

**Opening Speech, Kigali Convention Centre, Kigali, Rwanda
(Submitted by Karl Wohlmuth, October 15, 2016)**

**Launch Event for the Volumes 18 and 19 of the African
Development Perspectives Yearbook, October 25-27, 2016,
organized by UNECA and University of Bremen**

**Karl Wohlmuth, Professor Emeritus, University of Bremen,
Director, Research Group on African Development Perspectives
Bremen**

*Dear Excellencies, dear Speakers, dear Participants at this Book
Launch in Kigali!*

Many thanks to Her Excellency, the Minister of East African
Community, Ms. Valentine Rugwabiza, to support this event by her
presence and by giving a keynote presentation. We consider this as a
very great honour.

Dear Andrew Mold, Acting Director of UNECA, Office for Eastern
Africa (SRO-EA), many thanks for all these arrangements, for the
welcome, and for the encouragement all over the years.

Dear Mr. Innocent Safari, Permanent Secretary, Ministry of East
African Community, and dear Mr. Leonard Mungarulire, Regional
Integration Policy Advisor; it is a great honour to have you here as key
speakers in the various panel discussions.

Dear Mr. Rodgers Mukwaya, UNECA Economic Affairs Officer;
thanks for joining this meeting as a speaker and discussant.

Dear Participants from Government, Universities, Media, UN Offices,
Development Cooperation Agencies, Embassies, NGOs, and
representatives from other offices and fields of action here in Rwanda;
we thank you for coming and showing interest in the subjects of this

meeting. We will have time for personal contacts during these days of the launch meetings with the Press, the Public, and the Universities.

Dear Excellencies, dear Speakers, dear Participants!

I speak on behalf of the Research Group on African Development Perspectives at the University of Bremen, which is publishing since 1989 the African Development Perspectives Yearbook. 27 years later we present here the volumes 18 and 19 of the Yearbook for 2015/2016 and 2017. The team of the Yearbook is represented by Hans-Heinrich Bass, a Professor of Development Economics and International Economics at the university of Applied Sciences in Bremen, and a co-founder of the Research Group; Nazar Hassan, Regional Senior Science and Technology Advisor, United Nations Educational, Scientific and Cultural Organization (UNESCO), Cairo Office, and caring for the UNESCO contributions to forthcoming Volume 20 of the Yearbook; Achim Gutowski, Professor at ISS Hamburg and Review Editor of the Yearbook; Tobias Knedlik, a Professor for International Economics in Fulda, acting as the Managing Editor of the Yearbook; and by myself, Karl Wohlmuth, Professor Emeritus for Comparative Economic Systems at the University of Bremen, Scientific Co-ordinator of the Yearbook and Volume Editor for the Volumes 18 and 19. The Research Group is an NGO-type organization, relying on researchers and experts in Africa, Germany, Europe, USA, Australia, and Asia. In fact, more and more African experts contribute to the work for the new editions. The Research Group is fully independent and relies on project funding and support from the many contributors and sponsors.

We thank Andrew Mold warmly for his initiative to make this book launch possible in Kigali. He was various times active as an author, but he also pushed us for years to make a launch in Africa as the editions of the Yearbook have high relevance for the policy reforms in Africa.

Now the situation was favourable. With two editions of the Yearbook just published, for the years 2015/2016 and 2017, we accepted the invitation to come to Kigali and to present the two books which have very important themes. While the African Development Perspectives Yearbook for 2015/2016 is on “Transformative Regional Integration in Africa”, the volume for 2017 is on “New Trade and Investment Policies for Africa”. Both volumes are a unit, as they cover the very topic of “Africa’s Progress in Regional and Global Economic Integration”, being the main title of the two volumes. It is worth to mention that UNECA has in recent years worked so much on regional integration in Africa, just to mention the seven reports on “Assessing Regional Integration in Africa” and the annually updated “African Regional Integration Index”. But UNECA releases also numerous other studies which are well received by the development community. Also on the topic of new trade and investment policies for Africa we find many enlightening publications by UNECA. It is therefore a great honour to present the two volumes in this intellectual atmosphere and to this most interested audience.

Dear Excellencies, dear Speakers, dear Participants!

Kigali and Rwanda are indeed ideal places for a launch of the two books. The visitor is received quite friendly in this country; you get the warm words when you apply for a visa: “You are most welcome to the country of a thousand hills and a million smiles!” When you apply online for a visa, you see the IT competence of the government offices. All the steps to get an online visa are clear and transparent; all functions are working. The first impression of the visitor is excellent. We are happy to be here in Kigali, Rwanda for this important event.

As a small open economy Rwanda is interested in both, in African regional integration and in trade and investment relations with other world economic regions. Rwanda is an interesting case of latecomer

development. When we look at the many development indicators which are available to assess the economic, political and social performance of the country, we see that Rwanda has improved its position over the years in quite many important areas. Also, the marks on the African Regional Integration Index for 2016 show advances in some important areas. So, the country can be proud of all these developments, but the leaders know perfectly well that the next evaluation is published soon so that it is necessary to improve the framework conditions of the country further on and step by step. Not only the general framework conditions of the country matter, but also the commitments under the various Pan-African integration frameworks, such as the Agenda 2063 and the Abuja Treaty. Rwanda has improved with regard of some of the African Regional Integration Index criteria (free movement of people, financial integration, and macroeconomic policy convergence), while in other areas (trade integration, productive integration, and infrastructure) there is a more moderate performance recorded.

So – with the African Regional Integration Index - Rwanda can compare its regional integration performance with other countries and other Regional Economic Communities (RECs) as the Index measures “inputs” and “outputs” to the regional integration process, and so allows it to assess the “commitment” and the “performance” of its regional integration process. Also, the improvement of a specific regional integration scheme, like the East African Community (EAC), can be compared with other regional integration endeavours (such as SADC, ECCAS or COMESA) by using the same criteria as they are used for reviewing national integration achievements. In another field of review Rwanda is a quite typical case in Africa’s landscape of regional integration, as it is - as so many other African countries also - a member of various integration schemes. Rwanda is not only in the East African Community (EAC), but is also a member of COMESA and has even re-joined in May 2015 ECCAS (Economic Community for Central African States). So, the theme of the Yearbook for 2016 on “Transformative Regional Integration” is of great interest to Rwanda. Andy Mold from

UNECA has seen this clearly when he pushed for this event in Kigali.

Dear Excellencies, dear Speakers, dear Participants!

From this very position as a member of three regional integration schemes it is obvious that Rwanda is also interested in “New Trade and Investment Policies for Africa”, the theme of the African Development Perspectives Yearbook for 2017. Rwanda needs wider markets in the region and overseas. It is therefore interested in the outcome of TFTA (Tripartite Free Trade Area) and CFTA (Continental Free Trade Area) negotiations so that these multiple memberships in regional integration schemes will not affect the overall efficacy of its regional integration endeavours. Rwanda is looking beyond the African regional integration schemes, and so it looks at the opportunities of other global economic regions - the new trade and investment policies are so important as they may give more policy space and will provide new opportunities to trade and to attract foreign investment. Rwanda is aiming to become a service hub by following a determined service hub strategy, and this is the response to the fact that the country is a land-locked one and must offer globally competitive services and infrastructure to make the country attractive. Firms in Rwanda are therefore involving themselves more and more in regional and global value chains. The share of imported intermediary products from the regional economic communities (RECs) of which it is a member is already relatively high and is increasing. Rwanda is going to embark on new policies for export diversification, based on adding value to its key export products and by establishing new services sectors. Rwanda is also trying to form national enterprises which can become international enterprises to attract foreign enterprise partners, overseas consumers, international and regional tourists, etc. So, the Agenda of the African Development Perspectives Yearbook for 2017 on “New Trade and Investment Policies for Africa” comes timely to be discussed in such fora as here in Rwanda.

Times ago I had the opportunity to study the Science, Technology and Innovation System of Rwanda and its links to domestic industry rehabilitation and to the development of export-oriented industries. I was fascinated by the approach to link the universities and the research institutes, but also all the training and vocational education institutions to these local industries. Rwanda is also carefully watching the indicators measuring its innovation, IT and technological capacity. The Global Innovation Index, the Networked Readiness Index, and the Competitive Industrial Performance Index relate to the requested capabilities and competencies of our times: innovation capabilities, IT capabilities, and technological capabilities. Rwanda is improving also its position in these three fields of competence. This led us to the belief that we must work more on the STI system of Africa and Rwanda in our African Development Perspectives Yearbook. We invited the Regional Senior Adviser on Science and Technology Dr. Nazar Hassan from the UNESCO Cairo Office to speak in Kigali about the content of Volume 20 of our Yearbook which will be on “STI Policies for Inclusive Growth in Africa”. And Dr. Nazar Hassan, a co-editor of the Volume 20, agreed to come. We will use the Day Three of the Launch event to visit the Rwandan universities, and we will look for Rwandan partners for Volume 20 in the field of STI policy for Inclusive Growth.

Dear Excellencies, dear Speakers, dear Participants!

Let us come to the two books which are now launched in Kigali, and then let us say something about the special character of the African Development Perspectives Yearbook editions, to find out what makes the difference to other publications on African development.

The volume for 2016 on “Transformative Regional Integration” made its way by our contact with Patrick N. Osakwe, Head, Trade and Poverty Branch Division on Africa, LDCs and Special Programmes – United Nations Conference on Trade and Development (UNCTAD).

He has written intensively about “transformative regionalism” and has criticised the way of thinking in Africa and about Africa with regard of regional integration. He challenged the adherence to the “linear progressing approach” in his writings, as this conventional approach assumes that Africa will follow simply the European integration model, starting with specific preference zones/sector schemes and then moving up to a free trade zone, to a customs union, to a single market, to economic and monetary coordination and ultimately monetary unification, and then crowning all this with a political union. He developed a model to show how structural interventions can speed up the integration process in Africa, leading to more intra-REC trade, foreign investment, capital transfers, cooperation between enterprises, technology and knowledge transfers, services trade expansion, exchange of skilled personnel, and cross-border trade of business services. So, volume 18 of the Yearbook is influenced strongly by his views. By the way, he criticised the “linear model” long before the European Union (EU) has shown severe weaknesses along this path of progression mentioned above.

A group of Sudanese economists worked on lessons from ASEAN and MERCOSUR regional integration for SADC. Interesting results emerged from the gravity-type analysis. The integration process in Asia and Latin America is obviously more realistic, more pragmatic, more flexible and adaptable, and from the very beginning dialogue fora at various levels of action and cross-border enterprise-to-enterprise cooperation arrangements had a greater role than in Africa. Based on the TFTA and CFTA negotiations two teams of researchers asked how these agreements can contribute to a more transformative regional integration process. Both groups of experts questioned the feasibility of these arrangements if the RECs are not rearranging their integration in a more transformative way. A researcher from ODI (formerly at the University of Bremen) took the case of Namibia to show that regional integration has to care, first of all, for a deeper cooperation and integration with the neighbouring countries; this is so important as

Namibia trades most with some few countries in the neighbourhood, such as with South Africa and Angola. The trade and economic relations with a few countries are already intensive and require further cooperation for trade expansion and integration. And, Namibia and most of the countries in Africa should carefully assess the costs and the benefits of pushing for a wider and a deeper integration, also by reflecting on the limited human resource base for such complex negotiations (not to speak about manpower needs for implementation, evaluation and monitoring). On the negotiations side about TFTA and CFTA a group of researchers from TRALAC, Stellenbosch emphasized that a lot of changes within the RECs are requested as the current mode of application of the rules of origin, technical standards, safety regulations and non-tariff barriers is hindering the real integration progress. So, it becomes clear from the analyses that TFTA and CFTA arrangements require a more transformative regional integration process at the level of the RECs to become influential vehicles for deeper and wider regional integration. The insights of this Part of the Volume 18 were bundled together by Patrick N. Osakwe and Karl Wohlmuth for a Strategy to make regional integration in Africa more transformative.

In a second Part of the Volume 18 specific issues of a more transformative regional integration process were analysed. A group of experts from FAO asked how the trade-offs between market regulations and foreign trade regulations could be dealt with in African RECs (Regional Economic Communities). Is it possible to reconcile these two spheres of regulations so that food security in the region, market stability in the member countries, and progress with regional integration can simultaneously be achieved? Is it possible to adhere to the trade regulations in the RECs without disrupting national food markets? These questions found constructive answers. Andrew Mold from UNECA brought in the most important issue of a more transformative regional industrial development strategy. He compared the “ease of doing business” conditions in the East African Community (EAC)

countries and looked at industrial performance gaps, constraints and opportunities, but also investigated the current and future role of national and regional industrial champions as agents of change. In a further essay a group of experts from ECDPM (European Centre for Development Policy Management) in Maastricht worked on the development perspectives of Economic Partnership Agreements (EPAs) between EU (European Union) and African RECs; the purpose of the essay is to find out if the EPAs have a developmental role to play in the medium to long term, especially so for the consolidation of regional integration in Africa. This group of researchers looked at the transformative regional integration potential for Africa of such agreements. It is made clear that EPAs should become vehicles of a deeper African integration process and not the other way around. Africa's regional integration process should not become an appendix of European integration. The Strategy for this Part of the Volume 18 was bundled together by Isabelle Ramdoo, now also working with UNECA, and Karl Wohlmuth.

In a third Part of the Volume 18 the impacts of important African value chains (for diamonds, shea butter and sesame) on the local areas and on the wider regions were analysed. Teams from Botswana, Ghana and Sudan have worked on these case studies. Although regional value chains are so important for a more transformative regional integration agenda, the analyses found out that in all the three cases there are distinct limits to make these value chains to become more integrated, more dynamic, more beneficial, and more transformative for the regions. But there are potentials if action is done on both ways – via a deepening of the process towards a more transformative regional integration process and via encouraging steps to integrate the regional value chains more fully with regard of all stages (extraction, processing, training, transport, distribution, marketing, export, etc.) of the value chain. The outline of a Strategy for this Part of the Volume 18 - to make the value chains more dynamic and efficient to be able to contribute to a more transformative regional integration process - was done by Karl

Wohlmuth. In the Press Release for Volume 18 to be presented on Day One of the Launch Event you have a summary of the key findings of the volume. Five key points of a more Transformative Regional Integration agenda were identified.

What makes the difference for the African Development Perspectives Yearbook when compared with other publications on African Development? The Editors of the African Development Perspectives Yearbook endeavour to build a Strategy from the findings of the Essays and Case Studies, and to show what can be done and what could be changed in a specific situation where Africa stands. The Yearbook is not simply collecting essays and case studies, but bundles together the policy implications and the policy recommendations to a Strategy. Thereby the content of the contributions and the results of the analyses are integrated in a deeper form.

Dear Excellencies, dear Speakers, dear Participants!

Volume 19 of the Yearbook for 2017 with the title “New Trade and Investment Policies for Africa” has also an interesting history – how did it come about? We had also an anchor-man for this volume. Dr. Walid Abdmoulah, a leading Tunisian economist and working as a Senior Researcher at the Arab Planning Institute (API) in Kuwait, submitted a study on the need for a more comprehensive and coherent foreign trade policy for Tunisia. His main message in the essay centred on the view that a more comprehensive trade policy is requested for African countries and it must look at all aspects of trade, but also towards foreign investment, global value chains, international logistics, investment and technology policies, labour market issues, international finance, and at macroeconomic stability. Such a comprehensive trade policy will also help to overcome the basic problems of Tunisia which are stemming from the dichotomy of separated offshore and onshore industrial sectors, as the spillover effects from trade expansion to

domestic sectors are prevented by this separation. And, the author also mentions the many missed opportunities in export trade as the agreements with the EU overshadow trade expansion opportunities with other world trade regions by granting mostly to EU firms and to firms from other developed countries diverse export, regional development and investment incentives which are however not effective in terms of industrial and technological development. Carlos Lopes, the Executive Secretary of UNECA, brought the very issue in his Blog on 16 November 2015 to the point by saying that “Tunisia’s economic future is in Africa”. He refers to the need for a more balanced trade and investment strategy. Africa is a huge potential market for manufactured goods from Tunisia, while the Arab countries could become strong partners in mining, and Europe is still relevant as a market for agricultural products and for the tourism sector (although tourists from Algeria already fill many of the hotels in Tunisia).

In the first Part of volume 19 we find also a study on Trade Facilitation and Aid for Trade with regard of agricultural exports from Sub-Saharan Africa. The main argument is that these facilitation measures need a scaling up and integration with trade and investment policies of African countries. A group of Nigerian economists worked on this issue. Professor Reuben A. Alabi from Ekpoma in Nigeria is also a Guest Professor, working with the Research Group on African Development Perspectives at the University of Bremen. He is Project Director of a new project on “Bio-Waste, Agricultural Production and Fertilizer Use in Nigeria and Germany” which is part of the work of the Research Group, and he is a long-term co-operator of the Yearbook. He submitted to this audience a Statement on the findings of his study for Volume 19 with regard of Trade Facilitation and Aid for Trade. In a further essay the export diversification ambitions, opportunities and needs of the Sudan are analysed. Since the 1970s the Sudan is trying to diversify its export base, then from cotton and now from oil. After the separation of South Sudan in 2011 it became even more urgent to deliver on this important policy aspect. Dirk Hansohm, an international consultant and

co-founder of the Research Group, worked out – by looking at the case of Sudan since the 1970s - the constraints of the export diversification policies in the past and the possibilities of stimulating new advances in this direction in the future where possible. All the essays in this Part of the Volume 19 are related to the guiding issue of implementing comprehensive trade policies to support structural change. The Strategy on new trade policies for structural change in Africa was bundled together by Professors Reuben A. Alabi and Karl Wohlmuth.

In the second Part of the Volume 19 the role of foreign investment for structural change in Africa is discussed. A group of economists from Nigeria questioned how foreign direct investment to Nigeria could be channelled more than so far to agriculture and manufacturing as these sectors are largely bypassed by foreign investors. This brings the authors to analyse the long-term trends in structural change which have taken place in Nigeria (or were blocked by policy failures). The oil economy of Nigeria is analysed in this context and leads the authors to discuss the role of more comprehensive investment, structural transformation and industry policies. In a further study by a Danish professor of political economy the prospects of Uganda to manage future oil export revenues properly and better than now in other African countries are analysed. Also, this essay brings up the major issue of a more comprehensive investment and industry policy - as giving guidance for the long-term use of incoming public oil revenues for structural transformation. Although some pessimism prevails regarding structural change in oil export economies, industrial policy and public fiscal management are the only available policy instruments to change the economic structures in resource-rich countries.

Two further studies refer to the opportunities related to new forms of integration of domestic firms into global value chains. For Tunisia, the essay by Hans-Heinrich Bass, a co-founder of the Research Group, shows that a redirection of labour market, investment, technology, education and training policies is necessary to make the integration of

Tunisia into global value chains more dynamic, more employment-generating and more beneficial for the domestic economic sectors. A higher contribution to value addition, employment, skills acquisition, and structural change can be reached by new industrial policies which overcome the separation of offshore and onshore sectors and give performance-related economic incentives to industrial firms. A former Minister of Presidential Affairs from The Gambia, and long-term collaborator of the Yearbook, assessed the role of integrating a land-scarce economy like The Gambia into Fruits and Vegetables (F&V) global value chains. The reader is confronted with environmental protection issues, the role of international logistics, and the need for pro-poor-policies as complements of the economic policies to support the integration of firms into global value chains. The Strategy for this part of Volume 19 is bundled together by Oyebanke Oyelaran-Oyeyinka and Karl Wohlmuth.

All these essays in Part I and Part II of Volume 19 show that comprehensive trade and investment policies are key for structural change in Africa. In the Part III of Volume 19 a great number of Book Reviews and Book Notes is presented. This section brings out detailed reports on the major publications which appeared on the themes of a more “Transformative Regional Integration in Africa” and “New Trade and Investment Policies for Africa”. Over the years, the readers of the Yearbook could benefit from deep reviews of all relevant UNECA/African Development Bank/African Union reports, just to mention the African Economic Outlook, the Economic Report on Africa, and the African Development Report. Professor Achim Gutowski from the Research Group is responsible for all this work in his function as a Review Editor of the Yearbook.

Professor Tobias Knedlik, who is present at this Launch Meeting in Kigali as a co-organizer, has as the Managing Editor of the African Development Perspectives Yearbook the task to bring the final drafts for the book after the many evaluations, reviews and revisions into a

form that is publishable. Thanks to him for this important work towards the finalization of the two books.

Dear Excellencies, dear Speakers, dear Participants at this Book Launch in Kigali!

This Launch Event in Kigali will give the Research Group on African Development Perspectives Bremen new orientations and will encourage the Group to continue with its work towards the further issues of the African Development Perspectives Yearbook. Thanks again to UNECA for this fine opportunity to present these two books in such a form to this audience in Rwanda.

Many thanks for listening.

For the Research Group on African Development Perspectives:

Professor Emeritus Karl Wohlmuth

Director, Research Group on African Development Perspectives

University of Bremen, Faculty of Economics and Business Studies

Bremen, Germany

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