

Dinner Statement

By Former Federal President Horst Koehler
G20 meeting with African Heads of States
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The world is not in a good state. What has to worry us the most is that the very principle which can get us out of the mess – cooperation – is under attack. There is a spiral of egotism, bullying and crude nationalism which threatens to normalize a mean spirit of confrontation in world politics. Leadership in this day and age is about not letting oneself get sucked into this spiral.

International politics has always been about different interests, I have no illusions about that. And international politics has never been without asymmetries. But in this 21st century, with all the global challenges we are facing, we have to understand the irrefutable reality of *interdependence*. We have to learn a new definition of “national interest”, which must be seen in the context of a global interest. We also have to learn new ways to constructively deal with asymmetries, without neither paternalism nor self-victimization. (I still remember some very good discussions I had with late Prime Minister Meles Zenawi, who made this point very strongly).

Learning to redefine the meaning of national interest and learning to deal with asymmetries might be the most important strategies for solving the problems of our times. And maybe this is also a key to understanding Africa’s place in the world. Maybe the relationship between Africa and the world is the decisive test whether we have understood how cooperative international politics to the benefit of all works in the 21st century.

When I think of Africa, I think of its youth; it’s creative and restless youth hungry for perspectives. The world must understand: Providing jobs, education and perspectives to the hundreds of millions of African youth is not just an African challenge. It is a global challenge. We all know the numbers, we all know the scenarios.

Realizing the potential for greatness of Africa’s youth requires first and foremost change and political will in Africa. Any political system which does not include the perspectives of the largest age group of the population, in fact an age group which in most African countries has a super-majority, is bound to fail. Any economic system which does not provide a perspective to its citizens wanting to shape their own destiny is bound to fail. Political and economic reforms, as many of you are pushing for, are therefore without alternative. Sometimes I am struck by the level of complacency and self-enrichment of some of those in power in the face of Africa’s enormous challenges. The time when leaders can just *pretend* to be leaders is over.

Yet this is something that needs to be understood not only in Africa’s capitals, but also in capitals around the world. Have world leaders really grasped the profoundness of political and economic change required in *their* countries; required to enable not only Africa’s transformation, but also the great transformation the whole planet needs?

The structural transformation in Africa will only succeed if it is matched by a structural transformation in industrialized countries – this is the inevitable consequence of interdependence.

And this change includes a development-friendly global trade regime and industrial policies that offer Africa the chance to diversify their economies and move up in global value chains.

It means giving African agricultural products a fair chance to compete on the markets of industrialized countries.

It means a global push for improving education for Africa's youth, including through much more legal migration opportunities for students, interns, researchers. We must not allow the debate on the refugee crisis to define Africa's youth as a threat that must be contained, when it actually is a potential which must be released.

Global change also means getting serious about working on a global financial system which serves the real needs of real people. Isn't it absurd? There are gigantic sums of liquidity straying around the world desperately looking for return in ever riskier financial products, while in Africa there are infinite opportunities and necessities to invest in the real economy.

Africa needs financing for massive job-creating growth. The global savings pool needs long-term investments yielding returns. This could be a historic match.

I believe that the time has come to make a vision come true – the vision of building solid financial bridges between the ageing, savings-heavy countries of the North and the young, investment-hungry societies in the South: A new global social contract which does not cover up our asymmetries, but uses them productively.

Realizing this vision might be the last chance in generations to avoid a perfect storm of global inequality, ecological destruction and a historically large disenfranchised youth population in Africa and beyond. We have to turn the tide now. I am deeply convinced that with the right political will and action, it *is* possible to make Africa a new global pole of growth, a driver of progress for Africa's citizens *and* for the world economy.

I want to see the G20 Compact with Africa as a *seed* for the bigger vision of a global social contract. The compact spells out some of the hard work and change which is needed to make this vision come true – change in the governance and business climate in Africa, but change also in the international regulatory environment, with new de-risking schemes and better incentives for joint ventures between African and foreign companies. I can only encourage you to always make clear to your G20 colleagues that just like any compact, this can only work if it's a two way street. The world certainly does not need another Africa initiative dead on arrival. The stakes are too high.

The vision of a new global social contract is in my view something that especially Europe and Africa should fight for together. In these times of tension and contradiction, we can prove that cooperation is possible, and that world politics does not have to be a zero-sum game. Africa's youth deserves better, and it is in all our interests to give them what they ask for: a real chance to achieve the potential for greatness that every human being is born with.

Thank you.