



The Global Crises, An African Perspective

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Keynote address by Flight Lieutenant Jerry John Rawlings, former President of the Republic of Ghana, at the opening ceremony of the fifth Africities summit on the theme : "The Response of African Local and Regional to the Global Crisis : Promoting Local Development and Employment".

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Mr. Chairman, Your Excellencies, Distinguished Guests, Ladies and Gentlemen. I would like to begin by expressing my gratitude to the Political Committee of the Africities Summit Planning Committee for the honour they have done me by inviting me to participate in the Fifth Africities Summit on "African Regional and Local Governments response to the global crisis : promoting sustainable local government and employment" and to deliver the keynote address at today's opening ceremony.

I am not an economist, but I understand the realities of the challenges that face Africa today due to the negative impact of the global economic crises and will give you an overview on the topic The Global Crises, An African Perspective.

There is no doubt that Africa has been worst hit by the impact of the global financial crises and this summit is about brainstorming to find solutions to the unfortunate predicament. Ladies and gentlemen, if we are looking for solutions, let me share my experiences with you.

Globalisation by every stretch of imagination has some great advantages. Unfortunately it is clear Africa has not benefitted from its noted positives and has instead become rather over-dependent on the developed world, much to detriment of the suffering masses.

Africa has been vulnerable for a number of reasons. The first is the lack of national tenacity, accountability and a spirit of patriotic fervour. Africa has been unable to stay united and assertive because a good number of us in leadership positions, rather than uphold ideals that protect the sovereignty of our countries, have fallen to the dictates of our colonial and development partners and of late through their multi-national organisations who come in with promises of employment, capital and infrastructural development.

Ladies and gentlemen, sadly these investment opportunities fail to benefit the mass of our people because of the political and economic parasites who find themselves at the helm of affairs in our countries. Corruption is real and if we do not factor this key failure of Africa into our deliberations these next few days and saddle ourselves only with a scientific approach to resolving the effect of the global crises on Africa, we will be doing a great disservice to the continent.

Corruption is a major drawback to any developmental process that our continent embraces. Some of us have created a culture of impunity that allows us a right to employ all manner of methods to fleece our

countries of its resources. If we cannot improve on the corruption index each year, on what basis do we cry about the negative effect of the global economic crisis ?

The soul of some parts of the continent has literally been sold over the 30 to 50 year period that most African countries have been supposedly independent from colonial rule. Ironically most facets of our sovereignty seem to have gone back to our colonial and development partners and some of their corporate entities.

Some of these foreign influences even dictate what political directions we need to take and sadly we have also embraced their cultures with patronizing arrogance.

I very much appreciate the fact that we do not live in a vacuum and thus cannot expect to produce everything we require locally but we have become so obsessed with foreign cultures and regard their adoption as a sign of good quality lifestyle.

Globalisation has its own dictates. It preaches the free movement of goods and services and decries the imposition of any forms of economic barriers. The assumption is that by so doing all economies will benefit in equal stead.

Ladies and gentleman you and I know this has turned out to be a nightmare especially for those of us in Africa. And how can we expect there to be an even playing field when there were clear disparities right from the onset. Most of our continent lacks infrastructural development, lacks the ability to transform natural resources into finished products and has never had strong bargaining power in trade. Though we produce cocoa, timber, minerals of all kinds and a considerable amount of oil, we sell ourselves short because sadly foreign interests control even the tapping of these natural resources on their own terms.

Ladies and gentlemen are the changes brought about by globalization taking place on our terms ? Have we been able to stem the tide of the brain drain ? Are we not accepting globalization to the detriment of our own development and survival ?

Ladies and gentlemen, you and I know most of us have inherent weaknesses in terms of our political relationship with our people. This is what makes us so vulnerable.

When globalization became a catch phrase China, for instance, quickly tapped on her major resource - skilled labour — and proceeded to work hard at manufacturing everything conceivable on the globe. While we suffered the brain drain they ensured that majority of Chinese who trained in the West and other advanced economies returned home to impart that knowledge. Today China is a major economic and military power and is respected across the globe.

Ladies and gentlemen, within the scope of disadvantages and advantages of globalization we seem to have suffered the most deprivation and this summit tasks you to identify ways of stemming this tide.

One of the major roads to recovery is the institution of mechanisms that will protect the national sovereignty of our countries in terms of economic development. Without clearly laid down mechanisms that outline the scope of operations of investors and the lack of structures that monitor their operations, a lot of these investors who abuse our national interests go unchecked. Most of these investors repatriate the majority of their profits to their indigenous countries leaving us with little capital for re-investment into other viable projects.

The developing world needs bold and assertive political, traditional, judicial and corporate leadership that is dedicated to the upliftment of its people.

Ladies and gentlemen, fourteen years ago, at the Social Development Summit in Copenhagen, Denmark, I challenged the western banks and financial institutions to open their vaults and their books to expose leaders and personalities who had looted the wealth of their countries but were protected by so-called western banking rules of secrecy and confidentiality. At that time, my colleague world leaders gathered

there met my challenge with stunned silence. Fidel Castro was the only figure who applauded the challenge.

The negative effect of globalization was a wake-up call. Governments and people across the globe, having felt the crippling effect of the siphoning of their nations' wealth into foreign and other offshore accounts, the accumulation of wealth in the drugs trade, the financing of terrorism and the buying of political power have now gone after these banks to expose their criminal clients and their loot.

If we are able to contain this kind of economic savagery then decentralization and regionalization will provide the way forward in our quest for development.

Decentralisation is a system of power devolution that garners respect and confidence from the people who choose us as leaders. Decentralization allows for governments to share their burden with the ordinary people. This is what has been structured and elevated into what we call local government.

Everything possible should be done to encourage local government. It shares the central government's burden with the people, demystifies what governance is about and brings people in touch with the problems that central government faces.

Ample examples are strewn across the continent of governments imposing so-called developmental projects on their people when the priorities of the localities are totally different. During the mid 70s, a government in Ghana spent hard earned resources building a stadium wall when a modern medical facility was the priority project required by the people of the area.

Ladies and Gentlemen, the current global economic and financial crisis, which is the worst crisis since the Great Depression of the 1930s, has confirmed what we in Africa have known for a long time - that markets are fickle and that they favour the strongest players. It is now more than ever clear that the International Financial Institutions were wrong to tell African states to adopt a hands-off approach and that this poor advice weakened African economies and put us in a poor position to withstand the current shocks. It is clear now that even in the strongest economies, the efficacy of timely state intervention has been demonstrated. We have seen that the state is not the enemy of development. In Africa more than anywhere else, arguably, we need a strong developmental state that can protect Africa's right to contribute to the global economy, and not just as suppliers of raw materials or as hewers of wood.

But to do this, we must come together as Africans north and south of the Sahara and build one viable and beautiful political and economic space that can support the creativity and ingenuity and initiative of our diverse and talented peoples.

And let us not be afraid of empowering our people. When we apply decentralization appropriately it creates a healthy development climate because the ordinary people claim ownership of policies, projects and programmes and are ready to stomach failures together with government. How many governments are not grappling with expensive public relations exercises to convince people with all sorts of excuses about failed projects? If the decision to implement those projects were not done in a top-down approach but in discourse with the people in a decentralized environment, there would have been no need to waste scarce resources protecting government's reputation.

In Ghana, we achieved decentralisation by establishing democratically elected District Assemblies and their sub-structures. And through a system of elections and consultative appointments with Chiefs and other opinion leaders 70 per cent of membership was elected while 30 per cent was reserved for appointees who were mainly economically minded intellectuals and professionals whose areas of expertise provided more informed decisions.

Decentralisation and empowering of people puts us as leaders in a position of owing accountability to the people as opposed to demanding accountability from them. Local government today has the potential to deliver on development that satisfies the basic needs and human rights of the people of the developing world, thereby helping to confront the globalization crisis. It has the potential to contribute to the

prevention of conflicts related to the demands for good and participatory governance.

Decentralisation also encourages the practice of a higher social sense of responsibility towards hygienic and sanitary conditions thereby preventing serious infectious and contagious diseases.

It also allows for a more responsible exploitation of the local natural resources while preventing environmental degradation.

Local governments also have the potential to contribute to population management and the reduction of extreme poverty and degradation

Decentralisation, if well implemented serves as a foundation for regionalization. Regionalization as we are all aware allows us benefits of economies of scale, stronger bargaining power and the tapping of resources of member states for the benefit of the entire grouping.

Today the Economic Community of West African States (ECOWAS) is one of the strongest regional groups on the continent. It took us ages to get to where we are today but we still do not have the kind of economic integration required to ensure the benefits of economies of scale that will allow us to have one common currency, build factories and tap on each other's natural resources for a concerted development.

But as stated earlier these steps require courageous leadership and an effective decentralization structure that ensures grassroots participation and ownership of national policies. This is crucial because for integration to succeed the major protagonists must be the people who will participate in the process. Socio-cultural differences on our continent can only be managed if grassroots participants do not feel that their national sovereignty is being given away by central government.

Ladies and gentlemen, while the world ponders how we must modify this model of development called capitalism, we might consider that now is a good time to emphasise a return to African values and to seriously question the emphasis on the self-interested individual, which is at the heart of the capitalist model and which has brought us to this parlous state of affairs globally.

We need a return to community values and a move away from the values of the selfish individual. This is a time to insist that there is still a great deal that Africa can teach the world if we believe in ourselves and value our cultural and spiritual heritage.

Ladies and gentlemen Africa has a steep hill to climb in softening the blow of the global financial crises. However if the continent is ready to take the bull by the horns and adopt brave policies that will lift Africa up from the gloom then it will be one part of the battle won.

I enjoin all participants at this year's summit to deliberate seriously on the crisis facing the continent and urge our national leaders to embrace solutions that come out of this valuable exercise.

I thank you very much for your attention and may I once again thank the Political Committee of the Africities Summit Planning Committee for inviting me to share my thoughts with you.

On behalf of all our distinguished participants and guests I wish to thank His Majesty King Mohammed IV, together with the government and the people of Morocco and especially the people of Marrakech not only for their hospitality but also for making this summit possible.

Thank you.