

JAGA



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AFRICA REINVENTS ITS ECONOMY



Kingdom of Morocco
the Head of Government
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Governance
in Africa

Alliance for Rebuilding Governance in Africa
www.afrique-gouvernance.net

Africa reinvents its economy

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I - Introduction

To boost systemic, sustainable changes that can engender and consolidate peace, stability and development on the African continent, the *Alliance for Rebuilding Governance in Africa* (ARGA) instituted the *Annual African Governance Days* (AAGD). AAGD's goal is to set up, for all of Africa, a multi-actor space for dialogue and the sharing of experiences and initiatives in the field of governance, in order to concretely and collectively take on the immense challenges faced by African countries.

The first AAGD served as a framework for the construction of the '*Africa Horizon 2060 Initiative: Africa Regains Control of its Destiny*'. This in-depth, forward-looking initiative, which hopes to be one of Africa's strategic flagship projects for the next fifty years, is based on a series of four conferences to be organised between 2012 and 2015. The goal of these conferences is to develop concrete proposals and initiatives on the fundamental themes of governance, the economy and globalisation.

The first conference, '*Africa reinvents its governance*' was held in Praia, Cape Verde, while the second, '*Africa reinvents its economy*' was held in Rabat, Kingdom of Morocco, from 27-30 January 2014.

The Rabat conference, placed under the high patronage of His Majesty the King Mohammed VI and organised in partnership with the Minister Delegate to the Head of Government responsible for General affairs and governance of the Kingdom of Morocco, brought together participants with diverse social and professional backgrounds from all regions of Africa and the African diaspora, as well as friends of Africa.

Above and beyond the need to base politics and economic management on the values and principles of governance, the conference addressed five themes needed to reinvent the African economy and, subsequently, improve the living conditions of populations and give Africa its rightful place in the world:

- Construct a vision, and the strategic, political and intellectual capacities needed to rebuild African economies;
- Recover sovereignty over all natural resources and place them at the service of sustainable African economies;
- Rethink industrialisation and the company in the continent's development strategy;
- Encourage new views and approaches to the development of territories and economies;
- Build an endogenous architecture and financial systems at the service of financing Africa's development.

With these themes as a basis, the Rabat conference was able to build a strong consensus on what African thought and strategy should be with regard to reinventing economies by 2060, a strategy based not only on current dynamics and the continent's innumerable strong points, but also on expected changes in worldwide relations in the coming decades.

An overall vision of all the issues and paths for change was forged by closely examining and combining reflections on the proposals submitted to the five theme-based workshops. This approach not only made it possible to enrich the themes discussed, but also allowed the conference to arrive at six strategic directions that will allow Africa to lift itself out of poverty and settle into a sustainable development dynamic that provides for the well-being of all populations—without exception—while also keeping a watchful eye on environmental conservation.

II – Elements of situational analysis and the imperative to reinvent the African economy

Africa is at a crossroads. At a time when alternatives to the current world order are being built here and there, Africa is struggling to define its future. Its place in tomorrow's world can be imagined in terms of two different and extreme scenarios: either Africa allows current trends to continue, and the consequences are greater poverty for its populations, less economic weight and a weaker position on the international scene, or Africa adopts a pro-active approach to rebuilding its economy (refocused on the creation of added value) so that it occupies a better position in worldwide value chains and its territories and people enjoy greater economic benefits.

The first scenario, that of Africa's decline, is based on projecting strong current trends (deficiencies in the area of human development, poor economic performance, weak governance, a passive insertion in international trade flows, etc.) into the future. Yet analysts are well aware that on the world level new geopolitical patterns are being traced, societal and political changes are taking place and—moreover—the economic cards are being re-dealt, creating a new configuration of countries that are ahead or behind. No other crisis has shaken the foundations of the worldwide capitalistic system like the one which has shaken the world for the past 5 years.

In the background of this scenario, the centre of gravity of the world economy is expected to move to the Asia-Pacific region. China alone will account for nearly one-fourth of the world's GDP. The hierarchy of power in world trade will be shaken up entirely: the ASEAN (Association of South-East Asian Nations) will become the world's largest exporting power, primarily as a result of the role of the Chinese diaspora. This group already controls most of the business activity in South-East Asia. The economic weight of the European Union and the Japan-Korea region will, for its part, be significantly diminished. If these two changes do indeed take place, Africa will have less and less to say about the direction of globalisation, and its 'exit from History' cannot be ruled out.

Immobility could be fatal to Africa. If Africa does not act, it runs five major risks:

- **the risk of irreversible disengagement** from the world's new growth areas, which take their power from four key sectors: the economy, technology, culture and defence. Such a disengagement would cause Africa to take a giant step backwards in terms of trade, capital flows, technological transfers, etc. and severely jeopardize its capacity to take part in the new world order now taking shape. The decline would occur even in the case of strong growth generated, as it is today, by improved terms of trade (increase in the prices of mineral and agricultural resources and simultaneous decrease in the price of imported manufactured products).
- **the second risk is that of disengagement from emerging regions**, which would make the continent even more fragile in the new world configuration of countries that are ahead or behind in terms of development. Pushing the African economy to the fringes of the world economy could increase the continent's instability (greater poverty, massive migrations of populations, exacerbation of ethnic conflicts, etc.).
- **the third risk is that of technological disengagement.** Catching up with technologically advanced and emerging countries may become impossible if Africa, already handicapped by its weak capacity to master and absorb technology, is further penalised by an international context in which technological know-how is increasingly privatised. Access to new technologies would become a real problem in a scenario such as this.
- **the fourth risk is related to the expected penury in non-speculative capital**, aggravated by insufficiently developed national financial systems that provide economic agents with a volume of financial assets barely equal to GDP (compared with a volume of four times the GDP in the rest of the world). This gives an idea of the progress that needs to be made to provide the continent with a financial system capable of financing the economy properly. This is a crucial point because economic actors need sufficient volumes of capital, used efficiently, if they are to take advantage of recent improvements in the terms of trade and give development a decisive push forward. Without dynamic financial markets, optimal mobilisation of endogenous financial resources and the steering of investment towards

productive sectors, the current financial upturn will only perpetuate a rent-based economy, corruption and the pillaging of resources.

- **the fifth and perhaps one of the most important risks is associated with the fact that in the coming decades training, skills and experience will determine who specialises in what and will be the primary factors in growth.** Thus comparative advantages should be redesigned and developed to evolve; they should be regarded not as static advantages, based on factor endowment, but dynamic advantages built on a knowledge base and in a continuous state of construction. Africa, which currently devotes barely 0.35% of its GDP to research and development and accounts for only 2% of the world's scientific production, should rethink its relationship with knowledge.

The second scenario, in which Africa reinvents its economy, is based on the hypothesis that African countries are capable of acquiring for themselves an emancipatory vision of their development, and the strategic, political and intellectual capacities required to initiate a **dynamic** that is sufficiently strong and mobilising to free the continent from its current impasse and open up new horizons. Such a leap can only be achieved by breaking with the post-colonial rent-based model that for the past half-century has reduced Africa to the demeaning role of a reservoir of cheap natural resources for developed economies, and a dumping ground for world surpluses.

This challenge confirms Africa's need to find new and intelligent responses to issues such as the nature of State power, governance in its various dimensions, regional integration and the control of natural resources.

Such a dynamic requires, on the one hand, **a pro-active policy to develop human capital** based on quality education and training systems. It also requires that **in-depth economic reforms** be carried out to improve labour productivity, increase the performance of economic administration (tax collection, etc.) and mobilise domestic savings on a larger scale so more funds can be channelled into productive investments. Finally, stable and predictable macroeconomic and sectoral policies, along with greater legal certainty, must be set up in order to attract larger flows of FDI (Foreign Direct Investment) and allocate them to improving infrastructure needed for development.

African demographics (800 million inhabitants in 2000, 3.6 billion in 2100), a constraint in the first scenario (poverty, conflicts, insecurity, disease) **can be transformed into an asset in the hypothesis of a strong push from the development dynamic.** By using this outstanding potential to its advantage, Africa could, in time, have more weight in the direction of the world economy.

III - Elements of strategic proposals and areas on which to focus

In the view of conference participants, the long-term vision of development in Africa is based on six strategic axes: the essential role of local and territorial dynamics; a partnership-based, multi-actor approach; multi-level governance of the economy; the need to reinvent the economy according to an African development model; creation of a legal and political framework that guarantees security and encourages development; a rebuilding of the education system.

1 - Rebuild education from the ground up

While it is important to rebuild the various levels of formal education—*from primary school to higher education and including professional training*—this strategic focus area goes further: it also encompasses education in the wider sense. What is needed is an examination of the goals, directions and methods of education with respect to societal values and the type of person needed to inspire and carry out the project of a prosperous and stable Africa integrated positively in the world economy.

It is also important to guarantee the development of competencies and talents: they are not only the engine of current and future economic growth but also the best means for African societies to design and develop their own projects of modernity. These talents and competencies, rooted in local contexts and focusing on the multi-polar development of African societies, call on more than the simple transmission of knowledge. **We must develop African know-how, in particular the spirit of initiative, entrepreneurialism, knowledge of science and mastery of technologies, and we must increase the capacities of innovation on the continent.**

To this end, technical and scientific training, engineering and mathematics should be spotlighted and encouraged right from primary and secondary school. As for professional training and apprenticeships, they will receive more social recognition, have a more positive image and contribute more to development

once systems are more flexible and focused on the business concept and company spirit.

All these initiatives should, however, be built around a dynamic based on excellent higher education and high-quality research. Consequently, the university should be based on a new contract with society, which defines its responsibility in the training of future elites and is inscribed in a strategy of an alliance for change, in order to meet the challenges of the 21st century. The African university must, in fact, transform itself into a true think-tank at the service of economic development in Africa. Above and beyond its original function of producing and diffusing knowledge, the mission of the university now consists in propelling and supporting the continent's project of economic emergence. **The University should be a laboratory for development and the main pillar of an African knowledge economy.**

Such a repositioning requires that the 'university/school for development' concept be widely accepted and that operational partnerships exist between the university and schools, the public and private sectors, civil society and populations. It supposes the development of joint projects between the educational system and the other actors to produce, diffuse and use knowledge.

Finally, the other challenges to be met are access to education for a greater number of young people, and improvement in the quality of education. Digital tools are particularly suited to these challenges. Isolated pilot projects are currently the norm. What Africa needs now is an approach focusing on appropriating and deploying new technologies for the purposes of training and education.

Specifically, this rebuilding of education from the ground up requires that we:

- **Encourage the connection of African universities in a network** of mutually enriching exchanges amongst themselves, instead of being exclusively focused on contacts outside Africa;
- **Develop a charter of responsibilities for African universities** and bring together those committed to putting the university at the service of Africa;
- **Develop technological capacities** and the feeling of an African citizenship with sub-regional universities dedicated to this objective;

- **Develop professional training**, in particular regularly scheduled training sessions focusing particularly on governance;
- **Develop tele-training on the sub-regional and continental level**, Massive Open Online Courses (MOOC) that address the issues of African development;
- **Use the products of African research** by establishing links between the university and research centres, and between the university and companies and other users;
- **Create, on the sub-regional and African scale, cooperative research programmes** focusing on the African priority rather than on donor priorities.

2 - Construct rooted and inclusive African economies based on local and territorial dynamics

In the African development dynamic, the post-colonial State has in most cases supported exogenous, top-down economic approaches. Prevailing wisdom held that resolute action on the part of the State, and public investment steered from the top would be enough to create an entrepreneurial environment and sweep up the entire national territory in a development dynamic. This logic is based on rent-based economies designed to serve foreign capital invested in oil, mining, cacao-coffee, fish resources, etc. By definition, it excludes many important economic actors, and limits territories—which could be breathing new life into national and regional economies—to the role of administrative entities whose operation inhibits development opportunities. As a result, entrepreneurial initiatives and production activities that demonstrate the vitality of territorial economies develop primarily in what is commonly referred to as the popular or informal economy. These initiatives and activities represent, in fact, development opportunities that remain insufficiently exploited or completely ignored.

The conference concluded that only an opposite approach—a ***process that begins with local dynamics and allows them to develop and change scale***—is capable of producing development that meets the triple requirement of social cohesion, economic effectiveness and environmental conservation. To achieve

this goal, local resources, potential and dynamics should be considered the starting point and the engine of sustainable, national and African development.

This is why local territories should be given a stronger role and more autonomy, and the initiatives and opportunities that local territories engender should be supported. (At present, local territories are thought of simply as the point of application of sectoral policies defined on the national level.) When local dynamics are used as a base, local societies are able to retain control of their own development process, preserve and perpetuate their identity, take root in their own culture and implement local know-how to best advantage. **The relationship between economic development and socio-cultural dynamics is of the utmost importance to governance and globalisation.**

In support of this effort to make optimal use of local dynamics and opportunities, territories should have at their disposal the knowledge and other resources they need to provide for their own management and development. Territories need knowledge of their natural and human resources; they need to mobilise their savings through specially adapted local banks; they need to develop local currencies; and they need intelligent forms of protectionism, in particular to avoid the irreversible loss of local knowledge and know-how (particularly with regard to coherent management of shared assets such as land and water).

Yet insistence on developing the African economy from the local level up does not mean the State no longer has a role to play. In fact, what is needed is to **refocus the State on regulation, coordination, impetus, mediation, development of an encouraging environment and acting as a guarantor of the national interest.** The State should be capable of establishing a political and strategic framework supportive of local development, and of providing its consent to and support for the redistribution of public resources of all types.

In fact, this local and territorial development option brings with it the requirement to:

- **Breathe new life into decentralisation reforms** by promoting stronger local authorities with a new position in territorial development and the territorialisation of public policies;
- **Encourage streamlined, balanced, concerted territorial management** and redress territorial imbalances and inequalities;

- **Formalise the economic vocations** of territories structured around local productive systems with local or territorial economic growth centres;
- **Strengthen the role of regional universities** and synergy amongst local authorities, universities and local productive systems;
- **Adapt local production to match local consumption and vice-versa** and encourage economic competitiveness based on a close link between consumption management and production capacities;
- **Guarantee the real involvement of communities** in their role as key players in the exploitation of *mineral and other natural resources* in their territories. In this regard, the use of funds from local resources to provide basic social services (health, education, water and waste treatment) is another area to be explored;
- **Strengthen the viability of innovative means of funding** local development: Corporate Social Responsibility (CSR) funds, local development funds, mutual guarantee societies, guarantee funds, micro-finance, municipal credit, alternative currencies, springboard grants, community shareholding schemes, development of public-private partnerships truly focused on development.

3 - Design a model and development paths that combine cultural rootedness with openness and foresight

A new and original economic model must be formulated for Africa. The post-colonial model of development, which bears the dual seal of extroversion and replication and has never been appropriated by society, has run its course. Across the world development models seems to have reached their limits, so it is time for Africa to take the lead in innovating and inventing an economic development model that profits everyone, ensures the well-being of each individual and shows respect for our planet.

It would of course be absurd to imagine a single model for the continent's 54 countries, which have very different economic specialisations and levels of development. Yet the idea of a corpus of shared values and a consensus that allows African political and intellectual elites to re-appropriate development parameters is not without merit. In essence, this means relying on oneself,

mobilising endogenous resources to a greater extent, giving priority to subsistence agriculture, eliminating the illicit flight of capital, integrating aspects of the informal economy in development, etc. Above all, if the model of development in Africa is to be reinvented, existing natural resources must be protected at once and a radical change must be made in the way these resources are exploited, in production systems and in models of consumption.

By mobilising the most modern technological resources, and with sub-regional strategies and their sustainable development scenarios as a support, **Africa should primarily tackle three fundamental pillars: agriculture and the agri-food business, the exploitation of natural resources and energy management.**

Africa's agricultural and agri-food potential should be put to full and judicious use. This sector first of all has the advantage of contributing to decentralised economic development and involving both small farmers' networks and small- and medium-scale companies and industries. It is also a choice field for exploring balanced partnerships between agricultural producers, networks of small- and medium-scale African companies and industries and multinational companies. Finally, it is a field in which the percentage of added value produced in Africa itself can be progressively increased.

As for the **exploitation of natural resources, it requires a serious inventory in each country and partnerships** that can lead to increasing transformation of resources on-site, in particular through careful development of African industry.

Finally, the contrast between many African countries' potential renewable energy resources, in particular solar energy, and Africa's growing dependency on imported fossil fuels should lead to **rapid support for an African programme of renewable energy** that does not require heavy investment in transport networks and is also coherent with the idea of development based on local dynamics.

On the issue of endogenous development, the conference highlighted the need to:

- **Construct an African way of thinking rooted in the culture and open**, i.e., that takes into account changes induced by globalisation.
- **Develop decentralised spaces for reflection** that can produce strategic proposals on the sub-continental, national and local level;
- **Define a long-term African development strategy** that takes into account what the world may be like in 2060 (one hundredth anniversary of the independence of many African countries);
- **Start reflecting on the green economy** and its potential for creating employment (sectors of sustainable production and consumption);
- **Rationalise the exploitation of non-renewable resources** (fossil fuels, rare metals), both for intergenerational equity and to preserve the supply of inputs for future development in Africa;
- **Change our intellectual stance to take advantage of experience** no matter what its origin, but do not replace imitation of the West with imitation of emerging countries.
- **Cooperate on the creation of an African site of documentary resources** in which all actors, in particular civil society, can find and critically examine information on experience from across the world.
- **Have the academic world participate in this cooperative effort** by writing reports on experience, which are important parts of curricula.
- **Facilitate access to information resources** and systematically translate scientific production (French, English, Arabic and Portuguese).
- **Create spaces for regular discussion of experiences gathered** on a specific subject, to determine main directions for African development.
- **Give special consideration to the experiences of emerging countries** (China in particular);
- **Set Africa squarely on the path to renewable energies.**

4 - Develop a multi-actor partnership approach for the co-construction of inclusive development

The new African development model should be based on the idea of co-construction of economic initiatives. It should pay close attention to the mobilisation of all energies and all available capacities, in order to encourage partnership approaches aimed at inclusive development and shared well-being. This point of attention is itself a response to the major challenge of socialising and ‘performing’ development processes, securing natural resources and legitimising their exploitation, redistributing income and rents to benefit the entire population and *in fine* preserving the environment. Such a task necessarily requires a renewal of African leadership: a renovated, collective leadership.

Africa’s marginal position in the world economy shows that African leadership, historically legitimate at the time of independence, has since then failed. The renewal of African elites is clearly a vital necessity. It is time to bring forth a new generation of leaders who have the necessary self-esteem and training, are competitive in an open world, have the capacities required to begin rebuilding the post-colonial State, and are capable of defending the interests of African peoples. The issue of leadership involves three categories of actors who, in the African context, play a determining role in the management of the State and society. These categories are: political leaders, managers of the economy, and intellectual elites. Interfaces and relationships between these actors need to be strengthened. The relationship between the new African leadership and democracy will be a determining factor in rebuilding the African State—a modern State at the service of development and the overall security of the continent.

The diaspora is also an important actor. Well-trained and educated, it will find in such a dynamic the opportunity to participate in the emergence of Africa, through higher education and research in the niches of excellence and innovation. The time has come to look at this opportunity with realism and to rethink the relationship between the two parties on the basis of shared interests. The diaspora has made the often irreversible choice to live and work abroad. This choice should be respected, and with this reality in mind, privileged partnerships should be set up in the area of African development.

In all, four basic conditions have been identified for the co-construction of development and public assets. First, partnerships should have a clear

framework within which to work, and stakeholders should be actively involved in building this framework. This is particularly important in the field of mining, with regard to land management, for example, or negotiations between communities and companies. Given the frequent opaqueness of agreements between governments and foreign companies, it is important and urgent that these agreements be submitted to Parliament from now on.

The partnership framework should be equitable. This requirement applies in particular to agreements with multinational companies, which are characterised by an imbalance of power and in access to information.

Finally, the importance of apprenticeship was stressed. Partnerships, the co-construction of development and of public assets all require long apprenticeships. They are constructed over the long term and can be seen in the economy and many other processes such as community development plans, participative budgets, co-management of local public services and the activities of local development centres. These apprenticeships are also constructed around basic strategic directions, in particular:

- **Develop a banking system on the basis of a national platform for dialogue** including the main actors: representatives from the economy, financial sector, civil society and the State, and also religious and territorial authorities;
- **Provide monitoring and assessment of financial sector development** through this multi-actor platform;
Provide equal access to information and financing to allow all segments of society to be effective actors in development;
- **Provide financing for cooperatives** and find and support suitable ways for the informal sector to participate in development as a whole;
- **Support and consolidate suitable partnership frameworks** that guarantee a balance of power and interests in partnerships with multinational companies;
- **Encourage technological transfers and the exchange of experiences** by preferring multinational companies that are capable of investing in the long term and in a virtuous spiral.

5 - Practice economic governance that is attentive to links and interdependencies amongst the various territorial levels

Rebuilding the African economy as a bundle of national economic policies is not simple. The first obstacle is the difficulty of sharing a single development vision for Africa, as national, categorical or even tutelary interests vary widely. The extreme disparity on the level of African leadership—caused, ultimately, by the means of access to power—also makes it difficult to arrive at a minimum consensus on a vision focusing exclusively on the continent's higher interests.

Africa must become part of the 'globalised world' Unlike other parts of the world, Africa still lacks the proper tools to both overcome its constraints and take advantage of its opportunities. One reason for the continent's fragility is its extreme fragmentation. Other regions of the world are now organising into integrated economic, geopolitical and cultural spaces. Sooner or later Africa must join this universal globalisation/regionalisation movement and adapt to its rhythms and modalities.

Conjointly, **Africa must develop an autonomous strategic line of thought.** African elites, subjugated as they are to the dominant western line of thought, and prisoners of the narrow framework of micro-States inherited from colonisation, are incapable of promoting the interests of Africa. The African continent reacts more than it acts, follows more than it leads. To make its voice more clearly heard in the world, Africa must develop its own strategic line of thought. More than ever, Africa—the continent most vulnerable to crises—needs tools to help it take decisions and manage strategy issues, to increase understanding of the new stakes and challenges that underpin relationships with both traditional and new partners. It is time for Africans to develop group strategies for themselves and with respect to the 'rest of the world'.

Regional integration is one key to long-term competitiveness, as it is the best means of achieving sustainable economic growth and development in a pertinent spatial area, and of fully participating in globalisation. Macroeconomic stability, monetary and financial integration and effective business and economic links must be achieved on a regional and subregional scale. Progress toward macroeconomic convergence on the regional scale is a factor in socially

cohesive, responsible, sustainable development on the scale of the African continent.

With this in mind, three major strategic options were determined: management of natural resources as a space for the apprenticeship of multi-level governance of the economy, support for ‘networked regionalisation’ (i.e., coordination of regional economic development networks), strengthening of the regional level by encouraging the creation of production sectors (in particular agri-food sectors) and supporting their export opportunities.

The following paths were then explored and discussed in detail:

- **Think of seashores and areas around lakes, as well as major river basins, as a heritage shared** by countries and thus requiring joint management on the regional level;
- **Develop local apprenticeships** for detailed management of natural resources to profit local communities;
- **Set up regional strategic monitoring** of the management of natural resources with the use, in particular, of geo-referenced information.
- **Organise the adaptation to Africa of international guidelines on natural resource management**, whether they be signed international conventions or lessons learned, their transposition to Africa can provide an opportunity to create a legal or political framework that encourages multi-level governance;
- **Promote an ‘African economic intelligence’**, not by creating regional or subregional institutions but by linking local sources of intelligence (university, local authorities, civil society, etc.) in a network;
- **Promote a regional schema of infrastructures;**
- **Remove administrative and fiscal barriers.**

6 - Develop a clear and reliable legal and political framework that encourages development and guarantees security of all types

The chronic instability of African States is a major stumbling block in the creation of an African economy redesigned with only the long-term interest of African peoples in mind. This instability is the result of poor public governance, leaders' lack of legitimacy, the ravages of corruption, social and territorial inequality in the distribution of wealth, pillaging of natural resources with the complicity of outside forces, etc. A precarious State, under the dictatorship of the short term and the constraints of emergency measures, cannot project itself into the future. Given this state of 'temporal blindness', one may wonder if Africa is indeed capable of anticipating and adapting to current mutations, in particular those affecting its primary partner, Europe, now in crisis, or those that have resulted in the creation of new growth centres, with which new partnerships need to be built on foundations radically different from those of the past.

We cannot hope to promote integrated economic development--local investments and balanced, long-term partnerships with multinational companies and national or foreign investment funds--without providing solid guarantees that investors will not be divested of their money and without effective and credible financial and fiscal tools. **Africa should develop a 'favourable business environment' for and by itself** The first challenge is of course justice and the creation of a suitable legal and financial framework at all levels. It is time to break with the culture of impunity, and to provide sufficient guarantees of security to everyone, and in particular to actors in the popular economy, national investors and foreign companies.

Africa will develop only if it is capable of both mobilising internal savings and attracting foreign capital. International experience shows that **both ends of the chain, internal savings and foreign investment, far from being interchangeable are in fact very complementary**: how can Africa hope to attract foreign capital if Africans are sending their savings elsewhere because they have no confidence in the legal and financial system? In emerging countries such as China and Korea, analysis of experience has shown that the banking system and systems of guarantee such as currency control—sometimes at odds with the recommendations of international institutions—have played a decisive role in development because they were able to finance small- and medium-scale

companies and encourage technological innovations. Kenya and Somalia have often been held up as good examples of how to use the most modern technologies, in particular mobile phones, to create suitable financial services without having to set up an expensive network of agencies.

Mauritius, South Africa, Morocco and Ghana have also proven that, with the help of a rigorous legal and financial framework, African countries are perfectly capable of gaining access to international markets and investment funds.

Specifically, the conference proposes that we:

- **Break with the rent-based system** and its unwanted effects, and with assistance in the form of budget support, charitable funding, etc.
- **Pool successful African experiences in the fight against corruption;**
- **Involve all actors in the assessment of the economy's legal and financial framework** and increase possibilities of citizen control over rents from natural resources;
- **Support the popular economy and local development dynamics** by creating local currencies and by using new possibilities offered by the internet and mobile phones to make adequately regulated micro-financing available;
- **Intensify Africa's participation in the move towards the internationalisation of law** by supporting Northern countries' actions against ill-gotten gains;
- **Speak out in favour of wider responsibility for companies** which includes, in keeping with the 'sphere of influence' concept, responsibility for the actions of legally autonomous subsidiaries, subcontractors and suppliers;
- **Mobilise internal savings on a greater scale** (secure investments) and channel them into productive investments;
- **Encourage the culture of responsibility** and accountability, and the assessment of public policies, through education, awareness and constitutionalisation;

- **Break with impunity by creating, on the regional level, legal provisions and controls** capable of disposing of conflicts of interest, improving the training of judges and imposing dissuasive penalties on public agents;
- **Internationalise the fight against illicit financial flows** and ill-gotten gains, particularly by implementing the principle of widened company responsibility (notion of the sphere of influence);
- **Make the African Development Bank (ADB) a tool for securing savings** of citizens of African countries and of the diaspora, and for steering these resources towards local development.

IV Declaration of Rabat

AFRICA RE-INVENTS ITS ECONOMY

As part of the ‘Africa Horizon 2060’ initiative launched by the Alliance for Rebuilding Governance in Africa (ARGA), the second edition of the Annual African Governance Days (AAGD), on the theme of ‘Africa reinvents its economy’, was held in Rabat (Kingdom of Morocco) from 27-30 January 2014, under the high patronage of His Majesty the King Mohammed VI and in partnership with the Minister Delegate to the Head of Government responsible for General affairs and governance of the Kingdom of Morocco. The first AAGD, on the theme of ‘Africa reinvents its governance’ was organised in Praia (Republic of Cabo Verde) from 9-12 July 2012. The goal of the ‘Africa Horizon 2060’ initiative is to carry out forward-looking prospection to contribute to Africa’s taking control of its future on the symbolic horizon of 2060, the 100th anniversary of the first waves of independence.

The Rabat conference brought together participants with diverse social and professional backgrounds from all regions of Africa and the African diaspora, as well as friends of Africa.

Debates centred on basic economic themes:

- Construct a vision, along with strategic, political and intellectual capacities at the service of rebuilding African economies;
- Recover sovereignty over all natural resources and place them at the service of sustainable African economies;
- Rethink industrialisation and the company in the continent’s development strategy;
- Encourage new views and approaches to the development of territories and economies;

- Build an endogenous architecture and financial systems at the service of financing Africa's development.

With these themes as a basis, the Rabat conference was able to build a strong consensus on what African thought and strategy should be with regard to reinventing economies by 2060, a strategy based not only on current dynamics and the continent's innumerable strong points, but also on expected changes in worldwide relations in the coming decades.

Conference participants also noted that, for Africa to take control of its destiny and reinvent African economies, a primordial condition must be met: the construction of an endogenous way of thinking about the economy and sustainable development that is authentically African, i.e., constructed by Africans, for Africa and on the basis of African realities.

Participants agree, in this respect, that the essential contributions of the Rabat conference lie in:

- 1- **independent reflection** on the reinvention of African economies, which is not defined with respect to other ways of thinking, and which frees itself from both externally imposed models and the idealisation of models that are considered successful but are specific to other societies;
- 2- **a reflection not influenced by imposed agendas and emergency situations**, and rooted in the long-term: this is the only type of reflection capable of producing sustainable, managed, significant change that benefits all African populations;
- 3- **a reflection on the economy based on intersecting viewpoints**: not only the views of experts, but also of various actors in society who have agreed on a certain understanding of the economy and on collective proposals to meet the challenges faced by African economies, in particular the generation of wealth and employment, and above all for young people;

- 4- a reflection whose goal is not to outdo experts in specific areas, but to **provide an overall panorama of the issues** to be addressed and draw attention to all the dynamics involved, whether they be institutional—in particular those based on alignment with international standards—social, popular, or informal.

On the basis of these observations, participants recognise:

- **the essential role of local dynamics and territories** in constructing a deeply rooted and inclusive African economy and in satisfying the three-fold requirement of social cohesion, economic efficiency and environmental conservation;
- **the importance of a partnership approach** with multiple actors, both to develop and evaluate public policies and to construct new economic partnerships, including partnerships with multinational companies;
- the need, for the economy and for natural resources management, to dispose of **multi-level governance** that favours the local and sub-regional levels;
- **the danger of a mimetic attitude** with regard to developed and emerging countries, and the need to reinvent the economy on the basis of what the world will be like in 2060, in order to define an African trajectory that guarantees the well-being of all and respects the planet's limitations;
- **the need for a clear and reliable legal framework and policies, and a financial architecture** that turns its back on the culture of impunity and instead creates a culture of security and respect for joint rights and commitments for citizens and for all companies, from small- and medium-scale to multinational;
- **radical changes in education to develop a sense of the common good**, responsibility, confidence in oneself and others, a spirit of initiative and entrepreneurialism and the capacity to make full and good use of technologies.

The participants feel that a strategy for change, while favouring the long term, must be based on immediate actions that represent the first steps to be taken to initiate change and create the conditions necessary to bring it to fruition. As a result, the participants agree to:

1. **set up national and sub-regional platforms** to make widely known, and to experiment with, proposals resulting from their work;
2. **organise national, collegial or sectoral restitutions** of the results of the conference;
3. **widen and deepen the reflection** by linking it to other initiatives on African economies;
4. **harmonise proposals** from the Rabat conference with proposals on rebuilding governance from the Praia conference;
5. **take immediate advantage of opportunities to connect** the research centres and universities present at the conference in a network.

Participants therefore call on Moroccan authorities to use Morocco's leadership on the African continent to ensure that immediate actions accompany the implementation of proposals put forth by the conference.

Participants congratulate the Alliance for Rebuilding Governance in Africa and all its partners—Africans and friends of Africa—who made the conference possible, and at the same time exhort them to carry the 'Africa Horizon 2060' project through to its conclusion and to take all the initiatives necessary to bring it to the attention of African States, sub-regional, regional and continental integration organisations, and all segments of African societies.

Participants thank his Majesty the King Mohammed VI for having given his patronage to the conference, and salute his commitment to strengthening South-South cooperation in general, and between the Kingdom of Morocco and the rest of Africa in particular.

Participants thank the Moroccan government, in particular the Ministry of foreign affairs and cooperation and the Ministry Delegate for general affairs and governance, for their decisive contribution to preparing and holding the conference.

Participants express their gratitude to the Moroccan people for their warm welcome and the kindness shown to participants throughout their stay.

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Alliance pour Refonder
la Gouvernance en Afrique - ARGA
Ouest Foire - Cité Douanes -
Villa n°13- 2F - Dakar - SÉNÉGAL
Tel: +221-33-820-15-81

web site : www.afrique-gouvernance.net

الشركاء PARTENAIRES

