

OPENING STATEMENT

BY

***H.E. ATO MELES ZENAWI
PRIME MINISTER OF THE
FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA***

AT THE

***SYMPOSIUM ON POVERTY REDUCTION, SOCIAL
DEVELOPMENT, AND THE MILLENNIUM
DEVELOPMENT GOALS (MDGs) IN AFIRCA
ORGANIZED BY THE ECA AND THE ADB***

***JUNE 2, 2003
ADDIS ABABA***

Your Excellency President Mamadou Tandja,

President of Niger,

Your Excellency Prime Minister Seydou Diarra,

Prime Minister of Cote d'Ivoire,

Your Excellency Mr. Omar Kabbaj, President of the ADB,

Your Excellency Mr. K.Y. Amoako, Executive Secretary of the
UNECA,

Your Excellencies,

Ladies and Gentlemen,

Allow me to first of all welcome you all to Addis Ababa. We are honoured to host the annual meeting of the ADB for the second year in a row and I would like to take this opportunity to thank all those who have made it possible for us to do so.

Your Excellencies,

Ladies and Gentlemen,

The theme of the symposium this year is "Poverty Reduction, Social Development, and the Millennium

Development Goals (MDGs) in Africa: Are we Making Progress on the Ground?"

I believe the answer to the question of whether Africa is making progress towards achieving the MDGs is depressingly simple. No, It is not. All studies indicate that Africa will not achieve any of the MDGs if current trends continue as they are. I believe it is only fair and proper for all of us to admit that we in Africa are going no where as far as the MDGs are concerned and to see if we need to do something more than tinkering around the edges to achieve our targets.

It appears that there is consensus amongst us all that rapid and sustained agricultural growth centered on the small farmer is key to generating sustained, rapid and pro-poor growth. We have all agreed that getting agricultural prices right is important and we have done so although the world markets appear to be hell-bent to undo everything we have done to get agricultural prices right. We in Ethiopia realize that despite our best efforts we are going nowhere as far as achieving rapid pro-poor growth is concerned. We are going nowhere because droughts that occur with increasing frequency are undoing most of the things we do to promote

agricultural growth. We have not made adequate investments in irrigation, water harvesting and technologies that reduce the risk of rainfall variability. We are going nowhere because despite our best efforts to liberalize our agricultural markets they are not working properly. We believe our agricultural markets are not working properly because we have not made adequate investments in rural infrastructure, in rural marketing institutions such as cooperative and market support institutions. We are going nowhere because despite our best efforts we are not achieving rapid technological transformation of our agriculture, and we believe that is so because we have not invested enough to build up the physical and institutional infrastructure required to bring about such technological transformation. We are not going anywhere because the global markets have not been fair to us.

Your Excellencies,

Ladies and Gentlemen,

I suspect that most African countries face similar challenges. I believe that tinkering around the edges will not be good enough. We need to put our money where our mouth is and dramatically increase our investments in the rural areas

and then ask our development partners to follow suit. We need to improve governance so that people in the rural areas participate actively and effectively in their administration and in the implementation of development programs. We need to invest in rural roads, irrigation and water harvesting facilities, in building storage and marketing networks, building up the required institutional infrastructure to radically improve rural markets and technological change in agriculture. All of us Africans and non-Africans alike should revisit our past practices, biases and dogmas with a view to quickly more than double agricultural growth.

Your Excellencies,

Ladies and Gentlemen,

We in Ethiopia feel that we are going nowhere as far as achieving the MDGs are concerned because our non-agricultural sector is weak and its rate of growth far from adequate to achieve our goals. We feel that our infant industries are not growing up. We believe we are going nowhere because our infrastructure, our investment and market support institutions are very weak or absent and thus productive investment is inhibited. We believe we are going

nowhere because our regulations and bureaucratic procedures are Byzantine in their complexity and irrationality and hinder productive investment while fostering rent-seeking activities. We believe we are going nowhere because we are not attracting adequate FDI of the right kind. We are convinced that this so, among other things, because we do not have the preferential and non-reciprocal access to developed country markets which could partially compensate for our infrastructural and institutional inadequacies and help us attract FDI, while at the same time generating the resources we need to overcome these inadequacies.

It is for all these reasons that tinkering around the edges will not do. We have to quickly overcome our institutional inadequacies and create an institutional environment that is supportive of productive investment and which is inimical to rent-seeking activity. All of us Africans and non-Africans alike should revisit our past practices, biases and dogmas and courageously change all those that hinder pro-poor growth in our countries. We should invest more in physical infrastructure, in investment and market support institutions guided by realism and not dogmas, statist dogmas or otherwise.

Your Excellencies,
Ladies and Gentlemen.

There are lots of tasks that each of us must carry out. We Africans should start by looking ourselves in the mirror and asking ourselves whether we have done everything that we can do to promote rapid and sustained development and good governance, and whether we have done our homework in this regard. This we should do before we ask others to do what they need to do. The answer to these questions at least in Ethiopia is a mixed one and I suspect that is also the case in most other African countries.

Once we have done our homework, our development partners will also have to look themselves in the mirror and ask themselves: Is our money where our mouth is? Is our loyalty to the purity of our dogmas higher than our solidarity with the African peoples? So do we practice what we preach? Are we serious about making world trade an instrument of development and hence provide Africa with predictable and adequate special and differential treatment? I suspect that the answers to all of these questions are likely to be mixed.

There is thus plenty of blame to go around. The task, however, is not to apportion blame but to get on with the task of achieving the MDGs. The task is not to perfect the technical instruments at our disposal but to master the political will required to make a U-turn in African development. Our task is not to beat about the bush in the guise of generating sophisticated analysis and complex solutions but to get to the heart of the matter and do it. I really think designing an effective development program is not as complex as rocket science. What may be more complex than rocket science is mastering the political will to get over the blame game, beating about the bush and get on with the job of lifting Africa out of poverty. I am confident that all those gathered here today have both the will and the capability to lead Africa on a new path of development and good governance.

I thank you!