

# LIONEL ZINSOU

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I give the floor to Lionel Zinsou, former Prime Minister of Benin.

## Lionel Zinsou

Thank you, Mr. Chairman. I will try to benefit from speaking after our friends and combine Minister of State Cheikh Tidiane Gadio's anger with Aminata Touré's hopefulness.

All our countries are seeking development models. It is quite striking. Committees are set up everywhere to invent new, more self-centered, endogenous, effective models. And we are right. There are rays of hope that were mentioned by Ms. Guigou and Madam Prime Minister.

In the area of production, there are three elements. Two are doing well and one is not. To create wealth, it is necessary to combine human capital, financial capital and knowledge, in other words labor and capital.

In history, every country where a quarter of the population was under 35 became the world's workshop. This was the situation for a long time in early 20th-century Europe. China has been in this situation since the 1960s. In 10 years, it will be Africa's turn. That is a considerable strength.

Another part of the equation is knowledge, the swift progress of literacy and education at a pace unprecedented in history. One of the countries considered the poorest among our brothers, Niger, is the one that has made the quickest progress in literacy.

But beyond that is the adoption of technology. Someone from a European telecommunications company told me, "What we learned about Africa is that it is 15 years ahead".

The missing link is capital. This is absolutely striking, because our economies consume enormous amounts of capital and we were left with a continent without a shred of capital, without a private sector. Colonization did not care about creating an elite, an upper middle class accumulating capital. On the contrary. Nor did it aim to accumulate capital locally. And when there was a surplus that would have formed capital, it was exported, and still is.

As the Chairman said, we need capital to build and manage infrastructure. But we also need it for energy, which has the highest capital coefficient, because we were left a continent without energy.



When our country became independent, Mr. Chairman, 10% of the people had electricity. Today we are probably close to 50%. In 1960, two million people had no electricity. The 50% who do not have it today number six million.

The percentages show that progress is being made. Only half the population is still in darkness. Only half of people give birth with flashlights. Half of the children are no longer poisoned by kerosene lamps. But the number of people without power has risen from two to six million.

The second most capital-intensive sector is agriculture. One day, the Director General of the FAO said to me, "It is clear that you are a representative of big capital". When you buy a pair of oxen and a multi-shank plough and own what is an average-size plot for a farmer in Africa, which is two hectares, it represents 10 years of income.

The capital coefficient is at an absolutely record level. Add water and it is the same. Add the fact that infrastructure requiring capital only creates indirect jobs and when agriculture is modernized in my country, it destroys jobs.

Agriculture accounts for 28% of GDP and employs 50% of the working population. In 20 years, that figure will be less than 10%. The people who lose their livelihoods when agricultural productivity rises are available for jobs in other sectors.

So, our youth problem is also a capital problem. We have the highest capital coefficient in the economy to mobilize out of all the continents. But we have capital that does not directly create jobs. So, we have a considerable financial problem.

My dear Élisabeth, if Europe is looking for ways to help us, it must really think about everything that allows us to raise medium-term, quasi-equity capital. Do us a favor: do not finance us but create ways of guaranteeing our investments to convince the world's private savings to come to us.

Because today, one might think, and one might have thought until two years ago, that the overestimation of African risk would gradually become normalized with the crises we have just been through. The opposite is true. The excessive perception of African risk has grown. We need risk guarantees, particularly for financing the fabric of real businesses, i.e. medium-sized businesses that create jobs in Africa.

To get out of the informal sector, we need guarantee instruments, not for ourselves, but to convince the world that their surplus savings can come to Africa. Together let us find ways to attract savings.

As Madam Prime Minister said, we must be honest. One, gas will be extracted in Senegal, Mauritania and the Mozambique Channel. Two, oil will be extracted in Niger, the DRC, Uganda, etc. Three, by popular demand, lithium, nickel, copper and cobalt will be mined because the West needs them.

The West is more indulgent about gas than oil at the moment because there is tension on gas. Let there be no doubt about it. To the question: will you not develop? But there is an energy content to development.



To the question “Do you find it normal to leave 50% of your citizens without power?” the answer is no. I cannot understand it. There are NGOs of good conscience that say, “leave your natural resources underground”. We will not, for reasons of the right to development and for reasons of climate justice.

The difference between Africa and other continents is that we have the means to do it in a fair and ecologically sustainable way for the planet. If we used our resources as China did, as Europe did before us, the planet would be totally unlivable.

We have room. Our continent is empty: 40% of empty density that we always look at through these huge metropolises. We are empty. We have reserves of arable land. We have not started to develop hydroelectric power. We have a huge job to do with our forests.

We will not be caught in the dilemma of development. To the question “Will we use our resources?” the answer is yes because we have a right to development, but also because we have the means to offset the effects and, on the contrary, to make it an opportunity, which has not been used by many countries, to bring a whole series of social and environmental measures into play to speed up development.

This will be seen spectacularly in Senegal, Uganda and Mozambique. Like it or not, this is what we are going to do, and it will be at the heart of our development model. Anyway, nobody has promised us compensation for leaving our riches underground. The only country that tried to do that, Bolivia, noted that at no time did anyone compensate us for not using our resources.

Mr. Chairman, I would like to conclude with a couple of points, going back to what Élisabeth and Aminata said about Africa’s internal development, i.e., the progress of the free-trade zone and the effective, coordinated, collective response to Covid by the African Union, which really honored itself, and the negotiation and suspension of the debt.

Collectively, this was the first time the continent spoke for the African Union’s 55 members. All this is a key role of development banks. The Western countries criticize the ADB and make it much less powerful than it should be. Nevertheless, Afreximbank, the BDA, our regional banks, our development banks, the AFC (Africa Finance Corporation) are increasingly active. So, there are more and more collective development actions and one African voice.

Africa will focus on these models. That much is clear. Today, if you look at the big pockets of savings in Africa, and Africa saves 20% of GDP, which is much more than the rich countries, but less than China, they are essentially invested in US Treasury bonds, pension funds, some sovereign wealth funds, etc.

When Africans, with Mr. Macron, in April 2020, decided to distribute SDR 650 billion, Africa received 33 billion.

France has really spearheaded an effort, accepted by Germany, that would bring the total to 100 billion, but that has not materialized.

We need financing. Not that we need you to finance us out of public debt, but together we need to find mechanisms to ensure that the savings of the world will be quite sufficient to equip us, in



addition to our own savings. Is it a good idea for Botswana to support the US public deficit? There are probably more useful things for the development of the world.

But the message of the President of the European Central Bank and the Managing Director of the IMF was, "We will stop inflation. Consequently, we will not use SDRs for your development banks because you might leverage it and raise highly secured savings through the equity of development banks. So, we will oppose it".

That obviously left the African heads of State in attendance feeling considerably bitter.

So win-win partnerships can be invented but symbolic gestures of indifference must not multiply. And in the period of crises that we have just gone through, what happened with vaccines, at least, what happened with medical equipment, what is happening with the lack of solidarity after the dollar shock and a number of countries from Ethiopia to Ghana, and even Kenya, having considerable currency difficulties, the lack of logistical support, the lack of support on some essential food supplies, have undermined trust and optimism.

That is why I said there are reasons for anger. There are reasons for bitterness. But the lesson has been well learned. Africa, a subject of its history and not an object of pity for others, after all the crises and whatever the good intentions of Oxfam or Friends of the Earth, does not want to be lectured or make the world happy at the expense of our own interests. Thank you.

### **Robert Dossou**

Thank you, Prime Minister Zinsou. You have summed up what people around the table have said in a somewhat pessimistic tone.

And those who have spoken in an optimistic tone have touched on a key issue: capital does not exist inside our states. Something must be done to attract capital.