

Innovation in international cooperation

ETTG-EP public debate, European Parliament, 17/10/2018

SDG's vs. 'To create 10 million new decent jobs in Sub-Saharan Africa'

"There is not a single country in the world that has reached a high stage of economic and social development without having developed an advanced industrial sector" (12/2015 Kofi ANNAN)

"To create in Africa 10 million decent jobs over the next 5 yrs" (J-CI Juncker, EC State of the Union address, 12/9/2018)

Private for profit enterprises **are uniquely positioned** to create in Africa a new important captive market for their products and services, install human rights, reduce/prevent conflicts, reduce/prevent illegal migration and ... prevent China to take over Africa.

Dear participants in the town-hall debate,

Here is the person who voted against the SDG's.

Of course I am for human rights and against inequality, who's not? However, broad media coverage of the SDG's make Western entrepreneurs believe that Africa is still in urgent need for aid and that there never will be a market for their products in Africa. Out of corporate social responsibility they fund the large 'aid' community. Only a fraction of Western entrepreneurs invest in activities transforming locally Africa's rich natural resources and create millions decent jobs in a formal economy.

An Industrial Marshall Plan 'with' Africa financed by private investors: a prerequisite for SDG success

Africa, unlike the West, only rarely talks about the SDG's. Not only the late Kofi Annan but also the actual authorities of the African Union, the African Development Bank, almost all African presidents, and over 1.000 interviewed young professionals know that 'No poverty', 'Zero hunger', 'Good health', 'Quality education', 'Gender equality', 'Clean water', 'Reducing inequalities', etc will only be reached thanks to SDG goals 8 and 9 ('Decent work and economic growth' - 'Industry, Innovation, and Infrastructure')

Hence Africa's urgent calls for 'Foreign direct investments': *a kind of an industrial Marshall Plan 'with' Africa financed by solid private investors*. They know that only an advanced industrial sector will be able to create, over the next 5 years, 10 million new decent jobs and a large middle class. They univocally ask for the permanent transfer of modern technologies and advanced industrial practices. Fiscal income generated by the 10 million new decent jobs will allow individual governments to provide 'No poverty', 'Good health', 'Quality education', 'Gender equality', etc. Concentrating on the 'classic' SDG-goals is like working only on the symptoms of a disease.

Africa's most important obstacle: few EU enterprises are aware of the strengths of Sub-Saharan Africa: (the 'other' Africa)

- (1) **its highly educated demographic dividend**; (2035: same number of educated professionals in their prime of life as China)
- (2) its potential buying power of an emerging middle class; (2035: 25% of the active world population)
- (3) its eternally renewable energy sources; (the sun)
- (4) its arable land to feed the world;
- (5) its large multicultural diasporas;
- (6) its ability to digitally integrate **its micro, small and medium enterprises** in global industrial value chains;
- (7) its - temporarily - low labour cost;
- (8) its emerging democracies; (Ghana, Senegal, Benin, Ivory Coast, the Gambia, Namibia, Botswana, ...)
- (9) **its financial elite** in search of enduring industrial investments vs. investments in commerce and residential real estate;
- (10) Conclusion: **The responsibilisation of Africa**. Africa does not ask 'guidelines' and 'aid'. Africa only needs a prolonged immersion in advanced industrial activities.

Kind regards

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Circular migration African engineers - L'Afrique n'est pas celle que vous croyez

Un Plan Marshall industriel du secteur privé 'avec' l'Afrique

2006-2018 Burundi, Cameroun, Ivory Coast, Mali, Sénégâl

- 500+ interviews with young engineers and economists

- 150+ discussion sessions with authorities and entreprises 'The industrialisation of Africa'

1997-2005 Agoria Technology Federation (Belgium)

1990-1996 Hewlett-Packard S-E Asia - 1968-1989 Hewlett-Packard Europe/US

More observations on opportunities and issues raised during and after the debate

Africa's educated demographic dividend and the emergency of a large vocal African middle class - The climate issue & Africa's eternally renewable energies - Africa's digitalisation - The fetishism of 'Start-ups' vs. 'Foreign direct investments' - 'Entrepreneurship' vs. 'Good old-fashioned experience is the key to learning this craft' - Africa's gender equality: ahead of the West? - Foreign direct industrial investments - Human rights: The inclusive and sustainable industrialisation & The emergence of a large educated vocal African middle class - Deep pockets of African private financial resources - Foreign direct investments & The most fragile African countries - The AU-EU geopolitical and economic 2,5 million people powerhouse of neighbours with historical/cultural ties (see here-under)

- ***Africa's educated demographic dividend and the emergency of a large vocal African middle class.*** Even fragile African countries already to-day can count on an 'educated' middle class able to and eager to take their future in their own hands (Africa 2035-2050: the same number of highly educated professionals, **in their prime of life**, as China). They only need a deep longer term immersion in a modern advanced industrial economy and society. Foreign direct investments by solid industrial companies and the massive roll-out of a circular mobility programme for young highly educated African professionals in advanced foreign industries and societies can cope with this need.
- Foreign direct investments and high level circular migrants make sure that African economies grow faster than its population and lead to the emergence of a large educated vocal African middle class: a **bottom-up kick-start of a virtuous circle** of more literacy, more foreign and local private investments, more decent jobs, more buying power, governance and democracy, more inclusive and sustainable well-being, **less irregular migration**.
- ***The climate issue & Africa's eternally renewable energies.*** In order to industrialise itself Africa can start from scratch and take advantage of modern clean technologies and decentralised eternally renewable energy resources (the sun). Decentralised (photovoltaic) electricity is available at a lower cost than electricity produced by 'cheap but polluting' coal power plants, forgoing the need to invest in large expensive distribution infrastructures. The local transformation of Africa's rich natural resources not only adds value and jobs to Africa but also shortens the delivery channels to their respective African and European end-users.
- ***Africa's digitalisation.*** Already to-day 90% of Africa's population lives within the reach of mobile telecom networks allowing local micro and medium enterprises to insert themselves into global industrial value chains in the most diverse economic sectors, as a specialised link. Participation in a large variety of international industrial partnerships creates an order of magnitude more decent jobs than the concentration on 'digital' as an industry in itself.
- ***The fetishism of 'Start-ups' vs. 'Foreign direct investments'.*** In a large consensus all African governments promote the nurturing of young start-ups. Their efficiency and effectiveness, however, never has been proven. On the other hand solid, vested enterprises, with proven experience, processes and deep rooted competencies can give a fantastic boost to the industrialisation of Africa. A vast majority of successful start-ups have acquired the 'craft' of entrepreneurship in vested enterprises. (see next item)
- ***'Entrepreneurship' vs. 'Good old-fashioned experience is the key to learning this craft'.*** Sure, you can take an entrepreneurship class, but it won't really prepare you for start-up life. Solid foreign direct industrial investors permanently transfer modern business processes, technologies and social models to Sub-Saharan Africa and act as a **permanent management school** for its staff and local micro- and SME partners. There you learn the 'craft' of entrepreneurship.
- ***Africa's gender equality: ahead of the West?*** Polytechnic colleges in Senegal, Cameroun and Ivory Coast are proud to announce that 25 pct of their students are female. And they are the best of their classes. Their departments of civil engineering and ICT-Telecoms boast 50 pct female students. Across Europe only 9 pct.
- ***Foreign direct industrial investments***
 - lead to the massive creation of decent jobs in labour intensive modern PPP **infrastructures**, in labour intensive advanced agro-, food- and manufacturing industries and in related services;
 - permanently transfer modern business processes, technologies and social models to Sub-Saharan Africa;
 - act as a **permanent management school** for its staff and local micro- and SME partners;
 - inspire local **micro and medium enterprises** to insert themselves into global industrial value chains; (as a specialised link);
 - inspire the **important local financial elite** to invest in a productive economy instead of investments in 'commerce & residential real estate';
 - create **fiscal income** for the African governments;
 - lead to the emergence of a large educated vocal African middle class.
- ***Human rights: The inclusive and sustainable industrialisation & The emergence of a large educated vocal African middle class***

- A large educated vocal middle class leads to an increase in general literacy and a **bottom-up** decrease of inequalities and deficits in governance;
- is instrumental to rethink an Africa-EU partnership for mutual benefit, in line with 21th century global challenges: economic globalisation, climate, the African demographic dividend, 4th industrial revolution, governance and geopolitical realities;
- kick-starts a **virtuous circle** of more literacy, more foreign and local private investments, more decent jobs, more buying power, governance and democracy, more inclusive and sustainable well-being, **less irregular migration** and **more human rights**.
- **Deep pockets of African private financial resources.** Broad awareness raising of international industrial partnerships, foreign direct industrial investments and high-level circular migrants inspire the important local African financial elite to invest in a labour intensive productive economy replacing their traditional investments in less labour intensive ‘commerce & real estate’. Solid foreign investors in partnerships with the local African financial elite eliminates largely the need for important public investments. (through public private partnerships for infrastructures)
- **Foreign direct investments & The most fragile African countries.** It is the ultimate dream of all African citizens to live in a kind of a **socially inclusive democratic society** similar to the one in their neighbouring EU continent (their old colonial powers). Foreign direct industrial entrepreneurs, however, they prefer to invest in **countries with a stable political environment**. Out of peer pressure fragile neighbouring countries may participate in pan-African institutions and engage in more government governance in order to also attract FDI's. Or, how foreign direct industrial investments in stable countries inspire neighbouring less stable governments to increase their governance.
- **AU-EU geopolitical and economic 2,5 million people powerhouse of neighbours with historical/cultural ties.** Even illiterate African parents want their children to live in a kind of a socially inclusive democratic society similar to the one in their neighbouring EU continent. A geopolitical and economic partnership between these two neighbours will, in era of new Trump-Brexit nationalism, buttress the EU-AU role on the international scene on the mayor issues of to-day: climate and asymmetry in well-being between continents.

Summary

Extensive interviewing and exchanges in Sub-Saharan Africa with 1000+ young professionals, entrepreneurs, academia and governments, augmented with 500+ interviews with entrepreneurs in Belgium and Germany, led to the following observations.

An urgent need for EU-wide awareness raising of Africa's strengths

- even fragile African countries have access to an important, young highly educated middle class;
- only an advanced industrialisation of Sub-Saharan Africa will lead to a high stage of economic and social development;
- Africa wants to develop itself without guidelines from the West;
- an important African financial elite is not aware of the opportunities offered by investments in a productive economy;
- **Western entrepreneurs are not aware of the existence of the important African highly educated demographic dividend.**

Circular migration AU-EU for young highly educated African professionals: (e.g. [AFRIKA KOMT!](#) & [Migration Circulaire](#))

- ✓ empower young African professionals with modern international business experiences and contacts;
- ✓ inspire EU entrepreneurs and a local African financial elite to invest, without mayor risk, in a productive African economy.

Broad awareness creation for the circular migration of the highly educated African demographic dividend

- ✓ EU and AU enterprises increase their direct investments in Sub-Saharan Africa; ([A private sector Marshall Plan 'with' Africa](#))
- ✓ stimulates the creation of local and global Industrial Value Chains ‘with’ advanced industrial players;
- ✓ accelerates an inclusive and sustainable development of Sub-Saharan Africa; forgoing the need for large public financing;

⇒ The inclusive and sustainable industrialisation of Africa and

eliminate/reduce **root causes of instability, inequality, poverty and forced migration.**