



**Promoting Stability and Development in Africa:  
fostering cooperation between public and private sector  
Seminar Report**

*Kick-off workshop*

*3 July 2014*

*Foundation for European Progressive Studies (FEPS) – Brussels*

**About the seminar**

Since 2011, the Institute for International Affairs (IAI) in Rome and the Foundation for European Progressive Studies (FEPS) in Brussels have been conducting joint research projects on how to promote stability and development in sub-Saharan Africa. A first joint study focussed on the role of Regional Economic Communities (RECs) and civil society.<sup>1</sup> The current project, which will involve the National Democratic Institute (NDI) and a group of African experts, looks at the involvement of the private sector. The kick-off workshop, held in Brussels at the premises of FEPS on 3 July 2014, was aimed at gathering first thoughts on the conceptual framework and work plan as well as at receiving a preliminary assessment from experts and participants in terms of methodology and also substance, to progressively refine the research in the follow-up to this meeting. A brief account of the key issues raised during the discussion is presented in the following paragraphs.

**Presentation of the research concept**

As it is not possible to tackle peace and security issues without addressing governance

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<sup>1</sup> Pirozzi, Nicoletta (ed. by), *Strengthening the Africa-EU Partnership on Peace and Security: How to Engage African Regional Organizations and Civil Society*, Rome, Istituto Affari Internazionali Research Paper No. 6, 2012, [http://www.iai.it/pdf/Quaderni/iairp\\_06.pdf](http://www.iai.it/pdf/Quaderni/iairp_06.pdf).

and social-economic development, and going beyond the institutional level of the peace and security partnership between the European Union (EU) and the African Union (AU), the project “Promoting stability and development in Africa: how to foster cooperation between public and private sector” launched by IAI and FEPS, aims at:

- Identifying challenges and opportunities of cooperation between the state and regional institutions and private actors in fostering economic development, improving governance and promoting peace and security in Sub-Saharan Africa;
- Assessing how the EU and its member states, in cooperation with the United States (US) and other relevant international actors, can better engage both the private and public sectors in order to rethink and reinvigorate the Africa-EU partnership.

The research will be conducted along three thematic clusters: (1) economic development; (2) good governance and democracy; (3) peace and security.

To produce an analysis that is based on concrete realities and can have an impact on the local context, the project identified a set of four case studies, namely: (a) Ethiopia; (b) Mozambique; (c) Nigeria; and (d) South Africa.

For further details on the rationale, methodology, output and work plan of the project, see the attached revised conceptual framework.

In the ensuing discussion, the participants raised several relevant and helpful points and made specific proposals to refine the conceptual framework and country studies.

The public sector was defined as governments, but also institutions at regional and continental level. The private sector is defined along three categories: a) key business communities in the targeted countries, such as telecoms, energy, infrastructures, agriculture; b) civil society organizations working on democracy; c) private providers of security and/or threat perpetrators and thus contributors to instability. The goal should be to investigate the interconnections between business and political sectors that often go in different directions.

Participants further underlined to expand the scope of the third research cluster from

security to peace and security. In addition, not only the role of BRICS countries, including India, in selected countries should be considered, but also the African internal dynamics that could have implications for the role and space of private sector. The same goes for economic transformation as a result of public sector reform.

In terms of methodology, participants suggested to look also at drivers of economic space and the underpinning ideological aspects that also impact governance and peace and security. Ownership should be included in the research framework among the main benchmarks and indicators.

Further, the question of the role of small and medium enterprises (SMEs) was also raised. Overall, the participants highlighted the importance of translating the Millennium Development Goals (MDGs) follow-up into national blueprint, also at local level, and how this impacts the local population. Finally, the role of diaspora also ought to be emphasized.

### **Roundtable discussion**

The roundtable discussion mainly provided first insights into the specificities of the case studies countries.

- **Ethiopia** is one of fastest growing non-oil economies in sub-Saharan Africa. Since the aftermath of the 2005 elections, the focus of the government has been on the economy and the relations with new partners, in particular the BRICS and Turkey, especially on infrastructure projects. At the political level, the government has a 96 per cent majority in parliament since the 2010 elections. While Ethiopia is an anchor country in the region, serious issues of radicalization and fundamentalism as well as ethnic divisions within the population constitute serious problems for governance and democracy. There are restrictions on the media and with regard to human rights. The regional dimension is characterized by instability with South Sudan and Somalia, which rank 1 and 2 in the failed States index, and Sudan, which ranks 5. In addition, the threat of al-Shabaab is rising also in Ethiopia and not only in neighboring Kenya, which already suffered serious terrorist attacks.

- To understand the dynamics of today's **Mozambique**, a look back at the process that led to the country's independence might be revealing, as the prevailing socialist orientation has a lot to do with the relationship of public and private sector in the country. Since the 1990s, a democratic constitution brought major change to economy, governance and security. Adjustment programs that privatized all sectors of the economy were a set-back, as personnel to manage privately owned businesses was lacking. A Foreign Direct Investments Law in the early 2000s made the private sector a driver for economic development, particularly in the energy sector and with multinational corporations, with the State as a part of it. Democracy is there, but the reform process sometimes is contested. At the security level there are border issues between Malawi and Mozambique, as well as a conflict in the Sofala region, which could affect the security and reputation of the country.

- **Nigeria** has the largest population in Africa and the eighth largest oil and gas deposits worldwide. It is one of the biggest economies on the continent, including telecom, music and film. However, there is a caveat to these achievements: unemployment is at a high level and identity politics create tensions at the political level, which might affect the upcoming elections in 2015. In the field of security, there have already been threats by militants to cripple the country if the current President will not be re-elected, besides the issue of terrorist acts by Boko Haram. In the northern part of the country there is also a herdsmen/farmer conflict intensifying, while linkages between criminal networks and terrorists become more apparent (Boko Haram financed from Niger Delta militants).

In terms of general trends, it is worth to underline that in the next future, 1 in 5 humans will be an African. From an **international perspective**, we can already see the hegemonic roles of Nigeria in the Economic Community of West African States (ECOWAS), South Africa in the South African Development Community (SADC) and Ethiopia in the Inter-Governmental Authority on Development (IGAD), the latter also being the host to the AU. There are lessons to be learned from the structural adjustment programs implemented in the past, as well as from the repercussions on the price of energy resources and migration flows deriving from instability in key countries

in sub-Saharan Africa. There has been a tremendous amount of progress in Africa, as also seen by improved electoral processes, including in Nigeria and South Africa. However, the economic development challenges are real, given that privatizing everything is not a one for all solution. Furthermore, mismanaged natural resources can be a source of conflict, and pollution endangers fishing and farming. Even in South Africa there were serious service delivery protests. We also have to talk about the Rule of Law as a goal for MDGs follow-up, including freedom of expression, and hold corporations accountable. What is needed to go forward is legitimacy, with mechanisms for an orderly alternation of power and effective legislators, for whom ownership in partnership is not only lip service. As aid is diminishing, the demographic bulge could be a time bomb or the engine of growth. The level of inequalities is rising and managing ethnic diversity, poverty and unemployment is crucial in order to prevent further instability. The private sector could do investments to mitigate these inequalities.

### **The way ahead**

The added value of this project is that it questions traditional assumptions on a series of key topics, including the significance of key indicators of development including GDP, inequality and the middle-income trap. It looks beyond security on good governance and socio-economic development. It factors into its case studies internal and external drivers as well as the regional context. On the political level, the project raises questions of national sovereignty and legitimacy, while on the economic level issues such as debt relief and foreign investments are investigated with a view to identify public-private dynamics. The approach used is to learn from experience in country specific cases, also looking at traditional and new external actors. Thus, the project uses a reverse engineering methodology: it starts with case studies to come to a general framework. It also relies on interviews and direct access to policy documents through field research conducted by the experts involved. The final objective is to see which is the contribution of the private sector to the whole picture and how the private sector can better contribute to the three identified clusters.