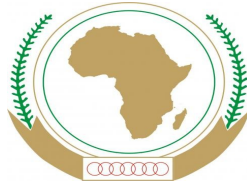




Ministry of Foreign Affairs  
of the Czech Republic



ÚSTAV  
MEZINÁRODNÍCH VZTAHŮ  
PRAHA



INSTITUTE  
OF INTERNATIONAL RELATIONS  
PRAGUE

## The emerging Africa and the Czech Republic: How shall we enhance our partnership?

### Report on panel discussion

03.06.2013

Grand Hall, Czernin Palace, Ministry of Foreign Affairs, Prague

- Organized by the Ministry of Foreign Affairs of the Czech Republic, the African embassies in Prague and the Institute of International Relations (IIR) and held under the auspices of the Minister H.E. Karel Schwarzenberg.
- Participants:  
Vladimír Galuška, Deputy Minister, Ministry of Foreign Affairs of the Czech Republic  
Belaid Hadjem, Ambassador, People's Democratic Republic of Algeria  
Lydie Boka, Director and Consultant, StrategiCo  
Ajay Bramdeo, Permanent Representative of the AU to the EU and the ACP Group  
Tomáš Dub, Deputy Minister, Ministry of Foreign Affairs of the Czech Republic  
Petr Lebeda, Director, Glopolis (a think tank)  
Chair: Petr Kratochvíl, Director, Institute of International Relations (IIR)

The panel discussion was opened with remarks of Mr. **Vladimír Galuška** who emphasized the fast growth of African states mentioning the fact that ten out of the twelve fastest growing economies of the world are African. Accordingly, as he stated there is increased possibility to improve already existing economic, political co-operation between Czech Republic and African states for the sake of mutual benefits.

He proceeded reminding the audience of the importance of ties between Europe and Africa, in geographic, cultural and human terms. Despite the conflicts across the continent, there is a clear evidence of improved stability in first place. Moreover, the integration of the continent together with trade are solutions for conflicts prevention.

He mentioned the importance of the cooperation between Czech Republic and African Union and the current intentions to improve this relationship even more.

Mr. Galuška summed his speech up by expressing honest hopes that this panel will contribute to the further development of the mentioned relationship.

Another opening remark of this conference was delivered by Mr. **Belaid Hadjem**, the ambassador of the People's Democratic Republic of Algeria. He opened his speech by mentioning the fact that this year is the 50<sup>th</sup> Anniversary of foundation of African Union, the union consisting of 54 African states. Main principles on which the organization is based are dignity and effective end of apartheid, progress and decolonization. According to Mr. Hadjem, there is still a long way to go and a huge goal to achieve but the acting under the principles of democracy and good governance in sign of cooperation and integration are quite promising.

African Union is determined to solve conflicts peacefully through mediation. African states nowadays according to Mr. Ambassador occupy important role and had become an important interactive player in the world scene. Greater level of development and emergence are achieved through technology and urban development. Nevertheless, there are still problems in a form of infrastructure and food deficits.

He agrees that green sustainability is still a long way to go for African society. But at the same time the economy of African society seems to be promising. A number of partnerships have been entered in order to attract investments and increase trade itself. The important reforms are undertaken every day so that economy can be changed.

Diversification and new orientation of economy are also important for opening the African states to the new partners. In his opinion that terminates the old connection with Europe. But at the same time, opening towards new partners is a chance for this old traditional partnership with Europe to show all its honesty, and the fact that it actually goes beyond strict trade governed relationship. Now is best time for strong partnership with Europe and Africa has never been in better position for that as Mr. Hadjem states.

In particular, speaking of the relations between African states and Czech Republic- one can state many advantages. The country has built a positive image through the technological and military assistance provided to Africa. Moreover, these good relations go beyond the Czech peace enforcement missions such as on in Mali towards more active development co-operation and economic diplomacy in the region.

In the next part of program, in the name of Institute of International Relations, Mr. **Petr Kratochvíl** expressed many thanks to all of the partners who contributed to the organization of this conference- Ministry of Foreign Affairs and all African embassies in Czech Republic. He introduced the structure and content of the panel itself giving a reminder of the article published in The Economist which was named “Africa Rising”. As he recalls, since then there have been many talks and discussions on this theme specifically.

To illustrate this in depth, Mr. Kratochvíl points the economic progress of African continent and presents an obvious example: the number of mobile phones in Africa is greater than in Europe or United States. In his opinion the growth of middle class is a solution for the steady economy of Africa. In addition, until 1990 there was no peaceful change of regime, and then after 1990 all the revolutions were peaceful. Therefore, there are positive changes in political terms too, which is more than beneficial for the region’s future progress. He reminded the audience of the existing the numbers of obstacles, that will be discussed, for instance corruption, and he presented also another concept which will be touched by some of the panelists- the place of Czech Republic in the framework of African European relations and cooperation.

**Lydia Boka** opened the panel by painting an optimistic picture of African progress. After highlighting the irony of a security advisor discussing stability, Mrs. Boka urged the audience to abandon the image of Africa as war-torn, unstable, and backward. Illustrating this, she launched into case studies of Cape Verde, which has seen rapid economic development and an expansion of political freedoms, and Rwanda, which has halved poverty within 15 years. She subsumed these success stories under a wider trend of African states becoming Middle Income Countries (MICs). And to counter claims that this success constitutes nothing more than a resource trap, she explained that only 8 of the 22 African MICs are resource-dependent, suggesting a more profound economic change in Africa. Indeed, once they have acquired economic stability as MICs, she claimed, most

African states look to transition from primary to secondary and tertiary industries. Furthermore, Mrs. Boka documented a parallel rise in political freedom, in part due to the increased accountability of politicians afforded to African populations by the increase in Internet accessibility. She claimed that only 18 "dictators" remain in Africa, and that even their power is weakening. As a result of this relative stability, emerging economies have been looking to expand their economic ties with Africa for more than a decade. In particular, Mrs. Boka mentioned the 2008 India-Africa summit, in which India pledged \$5 billion USD for African infrastructural development, and China's five similar summits since 2000. But Africa offers more than just an alternative market to European economic stagnation. Brazil, for example, recently looked to non-Portuguese African countries for support in winning WTO leadership, given the numerical advantage of the large bloc of African states in international organizations. And then of course, as always, resources continue to be found cheaply in Africa, mainly under the auspices of Japan and Russia. In conclusion, Mrs. Boka hinted at a chance for Europe, and the Czech Republic in particular, to capitalize on the growing peace, stability, and development in Africa.

In seamless continuation from Mrs. Boka, **Ajay Bramdeo** opened his talk by explaining that peace, stability, and development were not only parallel movements, but in fact codependent. It is this very realization, he claimed, that prompted the initial cohesiveness of the African Union (AU), as African states realized that only cooperation could ensure mutual development. While ensuring policy cohesion of 54 African states was never supposed an easy task, Mr. Bramdeo continued, that cohesion has been particularly tried by the recent economic crisis and the consequent "second, economic scramble for Africa". As foreign investors looked to African markets to kickstart the world economy, they poured in enough money to make their bids desirable, but not enough to satisfy Africa's investment needs. Furthermore, Mr. Bramdeo suggested that these investors had the tacit backing of their home governments, taking their bids from purely economic incentives to diplomatic priorities as well. As a result, competition for these appealing contracts placed AU states in a prisoner's dilemma: each pursued private negotiations with investors, giving up vital interests to undercut other African states, even though the aggregate benefit would have been maximized with collective negotiation through the AU. For example, foreign investors have been allowed to engage in "large scale farming" in Africa, wherein massive tracts of land are used to grow crops as

efficiently as possible, but the crops themselves are exclusively sold in foreign markets, exacerbating domestic food shortages. In turn, these shortages of food, capital, and other resources necessary for development enable the system of corruption for which African business and politics are so often censured. After outlining all these problems, Mr. Bramdeo concluded with a solution, pleading for empathy with African states who, like the Czech Republic in the EU, are relatively small players in international relations, subject to the prevailing wills of larger actors. Until African states are empowered to cooperate through the AU, states like the Czech Republic have a social responsibility to prevent the organizations with which they associate from taking advantage of African disunity.

Seemingly in response to Mr. Bramdeo, **Tomáš Dub** began by outlining the Czech Republic's 2008 strategic shift towards strengthening ties with Africa. He then spent his speech outlining the economic opportunities awaiting investors in Africa. Firstly, with 80% of African GDP produced by 20% of workers, an influx of labour from agriculture to manufacturing sectors could drastically improve overall economic productivity. Echoing Mrs. Boka, Mr. Dub explained that such a labour change is likely given African states' desire to modernize their economies. He identified four types of economies in Africa based on a graph of GDP vs. diversification, on which he plotted every African state. Those with high GDP and low diversification, which he called "oil exporters", were prone to either running out of their resource supplies or being politically forced to forego oil revenue, reducing GDP and pushing them into a "pre-transition" phase. From this phase, the desire to move labour to more productive sectors pushes states to increase economic diversification, adopting a "transition" economy. Finally, once this transition bears fruit, often coupled with foreign investment, the GDP begins to rise again and "diversified" economies result. Using his graph, Dub presented concrete examples of states at each phase, giving statistical evidence for Boka's claim that African states genuinely intend to transition to secondary and tertiary industries. In addition to the possibility of productivity-maximizing labour flows, Dub also proclaimed the potential contained in the missed market of intra-African trade. In stark contrast to figures from other regions, less than 10% of African goods are traded with other African states. As these economies develop and transition, then, demand for African goods within Africa should increase, accelerating the already-astounding economic growth on the continent.

The last speaker, **Petr Lebeda**, picked up on this theme of demand-side economics to argue for more investment in human capital in Africa. He attributed a good part of African success to successes in primary education, approximate gender parity in education, and HIV reduction, among other investments in human capital, claiming that only such investments would truly lead to sustainable growth. In line with Dub's hope for intra-African trade, Mr. Lebeda contended that increases in human capital would increase personal wealth and, by extension, income available to spend on an internal market. He then took the controversial step of opposing the explosion of NGOs in southern Africa for their lack of cohesion. Although each has a place in pursuing important objectives, he claimed, leadership should be located at a diplomatic level and focused on a particular issue. Otherwise, programs run the risk of addressing symptoms, not the cause of cycles of poverty, namely the lack of investment in human capital. At a diplomatic level, meanwhile, a variety of departments can and should contribute to solving those issues that macro-analysts alone can diagnose as the main stumbling blocks to success. This is not to say, however, that NGOs cannot be best suited to solving particular issues, as his organization, Glopolis, demonstrated by empowering Ethiopian farmers with up-to-date price quotes on their commodities.

In their speeches, the panelists agreed on a number of points. They all accepted that Africa has developed economically, socially, and politically in a relatively short period of time, and would continue to do so. They also all expounded on reasons for investment in Africa, with arguments ranging from economic opportunity to empathy, humanitarianism to diplomatic support. And they all accepted that the Czech Republic, as a diplomatic entity with no colonial past, a similar situation to African states, and leverage in the EU, has a unique role to play in African development.