

**OPENING REMARKS BY AMBASSADOR JUMA V. MWAPACHU,
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THE SID NETHERLANDS CHAPTER'S SEMINAR ON
'DEVELOPMENT, ECONOMY AND LABOUR-SHIFTING FOCUS IN
THE DISCOURSE ON INTERNATIONAL COOPERATION'
THE HAGUE, 10 APRIL, 2014.**

Good afternoon,

First of all I want to thank the Netherlands Chapter of the Society for International Development for inviting us to this Round Table Dialogue on an important theme about the 'Shifting Focus in the Discourse on International Cooperation' with a special emphasis on the global labour crisis. This is a highly relevant and topical subject and I will revert to this point later.

Suffice to state at this outset, and citing the Nobel Laureate, Amartya Sen, that "whilst it is impossible to have, in the foreseeable future, a democratic global state---yet if democracy is seen in terms of public reasoning, particularly the need for worldwide discussion on global problems, we need not put the possibility of global democracy in indefinite cold storage."

SID's enduring philosophy resonates well with what Professor Sen encapsulates and this conversation today falls squarely within such a paradigm of thinking.

Secondly, I wish to commend the SID Netherlands Chapter for remaining vibrant and engaged in promoting the ideals that have made SID sustain its relevance within a fast changing global environment and outlook towards global non-governmental, ideas-based, institutions such as ours.

In many parts of the world where SID prided itself with presence and robust vitality in yesteryears, we have witnessed sad institutional demises. When we formally meet tomorrow to discuss Chapter activities there will be an occasion to exchange views about some of these challenges.

Friends,

20 Years after the genocide in Rwanda which the world joined Rwanda in commemoration three days ago, the world is still haunted by the spectre of a human tragedy beyond human imagination. That tragedy remains a traumatic and agonising attestation of the worst failure of international cooperation.

In 2001, US Ambassador Samantha Power wrote a Pulitzer winning article in the US magazine, The Atlantic entitled, 'A Problem From Hell-America and the Age of Genocide' in which she argued that "any failure to fully appreciate the genocide stemmed from political, moral and imaginative weaknesses, not informational ones."

One also notes that on 26th February this year, the UN Secretary General whilst launching 'Kwibuka 20', the series of events to mark the 20 years since genocide in Rwanda, described

the collective failure to prevent atrocities in Syria over the past three years as a “shameful indictment of the international Community.”

In this context, as we meet here with our minds focused on the discourse about international cooperation, we cannot be oblivious about these tragic backdrops and the consequent need to interrogate the state of international cooperation, with its slant on development, within the broader context of the new dynamics centred on what the late Harvard Professor John Kenneth Galbraith described as the conflict between ideology and new economic realities.

We should and must ask, to what extent is international cooperation free of ‘political, moral and imaginative weaknesses’ today? Is it not realistic to argue, as Ian Bremmer does in his book, ‘Every Nation for Itself’ that the global economy, which crucially drives international cooperation, is in fact going through serious challenges that increasingly foster more inward economic approaches that are largely reflective of ‘every nation for itself’?

In fact, Bremmer proceeds to lament that “the need for international cooperation has never been greater” and he cites diverse reasons for it, with terrorism, civil wars, climate change, diseases, food security and the stability of the global economy itself standing out.

Even then, Bremmer reflects lack of optimism when he notes that the G20, the UN institutions, notably the Security Council, the IMF and the World Bank (he forgot to include the EU for some reason) are “unlikely to provide real leadership” in addressing, in fundamental ways, such transnational problems because, in his view, the leaders of such institutions face their own major domestic challenges resulting in eroded ability to keep the peace, expand opportunities, reverse the impact of climate change and feed growing populations around the world.

Of course the situation about international cooperation may not be as alarming as projected by Mr Bremmer. And whilst Rwanda genocide and the on-going Syrian atrocities are important reminders of the need to intensify international cooperation, there are positive developments that also deserve celebration.

In fact, the idea of international cooperation itself is being re-defined beyond its traditional North or rich world-driven dominance following the strong participation of countries like Kenya and Tanzania in fighting terrorism and civil war insurgencies in Somalia, Darfur and Eastern DRC. We have to view international cooperation differently in a world where cooperation is no longer based on a rich-poor country paradigm.

The EU and especially French military involvement in Mali and the Central African Republic also powerfully attest to a strong rally in international cooperation over matters of peace and stability. And it is out of such peace and stability that poor countries can begin to undertake much needed inclusive social and economic transformations that lift populations out of poverty, create jobs and prosperity.

In this vein, it is important to recognise the fruitful Fourth EU-Africa Summit discussions and decisions arrived at in Brussels on 3rd April. They reinforce a more recent consistent refrain born out of the Lisbon Summit in 2007 about cooperation that is built on meaningful solidarity and mutual benefits.

In an important sense the recognition that it is the people that must remain at the heart of the EU-Africa Partnership has strong linkages with the spirit and ethos of this Seminar.

The EU-Africa Partnership further recognises climate change, water, energy and cybersecurity as ‘non-traditional challenges’ to peace and security as well as being potential destabilisers of social and economic development.

It calls for the pursuit of policies that would ‘create jobs and stimulate environmentally sound, inclusive, sustainable and long-term growth’.

In a highly pronounced way, the EU-Africa Summit Declaration recognises that “preserving existing and creating new jobs including in the manufacturing sector is a high priority for both continents. Faster industrialisation and modernisation of the enterprise sector is essential for many African countries.”

In this regard, the EU-Africa Partnership has pledged US 38 billion over the period 2014-2020 and has declared to undertake the following:

- Promote science, technology and innovation especially in agriculture and agri-business;
- Preserve and develop biodiversity and eco-systems;
- Promote Small and Medium Enterprises;
- Revamp economic integration as a vehicle for opening up trade, build stronger markets as well as support physical and soft infrastructure- transport, affordable energy with emphasis on renewable energy, water, ICT;
- Unlock and support business entrepreneurship especially among the youth and women through investments in science, technology and innovation and fostering access to risk and venture capital;
- Equip citizens with knowledge, skills and services needed to exploit opportunities in the economy;
- Promote policies that create right conditions for inclusive job creation especially for young people and women for which provision of quality education and vocational training is imperative.
- Support peace keeping operations to assure peace and stability.

Friends,

Earlier on in my statement I pointed out that I would revert to the question on global labour crisis later. To some extent I have alluded to this question in the context of the framework of international cooperation under the EU-Africa Partnership. However, it is vital for this Seminar to grasp the seriousness of the global labour crisis and what it portends as a basis for stimulating an informed conversation.

It is particularly important to reflect on the obtaining crisis because as Parag Khanna has noted in his book, ‘How to Run the World’, international cooperation has to crucially shift from official aid programmes to what he describes as the “promotion of human will”; in other words, to determining, in practical terms, how such cooperation has contributed to factories being built, jobs created and doctors trained and, overall, in what quantities and with what impacts.

The McKinsey Global Institute in May 2012 published a report titled, ‘Trading Myths: Addressing misconceptions about trade, jobs, and competitiveness’ in which it points out that

“strains and global labour market are becoming increasingly apparent-especially in the aftermath of the ‘Great Depression’ (a reference to the global financial crisis of 2007-2008). Joblessness remains high, and there are expanding pools of the long-term unemployed and other workers with very poor employment prospects; youth unemployment is approaching crisis proportions. And even as less skilled workers struggle with unemployment and stagnating wages, employers face growing shortages of the types of high-skill workers who are needed to raise productivity and drive GDP growth. Jobs and income inequality have become grave political and economic concerns.”

The problem of youth unemployment is particularly disturbing. In the European Union, youth unemployment has been double or even triple the rate of general unemployment in the last two decades.

An article by Mona Mourshed, Jigar Patel and Katrin Suder titled, ‘Education to employment: Getting Europe’s youth into work’ published in McKinsey Quarterly of January 2014 shows that 5.6 million young people are unemployed across Europe and a total of 7.5 million are neither being educated nor are they working. Altogether, in February this year there were 25.9 million people unemployed in the EU 28 member states out of a potential labour force of about 244 million. In the Eurozone alone, unemployment now stands at 11.9%. What is more disturbing, however, going by the Eurostat, the EU Statistics Bureau’s data released this week, half of all new jobs created in the EU in 2013 were temporary positions and offering wages below living wages.

Going by the explanation of Christine Lagarde, the Managing Director of the IMF made a week ago in a speech to the Johns Hopkins University School of Advanced Studies, the stubborn high levels of unemployment in the global economy are a result of sluggish growth. She called for higher, well-prioritised investment to increase potential output and to create jobs. More critically, she posed a question which lies at the heart of our seminar:

“At a time when the world is still recovering from the Great Depression-and at a time when geopolitical tensions (in reference to the Ukrainian Question) are increasing-how can we strengthen the international cooperation that is essential to address these challenges?”

In the African context, on the other hand, the African Development Bank’s publication titled, ‘Youth Unemployment and Political Instability in Selected Developing Countries which studied a sample of 24 developing countries over the period 1980 to 2010 found that in Africa youth unemployment is exacerbated by the large youth population, weak national labour markets and persistent poverty.

About 62% of Africans today are less than 35 years old. Over 25% are aged between 15 and 24. Moreover, it is estimated that by 2020 three of every four Africans will be less than 20 years.

Thus whilst Africa is celebrated as the second fastest growing continent with average GDP growth of 5% per annum and almost consistently for about a decade, this growth exists side by side with depressing and worrisome high levels of poverty and inequalities. The youth and women in particular are the most vulnerable. One is reminded of what triggered the Arab Spring. The rallying cry in the Egyptian Revolution in January 2012 was ‘bread, freedom and social justice’. At the heart of these Arab revolutions is high youth unemployment.

Today, 60% of the continent's unemployed are aged 15 to 24, half of them are women. It is also estimated that 72% of Africa's youth population lives on less than US\$ 2 a day! The challenge of addressing this condition is made more onerous by the fact that 10-12 million young people enter the labour market each year. Tanzania alone unleashes between 800,000 and 1 million school and college graduates each year. Only about 10% of these young people are assured of decent jobs that offer social security.

On the face of it, Africa may be going through a 'demographic dividend' but its usefulness would much depend on how it shifts from the traditional economic growth model of development to adopting broad and robust inclusive social and economic transformation strategies. What is needed is:

Better management of fertility rates, going forward;

- improvement of quality of education including broadening the scale of vocational training to develop skills needed by the fast growing knowledge economy that is largely service driven,

- Promotion of more manufacturing industries especially within the SME sector where more jobs can be created,

- boosting of agricultural productivity through science, technology, innovation and commercialisation through greater injection of capital, adding value to agricultural commodities,

- and deeper and wider regional and continental integration that open up economic spaces and enlarges markets that thrive on competitive economies of scale in infrastructure and skills.

Friends,

Let me conclude by emphasising that international cooperation is critical to addressing many global challenges, the labour crisis being one of them. You simply cannot effectively deal with the crisis of unemployment without tackling the fundamental challenge of economic transformation.

Unfortunately, international cooperation is yet to deal frontally with this dimension of development. Going into the post-2015 development agenda, it is vital that international cooperation is well seized of what is involved especially because of the rollercoaster lessons gained from the planning, financing and execution of the Millennium Development Goals in the past 14 years.

One clear lesson is that traditional development aid focused on budget support has never provided the critical stimulus needed for economic transformation. What is needed is more aid for trade that helps developing countries to unlock structural bottlenecks:

- Such as poor infrastructure; investments that help to create skilled and decent jobs;

- technical assistance to bolster education standards and apply modern research findings that enhance agricultural productivity and spurs rural jobs- both farm-based and off farm;

- fairer rules in Economic Partnership Agreements; radically reforming the EU Common Agricultural Policy;

- taking more flexible approaches to trade negotiations under the WTO Doha Development Agenda and
- adopting a fair, equitable and legally binding agreement under the UN Framework Convention on Climate Change which is supported by a US\$ 100 billion funding per year by 2020 to assist in adaptation and mitigation implementation measures.

Short of a different model of development cooperation, migration from the South, especially from North and West Africa, may continue unabated. Just a few days ago, 4000 African migrants youths, some well educated, were intercepted by Italian Coastguard making an attempt to get into Italy in search of greener pastures. But clearly, migration offers no permanent solution. International cooperation must direct itself in assisting Africa to unlock its economic potential which still lies fallow. Of course, at the end of the day, international cooperation can only do that much in assistance. Africa must provide much needed leadership to find internal solutions to its own transformation that can create wealth, jobs and inclusive prosperity for all its citizens.

I hope that our conversations this afternoon will help SID reinforce and shape new insights as well as strategic directions particularly as it prepares the agenda for the next World Congress slated for summer 2016.

THANK YOU FOR YOUR ATTENTION.