

2023 Adebayo Adedeji Lecture

by

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Title: Governance, Social Contract, and Economic Development in Africa: Looking Back, Projecting into the future.

Hon. Ministers, Excellencies,

Acting Executive Secretary of the UNECA

I am delighted to be with you today to deliver today's lecture in honour of the late Professor Adebayo Adedeji, one of the founding Executive Secretaries of the UN ECA. I would like to acknowledge the hard work and commitment from various stakeholders involved in the success of today's session which aims at preserving the legacies of Prof Adedeji. I hope that through these memorial lectures, we would be able to animate his deeply pro-humanity and Pan-African ideas and provide a foundation for us to continue to interrogate the African story. Permit me to also acknowledge all the past speakers who have graced this pulpit. It is indeed an honour for me to join this list.

As you all know, we are here because of a man, who gave his all in service to our beloved continent. Let me thank the Acting Executive Secretary of ECA, Mr. Antonio Pedro and all staff of ECA, who have worked tirelessly in putting this lecture together and sustaining it since 2014. Prof. Adedeji's legacy as a consummate public intellectual and development activist is one that should be preserved in creating role models for younger and future generations of Africans. Even though I, myself, was not a student of Prof. Adedeji, nor did I particularly work directly with him, as many of my contemporaries, he was always available to support me, especially while I was at ECOWAS on African economic, social, political and cultural issues.

He was, without doubt, the intellectual force behind the establishment of ECOWAS, being the one who authored the concept note for the organization. You can, therefore, imagine my elation, when as the President of the ECOWAS Commission, I received him as the Special Guest of Honour on the occasion of the 30th Anniversary celebration of the organization he had conceived.

Ladies and gentlemen, this lecture is an attempt to look back on what our collective experience has been as Africans in governance and economic development, as well as how we have managed the social contract between the various governments in Africa and the people of Africa. This I will do with the aim of projecting into the future, towards finding answers and solutions to the critical challenges

bedevilling governance, and challenges in achieving meaningful development cutting across the economy and other areas.

I do not intend to spend a lot of time on definitions and conceptual issues. Suffice it to suggest that governance is about striving towards utmost freedom for mankind. It is about the management of the state towards the optimal good of the citizens; achieving the greatest good for the greatest number of people in society. Whenever we talk about governance, we mean that good governance is desirable, while bad governance is undesirable. Governance is a form of social pact between the state and the citizens; between the leaders and the led. When that dynamic interaction is fractured, weakens or breaks down, governance moves on the lower scale- and that is what we refer to as poor or bad governance.

Governance is central to the development and transformation of the Continent. To fix the Continent, we must first and foremost, fix the governance challenges. It is at the foundation of promoting rapid economic growth, reducing poverty and inequality, achieving social cohesion and promoting political and economic stability. No country can develop in the context of instability and bad governance. Governance is at the heart of the interlinkages of peace/security, development, humanitarianism and human rights. The emphasis on governance in this instance requires that we build visionary leadership that eschews corruption, nepotism, sectarianism and other forms of discriminatory practices and also strong and capable state institutions that serve the people and protect society.

The African Union, through the Constitutive Act, the African Charter on Democracy, Elections and Governance, the African Governance Architecture as well as the African Peer Review Mechanism (APRM) has emphasized the importance of governance. Different indexes and reports have been developed to measure governance performance, which includes the African Governance Report (AGR) that ECA was producing before (but now produced by APRM), the Mo Ibrahim Index on Governance, Freedom House democracy Index, Afro barometer index etc.

Our experience in Africa has been mixed and often sloppy in the governance landscape. I would review and share my personal experiences with you in this lecture, in my over four decades in engaging the governance project in Africa.

Looking back: Brief historical account of governance in Africa

Ladies and gentlemen, with your indulgence, I take the liberty to undertake a little historical tour, to refresh our minds on our journey so far, pertinent to this lecture. I take as my departure point the colonial encounter. Colonialism negated all the parameters of good governance. It was an alien rule

which perpetrated oppression, inequality, social division and tension, and the governance of our people for benefit of others outside the Continent. The anti-colonial struggles were therefore to regain the dignity of the African people and their right to self-determination and self-rule. The generic form of colonialism in apartheid was the same. Our fore leaders in many cases, paid dearly for the struggle.

The independence period in the 1960s was a beacon of hope for improved and inclusive governance in Africa. The immediate post-colonial leaders were mostly committed to the transformation of the Continent; indeed, the urgency of rapid economic growth and transformation took precedence over anything else. Development assumed an overarching mantra. Increasingly, political inclusion, voice and participation, human rights, and pluralism were gradually eroded and compromised. In the process, multiparty democracy began to be seen as a distraction and opposition parties seen as obstructing the reconstruction of the new nation-states. With these pressures, governance began to take a turn for the worse as constitutions were changed to entrench regimes. The result, albeit, inadvertently, was the rise of personalised rule and political dictatorships.

To be sure, Africa recorded modest economic growth rate in the period between 1960 to 1970, and was one of the fastest growing regions in the World. However, the contracting political space and deteriorating governance, coupled with the emergent economic challenges with the rise in oil prices in the 1970s and external influences from the former colonial powers who were not happy with certain developments laid the basis for the next phase of governance development in the African continent - the era of the soldiers.

Ladies and gentlemen, perhaps the most dramatic manifestation of the decline of governance in Africa was the advent of the soldiers who initiated a wave of successive coups d'état against the independence era political leaders. They justified their actions by citing economic hardships, corruption, dictatorship, and oppression. There were 25 coups from 1960 to 1969, in just one decade. This continued throughout the next two decades as the rule of the military spread across the continent. Unfortunately, the governance defects that characterized the previous regimes also bedevilled the military regimes that succeeded them. In some cases, they became worse, with corruption, state capture, and patronage, becoming the order of the day while the people had little or no say as freedom of speech was one of the main casualties. With worsening governance came deteriorating economic conditions and more coups and countercoups. The economic situation was characterized by underperforming public services, huge debts, the balance of payments problems and high inflation. This period has often been referred to as the '**lost decades**' of Africa. Against this background, we went to the Bretton Woods

Institutions - IMF and World Bank - for assistance. Sooner, Africa was to enter the throes of economic crisis in the 1980s.

The path to take in Africa's economic recovery in the 1980s and early 1990s was a highly contested one. The Washington Consensus with a neo-liberal approach advocated for a market-oriented reform process. An unnecessary dichotomy was created between the state and the market, which gave primacy to the latter. Liberalisation, commercialization, privatization and subsidy removal on food and agricultural products and public services assumed the new lexicon of economic reforms. Indeed, lending from multilateral institutions was tied to market reforms. In many cases, state assets were sold with low net worth, public and social services were increasingly privatized, with consequential increase in poverty and inequality in Africa. Indeed, in those decades, Africa was pejoratively described as the **"hopeless continent"**.

Adebayo Adedeji through ECA became an alternative voice to this neo-liberal thinking. ECA authored and produced the "African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation (AAF-SAP). ECA and other pan-African institutions like the Council for the Development of Social Science Research in Africa (CODESRIA) were at the fore in the 'intellectual battle' against the Structural Adjustment Programme (SAP)- the wholesale policy package of 'one-size fits all' imposed on African countries based on the Washington Consensus.

I am pleased to know that ECA has continued in the path of Adedeji in advocating for a balance between the state and the market. Without a functional state and effective governance, development is dead on arrival. With a relatively weak and underdeveloped private sector, the state must be strong, capable, supportive and stimulate the private sector to grow and develop in order to play its role in the development process in Africa.

Governance Reforms from the 1990s

Ladies and gentlemen, during the 1990s, we began a new trajectory that saw a slow adoption of reforms in our governance architecture. A lot of initiatives were started to rekindle good governance in the African state with emphasis on a return to multi-party elections, constitutional guarantees of human rights, term limits and freedom of the press. This momentum continued into the 2000s when we came up with NEPAD and the African Peer Review Mechanism, as well as numerous civil society initiatives to promote good governance and economic development. There was talk of an African Renaissance. Data shows that these yielded some positive results as progress was recorded on many governance indicators measured by many governance assessment agencies including the Mo Ibrahim

Index of African Governance published by the Mo Ibrahim Foundation. Opening up of civic spaces, commitment to rule of law, and constitutionalism improved remarkably on the Continent.

That decade also saw the global campaign for debt forgiveness through which the debts of many third world countries including African countries were forgiven. We all remember the advent of the Highly Indebted Poor Countries initiative of the IMF/World Bank. Sadly, two decades later, we seem to have gone full circle and are back to the same situation, if not worse. The total African debt that was forgiven under the Multilateral Debt Relief Initiative was in the region of \$300 billion. In 2023, we are once again in debt to the tune of more than \$600 billion.

And once again, we are asking for debt relief. Additionally, millions of our people face food insecurity and poverty while our burgeoning youth population is unable to find decent livelihood due to unemployment. It is estimated that 10 to 12 million young people enter the workforce every year, but only 3 million formal jobs are created. We have become too familiar with the bodies of our youngsters being washed up on the shores of the ocean trying to flee, or perhaps more appropriately, escape the continent.

I was sad to find out in the wake of the Russia-Ukraine war that we were so dependent on food imports from Russia and Ukraine that the conflict threatened the food security of the whole continent. At the same time, statistics show that Africa is home to 65% of the world's remaining arable land. When it comes to other resources, it is open knowledge that we are similarly endowed. Estimates show that Africa is home to nearly half of the world's gold, 90% of the world's chromium and platinum and the largest reserves of cobalt, diamond and uranium.

There are many questions that need answers, but one key point is that in the intervening 20 years, we have failed to put in place the necessary reforms of the systems and structures, and to correct the behaviour patterns that got us to Heavily Indebted Poor Countries (HIPC) in the first place. And at the heart of that is poor governance systems that have failed to produce outcomes of improved livelihood for the people. The inability to deal with the complexities of governance, has been argued to be at the centre of underdevelopment of African states. The socio-economic implications of the lapse in governance in Africa, is easily reflected by the: increased insecurity of lives and properties, downward spiral in the quality of lives or standard of living, profligate spending by the elite in white elephant projects, the prevalence of situations threatening the rule of law, and the lack of visionary leadership to inspire hope.

All indications show that the progress that was made over the last decade is now under threat. In just 3 years between 2019 and 2022, we have seen eight (8) successful unconstitutional changes in

government. According to the 2022 Ibrahim Index of African Governance, key aspects of good governance have either stalled or declined over the previous decade. For example, the report notes that Security and Rule of Law has declined significantly over the last decade with almost 70% of the population living in a country where security and rule of law were worse in 2021 than they were in 2012. The judiciary is instrumentalized against opponents and constitutions are manipulated to prolong the tenure of governments.

Additionally, I am sure we all know the challenges of violent conflicts in different parts of the continent. We have not been able to silence the guns as planned and crises remain in many regions across the continent. In the Sahel for example, thousands have lost their lives, at least 2.7 million are displaced and more than 13 million are facing humanitarian crisis according to the UNHCR. At the same time, we must keep an eye on what is happening in the Lake Chad Basin, the Sahel, the Great Lakes Region and the Horn of Africa.

Just like security and the rule of law, participation, civic rights and inclusion have declined over the decade from 2012 to 2021 with more than 60% of Africa's population living in places where these indicators have declined. The importance of participation in all aspects of governance and development cannot be overemphasized. In 1990, the ECA under Professor Adedeji convened the International Conference on Popular Participation in the Recovery and Development Process in Africa. Participants at the conference declared in the preamble, "We affirm that nations cannot be built without the popular support and full participation of the people, nor can the economic crisis be resolved, and the human and economic conditions improved without the full and effective contribution, creativity and popular enthusiasm of the vast majority of the people. After all, it is to the people that the very benefits of development should and must accrue. We are convinced that neither can Africa's perpetual economic crisis be overcome, nor can a bright future for Africa and its people see the light of day unless the structures, pattern and political context of the process of socio-economic development are appropriately altered".

Shrinking space for participation in political processes including clampdown on freedom of speech and the press, right of assembly and civic engagement are a dent on our sense of tolerance and readiness to share space. But beyond a governance measure, shrinking civic space is a recipe for crisis.

In addition to the above, we have different contemporary issues to deal with. The climate crisis is devastating communities in many parts of the continent. It is true that Africa is responsible for the least carbon emissions. But we are the hardest hit by the effects of climate change. We are seeing increased adverse weather events - droughts, flooding - that are exacerbating vulnerabilities of communities around the continent.

I cannot recount the drawbacks in the economy of African countries, without briefly highlighting the negative or regressive impact of the 2020 global Covid-19 Pandemic. The retrogression brought by the Covid-19 Pandemic is enormous. From drawbacks in democratic gains, to increasing levels of poverty and economic crisis. According to the Economic Commission for Africa (ECA Daily Bulletin 2022), "the Covid-19 pandemic has reversed two decades of development in Africa." In the same manner, the ECA Economic Report for Africa, 2021 observed that the Covid-19 pandemic 'pushed 55 million Africans into poverty in 2020, and reversed more than two decades of progress in poverty reduction on the continent.' It also reported that 15 African countries were at the risk of debt distress, while 'government policies in relation to the Covid-19 pandemic were accentuating gender inequalities, while pushing more women into poverty.'

Projecting into the Future

Ladies and gentlemen, given all the multiple issues outlined, I will now like to ask, "How would Prof Adedeji have responded to these challenges?". I ask this question knowing full well that the Adedeji I knew would certainly have had a response to this combination of historical and contemporary issues. He was not a man to take things lying down when it came to the development and future of Africa. And he would have led in the search for a uniquely African response that responds to the needs of the vulnerable African population.

Good governance is an indispensable part of the quest towards sustained economic growth and development. It embodies the effective, ethical and efficient management of public resources and institutions to meet the needs of citizens. It is characterised by transparency, accountability, participation, rule of law, stability, responsiveness and consensus-oriented decision-making. Good governance ensures that public policies and decisions are taken in the best interests of the community, while respecting human rights, promoting economic prosperity, and preserving the environment.

The political and philosophical concept of social contract resonates with the principles of governance and transparency and accountability to 'the people'. Thus, the absence of the principles of good governance – transparency and accountability – erodes the social contract and potentially inhibits the government's ability to embark on sustained economic development. Recent events in West and Central Africa – just to mention a few – clearly indicate the ramifications/consequences of an eroded social contract.

Of course, corruption has been a long-standing cancer, contributing to the erosion of the social contract in many of the countries of Africa. Even more cancerous, particularly in recent times, are a plethora of exogenous pressures such as the attack on Libya, Covid-19, climate change, the War in

Ukraine, the security situation in the Sahel and the threat posed by international terrorism and extremist groups.

In addition, these exogenous pressures have made very clear the extent of the problem confronting Africa and its quest for development – and the need for countries to develop and maintain strong institutions through political settlements that can respond effectively to the challenges and better prepare for a resilient recovery – this clearly comes across several levels and trajectories of development in the countries of Africa – irrespective of regional or contextual differences. Thus, the need for good governance and a renewed social contract as an enabler for economic development has only become more urgent.

The need to curb illicit financial flows is quite pertinent in contemporary African development. Addressing this, together with corruption, at least- to my mind, is an international issue, given the transboundary nature of illicit capital flows and the role of professions that enable corruption and illicit capital flows transcending boundaries and jurisdictions. From the African context, recognizing the need for strong transboundary institutions within the continent and a collective framework for redressing these should be the way forward.

The focus, in my mind, should build on the initial conception of an Africa-centred approach to Africa's problems as conceived by the framers of the AAF-SAP framework– quite like the thinking of Adedeji and the ECA's approach to SAPs. Institutions must build on the notion of Africa's own concepts, metrics and recognition of the problems within the continent-

Recent events point to the need for Africa's leadership in developing its own institutions that resonates with Africa's concepts and matrices. The recent downgrade of most African countries by Moody and a number of rating agencies based in Europe and North America severely impacts Africa's quest to engage with global institutions and has serious consequences for economic growth and development. This is a clarion call on Africa, following the legacy of Adedeji and ECA to establish its own institutional frameworks, potent enough to draw the line on engagements. Strong institutions are however developed on the backbone of good governance, an enforceable social contract, respect for fundamental freedoms and human rights and peaceful environment, congenial enough for economic growth and development.

Ladies and gentlemen, in the near to medium term, I foresee a rapid increase in the influence and pervasiveness of technology, especially information, communication technology, bringing into sharp focus the issue of data security. These tools will offer more opportunity for engagements and the growth of non-traditional forms of civil society actors to engage in the governance process. Surely,

climate change will play an even bigger role in the way we handle policy formulation and international diplomacy as the discourse leans more and more towards renewables. There will be new complex questions for Africa to answer regarding how it provides the millions of people in energy poverty while not following the path that endangers the earth.

Ladies and gentlemen, as I conclude this lecture, I will leave you with seven (7) key priorities that I believe need consideration if we are to successfully deal with the complexities of 21st century governance, social contract and economic development.

1. Mass participation in governance and promoting accountability

New systems must be developed leveraging technology and other means to allow broad participation of the people in governance at all levels. In addition, to national level governance, regional and continental bodies must encourage participation by the people including in processes of policy formulation and accountability. Our governance system must be inclusive, participatory and empowering. Elections must be transparent, credible and generally acceptable to the citizens as a mechanism for political succession and leadership change. Elections must reflect the wishes of the people. Terms limits must be taken seriously and discussed at the national, sub-regional and continental levels.

2. Empower Youth and Women- Give them space

Africa's population is predominantly youth and women. Many studies have shown how this could be a boom or a bane. Significant investments must be made to empower the youth and women and give them space in the development process. In this way we can harness their energies, skills and capabilities for the rapid transformation of Africa. Unfortunately, there is a greater disaster that may yet hit Africa in the future, if the current spate of migration of some of its best hands and brains is allowed to continue. African youth must be given a rightful place in the leadership of our respective countries. They reflect a large chunk of our demography; they must therefore be allowed to lead as well.

3. Promote Pan-Africanism

In the complexities that accompany the rapidly changing world, continuing in our individual current states only puts us at the mercy of powerful forces who stand ready at all times to extract from us for their own benefits. There is an African saying that, "if you want to go fast, go alone, but if you want to go far, go together". In this case, going alone does not even help us to go fast. We must accelerate the ideals of Pan-Africanism and break the barriers that separate us and make us weak individually. A united Africa is our best chance to weather the storms and create a prosperous Africa for the future.

This requires that free movement of persons, goods and services must accompany our pan-African initiative of the African Continental Free Trade Area (AfCFTA).

4. Make friends, keep allies but pursue Africa's interest first.

While acting together, we should not shy away from making friends or allies outside the continent. But we should always act in our own interest as Africans first and foremost. That is our social contract with our people. On external dynamics, we need to renegotiate some of the decolonisation agreements and some lingering relationships from our past, the adequacy or inadequacy of post second world-war institutions that were bequeathed to us. While external dynamics, theoretically need not be totally negative, there is hardly any example in Africa in which external efforts have successfully aided/nurtured any of the African Union member states into shared prosperity.

5. Leverage the energy transition.

Experts continue to warn us of the dangerous trajectory in which the world is going. We seem to be at the brink of a climate catastrophe. This has necessitated a slow transition to renewable energy. Luckily, Africa has the resources that are needed to facilitate that transition. We have Copper, Lithium, Cobalt, Nickel, Manganese, Graphite, Zinc and rare earths. Currently, the DRC alone accounts for over 70% of all global cobalt production. Meanwhile Zimbabwe and Namibia are estimated to have the largest reserves of lithium globally. As you know, these are critical for the production of batteries for electric vehicles. When it comes to solar energy, Africa has 60% of the world's best solar resources according to the International Energy Agency. We can leverage this to produce clean energy for millions of people across Africa and beyond.

6. Create a positive mindset and attitude.

Minds and attitudes are responsible for the outcomes of all development efforts. What people perceive about themselves and the external environment influences to a great extent what they can achieve for themselves. The mind is like the software in your phone. Without it, the hardware cannot achieve anything. We must invest in creating a set of values and principles, a collective mindset that promotes growth and development, upholds integrity and honesty. This should be a crucial pillar of our resilience and triumph going forward.

7. AfCFTA and Intra-African trade

Lastly, one of the pieces of work towards achieving the agenda 2063 is the African Continental Free Trade Area. Rob Davies in his 2021 Lecture on Prof. Adedeji, reminds us of the expected benefits of the AfCFTA, which is best appreciated by comparing volumes of trade within Africa, with that in the

European Union and the ASEAN region. The AfCFTA is expected to cause an increase in intra-regional trade - from the mere 17% of total trade it now is to a level approaching that of other successful regions; 31% in North America, 59% in Asia or 69% in Europe.

Without a doubt, effective governance and a strong social contract are critical to the successful implementation of the AfCFTA. By creating an enabling business environment, promoting social inclusion, governments can create a conducive environment for trade and promote economic development and social stability in Africa. However, it is important to state unequivocally, that our goals on trading among ourselves will not be realised if we do not have the productive capacity for goods and services that are necessary for the desired exchanges. To scale up trade among ourselves, we must equally step up the production of goods and services.

Ladies and gentlemen, some of us here may have great ambitions. They want to see Africa rub shoulders with the giants of the world or fly into deep space and hoist its flag as a beacon of civilization and power. It is good to have these ambitions, but our people just want water, food, decent housing, education and healthcare. They want to live in peace and tranquillity where they can harness their potentials. You have a binding contract to provide these and you must keep your side of the bargain.

I have recently accepted the responsibility of the African Union High Representative on Silencing the Guns. In my position, I hope to strategically support efforts to resolve conflicts and wars that have slowed the development of the continent and prevented us from achieving the Africa we want. In this regard, I hope we can build critical partnerships to achieve our goal of a peaceful, stable and secure Africa by 2030.

I thank you for your kind attention.