



Transcript of podcast with Jamie Drummond: “Invest in Africa or Else”

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MR. EDWARDS: Hello, I am Bruce Edwards and welcome to this podcast produced by the International Monetary Fund. This week, cofounder and executive director of the One Campaign, Jamie Drummond on why Africa matters.

MR. DRUMMOND [soundbite]: *“If we do not invest heavily now into the education, employment, and empowerment of this generation of Africans, the international community, above all, European neighbors to Africa will profoundly regret it.”*

MR. EDWARDS: Africa is facing a lot of challenges these days. Though commodity prices rising in security in some regions and a drought that is threatening famine in at least three countries, according to the United Nations but where some see doom and gloom, Jamie Drummond sees opportunity in Africa’s population boom that with the proper investments could lead to strong economic growth.

I sat down with Drummond ahead of the G20 finance minister’s meeting in Germany where Africa is on the agenda. I started by asking him why it seemed so hard to get people to care about what happens in Africa.

MR. DRUMMOND: Well I think a lot of people do care about what’s going on in Africa and I think the key that we have to address right now is what are the policies that the G20 should support, especially as their finance ministers gather this week, which is a very important and well-timed meeting and then what sort of policies can African leaders themselves implement and that’s a new partnership we have to figure out. Aggressively, now, I think many of us fear that they will be a generation ahead of us of deeper destabilization and mass displacement both within the continent and from the continent to her neighbors. That is something that everyone wants to avoid.

MR. EDWARDS: So what should this new partnership look like?

MR. DRUMMOND: I mean there have been many moments of partnership between Africa and her partners and neighbors around the world and African nations. Famously there was a new partnership development in 2000. There was the Glen Eagles commitment and declaration in 2005 between the G8 and African. And then of course, in 2015, the global goals for sustainable development as well as Africa’s own agenda 2063. So lots and lots of moments where the world has come together in response to what’s both the opportunity

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and jeopardy of the situation on the continent and there is still that heightened drama of is it the jeopardy or is it the opportunity? Which of these situations is going to win or lose and which of these stories, and which set of statistics do you want to believe?

Is it that as the African Union would have you believe, there is a massive opportunity to invest in this generation of youth in order to harness a demographic dividend which is when the number of -- the working age cohort portion of the population significantly outnumbers the dependent portion of the population.

That is usually an opportunity for an economy to grow rapidly but only if that youth boom, as it goes into a productive working age, has had a good investment into it of nutrition, adequate nutrition, healthcare, access to education and in turn, access to employment and economic opportunity.

MR. EDWARDS: So what happens when those things don't actually happen?

MR. DRUMMOND: Absent those things, that youth boom will be profoundly frustrated, angry and will quite inevitably result in deep civil unrest, probably conflicts. The case for recruitment by Boko Haram and Al Shabaab and others will be stronger and many fragile states will weaken further with ensuing serious conflicts so we could see a very grim couple of decades on the continent.

Obviously, every African country is different but there are certain regions which I think, within the continent, which are particularly at risk, for example the Sahel, parts of the Horn of Africa, for example, especially the corner of northeast Nigeria of Borno State, as it borders with Niger, Chad and Cameroon. Those places, those parts of the continent, I think, if we do not aggressively and urgently invest both better money and better policy in partnership with better leaders in those regions, I think the whole human family will regret it for the next generation.

MR. EDWARDS: And do you think that the world appreciates the implications of an Africa that doesn't manage to deal with some of these bigger issues?

MR. DRUMMOND: Yes, actually, I would say that there is a -- the reason that Africa is on the agenda of this week's meeting, of the Baden-Baden G20 finance ministers is because the German finance ministry, which is no bunch of misty-eyed romantics, this is a set of people, very addicted to hard data and they are looking at that data, the economic data and the demographic data and they are looking at the continent and they are realizing that if we do not invest heavily now into the education, employment, and empowerment of this generation of Africans, the international community, above all, European neighbors to Africa, will profoundly regret it and that will be a tragedy on humanitarian and moral grounds. It will be a tragedy in terms of lost economic opportunity, both for the continent, for the countries of Africa as well as Europe and the international economy. It will also be a tragedy for international security and it's an entirely avoidable tragedy but there is not one simple solution.

It is about increasing aid, quality and quantity but it is also about trade policy. It is absolutely about transparency policy.

MR. EDWARDS: And so what do you think the role is of the international financial institutions in all this?

MR. DRUMMOND: Well it's extremely important that IMF helps build the capacity of these countries to collect revenues and taxes, build the capacity of these countries to ensure to trace the money, to follow the money through the system through open budgets, open contracts into clear data about whether citizens are receiving services as funded by taxes and as demanded by citizens and it is often very unclear as to how money put into the system results in services delivered and that is a problem that international aid and development committee has to do much more to address and above all means, working with the capacity of states to manage public finance.

You know, some awful statistic that I read last week is that 37 percent of public investments in Africa go missing. 37 percent. 2 percent of African economies' GDP that goes into education gets no result. That's not an argument for cutting funding to those areas, it's an argument for dramatically improving the quality of services and institutions in those areas because you can't do it without infrastructure and you can't do it without education.

They are essential, education, employment, empowerment or (speaks in German) as the Germans put it, are the three corners of this triangle, if you like, of getting the right investments into this booming youth generation and if we don't get it, instead of having a demographic dividend, we'll have a period of demographic destabilization and mass displacement and that is something that I think is of grave interest to particularly the German finance ministry right now and to policymakers in Europe right now.

MR. EDWARDS: So what will the G20 finance ministers be discussing later this week? I mean with regards to African economies specifically and do you and the One Campaign feel that this is a step in the right direction?

MR. DRUMMOND: So there will be on the table these compounds with Africa. These are enhanced partnerships the German finance ministry has put on the table to encourage more investment, especially into infrastructure to create employment for this youth boom on the continent and we are strongly agreeing that these compacts with Africa are important, very important.

However, they must be deepened so they must include investments into education and into empowerment. Just investing in employment alone won't be enough. You need to pipeline from education into employment and empowerment. You need to understand the continuum of these things to ensure these investments are well made and of all the things that you need to focus on when it comes to you investing in infrastructure, it seems that there aren't adequate funds and capacity to prepare enough projects to go to the international committee for finance so one particular area of investment for the international community should be in project preparation finance so more of these

projects, infrastructure projects can receive increased financing to create that backbone of infrastructure that will result in employment.

MR. EDWARDS: So more capacity development on part of the international community. Tell me about your experience recently in Northeastern Nigeria.

MR. DRUMMOND: So, I mean, what we see in Northeast Nigeria and in Borno State in particular is the consequence of a generation of neglect of that region by policymakers, by politicians in Abuja and across Nigeria and governance was neglected, corruption was allowed, services were not delivered, citizens became increasingly angry and then a weak state was increasingly vulnerable to extremist responses to the lack of service delivery by the state.

And you know, it's an awful consequence of bad governance can be extremist ideologies taking root and taking over. And I wrote recently about a woman we met called Amina who is a 20-year old mother of 6 who had lost her husband to Boko Haram. Who is going to help her raise her six kids? Is it the international community? Is it local angels of civil society or the government? Or is it going to be Boko Haram, who took away her husband?

And all those options are open right now and we have to make sure it is the right partnership that swoops in to help her raise her kids, and there are tens of millions of Aminas across that part of the continent and they deserve and warrant our respect and dignified investments that help them change their fate. By the way, it will also change the rest of ours too.

MR. EDWARDS: That was Jaime Drummond, cofounder and executive director of the One Campaign. If you liked this podcast, you can subscribe on iTunes or on your favorite podcast app. Just search for IMF podcasts.
