

SPEECH BY H.E. PAUL KAGAME, PRESIDENT OF THE REPUBLIC OF RWANDA,
AT THE OPENING OF THE 2012 AFRICAN ECONOMIC CONFERENCE

Kigali, 30 October 2012

Mrs. Helen Clark, Administrator, United Nations Development Programme;
Dr Donald Kaberuka, President of African Development Bank;
Distinguished Senior leaders of our Government;
Members of the Diplomatic Corps;
Distinguished Panellists, Speakers, Invited Guests;
Ladies and Gentlemen:

First of all to Donald Kaberuka, I will be coming to the question you actually wanted me not to raise and I will ask where the economists were and I think their roles had been taken over by politicians or economics had become politicians and forgot their responsibilities.

I am very pleased to be with you today and I want to thank the organisers as well as welcome them to our country for honouring us with this conference. It is important that experts meet to examine how we can work together to foster inclusive and sustainable development in Africa.

Therefore judging from the calibre of the participants, I have no doubt that you will come up with new ideas for an economic model that responds to the needs of the African people, that sustains the growth rates that we have known, and ensures that the benefits reach our people, especially the most vulnerable.

The issue which I think Dr Kaberuka did touch on is: Do we learn lessons, can we learn lessons? I think that is another weakness. We meet in the room; we have experts. They tell us the right themes which contribute to that and we fail to put that in the wider context of lessons of the past that have led to many failures that we continue to witness today and therefore likely to repeat in the future.

Let me say at the outset that if our development depended on the advice of economists alone, we would have made tremendous progress. But it does not. Our economies operate in both national and international political contexts

which have a huge impact on choices countries like ours make and the outcomes thereof.

In Rwanda, we understand that politics and economics go hand in hand and we have made a conscious and deliberate choice of inclusive development based on our political reality. By and large, those choices have produced positive results. Growth has been consistent and poverty levels considerably reduced like in the last five years by 25 % - from 56.9% to 44% of dependency.

The important factors that led to this have been ownership of programmes, citizen participation, a high degree of accountability, effective cooperation with development partners and the building of strong institutions.

However, it is also clear that in Rwanda and other developing countries development is not driven by local politics alone. Although the agenda here is Rwanda-driven and led, the outcomes are often the result of partnership with development partners, and that's fair enough.

This means that development outcomes are partly dependent on external factors that are sometimes very unpredictable and in fact even not rational or logical. Therefore we are not in full control of what happens in the whole process. In fact, there is ample evidence that external factors and manipulations can and do stifle economic growth. I do not want to believe that sometimes that is exactly what is intended.

In the case of Rwanda, there has recently been a puzzling eagerness on the part of some of our partners to achieve a slow down of our progress or growth. Yet Rwanda has followed what has been prescribed as correct practices, and all indications are that we have done the right thing. But inexplicably, there have been penalties accruing to doing just that. In some instances, matters unrelated to development and simply unreasonable have been introduced as conditions for development support. All these factors slow the economic growth of African countries.

For the good people, experts and others gathered in this room, I am sure there will be brilliant ideas coming from you, especially originating from your areas of expertise. But I am not sure we are going to come out with recommendations for this other part of the problem that is very important to address. How do we address and deal with this very thin line dividing matters we know that we ought to do when it comes to dealing with economic policies

and others, and the politics that many times push or hinder these economic policies?

I would suggest that maybe you help us come up with some of these ideas as well if you can. As I say this, it's probably a subject that has been there for people to think about and address for a long time.

Let me pick from the audience here. As I mentioned earlier, there is Former President Obasanjo and Prime Minister of Sao Tome. President Obasanjo who knows very well when he was still in office - by the way President, I think you left us a bit too early. Why am I saying this? We had a team of leaders during that time who were supposed to mobilise other leaders for a common cause for our continent and for different reasons, good and bad, most of those leaders, if not all of them, are not with us to continue the fight. You left us when the fight was picking momentum and sadly Africa is lacking in terms of leaders to stand out and stand up against these challenges. Yet the fight has to be fought.

We simply cannot continue to have Africa with all these resources and people, the values that we should stand for, being run over and being dictated by everybody passing around. It's very serious.

We have a case in this region - and you see - let me quickly make a comparison between what we have in different places of our continent. Let's talk about West Africa. President, you know the case you have in Mali which not so long ago was praised by these same people who run over Africa as the most stable, democratic that we should all learn from. Before the last hymn of the praise song, Mali was nowhere to be seen. Now everybody is saying let us go help Mali and put her back together. You were telling us this was a place where all of us should be looking towards for everything.

Those experts; whether economists or politicians, should have seen that coming. These notions of democracy that are empty and are told everyday end up like that. They come to Rwanda here, they don't even ask the people what their choices, values, and cultures are, but say Rwanda is registering economic growth but...but what?

The only meaning of it is that Rwandans have been insisting on taking control of their own affairs . That is the main problem they have with Rwanda. When

you demand that, you are authoritarian, dictator, your people don't have freedom. Those people who speak for Rwandans don't qualify; they don't know anything about Rwanda at all. These Rwandans; the 11 million people have not been going to complain to anyone that they are not free. In fact they have been correcting this distorted information that they are not free. They can't be not free and actually work together to achieve all we have achieved. Rwanda cannot be undemocratic and yet invest in our people, invest in infrastructure of information and communication that enables every citizen to communicate and you say that is undemocratic. You must have changed the definition of democracy.

Rwanda cannot be empowering our women; giving them rights women don't have elsewhere, even in those countries that give lessons and then you say Rwanda is undemocratic. We cannot be enabling our citizens to put food on the table and be able to feed themselves so that they have energy to do whatever they want to do for themselves then say we are not democratic. What do you mean? What is democracy?

We cannot be investing in our children's education, their health, trying and struggling to enable everybody to have a decent living and you say it is undemocratic. You have changed the definition. Who is this person who speaks for Rwandans? I can speak for them because they elected me. When they get tired of me and they think I am not representing them enough, they will get rid of me. But for those who speak for them from positions and places where they are not seen, when you misrepresent them, how will they get rid of you? That means you want to speak for Rwandans but you are not accountable to anyone.

We have a situation here in our neighbourhood in the Congo. Let me give you some information some of you may be lacking or tell you what I think . This problem that many of you have read in the media and has made so much noise is happening for two reasons;

One is the failure of governance and of people of Congo, especially their leaders, to govern their country properly. Number two, which converges with that, is the failure of international community and I will elaborate their failure. The economists sitting here in this room or experts of different kinds, I think it is common sense that if you are investing in dealing with a problem, you must first fully understand the problem. Second, the resources you put in, I am sure

you would be interested in those resources and the magnitude of those resources being commensurate to the outcomes that you wanted out of that. But you pump in a place billions (of dollars) every year - that operation there costs, I am told, about 1.5 billion every year - and it has been happening for over ten years. So, how many billions are those?

Somebody putting in those resources must be turning around and asking themselves: What are we getting out of this? What is the value for our money? Isn't that what you experts should be telling us? So what is the value for that money? The value of that money should have been the resolution of that problem.

Now, for these two failures of course, the international community is too big to take responsibility for its failures. So, it must look for somebody else to carry the responsibility. And that's how it has come to be Rwanda. Rwanda has become the problem, the cause of those problems of Congo. That's how it is presented, and that's how people have come to go along with those ideas, and then they tell you "oh!"

So now it comes back to the relevance of this meeting. Since Rwanda is a problem and cause of what is happening in the Congo, then you know what? Let's suspend development aid we are giving to Rwanda.

Now, first of all, I don't understand the rationale because...I don't mind if you are doing that, hoping that you are actually getting a solution to the other problem. But the only outcome is that you continue to have a worsening problem in the Congo, and you add a new problem you didn't have, you will have created for Rwanda. So you end up with two problems instead of one. That is the only thing.

Second, if anybody ever thought that you would use that tactic first to make Rwanda guilty, unreasonably, and then turn it around, blame everything on Rwanda and then use it as a solution... It won't work.

I want to assure you of one thing: this Rwanda that I know so much about, that I am so much part of, this new Rwanda, it does not respond well to blackmail. Only that we are put in this position when we actually don't have the means to provide the solution. We are not the ones holding - I don't know who does - the magic wand for Congo's problems. Congo's problems are older than me.

Yes! When I was born - and I am happy we have President Obasanjo with us here - you know he dealt with Congo as early as 1960s. He was there! In 1960, I was only 3 years old. So now, how do these problems of Congo, as complex as they are, how can I be held responsible for that? Honestly!

Now, another thing which again comes from the international community being too big to take blame. We have a big population living in the Congo. They call them "Rwandophones". These are Congolese of Rwandese origin, whom leaders of different kinds, when they come they will use that problem as they want depending on what they want to achieve. One day they want to admit that these are Congolese, another time, they want to say: "No no, these are not Congolese, these are Rwandese". Now, when they come to me and tell me this, I tell them: No! You go and ask the Belgians, they are the ones who drew this line that divided families and communities and left people on one side and left the others on the other side. They have nothing to do with me.

So how can we have people who make these decisions, vital decisions that affect all of us, doing things this way, and then they start saying: We sanction, you sanction, you shoot this one... No! There are legitimate grievances there that must be listened to. You can't wish away these problems, you can't shoot your way to a solution. Even the shooting has a limit. You need to address the grievances politically and correctly.

This whole thing I am talking about, I am raising it at this moment because here we are innocently dealing with issues of economics and exercising our brilliant minds, and yes they are good ideas, but where do you implement them? And how? What is the context? These brilliant ideas we bring to the table will be affected in the process of implementation by this context that is so convoluted by politics that you cannot even understand. So we need to sort out more things than we are probably discussing here.

But, let me go back to my speech, bear with me for a moment.

In spite of this, the African continent, that we all love so much, has registered a decade of economic growth and there is optimism that the prospects are even better in the coming years, if only we addressed some of the issues we talked about. According to the African Economic Outlook 2012, economic growth across the African continent is expected to rebound from 3.4% in 2011 and accelerate to 4.5% in 2012 and 4.8% in 2013.

Some countries have even done better than these statistics depict. And because some countries from other continents show signs of economic stagnation, commentators have been inclined to think that this is Africa's time.

But if we must maintain the momentum, there are some things that have to be corrected.

Firstly, the position that our development agenda can be controlled at will from a multitude of "single interest" entities is simply untenable.

Secondly, African countries must know what they want and make plans to delink themselves from counterproductive political influences of others. The social and economic development of Africa must be Africa-owned and Africa-led. Leaders in particular, have to reshape political and economic thinking in order to address the development aspirations of their people and also to better cope with external factors.

Thirdly, private sector-led growth is most sustainable, and in order to attract investment, create jobs and more wealth, our countries must increase access to finance to entrepreneurs and innovators.

Distinguished Audience;

The acceleration in Africa's growth over the past ten years reflects fundamental improvements in political stability and governance, an enabling macroeconomic landscape, and an improved business environment. Other key factors to economic growth include harnessing our natural resources and changing demographics –a young, healthy, and skilled population, increasing urbanization as well as availability of modern technology.

It is widely believed that Africa's challenge in the next decade is to ensure that economic growth translates into more stable wage-paying jobs that are essential for fast poverty reduction and continued expansion of the middle class.

Boosting employment requires targeted strategies implemented by governments and business leaders to spur growth in sectors with the greatest potential for job creation.

Indeed, some sectors such as oil, mining and gas make crucial contributions to Africa's GDP and export revenues but employ less than 1% of the workforce. However, manufacturing, retail and hospitality, transport and communication are the most promising job creators.

We should, therefore, focus on removing barriers to growth along specific industry value chains and put in place the right infrastructure, a conducive business environment and workforce skills needed for the targeted industries to thrive.

As we streamline the economic policy framework, new African growth strategies must be mindful of the global economic uncertainty and that our economies are most vulnerable to associated political shocks. We must remain aware that because of these global economic and political trends, official development assistance may be scarce, and its efficiency regressive. The case for weaning ourselves off aid is strong enough, and this reality should spur us into fast-tracking appropriate plans towards this end.

All together we have the responsibility to redefine Africa's story into a successful one, a continent of hope, prosperity and dignity. This is what our people deserve.

I thank you for your kind attention.