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## P R O C E E D I N G S -

MR. COULIBALY: Good afternoon, everyone. Thank you for joining us. I'm Brahim Coulibaly, a senior fellow in the Global Economy and Development, and the director of the Africa Growth Initiative.

Special gratitude to Her Excellency, Joyce Banda, former president of Malawi, and a courageous and exemplary leader, and one of the rare women to have presided over an African country. We need more like her. And to Professor Carl LeVan, of the School of International Service at the American University; and to Dr. Albert Zeufack, chief economist for Africa at The World Bank.

So, as you know, the economic potential of Africa is substantial, and so are the challenges also to harness that potential for the benefits and the welfare of the continent's populations. So, chief among the current challenges is how to really generate enough jobs for the millions of young men and women who join the labor force every year, so they can find prosperity in Africa, and not risk their lives to reach the shores of Europe.

To meeting these daunting challenges policymakers need to think outside of the box. So far, doing business as usual has not been enough, and going forward it will likely not be enough. Today's discussion is precisely about innovative strategies to meet the continent's development challenges. It is motivated by Landry Signé's new book on, "Innovating Development Strategies in Africa: The Role of International, Regional and National Actors."

Landry is the latest scholar to join the Africa program, and he joined us last month as a David Rubenstein fellow. This is a new fellowship that was set up by and funded our board of trustee, David Rubenstein, to kind of support the young scholars that show good promise; so, congratulations again, Landry.

So, he comes to Brookings from Stanford University where he is also a distinguished fellow at the African Center -- at the Center of African Studies, and he's professor and senior advisor to the chancellor on international affairs at the University of Alaska. Among

his many recognitions and awards, he is Andrew Carnegie fellow, world economic young global leader, and chairman of the Global Network of Africa's Prosperity.

So, we will begin with presentations by Landry, Her Excellency Banda, and Dr. Zeufack, followed by a moderated discussion by Carl LeVan. Thank you.

MR. SIGNÉ: Good afternoon, everyone. Thank you very much, Dr. Coulibaly, for this very kind introduction. And thank you very much, President Banda, for (inaudible) us today with your presence.

So, today my presentation will be focusing on my new book. I'm very happy to be here. "Innovating Development Strategy in Africa: The Role Of International, Regional and National Actors."

My presentation will be organized around four main points. First, what this book is about. And second, what were my motivations when writing this book. Third, what are the implications of this book for the continent, how relevant is the book for the continent. And finally, what are the policy lessons for decision-makers.

This book is about the progress Africa has made that no one has paid attention to. African story is not one of one failed policy after another; it is a story of small improvements of attitude, culture, policies which over the long run have made more substantial change.

So, let me give you an example, Cameroon. Cameroon is a country located in central Africa, and is often called "African in miniature", because of the broad geographical societal, linguistic diversity. The gross domestic product of Cameroon has almost tripled from 2000 to 2014, and the gross national income per capita, has doubled during the same period.

Why so? The government has adopted more fiscally responsible policies. Where did they learn that? Although the structural adjustment program failed and fell out of favor, leaders have been exposed to market-friendly reforms. Now, the Cameroonian government has implemented policies towards better adjusting the account, your account with fiscal responsibility, promotion of the private sector, and of the foreign direct investment.

And as you know, if you prepare for a (inaudible), even if you don't win it, at the end you are in a much better shape. The government of Cameroon and the guys here in D.C. running the International Monetary Fund, and The World Bank, such as our Honorable Dr. Zeufack, chief economist for Africa, used to be worlds apart, however, they have interacted with each other and learn from each other.

Now, they share many ideas and values such as the importance of fiscal discipline, the importance of the private sector in development, of attracting foreign direct investment, among other factors. These small changes are often overlooked by scholars, and my book uncover new patterns, and these are the reason for which I have written this book, or for which I have -- that I'm explaining the book.

Now, let me turn to my motivation behind writing this book. So, as many of you can guess, I was born in Cameroon, so I have experience, first-hand, the transformations going into the continent how -- I grew up during the structural adjustment period. So, many of the scholars who wrote books, from my perspective, have missed this, to grasp the reality I observed on the ground.

And this goes beyond Cameroon, but it involved many other African countries. So, I decided to write this book in order to bridge the gap between the poor perception and the reality as observed in the continent.

Now, you may be wondering: how relevant is this book for Africa development today? My goal is to explore the drivers of policy, and economic transformation on the continent, so governance in Africa is very à la mode these days. We have discussed cases, such as Kenya now with the elections; Togo, the mobilization against the leadership, it's the same in Uganda, or in Côte d'Ivoire with the insurgence.

My book goes beyond explaining the caution of corruption, or elections. I would like donors and policymakers to think about the ideas, the beliefs, and even the interest they hold, to think about these, affect policy implementation, but also the success or the failure of

policies in Africa.

So, African leaders, as a matter of fact, have changed if we compare the '80s to date. Not all African leaders have changed, of course. Some have been in power longer than that, but now you will not see as before a leader contesting the importance of the private sector, or contesting the importance of foreign direct investment, or fiscal discipline.

The international community, or the IMF, The World Bank have also changed. For example, they pay more attention to poverty, reduction strategies, they also pay more attention to inequality among other factors. They are also offering a larger room for maneuver to African in elaborating your own development strategies and economic policies.

As a matter of fact, they have changed so much that even, as everyone knows, offer debt relief. So, when these two minds come together, they change on the donor side, and they won at the national or regional level, on the continent, in Africa, success happen, at least to a certain extent

Let me take another illustration, Côte d'Ivoire. Côte d'Ivoire used to be, at least in term of index for economic freedom, consider us an un-free country in 2000. Today they consider us moderately free. As a matter of fact, most of the countries I have studied have improved their performance in terms of economic freedom which results to a certain extent, the reform going towards free market policies. So, this highlights the importance of shared values and interest in the making, but also successful implementation of development strategies.

Now, let me end by the fourth point. Why is this book written for policymaker? What are the policy implications? First, policy leaders shall hone small and often overlooked changes, improvements, policies because these, over the long run, are contributing to a more prosperous continent, but also to policy and economic transformation.

As you know, wisdom doesn't come overnight. Second, policymakers and donors shall reduce the gap between policy formulation or the goals, let's say the Sustainable Development Goals, and the implementation outcome. And for that it should build institution,

strong institution, accountable one, transparent one.

Policy leaders shall also improve their relations, so the relations between their national, regional and international actors should be improved. Because my studies of a half-a-century of development strategies, including of the structural adjustment program, the New Partnership for Africa Development, the Lagos plan of Action, the Millennium Development Goals, have shown that when there's shared ideas and interest, policies are more likely to succeed.

In conclusion, of course I'm very grateful to have all of you here, to have my friend, Musa (phonetic), that I want to highlight also. But I would like to say that many people have contributed to the success of this book. Many institutions have also supported me in this endeavor. Of course, I will not name them because I will make enemies, and I want to keep everyone my friend.

But I want to say that I'm very grateful for that. And the book is available, just outside of this room at the very good introduction rate. Thank you very much for your attention.  
(Applause)

MR. LeVAN: Great. Well, thank you all for coming today to hear an important dialogue, and an important conversation, and some insightful new research from Landry's work, on institutional innovation, and institutional persistence, and change as it that relates to urgent questions facing African development. And I'm very pleased to be a part of the Brookings Institution's African Growth Initiative, and facilitating this dialogue today.

My name is Carl LeVan, I teach at American University, and I work on the political economy of development, among other things.

To my immediate left, who probably needs no introduction, is Her Excellency Joyce Banda, former president of Malawi. And you've already met our illustrious author, Landry Signé, whose book -- I think I need to do some work facilitating some reviews in the African Studies Association and beyond, and I very much look forward to working with you, and I

welcome you to the Washington, D.C., Africanist community.

And then to his immediate left is Albert Zeufack, who is at The World Bank, and is a chief economist for the Africa region. And so what we'll hear is some comments from Her Excellency, and also from Mr. Zeufack, and then we'll have a brief round of conversation among the panel, and then we'll open it up for question and answer. So, Your Excellency, I believe you are speaking first. I mean, share your thoughts and reactions about the book, and the topic.

MS. BANDA: Thank you very much, indeed. I was asked to come and share my feelings about the book, but also my own experiences as a head of state, as it related to the book that Professor Signé has written. I just finished serving as a distinguished fellow at the Woodrow Wilson Center, where I was researching only women's leadership; it was a joint fellowship with the Center for Global Development, where I was looking at the situation of the girl child, the African girl child between the ages of zero to 10.

It was while I was serving at the Wilson Center that I met Professor Signé. And somebody told me that there's a young gentleman from Africa who wants to meet you, and I had seen him in the corridors, and I said, do you mean the one who doesn't comb his hair. (Laughter) Because I was having the same problem with my children, I don't understand why you go about with hair that is not combed. He said, yeah, yeah, that one.

So, he came to meet me and I was really, really impressed. We spent many, many days, many, many hours discussing issues of Africa. It has been my greatest privilege, an honor to meet him, and to know him, and to work with him. For me, he's an asset to Africa, and for me we need many like him. In fact, the introduction that was given about him is far from his exact achievements.

We discussed issues about Africa economic growth, transformational leadership, transformational governance for Africa, natural resource governance in Africa, conflict prevention, youth and women empowerment, and of course, how can we, as Africa, achieve the Sustainable Development Goals. I'm convinced that Professor Signé is the ideal guide for this

major endeavor that he undertook to write this book about African economic transformation.

And we are also writing a book together. And I hope we shall finish it -- because he's an extremely busy person -- on women's participation in leadership in Africa. We feel very proud as Africans that Africa has not done badly, in promoting and supporting women to participate in leadership.

We have had four women heads of state. Of course we have challenges, those challenges that women are facing elsewhere, participating in leadership, including America, we also face them in Africa, but we feel proud that at least four women have been heads of state: Helen Zile, Joyce Banda, Catherine Panza in Central African Republic, and now Mauritius. And I'm proud to say that I know that we've done well, because there are other parts of this continent, where they are still trying to get one woman in status, and not managing to do that.

I urge everybody here to buy this book, and read this book, because he has offered refreshing insights for both casual, expert readers, seeking to understand the major economic and policy transformation of Africa.

For 10 years I was, myself, in public office. I served as minister of women and children, foreign minister, vice president, and of course head of state. During that time, I drew lessons that I thought I could share with you that will be relevant to the issues that Professor Signé raised in his presentation.

I believe that, and this is me, this is my opinion, that leadership is a love affair, that you must fall in love with the people, and the people must fall in love with you, but the type of leadership people have known on the continent of Africa is gone, that now the citizens of the continent of Africa are demanding accountability and transparency, and inclusivity on the continent. Otherwise, if you think you can go and oppress the people that you serve, then you have a rude show coming.

Number two, I believe -- I always share this analogy -- that a leader is like a driver, because I've been accused many times that you always put the blame on leaders, it's all

about leaders. It's about all citizens, it's about inclusive responsibility, but I always say no, but it's like you are in a bus, and you have 72 people, and you are in the driver seat, and if the bus ends up in a ditch, people will ask, was the driver drunk, or was he dozing?

For me, that's what a leader is. No matter how we want to look at it, we must accept responsibility as leaders to drive change and transformation on the continent. So, what is most important is political will.

When I got into office, as everybody knows, I was elected vice president in 2009, I was running mate of my president, and then suddenly, two months into office, he told me he had changed his mind. He had told Malawians that he would groom me to take over from him when he left in 2014. He told me that he had changed his mind, he was going to groom a relative instead, a brother.

And I said, no. That was not part of the deal. And from there on, the next two years, I went through a lot of difficulties, the fact that I wasn't invited to cabinet, I literally was just sidelined.

And there was an assassination attempt on the 19th of November, 2010, because I refused to do what I was told to do. Suddenly the president passed away, and as most of you have followed, it took three days for people to accept, to allow me to take over. And it took three days for people shift this mindset, to say a woman can become a president of any country.

And so the day I got into office, there was no fuel for a day. The fuel that took me to the funeral of this late president was donated by President Sata of Zambia. The food was donated by President Guebuza of Mozambique.

On the day that I went into office, companies were operating at 5 percent because there was no money to import raw materials, so companies were operating at 5 percent and people were being laid off. Two million people did not have food. The economy had grown by 1.8 percent. So, the first time I get into office I am told that we are off track with

IMF, we need to do several things.

The first was to devalue the currency by 49 percent, and my predecessors, they avoided to do that, because that is the best way of losing votes very quickly. What I am trying to share with you is that being a leader means taking bold decisions, and bold steps. So, for some week I came to meet Madame Christine Lagarde at the IMF. I had to devalue by 49 percent.

One lesson that I learnt very quickly, is that when you engage the people and tell them exactly what's going on, no matter how hard the decisions you make are, they will stand with you and by you. We devalued their currency by 49 percent, it meant hardships for the people, but The World Bank came to our rescue and supported us.

Another bold decision I had to make was to reconcile the nation because at the moment I came in, even our relations with Britain, our major donor, had broken, because of corruption and many donors had walked away, and our friends had walked away. And then in the nation itself was fighting amongst themselves. I chose a cabinet that was mixed, even from the party that did not want to allow me to take oath.

Thirdly, I had to make sacrifices. I got into office and I was told I had a jet, a private jet, a whole private jet for just me. And I got in there, and I thought about two million people having no food, and it didn't make sense. And I took the matter to cabinet, and we sold the private jet; and then the Mercedes Benz cars, because you can still get from point A to point B in any type of car.

The other bold step that I took, that now I know why other heads of state don't tackle it, and because it's not easy, it's the fight against corruption, but I felt that I didn't have any choice. And I was warned that I only had six months to the next elections, and that I might lose the elections, if I talked about that. And I was warned by the perpetrators, that we shall fight you until the day you die.

But I didn't see what other choice I had, and so we asked the British government to fund a forensic audit. I don't know how many leaders will conduct a forensic audit in their

government during their time. But I did that and the report is online for all to see. And we arrested 72 people. And I have had to pay the price for this, eternally.

I also donated 30 percent of my salary to a college that was training people with disability, because I got in the State House and discovered that everything is free, all food, everything, you don't buy anything, and then you are (inaudible). And I also passed the law, very quickly, on the disability issues.

I mean, Malawians are very patient with people, especially people with disability, they were going about being (inaudible), no facilities, no opportunities, stigmatized. Something had to be done, and I was the first African leader to organize a heads of state summit to discuss issues of disability.

Inclusive leadership was one major lesson again that I learned, and as I said earlier, if you bring people onboard, if you explain to them, they will stand with you.

Secondly, on major issues of national interest, for example, our border dispute with Tanzania, I organized that I get all opposition parties to State House, to sit around the table and discuss that major issue of national interest.

Secondly, was even the issue of fighting corruption, the fact that I was going to arrest people, and I was going to ask the British government to give us a law -- an audit firm to conduct the forensic audit I felt it was important to invite all opposition parties to State House to sit down and discuss this major step that I was taking in the history of our nation.

The next was to conduct a national dialogue on the economy. With a collapsed economy and the almost-bankrupt as we were, I needed to get all stakeholders into one room like we are sitting here and discuss our national economic situation, and map the way forward. And that day we drew an economic recovery plan, and that was owned by everybody that had come, from all parts of our nation, and all stakeholders, and out of which we drew five sectors that we were going to focus on for the two years that I was in office.

I also realized that in a country where 80 percent of the people are rural based,

and that the traditional leaders play a very critical role, and that I must not accept during my time, to allow women to die giving life. We engaged the Chiefs in the country, and we were able to reduce maternal death from 675,000 to 460-.

The success out of this period, the short period that I was president was as follows: The economy that had grown by 1.8 percent grew by 6.3 percent. And when I came in for the companies and factories were operating at that 5 percent, when I left they were operating at 85 percent. Two million people did not have food; in 2014 we harvested 3.9 million metric tons.

We identified 27 rural centers, and we had four months reserves in our financial requirements. Relationship with our donors and neighbors had improved, and of course Britain had come back and opened -- sent an Ambassador once more. We had added the 64 megawatts to the grid.

I want to finish by saying the following. I discovered that, yes, we can be dependent on donors for support, but we can also sit down and prioritize, as Africa, and look after ourselves and take charge of our destiny. And I want to congratulate those countries that are managing, and I'm a real proud African sitting here, seeing that there are some African leaders that have stood up and said, no, we are going to fight corruption, and we are going to make sure that we improve the lives of our people.

I want to, particularly to say that my concern is those countries that are rich in natural resources. And I have always said, that with those natural resources we can either destroy or build. There are countries whose natural resources, whose diamonds have helped to kill, maim, innocent people, but the same countries later on, use the same diamonds to build and prosper. I want us to understand as leaders, that the natural resources we have in our countries don't belong to us, they belong to the people we serve.

Distinguished ladies and gentlemen, people must benefit from the economic growth. There are so many countries, as the Professor said, that are registering very

impressive economic growth, but there's a country that I will not name; where, when you go and check on the ground, the people's lives have not changed for 10 years.

Therefore, here they are registering growth, but at the bottom people are where they were 10 years ago. And so as leaders, as a leader the recommendation that I have, that I can make to my fellow leaders, is to make sure that in the programs that we introduce in our countries, we must bear in mind, that at the end of the day we shall only be known as leaders that came and brought about change in the lives of the ordinary people, had (crosstalk) to change. In any case, if we love them, they will us back. Thank you. (Applause)

MR. LeVAN: Thank you very much, Your Excellency, and you've done something very important, which is throughout the book, Professor Signé talks about the interest of states and often his unit of analysis, as we call it, is the state. And what you've done for us is you have disaggregated that, and you've talked about what it means at a personal level, at a professional level, and at a practical, political level, what it means to operate within that state, and how difficult it is to get states to act and to do the right thing. And I promise you, we would have turned to inclusive growth during the discussion, and I'm going to call on you.

Next you'll hear from Albert Zeufack from The World Bank, and very much looking forward to his comments. And also we'll have some questions later on about Africa's Pulse, exactly.

MR. ZEUFACK: Thank you very much. It's an honor and privilege to be here today, and I want to thank Professor Signé for inviting me to this event. But I also want to thank Brahim and the Brookings Africa Growth Initiative for hosting this event, and contributing in building the Africa's voice when it comes to discussing Africa. It's not often that we see African experts talking about Africa, and I think that that's actually a very, very good contribution already.

I'll discuss three things in my short presentation. One, I would emphasize the point made in the book that Africa is indeed changing. And changing in ways we probably are

not actually, you know, well-positioned to capture, you know, that movement.

Second point, I will be discussing how I see international institutions changing, especially in their relationship with the development world.

And third, I will discuss a couple of things that I believe haven't changed in Africa, or are not changing fast enough, or are changing the wrong way.

But before let me just share a little story with you. I was, you know, invited to give a talk in a conference in London a couple of months ago. And I share the panel with an eminent African Studies Professor. And he spoke just before me and spent ample time talking about Africa, and World Bank/IMF structural adjustment policies. But when he finished his long, and still convoluted discussion of those institutions, and African countries, my reaction was just in two points.

Professor, first I don't know what Africa -- which Africa you are talking about. Actually I don't recognize any. Second, I don't know which institutions you are talking about, because I've been at The World Bank for more than 20 years, and I don't recognize anything of what you are saying. And by the way, I started my career in the Research Department and my boss was a certain Joe Stiglitz, who is saying exactly what you were saying, should be what The World Bank was supposed to do, and under him we actually tried to do some of this.

And half of my career has been spent working on East Asian countries, which were all exactly the opposite of what you are saying, and I was World Bank staff working with these countries. So, what is the point of this story? Often our specialist on Africa, do discuss Africa as an entity that hasn't changed in the past 50 years. And discuss international institutions as, you know, as we were frozen in the structural adjustment years.

And personally I don't think that's actually helpful, and that's where, you know, it was a breeze of fresh fair when I read this book, because one of the things I liked about it is associating Africa with innovation, not that often, again, when you see Africa and innovation in the same title.

And the second most important thing is, you know, making the point that Africa was actually innovating in areas such as policymaking and development strategy was also a novel idea, and I think this makes a great contribution. And third, what I really like about the book is this focus on the process of policymaking, which definitely starts with ideas, but the process itself, is still convoluted and can definitely lead to any outcome depending on how it's implemented.

Now how do I see Africa changing? Being a macro economist, I cannot, you know, refrain from speaking of growth. In the '90s, you know, '80 or '90s were all lost in terms of growth on the African continent, but these were followed by, you know, an episode of really robust growth across the continent, where Africa grew at an average of 5.4 percent, you know, for more than 20 years.

Yes, that has actually stopped with the collapse in commodity price, you know, that led to 2016 where growth was down to 1.3 percent. But again, we are rebounding out of that slump, and we are certainly projecting growth in Africa above 2.4 percent this year.

So, in terms of growth, Africa went through a kind of rollercoaster, from the lost decades of the '90s, to the Africa Rising period, to the blip in commodity, you know, the blip in growth due to the commodity price collapse, to a more hopeful future as we see it. So, we cannot look at Africa as, you know, a continent, and I'm, you know, emphasizing this because, obviously, some of you have certainly heard people asking: what is the capital city of Africa?

But, yes, we should not continue looking at Africa as that single, mono space where, you know, growth has either been flat, or is riding without any interruption. That's actually quite simple, but we don't always see this happening. So, growth has gone through different cycles. If you take macro and especially fiscal policies, the size of deficit has narrowed, you know, significantly on the African continent if you compare the '90s to the 2000s.

And, you know, as we see -- as we enter or commodity-led economies, as we enter a new phase of fiscal adjustment, we do see a different way that countries are actually

taking to approach fiscal adjustment. So, there has been a change in the way we manage our fiscal policy. You know, on the monetary side, you know, inflation has actually come down significantly, and we still have one or two countries in Africa with inflation rates at above 30 percent probably 2, but the trend is down, the trend is down, and that hike in inflation can, you know, as those economies went through the commodity crisis of the past two, three years.

So, inflation has come down as well. So, on the macro side, I think we are -- exchange rates have stabilized, that's certain, if you compare it to the '80s, and change is obvious, but what is also clear on the way Africa is changing, is innovation. African is innovating, including on the technological side. We have seen, in the past 10 years, an African country, Kenya, leading the world in access to finance. Kenya has become the world leader in mobile payments, and access to finance, leveraging innovation and technology.

And that is having a contingent effect, and on a weekly basis I speak to policymakers in Africa, who are telling we are sending a delegation to Kenya. We want to make sure we leverage the IT revolution to make access, you know, to finance a reality in our countries.

In the early '90s, less than 30 percent of Kenyans have a telephone. Today more 90 percent of Kenyans have a telephone, and that telephone is not just being used to call the large or the extended family. It's used to transact -- it's used for economic activity, that's the Africa that is changing, that we are not capturing well enough.

In my office we just finished a book on leapfrogging, and we believe Africa can actually leapfrog -- we believe Africa can leverage innovation and technology as engine for growth. We believe, you know, the path of transformation based on low-skilled, low-wage manufacturing, is only one option in the portfolio of choices African countries have, and technology can actually be one of those -- innovation can actually lead to further growth.

MR. LeVAN: Thank you.

MR. ZEUFACK: So let me just say, international institutions, like I said, have

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changed also, and today, you know, if you have followed the discussion of The World Bank lately, we are discussing cascading as the new way of doing business at The World Bank. And what is cascading? Cascading is basically to leverage all our concessional resources to attract more private investment in developing countries, and ensure that they create jobs that are badly needed by the African youth.

So, it's more of, you know, leveraging, changing this model where we believe, you know, World Bank or governments would come and create jobs to a model where we all agree with countries that we need to mobilize the private sector to do that job. We need to create the right environment for the private sector to create those jobs.

MR. LeVAN: Thank you.

MR. ZEUFACK: The last point. You know, just one last point on a couple of things that I see not changing fast enough. One, is what Excellency Banda said earlier, is elite capture and corruption not declining fast enough, and we've made governance, you know, the circle of our strategy in The World Bank since President Wolfensohn, but the results are certainly not commensurate to that effort, and I think it's important for African countries to step back, and ask themselves what would we take to curb corruption.

Second thing that, personally, I believe is not changing enough, is the perceived power of international institutions, and I sense some of it in this book, most of our intellectuals in Africa still believe the monopoly of ideas generation is somewhere in Washington. Most of our elites still sit and wait for Washington, IMF to come and tell them what to do, and some are very quick to tell you how good they are in applying or in doing what the IMF said, but that is, from my perspective, the biggest problem.

Having spent most of my career working on East Asia, I believe that's one of the biggest differences between Southeast Asia and Africa. These countries took your destiny at hand, and call on the IMF or The World Bank when they needed them. When they believe they had a role to play. Not otherwise. And I've now completely been convinced that aid,

international institution, World Bank included, have never developed a country.

But these institutions have helped countries that wanted to develop to do so. So, it's all on us now, and I'm so pleased to see young Africans, well, not that young, younger than me, Africans taking that mantle and leading Africa to that change. Thank you so much.

(Applause)

MR. LeVAN: Thank you, Dr. Zeufack, for those comments. And one thing that I appreciate in the way you formulated Africa's progress is I think there's been a lot of mythologizing about innovation from the individual entrepreneurial level, and so, for example, the book, *The Bright continent* I think documents that very well, telling an awful lot of narratives of innovation and development.

And I think what's interesting and important about Professor Signé's work is that he meets those individual and inspirational stories of entrepreneurship with some of the challenges and opportunities at the institutional level, and tells us how reform happens, and how it is sometimes impeded. So, I want to ask each one of you, I think, a question and I have the unenviable task of encouraging you to be brief, because I think we have some burning questions from the audience as well.

And I think I would very much like to start with this challenge of inequality, and direct the question to Professor Signé since he mentioned inequality. And it's a pressing topic because the United Nations Economic Commission for Africa, as many of you know, issued a report noting and (inaudible) that high rates of economic growth often coexists with rates or even expanding inequality. So, we do have this persistent recurring problem in many, many places in Africa of high growth and increasing inequality.

Brookings, just last month, issued a report reflecting on some these empirical findings noting that out of the 19 most unequal countries in the world, 10 of them are in Africa. So, you know, I'm putting this information out there, because there is a domestic institutional story, in that democracy was supposed to solve this problem.

And perhaps that's true, but I think it's also important to remember that one of the conservative concerns about democracy from the 1960s during the modernization theory period was democracy is just going to redistribute down, and that hasn't happened at all according to this information. So, how do you grapple with that relationship with institutional reform and the opportunities, and this persistent problem of inequality in Africa?

MR. SIGNÉ: Thank you very much for the question, and I have to say, a very interesting one. I was just moderating a panel last week on the economic situation in Nigeria, and that was among the questions discussed. And my answer would be quite brief. Growth is extremely important, and you cannot have inequality with just either on the short or the long run if you didn't have growth at all.

So, that is the short answer. Having said that, during the presentation last week, the comparison was made between the different growth period and the level of reduction of inequality, so at the very beginning growth is likely to increase inequality because the smartest one, the most entrepreneur will be the one capturing the benefits of growth. That is where the political leadership, accountable leadership is extremely important because it is up to them to design policy to expand the benefit of growth.

MR. LeVAN: Excellent answer.

MS. BANDA: Now, my answer was just one sentence, but he said it all. But as far as I'm concerned I think inequality can be dealt with through political will, it's the leadership in the nation making a decision, a deliberate decision that all are going to be taken on board, that we shall not leave any segment of our society aside. Through the programs that leadership, that government introduces.

For example, in Malawi we had the micro finance programs all the way down to the ground, agricultural extension for the small loans for inputs all the way down to the ground, a (inaudible) family, small social programs that seem too small to worry about have a lot of impact right on the ground. So, it's all about political will and the programs that you put in place. So, I

agree with you.

MR. LeVAN: I think the institutional story of the book is that you have to make it within people's interest, through institutions, institutional incentives to do that, and so there might be a little bit of a tension on the stage about doing it through the goodwill of leadership, and doing it through institutional reform, but we can allow that to play out a little bit more in Q&A.

I do want to channel some of these aging professors in Africa, if I may, and pose a question for Dr. Zeufack, so I read Africa's Pulse a couple of days ago, the report from The World Bank, and one of the things that the report highlights is that intraregional trade around Africa, the volume of trade has been stagnant at around 13 percent, even though the value of those traded goods has gone up, the overall volume of trade is only 13 percent.

And so, I'm invited here, I think, as an outsider to ask tough questions, and I think the question I want to ask is, Brookings was really at the forefront of, for example, advocating for Africa Growth and Opportunity Act, and one of the principal criticisms or pleas for reform that came from the African continent was that AGOA would facilitate more trade across the Atlantic, and what was really needed was more of this intraregional trade. So, in telling an institutional story, can you maybe respond to some of those critiques?

MR. ZEUFACK: Sure.

MR. LeVAN: And sort of thing through as the international set of institutions, that Professor Signé is talking about, too biased towards that international trade instead of that intraregional trade, and maybe there's other examples like that you want to share with us.

MR. ZEUFACK: Excellent question. Let me very quickly touch on the social inclusion and inequality question.

MR. LeVAN: Sure.

MR. ZEUFACK: I say simple, is jobs. Right? You know, what has happened in Africa is most of our growth has been a jobless growth, it's been commodity-driven growth, and

most of our natural resource sectors don't create enough jobs, meaning, you know, mainly mining, and oil and gas do not create enough jobs, and from all our analytical work at The World Bank the main determinant of income growth is actually having a job, having a job.

So, you know, it's so important to actually ensure that we have, you know, sources of growth that do come from areas that are more labor intensive or that create, you know, more productive jobs. Now, and linked to your question, the trade question I personally don't believe it's an either/or, and I think the emphasis is made here on both international and regional organization to drive Africa's growth.

When it comes to AGOA, well, I wouldn't argue, we shouldn't have done AGOA and just focus on regional trade, because AGOA is not working either. You know, AGOA hasn't actually delivered on its promises, and it's difficult to understand why Ghana is not flooding the U.S. market with products, why the most -- you know, the country that is delivering more on AGOA is actually, you know -- it's not Botswana, Lesotho.

MS. BANDA: Lesotho.

MR. ZEUFACK: It's Lesotho, you know, which is way further than the U.S. So again, the institutions that make trade work, do make both international and regional trade work. And, yes, intra-Africa regional trade is one of the slowest of all regions of the world, and even targeting 15 percent as the ECOWAS is trying to reach, is still a challenge.

Now, why is that? Simply because we have, I would say three important values. One, the regulatory values, we may be preaching, you know, regional integration in Africa, but when you look at non-tariff barriers across African countries.

When you look at MODE-5 trade, which is movement, free movement of people across Africa; and as we speak, the Head of State of CEMAC are meeting in (Inaudible), trying to discuss the free movement of people in an economic community, and it's been there for 20 years, you still cannot travel from one country, you know, to the next without a visa. So, basic barriers are set and each to come down for trade to actually take place.

The second is the, you know, massive infrastructural gap in Africa, and when you travel to East Asia or even Latin America, the thing that strikes you traveling Africa is where is the infrastructure? What have we been doing for the past 50 years? Where is the infrastructure?

Just taking a container from Mombasa to Uganda would take you a week. Now they're actually, you know, working to reduce that, that will probably help with the trend that is coming but more -- it's just crucial, the deficit, the infrastructural gap for Africa is \$48 billion per year. So, none of us, all the international institutions combined, cannot even address that in the next 10 years, so we need to work towards reducing that infrastructural gap, if we want both regional and international trade to increase in Africa.

And, you know, last but not least, corruption. Just take any industry related to trade in Africa, take customs in Africa, in most of the African countries you would have to really, you know, work extremely hard, or harder than any other place to actually get your goods through. Thank you.

MR. LeVAN: Thank you. Well, I think we ought to go ahead and open it up for questions, if that's okay with you. And when you speak, please wait for a microphone which will come to you from the staff here, and identify yourself loudly and clearly, please, and keep your questions brief. Thank you. This woman over here, please.

QUESTIONER: Hello. I'm Claire Romonoc from USAID, and from the Office of Land and Urban. So, my question is, of course a key demographic trend is urbanization in Africa, how does your research see national urban policies as integrating with overall economic development strategies, and also I think political leaders in Africa are also concerned about so much development, so much investment population, economic growth concentrated in one dominant city, often the capital, and if there's something to learn about, trying to balance development throughout the country through secondary cities.

MR. LeVAN: That's an excellent question. And I will plug our guest, the book

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again, because he talks quite a bit about path dependency, and many of those cities are the same cities built up by colonial empires decades ago. Is there one more question we can perhaps field? Maybe this gentleman over here, and then we can take the question about cities, again, secondary cities.

MR. HERSHEY: I'm Bob Hershey, I'm a Consultant. To what extent are you able to use the Internet to get more transparency; and to get the funding together for things, and get people expressing their views of what they need?

MR. LeVAN: Okay. So, great question about transparency and leveraging the Internet to promote better governance. Who would like to open it up?

MR. SIGNÉ: So, for the question related to urbanization, I think it is, to a certain extent, as Professor LeVan noted, plus dependency, because the major city in Africa today, are the ones which were designed during the Colonial era. However, again, better institution and political will can bring about substantial transformation. Have you ever been in Kigali?

SPEAKER: Mm-hmm.

MR. SIGNÉ: Have you seen the change? So, political will, and better elaborated policy can definitely be the answer, and one of the problem, what makes this not happening, is poor governance or vested interest of some leaders who may rather direct the resources to a wider region towards other users instead of focusing them on developing the country.

And then in term of Internet, that is a very good one also. As a matter of fact Internet has both sides on the continent, so I was traveling I think, in Benin, and I received a message from the president wishing best wishes, or offering his best wishes in celebrating a National Day. So, (inaudible) maybe used, either by the government in (inaudible), but also by the civil society in creating more opportunities.

And let me make a few illustrations. First, one website called Jobberman, which is owned by one of my friends. We had a conversation not a long time ago, it is a website which link employers with applicants for a position. He has been able to secure almost half-a-million

of jobs to people through his platform.

We also have other opportunities, some articles which were published where before sellers had to go to the village place and to sell your merchandise at any cost offer, now with mobile phone, they can make a call and see that, oh, I can make 50 or 70 percent, get 60 or 70 percent more revenue by just driving 2 miles or 3 miles, and to go to a different marketplace. So, I think those are some of the interesting aspects of the technology. And I can name many other example, but I will leave the opportunity to my --

MR. LeVAN: I think the important thing about technology is to remember that it's only a medium, and I think that's one of the lessons from the transparency community in the last 10 years or so, is that, you know, as we saw with Nigeria when, for example, Federal payments to states in local governments were first being published on a regular basis, the information by itself didn't inspire people to rise up and say, was this money actually spent, that there still needs to be some sort of political process instead of institutions that can translate that information into political demands, and the accountability I think you are asking about.

MS. BANDA: May I?

MR. LeVAN: Yes, please.

MS. BANDA: I'm not going to say that as our distinguished Chief Economist from The World Bank has said, that most countries, like Kenya especially, have used the Internet for growth, and now money can be transferred through the internet, but I think I must draw the attention of this distinguished Chair, however, you see it, that most of Africa accessibility to Internet and the phones is at maybe 30 percent.

There are children that are born that are born, all the way to high school before they see a computer. So, what we must always be aware of is while with this technology is going forward, there's a whole generation that we are leaving behind. And for me, that's an issue that we should be all be interested about. And I don't know what The World Bank can say.

MR. ZEUFACK: Well, just a couple of things to complement these answers, The World Bank has done a World Development Report in 2016, on digital dividends, and that report is extremely clear on what could be the potential benefits of Internet to developing world, including on tackling governance issues.

You know, since then we have been working with countries on e-procurements, on open government projects, bringing that transparency to Internet or to, you know, other electronic means. We've worked with a number of countries on e-government, putting all the services online so that, you know, you cut the middle man, you reduce the number of permits and the number of stance you need to do anything when you go straight online.

So, that World Development Report would give you ample examples of what the Internet can do. But I will agree with Professor LeVan that, you know, it's only a tool. It's only a tool, it's only a tool, and it works as long as people want it to work.

And if I have 30 seconds, I will tell you a story. And that's my own story working on Cambodia, managing a trade facilitation project, and my role in that project was to limit corruption in customs in Cambodia. So, we went full steam on using the electronics to create a green line, and make sure we use, you know, we use risk management to reduce the power of the custom officer, so we invested in -- we invested close to \$2 million in procuring a software that was to be used by customs in Cambodia.

And after all those efforts a month later, the whole system was broken, broken, right. So, you know, it actually went through some physical sabotaging. So, it never went anywhere. So, from that experience, you know, it's quite clear from our own experience that, you want to be able to make sure, you know, you emphasize the human factor in fighting corruption or in improving transparency, and only using the tool of the electronics when it's actually right.

MR. LeVAN: That's good. Thank you. And we've got a few more hands now, so let's see if we can take at least two questions. This gentleman here had his hand up, and then

we'll move to this lady here with the glasses on her head. And we'll try to keep our answers brief so we can work our way to the back.

QUESTIONER: Thank you. I'm (Inaudible), I'm Co-Founder of a non-profit in Seattle that focuses on clean water innovation. My question is about long-term economic growth, prosperity. Economic growth and development is increasingly dependent on intellectual capital technology, and so the question I have is, what is your statement or assessment of the indigenous innovation capability in Africa? And I'm not relying on FDI or technology from outside, you know, the continent rather, in terms of the indigenous capability to innovate.

Innovate in areas like water, housing, food, transportation, these are areas that require maybe very unique solutions in the countries, and what are the challenges in terms of billing this kind of innovation ecosystem that Africa is going to need in the future.

QUESTIONER: Hi. I'm Brittany Morales from Adelaide University in Australia. Thanks for your comments about the changing (inaudible) institutions and the power of ideas and development innovation. I was wondering if you could comment a little bit on how even Asian powers have played into this, particularly China, Japan and India. What their development strategies and ideas have brought to Africa? Thanks.

MR. LeVAN: Why don't we take one more, the gentleman here?

QUESTIONER: Thank you. I'm Jiao Ying from Shanghai Institute for International Studies, and also a recent scholar at CSS. And my question is about the African industrial addition, as we know, the industrial addition is a very common (inaudible) strategy for the African countries, and also we see your 2030 Agenda -- AU 2063, and also the national strategies.

All of these strategies pay a very big emphasis on the industrialization. I happened to come here this June, and I talked with the professor, and he told that Kenya now is planning six industrial parks, or maybe Special Economic Zones, but he said, six is not enough, our plan is to have 47. That means each county of Kenya -- each county of Kenya will have its

own industrial park. So, I just want to hear about your ideas, or wisdom on this. How to think whether the -- over the (inaudible) stated the law of the industrialization? Thank you.

MR. LeVAN: Okay. Those are three good questions to start with: so, innovation, Asian development and then also this question of industrial parks and industrialization.

MR. ZEUFACK: Where will you start?

MR. LeVAN: Do you want to start? (Crosstalk)

MR. ZEUFACK: Look, the questions on African innovation, you know, ecosystem, is crucial. Innovation is not just about R&D, it's also about the capacity to adopt and to adapt technology, and that's certainly something missing in most of our countries, and the parallel to that, and close to the book is that ecosystem for economic policymaking, that is also lacking. As I travel across the continent, we have lost those policy units, or those offices around heads of states that were technocratic and could absorb all the knowledge we produce and translate that into economic policies.

We need ideas, we need strategies, but we need to actually translate those into concrete policymaking, and this is not happening. So, one of the things I have done, as I took up this job, is to try to close that gap. That gap will be closed if we can strengthen those countries that have chief economist offices, for example, equip them with high caliber staff. Those countries that have, you know, economic advisors, to presidents or to prime ministers that are single-people teams, try to see if we can equip them with skills but also tools.

And we've just launched around the annual meetings, the first network of Chief Economic Advisors of African Presidents, and I'm launching, you know, a program called Think Africa. That would not only strengthen those institutions to adapt and translate into concrete policies within administration, but also strengthen the African think tanks, who should also do that outreach.

So, the same goes for the innovation, you know, ecosystem. It's missing. We need to build them. We need, certainly, more incubators, we need more institutions within

government that understand what technology is, who can actually help us to really bring this into concrete projects and more.

The second question on the role of Asia and China, precisely on Africa's changing landscape; I think Asian investment in Africa has been a blessing, because it has actually, you know, basically filled a gap that was glaring. That focus on infrastructure and helping, you know, just starting to close that infrastructural gap.

If you take the number of paved roads in each of our, you know, Sub-Saharan African countries, before and after China started really getting involved, you will see a clear change in growth, right. Growth of number of kilometers of paved roads, how is this financed, if that's sustainable, it's a different question, but if you just look at the basic numbers, there has been something happening there.

Second, I think it's always good, and we economists agree that, you know, consumers gain when markets are contestable, and I think, you know, by contesting the natural resource market, China has actually created an opportunity for African market to actually, you know, capture more rent, and hopefully use it better than we have done in the past.

But there has been that contestability, and I think that has been part of the change story. So I agree with you that, you know, if we are thinking of Africa's changing, you know, the relationship, the deepened relationship with Asia is certainly one aspect to look very, very closely into. And my office is actually doing a study on value chain and, you know, between Africa and China, and Asia more precisely. Because we tend to focus too much on China, but Asia is probably broader than China.

And the last question on industrialization, very quickly. Look, African countries in Agenda 2063, have agreed, have decided to industrialize, there's no debate about it, and I think that's a good thing. Now, how do you go about industrializing is a separate issue. Industrial parks, a panacea, I believe know they are not a panacea. Now, can they help? Definitely. So, what I'm trying to do, what I'm looking at these days is to bring some more analytical

underpinnings into the factors, you know, the success factors of Special Economic Zones.

What is the impact of those zones on firm behavior, on firm performance? Can we actually unequivocally say that firms in SEZs are more productive than those outside of SEZs, in which sector? What are the real reasons why the first attempt of SEZs in the '90s in Africa all fail; why? I don't know. But until we understand this properly I wouldn't push it as a panacea.

MR. LeVAN: We are almost out of time. And what I would like to do is invite Your Excellency to perhaps reflect for a minute or two, on her vision of leadership and maybe some lessons. I think your presence here is a powerful endorsement of Professor Signé's work, and you certainly have special and unique insights about what it means to be an inspirational leader with a positive vision, and trying to advance that vision in an institutional environment that is sometimes working against you. So, if you could take a minute of two to share your vision that would be a wonderful way of closing I think.

MS. BANDA: I feel that for us, going forward as Africa, we must check the leader's leaders to ensure that we strengthen our government institutions. In most African countries like Malawi, in particular, the president has the power to appoint the Head of Anti-Corruption Bureau, the president has the power to appoint the Head of Procurement. Now that doesn't help, because the president doesn't have the power to finally appoint the Inspector General of Police.

It is my hope that in a country like Malawi, and most countries, these institutions, the appointment of those leaders shall be transparent and shall go through institutions like Parliament. Therefore, that officer becomes independent. And, too, I believe that we as African leaders must stand up and fight corruption. But for us to achieve that, those that stand up and stick their neck out, must be motivated and encouraged.

When they end up being treated like victims, then we are not motivating others to do the same. Thirdly, I would like to ask that the West and the South work together in this fact,

because for me it's a prerequisite for economic growth. Now, if I have been Head of State in my country, and I come to the U.S. and I buy five houses, then I expect the American government to ask me where I got the money from. It's just common sense.

If I come here and open an account with huge sums of money, then the American government must ask me how much was I earning in order for me to open those huge accounts. Then we are forging smart partnerships. And we must be able to separate politics, propaganda and real stuff. But we find that the fighters in the end become victims, and women leaders have -- women leadership, in general, is under attack right now.

This world, this Africa, Europe, and everywhere, we are only going to achieve economic -- Sustainable Development Goals, and we are going to achieve more if men and women are allowed to work together side by side. In any case, women are the majority, and the last time I checked, they brought into this world the other half. (Applause)

SPEAKER: Absolutely.

MR. LeVAN: Thank you for matching Professor Signé's realism with a powerful message of hope. And thank you to the Brookings Institution for convening this provocative discussion. Thank you so much for coming. I hope to see you again soon. (Applause)

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