously Japan, and of course the United States, a continent of high savings and high investments. We invest and save in Africa more than on all other continents, except Asia. The average of household and corporate investment rate and public investment in Africa is 25% of GDP. This 5% annual flow of foreign direct investment thus needs to be compared with total investment, which is 25% of GDP.

Savings in Africa are endogenous and investment as well. Growth is driven 75%, as in all economies, by domestic household consumer activity, corporate and government purchasing, but massively by households. We are faced with very largely endogenous growth. After the 2008-2009 crisis, Europe fell back into recession in Second Half 2011 up to

the end of First Half 2013. Africa, having been the least affected of the continents by this crisis, has steadily increased in added value, in GDP, in 2010, 2011, 2012, 2013, 2014 and 2015, up to the oil crisis.

I would nevertheless like to emphasise that this phenomenon is endogenous and very largely amplified, including the economic situation in Europe. It is obviously an important partner, since it is the leading buyer, the first supplier, the largest investor, the first donor and the first seat of our migrants, who are a very important savings import force. This is a point to remember: yes, Africa needs saving from the outside, even though three quarters of the savings it mobilises are first and foremost African-African savings. It needs savings from the outside.

These savings come partly, and almost to the same extent, from the same flows as official public development aid and its migrants. This contribution of *remittances* is now very important. I am speaking in a country, Morocco, where savings account for a particularly large share of GDP. It is important not to forget this: in savings from the outside, there are the savings of our migrants and the fundamental role of our diasporas, which is not so different from what we have seen in Eastern Europe or China. This is an extremely active and important role. These savings, which are both domestic and external, are very important for us. What I would like to say is that it is firstly an endogenous phenomenon and it is important to keep this in mind.

But as we all have been leaders with executive power, in my case, very fleetingly, we have a number of problems in common. We have a labour market problem, because we do not know where to fit in the 25 million children who are born each year, on the labour market 20 years later. In Senegal, people say: "It's Aminata's fault"; in Benin, people say: "This is the fault of Lionel Zinsou or Thomas Boni Yayi". I don't know what people say in Morocco. In reality, it is all the governments' fault, because we have growth that is extremely capital-intensive and very poor in labour. That is why we need, Mr Chairman and Chief Executive of the AFD, the public aid system, in particular the multilateral system that is threatened by American's abstention.

The fact that the US believes less in multilateralism is a very serious problem, the impact of which will be felt at the World Bank and the AfDB. It is really very significant. And it is probably also an opportunity for Europeans. One really very important thing is that we have needs that are more capital-intensive than any continent in the world. Agriculture is what consumes the most capital in terms of coefficient, compared to turnover generated, followed by energy, followed by water, followed by all infrastructures. By definition, every dollar that we invest in Africa creates fewer jobs than if it were invested in Europe.

This is how Senegal has 7% growth and Benin, 5% growth every year, for a number of years now, and yet we are not creating net jobs for our young people, while a country like France creates them at 1.5% growth. Why? Because France has a model that is rich in jobs and we have a model that is, in capital terms, very poor in jobs and will remain so as long as we create all our infrastructures. I will conclude here, Mr President, by telling you that we have a unique model, in which growth does not solve our employment problems. Can you imagine what a frothing, overheated Europe, with Senegal's 7% growth, would look like? Can you imagine even a Europe that would achieve Benin 5% growth? I will not even go into the 8.5% growth posted in Ghana, Ivory Coast and Ethiopia.

But we have jobless growth that will require a policy extremely focused on entrepreneurship, and on the transformation of the informal into something more productive. It is a model to be invented, because growth without jobs is our common lot. We also have quite an extraordinary urbanisation problem, because when Europeans and even China develop their urbanization, which is a major growth factor, they empty their countrysides and fill their cities. We are going to create a Europe within Africa in a single generation, that is, we are going to add 500 million urban citizens. At the same time, from Tambacounda to Parakou, we will have increasingly populous campaigns.

Because of our level of population growth, we have both very strong urbanisation, a rural exodus that can pose political and social problems for stability, and countrysides that are filling up much more than in the past. They are not emptying out. We therefore have to achieve controlled urbanization and a town/countryside balance in which you really need to understand that the pressure is growing. There are sectors where there is no electricity, no access to water, as Cheikh Tidiane said, and no access to certain basic social infrastructures. This is why Cheikh Tidiane is slightly more pessimistic than Aminata and I, since he works on peace and security.



Our model made of very sharp non-inclusive growth now requires a lot of imagination, if we are to solve these problems of the city/countryside normlessness, the labour market and the reduction of poverty that is not happening. Our model is dangerous, politically and socially, but it is not economically dangerous. If you want to get rich in your sleep, invest in Africa, in land, in real estate, in a huge number of sectors, in consumer goods, and in construction materials. We have no economic suspense, but we have a political and social suspense, because our model does not resolve any of our social problems on its own, unless we design policies that are extremely well-suited to this very particular constraint.