

# Boost the economy of African local and regional governments

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**To deal with the Coronavirus, 42 African countries have opted for total or partial containment. This period of closure has contributed to the erosion of the continent's fragile economies. Afrique Progrès Magazine visited Jean-Pierre Elong Mbassi, Secretary General of United Cities and Local Governments of Africa (UCLG Africa) to find out about the economic losses suffered by local and regional governments and the solutions to restart them.**

**Many experts have since been talking about economic losses at the national level. Can you tell us about the losses incurred by local and regional governments ?**

From the onset of the coronavirus crisis and the implementation of containment measures, most cities in Africa have been faced with the difficulty for their populations, especially the most vulnerable, to meet their needs. As you probably already know, the SME sector and the informal sector together account for between 30 and 50% of the added value of these cities and 60 to 80% of employment. The cessation of activities as a result of the orderly containment of coronavirus contamination is likely to result in a drastic reduction in economic activity, a significant increase in unemployment, and an even greater drop in household income. Basically, daily life is likely to be much more difficult after the COVID-19 crisis, when it was already quite difficult for the vast majority of people. The decline in economic activity will also result in a decline in financial revenues for city budgets. Figures from UCLG Africa's Observatory of Local Finances establish the average level of city budgets in Africa at US\$ 250 per capita, and the average level of investment budgets at US\$ 28 per capita. We calculated that COVID-19 would lead to a reduction in city budgets in the order of 30-50% depending on the share taken by the contribution of the informal sector to the city's own budget revenues. The reduction in investment budgets, for its part, would be of the order of 30% where the contribution of the modern sector to the budget's own resources is in the majority, and of at least 50% where the own resources of city budgets depend mainly on taxes and levies on the activities of the informal sector or similar (market duties ; taxes on drinking establishments, cabarets or gargotes ; etc.). The investment capacity of small towns (10,000 to 100,000 inhabitants) and medium-sized towns (100,000 to 500,000 inhabitants) would be close to zero.

Maintaining a minimum level of public investment in these cities, including medium-sized and small towns, is necessary because these investments are a direct support to the revival of local economies. This situation should be linked to the fact that the informal sector.

The COVID-19 crisis has far more fundamental impacts than it seems at first glance. It questions the resilience of African cities and their preparedness to cope with the crises and disasters that are increasingly frequent due to the effects of climate change. Apart from African cities recently exposed to the Ebola virus (Monrovia in Liberia ; Freetown in Sierra Leone ; Kinshasa and cities in the east of the Democratic Republic of Congo), most cities in Africa south of the Sahara (with the possible exception of cities in South Africa) do not have a defined disaster organization or plans for organizing relief and assistance to victims (ORSEC Plan). The COVID-19 crisis also revealed that many cities have serious shortcomings in the organization of funeral services, starting with the availability of a sufficient number of mortuaries and cemeteries. This finding has particularly struck a chord with the populations of these cities, who know the importance they attach to funeral rites and mourning ceremonies. This means that the coronavirus crisis will also leave its mark at the anthropological level. What is clear from the

management of the coronavirus crisis in Africa, but not only, is that it gave central governments the opportunity to go back, during the time of the crisis, on the competences recognized to local authorities by the decentralization laws. Will this questioning of the decentralization policy stop at the end of the crisis ? Or will the nibbling initiated by the central government in response to the health emergency continue, given that local and regional governments will emerge very weakened from the crisis ? UCLG Africa is determined to resist alongside its members so that the gains of decentralization are not lost, convinced as they are that development is local or not.

## **Do you have the impression that the deconfinement solutions proposed by some African countries include local and regional governments ?**

In order to mitigate the consequences of the coronavirus crisis on the economic sector, a series of proposals are put forward, including deferring the payment of rents and taxes, freezing bank agios, granting financial support by the State, etc. These schemes, which are often supported by development partners, mainly target businesses, but not local and regional governments. It's a mistake. Cities are indeed a major economic player where the informal sector is in the majority. It should be remembered that it develops essentially around the public spaces set up by local authorities. Providing the latter with the capacity to maintain a minimum of public investment is therefore a direct support to the revival of local economies. This dimension of support to local and regional authorities as part of post-COVID-19 economic activity support must be seriously considered by States and their development partners.

## **What strategy do you suggest to revive the economy of local and regional governments ?**

The COVID-19 crisis provides an opportunity to reflect on the model of development that African cities have followed so far as a result of their states. UCLG Africa has been advocating for some time for African cities to engage in the transition towards the sustainable and resilient city. Some consider this concept of transition to be a fad that has no reality in African cities whose main concern should be to find and propose solutions to ensure the daily survival of their populations. It is forgetting, as Mao Tse Dong used to say, that a main contradiction is not resolved at the level where it appears. To resolve it, we must adopt a strategic approach that seeks to respond to emergencies while preparing the conditions to avoid being reduced to dealing only with emergencies because no thought has been given to the changes to be implemented in the long term to get out of the poverty trap and inequalities on the scale of the city as a whole.

Africa's cities have no choice but to embark on the transition to sustainable development in order to avoid repeating the mistakes made by developed and emerging countries that have based their economic development too much on easy access to fossil fuels and unlimited borrowing and dumping into the natural environment. At present this model comes head-on up against the limits of the planetary ecosystem. It is the responsibility of Africa, which in thirty years' time will become the world's first human home, and which is fortunate enough to be the region of the world least embedded in the fossil fuel-dominated economy, to engage the world now in forging a low-carbon and more resilient development trajectory. Such a bifurcation has profound consequences for the model of development that these cities should adopt. It is a review of the five main functions that any municipal authority is expected to perform, namely :

1. Feeding the city ;
2. Building the city ;
3. Providing the city with basic facilities and services ;
4. Maintaining the city ; and
5. Administering and managing the city ; to pass the test of the sobriety of borrowings as well as of discharges into nature, of energy efficiency, of proximity and short circuits between places of production and consumption, especially in the food sector, of the logic of the circular economy, or of

social inclusion and justice.

This test should make it possible to detect the points of attention that need to be addressed in order to move towards a more sustainable and resilient development trajectory. This exercise is entirely within the reach of local and regional authorities in Africa, and many have already committed themselves to it. Of course this exercise will be demanding for municipal councils and municipal governments in terms of knowledge of their local economy. It will no doubt require them to hire consultants or partner with universities to help them understand what can be done. Relaunching the economies of African cities on the matrix of the transition to sustainable development also has the advantage of being consistent with the Agenda 2030 of the sustainable development objectives and the Paris Agenda on climate change. That is to say that the cities that would engage in such an approach would be likely to find support in international cooperation mechanisms such as the Green Climate Fund.

### **For many political and economic figures, COVID-19 changed the course of human history. How will tomorrow's world be different from yesterday's ?**

I would like to share your optimism about the change in the course of human history as a result of COVID-19. I have reservations about this assessment, however, because recent human history shows that human beings rarely learn the lessons of history. If I may venture to express one wish, it is that the concern for the preservation of the human species on this planet, which seems to be a unique exception in the cosmos, should regain its rightful place in the concerns of both populations and the leaders of human communities. This presupposes that tomorrow's world will be one in which solidarity and cooperation prevail over competition of all against all. A world devoid of exploitation of man by man but moved by the thirst for encounter between women and men of equal dignity. A world where all countries finally respect the Universal Declaration of Human Rights, and no longer interpret it in a variable geometry and according to their contradictory interests. A world of peace, harmony and love. A naïve utopia ? Probably. But only the naïve and the utopians change the world. Cynics and realists can't, because they don't believe in it.

### **Are you optimistic about the future of the African continent ?**

Asking this question means that we are concerned about the future, which is very important today in Africa. I remember the reaction of an acquaintance before whom I was delighted that the African Union had finally succeeded in formulating a vision for the continent with Agenda 2063 "The Africa We Want", responding to me : "These people from the African Union have already finished with our everyday problems and are planning for us a century later ? It's a sign of their inefficiency, a sign of their incompetence." **To consider the reference to the future and the long term as a sign of incompetence shows the immensity of the rape of the imagination suffered by Africans**, to quote the Malian sociologist Aminata Traoré.

Just think. Since the years of structural adjustment, most African States have been warned to think only in the short term, depending on the budget year, or even in the very short term, according to the quarterly meetings with the IMF and World Bank teams.

Leaving the dictatorship of the short term in order to return to the long term, which is that of structural transformations, is the question of the hour for those who share the point of view according to which **"you don't develop people, people develop themselves"**.

But without a long-term project, envisaging the future for at least three generations, no sustainable human development can be envisaged. Three generations is the horizon of the century. At this horizon, according to demographic projections, Africa will be the world's leading human home, with nearly 40% of the world's population, which will then be close to 9 billion inhabitants in all likelihood and barring a catastrophe. By 2050, the majority of the world's young people under the age of 18 will be African and their share of the world population will continue to grow. According to FAO experts, Africa will still have 60 percent of arable land that is healthy for agriculture and will be the world's second largest freshwater

basin, as well as the second largest reservoir of biodiversity - the world's second largest natural medicine chest. Africa will continue to be the world's main reservoir of minerals, some of which are essential for a range of strategic industries. In other words, whether these are natural endowments or human endowments, Africa's future looks bright.

How can this potential be transformed into reality to ensure the continuous improvement of the lives of Africans and other inhabitants of the world, and what trajectories should be defined to achieve this ? That is the challenge.

To do so, Africans must now begin to give themselves greater leeway to exploit their natural and human endowments for the benefit of their populations.

To do so, they must re-interview the institutions they have given themselves to manage their collective life. My view is that the vision of Kwame Nkrumah, Ghana's first president, remains the only one that can put Africans back in control of their future. Africa must unite within the United States of Africa so that Africans can live free and equal lives in tomorrow's world. There is no future in this world for the African microstates inherited from colonization, which continue to stunt Africans in their daily lives and limit the horizon of their projection.

Africa must also be the bearer of the values of solidarity and sharing in order to give birth to a world at the origin of a new humanism, which above all respects the harmony of the human species with other living species in an ecological balance that respects biodiversity and the requirements of sustainable development.

Africa is in the best position to initiate this bifurcation, because it is currently the region least entrenched in the economy based on cheap fossil fuels and reckless borrowing and dumping in nature. I would very much like the awareness of belonging to a people who will have a great responsibility in shaping the fate of humanity to be better shared among Africans. It is time for Africans to take the measure of who they are in this world, of what they need to bring to make tomorrow's world a better place. But for this to happen, overcoming the States inherited from colonization must be a major political priority for the continent. Are the continent's populations and elites ready for this ? Or do they want to continue to accept voluntary servitude for life ?