



# Wittenberg Center for Global Ethics



Building Global Cooperation  
New Alliances with Africa

Fostering  
Entrepreneurial Spirit



Africa Forum 2006  
3<sup>rd</sup> - 6<sup>th</sup> December 2006



# Mission Statement

The Wittenberg Center for Global Ethics is a German-American initiative with worldwide impact.

Our goal is to identify common ethical core principles that enable peace, justice, and prosperity in an emerging world society. Globalization, world economy and competitive markets need to be utilized for the common good and the sustainable advantage of all people. Therefore, we are pursuing an ethics of leadership responsibility.

Based in the world-known historic city of Wittenberg, we stimulate a global dialogue with current and future leaders from politics, business and civil society. We provide orientation for personal development and social competence. In order to realize our vision, we undertake projects aiming at world-wide inclusion by global cooperation.

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At the crossroads of global development where visions of a better future and increasing risks and uncertainties are equally present in dynamic environments, the encouragement of dialogue is of crucial importance.

As our world evolves into a global society, mutual dependencies rise and unilateral activities underrating the complexities of global interactions become doomed to failure and, in some instances, can even lead to social tragedies. Thus, the answers to pressing problems can no longer be expected to be given by a single authority, power or ideology. At the beginning of the 21st century, mankind has entered into a new stage in international relationships where prevailing mental models have to be rethought and reshaped. At this juncture, current and future leaders more than ever before are called upon to exchange ideas about issues which affect low-income countries as well as the industrialized world. In the face of the accompanied pluralism of interests, worldviews and perspectives, they need to find common concepts and solutions.

Facilitating this process against the backdrop of the 8th UN Millennium Development Goal "Building a Global Partnership for Development", since 2001 the Wittenberg Center for Global Ethics, has advanced its multi-stakeholder program "Building Global Cooperation – New Alliances with Africa". In this context, the Africa Forum 2006 initiated a common focal point into the debate on Africa's future.

In December 2006, more than 120 participants from 30 countries convened at a conference in the historic city of Lutherstadt Wittenberg. Together they fashioned concrete ways to address one of the biggest challenges of today's society: Africa's inclusion in a fair system of global social cooperation for mutual advantage.

Under the heading "Fostering Entrepreneurial Spirit" the three-day forum highlighted the importance of individual liberty, self-induced ownership and individual commitment for sustainable development around the world. Based on the Golden Rule of economic ethics "Invest in the conditions for social cooperation for mutual advantage!" and grounded in the firm conviction that every individual is endowed both with the inalienable right and the moral obligation to self-determine his/her future in dignity, respect and partnership the participants engaged in collective learning, mutual motivation and a joint responsibility towards building a more peaceful and prosperous society.

This documentation contains a comprehensive overview of this event. Inspired by the conceptual speech by Prof. Dr. Karl Homann, the spiritus rector of the Wittenberg Center and the chairperson of philosophy and economics at Munich's Ludwig-Maximilian-University, honorable statesmen, business leaders and high-level representatives of the civil society together with young international leaders exchanged ideas and experiences and traced conclusions in open and free panel discussions regarding the crucial question of how entrepreneurial spirit as a crucial driver for development can be supported by concise action within political, institutional, creative and economic frameworks. Moreover, theoretical deliberation was supported and visualized by a wide selection of distinguished Lighthouse Projects from social, economic, environmental and cultural backgrounds which show how entrepreneurial thinking and action helps to seize the opportunities on the African continent. On behalf of our associated partners, collaborators, friends and sponsors working hard to ensure success, we proudly present the fruits of these three days of research, dialogue and friendship. Hoping that the efforts of our hearts and hands would contribute in constructing a world where every individual would live in peace, freedom, and dignity without fear, we wish all readers a delightful and inspirational read.

Prof. Dr. Andreas Suchanek

Tumenta F. Kennedy

Waldemar Hötte

Klaus Kerscher



The participants of the Africa Forum in the historic Auditorium of Luther's House and in the Auditorium Maximum of Wittenberg University Leucorea

# Welcome Address

Without entrepreneurial spirit there can be no economic development. Every major impulse for development in economic history – the industrial revolution, individual mobility and digitalization would not have been possible without entrepreneurs, without their vision and without their courage to take ground breaking steps. It is not without reason that in the year 2000 the European Union decided to tackle the important topic of fostering entrepreneurial spirit. Compared to the U.S. we Europeans are lagging far behind: According to figures from the Union of Industrial and Employers' Confederations of Europe, UNICE, only 5 out of 1,000 Europeans are self-employed or run their own business, in the U.S. the figure is 10 out of 1,000.

The small digression to Europe shows clearly, that we Europeans definitely cannot act as the taskmasters in this field. I'm all the more pleased that the Wittenberg Center's Conference "Fostering Entrepreneurial Spirit" has been planned as a dialogue forum. I also welcome the fact that many entrepreneurs will be presenting their own experiences at the conference. It is important that we do not talk parallel to each other, but that we enter into a real dialogue with each other.



Horst KÖHLER  
President of the  
Federal Republic of Germany

Entrepreneurial spirit cannot be separated from one's local culture and mentality. Entrepreneurial spirit is also always an expression of this local culture and the mentality of its people. Max Weber impressively proved this in his study, which is well worth reading still today, on the breed of the European entrepreneur and his conditioning through Protestantism. This cultural conditioning is the reason why many of the European "recipes for success" cannot simply be transferred to other cultures. Local entrepreneurs will always have the decisive edge: they are familiar with the local people's mentality and market conditions. This holds true for Africa as well. Let me give you an example: the rapid spread of cell phones with all its positive side effects would not have been possible without successful African entrepreneurs.

In the course of my trips throughout Africa I have seen a lot about what goes to make a successful businessman: willingness to take great risks, creativity and expertise, profound knowledge of the market and a willingness to learn. One fact which many people, who can only visualize the scenes from the Canary Islands, do not know is that the continent is characterized by great inner-African mobility. These are all good prerequisites for the development of local entrepreneurship.

However, there are still many obstacles. A problem which has often been described to me is the lack of legal security and the absence of stable governmental structures, which only causes entrepreneurs to shirk away from the risk of long term investments.

The case is similar as far as the availability of trained and reliable labor is concerned. In addition the infrastructure is often quite poor. The donor countries also have to allow such critical questions as "what are the consequences when skilled workers emigrate to Europe or the U.S., even though they are desperately needed in their own country?"

Without entrepreneurial spirit there can be no economic growth. Without economic growth poverty cannot be sustainably defeated. Therefore I appreciate that the Wittenberg-Center for Global Ethics has taken up this important and complex theme. I wish all participants an enjoyable time, interesting discussions and a successful conference.

A handwritten signature in black ink that reads "Horst Köhler". The signature is written in a cursive, slightly slanted style.

# Message from the Presidents



**Ambassador Andrew YOUNG**  
*Co-Founder and President of the  
Wittenberg Center for Global Ethics*

The process of globalization is connecting people all over the world in new and interdependent ways. More and more we are learning that actions and decisions by one group may have tremendous impacts on others around the world. We believe that such actions can bring about positive technical, social and economic reactions when they are considered thoughtfully and in the context of a global community. Thus, we must discover new ways of interaction, where interdependence and inclusion becomes reality.

Today we face a myriad of global challenges from hunger and disease to social exclusion and terrorism. It is our challenge to create a global community of hope and prosperity for all people, to bring ethics to the process of globalization, and to address each opportunity for economic and social development. Especially for the poorest, globalization must be a process of progress and hope. All people should be given the opportunity to live in a world of peace, dignity and prosperity.

Therefore, we advocate a form of global cooperation which is not only based on economic performance but also on ethical principles and mutual respect. This global ethical approach requires that leaders of politics, business, and society commit themselves to a new paradigm of mutual understanding and partnership.

Moreover, it carries an obligation to share wisdom and experiences and to encourage and support leaders of future generations. We are responsible for promoting issues that improve the spirit of self-reliance that creates a better life. This entrepreneurial thinking is not only vital for personal development, but it is also the core of serving the needs of others and thus creating value for all. Economic development created through this entrepreneurship fulfills basic needs, provides employment, and lifts the economic situation of everyone.



**Eckhard NAUMANN**  
*Lord Mayor of the City of Wittenberg  
President of the  
Wittenberg Center for Global Ethics*

The changes in Africa are encouraging. It is apparent that, more than ever before, there is a need not only for participation but also for ownership of economic and socio-political destiny. The active commitment and participation of African leaders in the NEPAD initiative offers a vision and a strategic framework for the continent. This potential is only magnified by the large number of young African leaders who are highly educated, experienced, and committed to effecting positive change in Africa and the world. They have visions, concepts, and ideas – and only need the space to perform.

The Wittenberg Center for Global Ethics through its program "Building Global Cooperation – New Alliances with Africa" firmly commits to strengthen ethical entrepreneurial spirit. At the Africa Forum 2006 "Fostering Entrepreneurial Spirit", dignitaries, entrepreneurs and experts from government, business and society met young leaders from Africa, America and Europe. This platform offered the opportunity to network and share ideas of responsible leadership, entrepreneurial thinking, as well as the vision of global ethics.



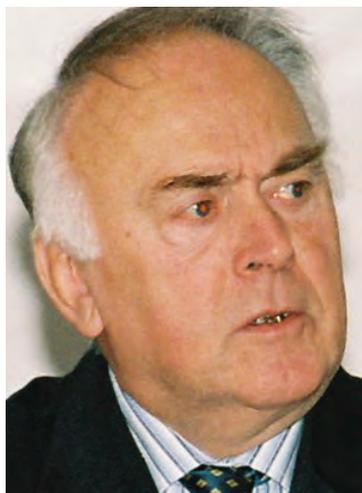
**Paul C. ROSSER**  
*President of the America Foundation  
for the Wittenberg Center  
for Global Ethics*

We appreciate your interest in this endeavor and wish you a joyful and inspiring lecture. We invite you to join us in the challenge of making Entrepreneurial Spirit work for Africa – a colorful continent of opportunity at the dawn of the 21st century.

# Opening Address

Your Excellencies, Lord Mayor, Ladies and Gentlemen,

First of all, I am honored and delighted to welcome you on behalf of the state government of Saxony-Anhalt to the Africa Forum in Wittenberg. A few days ago, Horst Köhler, the German president, came to visit Wittenberg together with 60 young people from Germany and many African countries as part of his Partnership with Africa Initiative. They talked about issues relating to peaceful co-existence in the world. I am delighted that this debate will continue today under the theme of entrepreneurship and entrepreneurial activities in Africa.



Prof. Dr. Wolfgang BÖHMER  
Minister-President of Saxony-Anhalt

Dear Andrew Young, I remember the first time we met 14 years ago. At the time I was minister of finance of this state, and you and Paul Rosser visited me to introduce me to a totally new idea: to use the aura and spirit of the city of Wittenberg to found a center where we could debate ethical questions arising in a world that continues to grow together. I have to admit that I was very skeptical at the time. Only a few years earlier, the Wall had come down followed by many political changes in East Germany; the economic and social transformation processes were enormous and created many problems for us. That's why it was difficult for me to imagine how we could handle the global challenges of the world in a productive way.

In the meantime, the Wittenberg Center for Global Ethics has been established and we have solved many problems in our state, although by far not all, and in the meantime we have seen that the world is growing together in a way we could not have imagined in the past.

A long time ago, Africa was a continent far away, in fact a world apart. Today, we see that many problems appear different on the outside but basically they are the same issues we struggled with and to a certain extent still face in Europe. Back in the old days, one had to travel many days and weeks to visit a foreign country. Nowadays, Dar es Salaam, Cairo or Cape Town are just a few hours away by plane. A few years ago I worked as a doctor at a hospital in Tanzania. It was impossible to make a phone call to Germany. There was no electricity. We had an emergency generator to be able to do surgery at night. The fuel for it had to be transported from Dar es Salaam, which was a multi-day adventure each time. Now my colleagues there have satellite phones and are technically much better equipped.

Modern means of communication and transportation have given regional problems a global dimension, but fortunately we can also search for solutions all over the world now. That's why it makes sense that we discuss a number of important questions and issues and try to find answers together here in Wittenberg. However, we should keep in mind that solutions are not always technical in nature, such as adjusting political and economic regulating systems, but that they may also relate to creating a common basis, a value system and basic understanding that will help us organize how people live together in ways as conflict-free as possible. This is one of the central objectives of the Wittenberg Center for Global Ethics.



Ladies and Gentlemen, you are certainly far more familiar with the issues that Africa, this large continent, faces today. All these problems existed and still exist in Europe to some degree. For instance, many countries are faced with poverty, unemployment, ethnic conflicts, and other social problems. Even the social systems that have developed in Central and Western Europe over centuries cannot solve all conflicts and have come under considerable financial pressure as is the case in Germany, too. It is clear that it is impossible to solve social problems if the individual does not contribute actively, assumes responsibility and, ideally, takes entrepreneurial initiative, and if the government does not have the tax revenue to compensate social hardship.

These issues play an equally important role for Germany as for many countries in Africa, although at a different level. After 40 years of so-called “socialist development“ in the new federal states of Germany, the percentage of self-employed people and entrepreneurs is still considerably lower than in the western part of the country. And if in such a situation people look to the government as a strong force that manages everything and provides security without the individual feeling responsible to contribute – that’s not a solution.

The social and health systems of many African nations still have much to catch up with. But we currently also talk about reforming the German health care system. If people do not take more responsibility for themselves, we will neither be able to solve the problems here nor there. Even if the phenomena are very different in the various countries, the principles they rest on are often strikingly similar. Therefore, it is very useful that not only our guests from Africa will look at these issues from a different angle, but we, too. This was something I had a chance to experience directly during my time as a doctor working in Africa. In this way, you can put many things in perspective despite the differences and it helps to reason about them occasionally. Some problems we have solved in Europe, such as to manage conflicts peacefully, may be insightful for Africa and visa versa. However, as the talks with German President Köhler made clear, we need to keep in mind that there are no patent remedies. After all, the experiences of others do not release one from taking responsibility and initiative.

It is an obvious fact that the problems in Africa and the rest of the world are yet to be solved. And we need to honestly argue about different ways of doing so. If we want to engage in trade to the benefit and advantage of both sides, many prerequisites must be met, including functioning infrastructure, social systems and means of communication. It would also require reliable frameworks of

regulations guaranteeing ownership rights, a functioning and independent legal system, and legal certainty for people who invest and assume entrepreneurial responsibility. In many countries around the world all this exists only to a rudimentary degree and certainly not to the extent necessary to ensure long-term stable development.

You plan to ponder these questions at this conference. And you will do so in light of the fact that the current structures that exist in the different countries be debated and questioned. Fundamentally, this is what ties in with the idea of the Reformation, which commenced in Wittenberg in the 16th century. Seen in this light, it was not an absurd idea by Andrew Young and Paul Rosser when they first thought about this center more than 14 years ago. It was their plan to make use of the special spirit of Wittenberg and the Reformation to reflect about our times in principle and without prejudice and to find answers to the question if and in which form or shape a reformation of the existing structures would appear necessary today.

Wittenberg is a small city with a university which is a legacy of the past. A university, however, which did something at the beginning of the 16th century that was virtually shocking: to question fundamental values, patterns of thought and structures, and to explore new, better structures, to reform existing systems, and to search for new ways. At the beginning of the 21st century, we stand witness to the challenges of globalization with its technological prerequisites and consequences for humankind, which politics cannot stop. We should not perceive this as a threat to existing standards and publically debate our fear of change. Instead we should rather see these developments as an opportunity and critically analyze existing structures. We can set out together to find solutions to problems and explore new forms of sharing the world – either with regard to world trade, the adjustment of social systems or the respectful contact between people, cultures, and religions.

What is certain, though, is that we will only find new solutions if people reflect about the new challenges and assume responsibility. Those who only lament and hope that others will make the world a better place, are already lost. But those who want to create value for their own lives, their families and society, and produce prosperity, must take responsibility and entrepreneurial initiative.

I hope you will have a productive time in Wittenberg and many useful talks and debates about new ways of sharing our world.

I wish you all the best. Thank you for your attention.

# Changing Paradigm: Fostering Entrepreneurial Spirit



Prof. Dr. Dr. Karl HOMANN  
Member of the Presidency of the  
Wittenberg Center for Global Ethics  
Chair for Philosophy and Economics  
at the University of Munich

Excellencies, dear ladies and gentlemen!

The West has raised 2,300 billion USD as development aid in the last 50 years, but more than 3 billion people still live on less than 2 USD per day. This is a sobering record indeed.

The renowned American economist William Easterly believes that the reason for the futility of Western aid is the fact that politicians and aid agencies alike organize development according to the pattern of a socialist planned economy and by means of a "Big Push", thus

losing touch with small entrepreneurs and their special local needs.

Development must not be imposed; it must follow a bottom-up strategy and initiate a self-feeding process of growth, if it is to be sustainable. Success is based on three basic requirements:

- 1) Entrepreneurs and free markets
- 2) Good governance
- 3) Social capital (trust)

Especially in the initial phase, the process can be promoted by Western aid that corresponds to the issues at hand.

## Entrepreneurs and markets

The dispute of whether the role of the entrepreneur is tied to certain cultural, ethnic or religious prerequisites can today be regarded as a matter that is over and done with: an entrepreneur is hidden in every human being – especially in the poor, who could not support themselves and their families if they did not have entrepreneurial skills. It is necessary to develop this human potential or create conditions for its development.

Before this can happen, obstacles have to be overcome: bureaucracy, monopolies, usurers and rackets. Free markets will develop after that, starting at the local level and growing into national and international networks. Especially in poor countries, there is always a need that people with entrepreneurial spirit can meet. Hernando de Soto showed as early as the 1990s that people working in the informal sector are characterized by a high degree of creativity in offering goods and services and in organizing transactions without the assistance of the state. In some countries, as much as 50 percent of the GNP is produced in the informal sector.

*"...an entrepreneur is hidden in every human being – especially in the poor, who could not support themselves and their families if they did not have entrepreneurial skills."*

Easterly attributes the futility of Western development aid to the fact that the poor do not have a say in the "Grand Plan" of Western aid and are therefore offered solutions that ignore their problems. That is why he demands that free markets be set up. Markets have different advantages, three of which I want to discuss briefly:

1. A systematic feedback mechanism is incorporated in markets. Buyers determine what is suitable for them by their purchasing patterns. This results in offers adapted to local needs.
2. The responsibility is clearly settled: If the product is not accepted, the producer has to adapt to the needs of the consumers. Markets process local knowledge in an efficient manner.
3. Markets give rise to competition. Competition ensures that good, inexpensive, innovative goods and services are offered, good solutions to problems are rapidly disseminated and positions of power, which are continuously created in markets, are eroded.

It's only natural that problems exist with regard to markets, but they are not insurmountable. For instance, considerable informational asymmetries are not to be expected as regards to everyday necessities, and the seed money required by small entrepreneurs is often just a few dollars, which can be provided by western aid agencies or banks such as the Grameen Bank.

## Good Governance

Development by means of free markets requires a predictable, solid political basis. Another essential requirement – which I do not wish to elaborate on - is internal and external peace.

An institutional system that creates incentives for investment is indispensable. Investment is the backbone of development. Let me explain this central prerequisite by three examples.

(1) Private property rights are typical Western instruments for creating incentives. They prevent the exploitation of investors by third parties. That is an essential requirement, as no one will sow seeds if others steal their crop.

H. de Soto highlights another function of state-guaranteed property rights: titles of ownership such as property can be used to collateralize loans. Besides their direct benefit, they yield a return that is generated by the company, which is financed by loans: "property" is turned into "capital", to use H. de Soto's terminology. That is why he recommends introducing land registers. Obviously, he is thinking of Latin American favelas, where people have squatted plots at the periphery of metropolises to build their homes and companies. He recommends that the state legalize the claims for possession, which are definitely recognized at the local level, so that they are freed from the fetters of unlawfulness. And he insists on pointing out a great historic example: the squatters in the



American West were originally illegal landowners who were later legalized, which gave rise to a tremendous process of growth – and the myth of pioneers who developed the western stretches of the United States of America.

The introduction of property rights is the Western way of dealing with the “tragedy of the commons”. Research conducted by E. Ostrom shows that other cultures have other ways of successfully dealing with this problem. Easterly refers to the fatal impact of the introduction of private property rights in Kenya, where a well-functioning system of cooperation was destroyed, while the imposed Western system was rejected. His conclusion is that local particularities must be thoroughly analyzed for their functional correlation before changes are initiated.

(2) Good governance is a prerequisite for the optimum development of free markets. Government action and the machinery of government must follow clear rules; rather than being partial or arbitrary it must be predictable and reliable, if entrepreneurs are to make long-term investments. Especially foreign investors make these demands.

*“For the very first time in world history, global peace and poverty elimination can be achieved by human action.....*

*No one is so poor that he cannot enrich others, and no one is so rich that he cannot gain from others.”*

In addition, the government must fight corruption and constrain excessive bureaucracy in a credible manner – especially since the two often are interrelated. As part of an experiment, de Soto tried to lawfully set up a company in Peru: He needed more than 200 permits and had to pay bribes for many of them.

(3) To achieve good governance, the African continent has come up with an innovation: In 2001, the presidents of South Africa, Nigeria, Senegal, Algeria and Egypt launched the initiative „New Partnership for Africa’s Development“ (NEPAD). We will hear more about it during this conference. I just want to mention two things that are particularly innovative. First, African states are taking the initiative on their own. They are standing on their own feet, making Africa’s development their own cause and acknowledging their responsibility: This might be the decisive step required to overcome Western patronage. Second, the need of controls is recognized and a new type of information and control mechanism – the “African Peer Review Mechanism“ (APRM) – is set up.

There may be people who have reservations about specific provisions of this initiative. They must not forget, however, that this is a revolutionary first step. This initiative deserves all possible support, for it must not fail. We have met here in order to advance matters. Those of us who live in the West should always be aware of the fact that it took us more than 500 years to develop good governance and achieve prosperity for the majority of the people. We hope that it will not take as long in Africa, but those who believe in the rapid success of a “Grand Plan” have not understood the problems of the local people.

### **Social capital**

For free markets to be able to fully develop their potential, formal institutions like the rule of law and good governance are not sufficient. In addition, an atmosphere of trust, referred to as social capital in jargon, is needed.

Trust facilitates transactions in markets. If service and consideration take place at different points in time or if there are informational asymmetries, many mutually productive interactions materialize only if there is trust that helps parties to overcome uncertainties. Whether or not people conduct transactions with people, who are not part of their personal circles, depends on trust. In a fully developed national economy, personal trust must be complemented by trust in the formal institutions of the state; this means we have to examine how social capital supported by institutions can be developed.

Traditional networks of trust do usually exist in poor countries. They can be based either on family ties and clans or on ethnic or religious communities. It is recommended to take up such traditional networks. However, there is a disadvantage: they are not only inclusive but also exclusive. That is why one must try, depending on the local conditions, to expand the basis for social capital beyond the traditional networks

Grameen Bank is a good example of the way new networks can be set up. Mohammed Yunus, the founder of the bank, was awarded the Nobel Peace Prize earlier this year. The network is characterized by the fact that all members are borrowers and is based on personal friendships: a woman will be granted a loan only on the recommendation of another woman – 97 percent of the borrowers are women – who will personally guarantee for the “new” one. In addition, women meet regularly in small groups of five women in order to discuss their business. This group acts as an extremely efficient control system: the loan loss ratio is only 1 percent and many loans are paid back before maturity. In the last 25 years, Grameen Bank gave 40 million people the opportunity to become small entrepreneurs.

It is certainly a long road from there to the development of trust in institutions. Whether this aim can be realized depends largely on good governance, but also on transparency, national communication and education.

The core problem may well be how to develop traditional networks without causing abrupt breaks so that trust can develop also in anonymous contexts at the national and international levels.

### **Western aid?**

Sustainable poverty alleviation can only be achieved by poor countries themselves. Should western aid be discontinued on that account? The answer is no, but we need to change the conditions of the aid.

First, the West has to dissociate itself from such ideas as a uniform "Grand Plan" and a "Big Push" and tackle, with adjusted actions, the specific problems that vary from place to place. Second, politicians and aid agencies have to transfer control of the process – via the feedback from markets – to the people in poor countries. External assistance must always help people to help themselves. As local conditions are not known to the providers of assistance, they must avoid any "pretence of knowledge" (F. A. von Hayek).

Before I conclude, let me make some recommendations based on Easterly's writings:

Aid agencies must give the poor a chance to express their views; they must have the effectiveness of their projects evaluated by third parties.

Foreign governments and international development agencies must offer – not impose – their technical, institutional and organizational know-how. As regards to the allocation of funds, they must increasingly reward good governance and, above all, abide by the principles of free markets – that is to say dismantle rampant protectionism in accordance with the motto "Trade not Aid."

Lastly, multinational corporations must participate, in their own long-term interest, in the development of conditions that would allow them to invest and get a fair return on their investments. Development will not be possible without the participation of big companies or against their interests.

**Concluding remarks**

For the very first time in world history, global peace and poverty elimination can be achieved by human action. To work jointly to make it happen is a rewarding aim for everyone. No one is so poor that he cannot enrich others, and no one is so rich that he cannot gain from others. The essential task is not redistribution but the development of entrepreneurial spirit for mutual advantage.

*"Sustainable poverty alleviation can only be achieved by poor countries themselves... We need to change the conditions of the aid.*

*Foreign governments and international development agencies must offer – not impose – their technical, institutional and organizational know-how...*

*Development will not be possible without the participation of big companies or against their interests."*



Tumenta F. KENNEDY  
Program Director  
Building Global Cooperation

Distinguished Ladies and Gentlemen, fellow young leaders, dear Friends of the Wittenberg Centre for Global Ethics.

We want to thank you for taking part in this life changing experience. We would also like to thank our main sponsors, DaimlerChrysler and The Coca-Cola Company, for supporting the process of integrating young people into a dialogue on global cooperation.

Building Global Cooperation: 'New Alliances with Africa' is in consonance with the realization of the eighth Millennium Development Goal: 'Building Global Partnership for Development'. The challenges of realizing these goals in Africa are enormous and many-sided.

Many of the problems are well known, extensively debated and highlighted in previous conferences; thus, they need not be remunerated.

The aim of 'Africa Forum 2006' was to break old barriers, stereotypes and prejudices and, thus, it contributes to a paradigm change. Our goal was to initiate new thinking and an orientation that promotes and inspires collective learning, motivation and joint responsibility towards building a more peaceful and prosperous 'New World Order' where Africa is perceived as a partner in cooperation for mutual advantage.

The general idea of this conference and one reason why it is held at the Wittenberg-Center for Global Ethics is to see ethical ideas and concepts as a possible factor of productivity: to create a basis for mutual respect and understanding, thereby facilitating cooperation or overcoming prevailing conflicts. These concepts, however, have to be incorporated in political and business contexts. This is what we'd like to discuss during the panels.

Our primary objective is not to find faults, but rather to jointly deliberate and find practical and innovative responses to many of the problems confronting entrepreneurship in Africa. Allow me to quote from the late eminent J. F. Kennedy, "Do not ask, what your country can do for you, but what you can do for your country." I hope that after reading through this pamphlet, you would also be part of this life changing process of building a new global cooperation for the mutual advantage for all.



Wittenberg Center for Global Ethics  
Building Global Cooperation

# The Political Dimension

Concepts are notoriously ambiguous. Although “Entrepreneurship” includes buying, selling and profit making, it reaches far beyond these typical elements. It is about leadership, responsibility and ownership. Concerning global politics, it is about paving the way for productive dialogue and mutual learning among different nations and cultures. Bound together by a shared passion to serve the public community and to build-up mutually beneficial cooperation across state borders, political entrepreneurs look for peaceful and innovative ways to settle actual and potential conflicts by searching for win-win situations.

In this context, the first panel focuses on the complex process of institutionalizing international agreements which set the major political framework for actions and relationships within and among different nations. By looking for common goals and values as well as by concisely analyzing empirical impediments, distinguished statesmen discuss ways to foster political entrepreneurship and strategies to bring about a global social cooperation for mutual advantage.

## Participants

### **Hon. Dr. Theo-Ben GURIRAB**

Speaker of the National Assembly of the Republic of Namibia,  
Prime Minister of the Republic of Namibia (2002-2005),  
Former President of the UN General Assembly (1999-2000),  
Foreign Minister of the Republic of Namibia (1990-2002)

### **H.E. Dr. Ibrahim Said MSABAHA**

Minister for East African Co-operation, United Republic of Tanzania

### **H.E. Fatoumata Siré DIAKITE**

Ambassador of the Republic of Mali in Germany

## Convenor

### **Andrew YOUNG**

President and Co-Founder, Wittenberg Center for Global Ethics  
Ret. US-Ambassador to the United Nations  
Ret. Mayor of the City of Atlanta, USA  
Founder and Chairman of GoodWorks International

## The Political Dimension



Hon. Andrew YOUNG

Andrew Young, President of the Wittenberg-Center for Global Ethics (WCGE) and celebrated former US-Ambassador to the United Nations introduced the 2006 Africa Forum's first panel themed "The Political Dimension of Building Global Cooperation – New Alliances with Africa". In his introductory speech during the opening session, Ret. Ambassador Andrew Young presented the basic idea of what the program "Building Global Cooperation" is all about. The purpose of "Building Global Cooperation" highlights mutual

gains from partnerships with Africa that would arise by investing in the continent. While the West would gain by enhancing its employment potential, Africa would benefit from development and growth. To that purpose, the Wittenberg-Center for Global Ethics has put entrepreneurship at the center of the Africa Forum 2006. But "Building Global Cooperation" was not about the big plan, said Young. The program instead was about planting seeds for Africa's development in order to gradually include Africa in the prosperous development of the rest of the world. Andrew Young recapitulated this fundamental idea by citing from the 19th century hymn "Lead on, o King Eternal" by Ernest W. Shurtleff:

"...For not with swords' loud clashing,  
Nor roll of stirring drums;  
With deeds of love and mercy  
The heavenly kingdom comes."

After introducing the panelists, Andrew Young stressed that the panel was distinguished, regarding entrepreneurial spirit, not only for its credentials but particularly because of the countries represented. Both Namibia and Tanzania had made tourism and wildlife an important trade, while Mali was now famous for its fashion industry and designs which were even subject to copying by the French design industry.

Subsequently, the distinguished panelists had the opportunity to shed light on their (political) perspective on potential new alliances and entrepreneurial visions in and with Africa.



Andrew Young with Young Leaders after a panel



Hon. Dr. Theo-Ben GURIRAB

According to Namibia's Speaker of the National Assembly, Hon. Dr. Theo-Ben Gurirab, political entrepreneurship is about creating relationships and networks and sustaining them by building trust among decision makers. One famous example for entrepreneurial spirit, as such understood, is Namibia's path to its first free elections, and finally to independence in 1990. It was this very experience that Mr. Gurirab wanted to share with the audience, especially with the young generation.

Mr. Gurirab retrospectively looked at the late 1970s. In 1977, the representatives of the Federal Republic of Germany, the United States of America, France, the United Kingdom as well as Canada, forming the "Group of 5," gathered at the UN to discuss the issue of how South Africa could be convinced to allow free elections in Namibia. At the time, several resolutions had already been decreed by international institutions:

*"Political entrepreneurship is about creating relationships and networks and sustaining them by building trust among decision makers."*

- The formation of the United Nations Council for South West Africa (later renamed United Nations Council for Namibia) had been signed in 1967;
- The "South West Africa People's Organisation" (SWAPO) had been recognized as an official and legitimate representative of Namibia at the UN;
- The South African presence in Namibia had been declared illegal by the International Court of Justice in 1971 and
- Apartheid, finally, was considered a crime. The US Congress had adopted Anti-Apartheid Laws in the 1970s.

According to the former Namibian Prime Minister, the crucial ingredient for success was political entrepreneurship: identifying the relevant key players that could make the difference in pushing the agenda; by networking and building trust among policy makers. The case in point, "networks", which finally resulted in a free and independent Namibia in 1990 was built with and between:

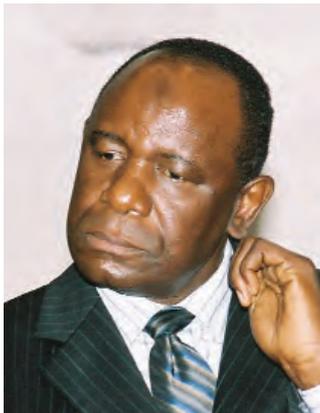
- Southern African states and Nigeria,
- The European countries including Germany, France, the Scandinavian countries and the USA and Canada
- NGOs in order to form an Anti-Apartheid movement worldwide. A famous example for such support was the "Sullivan Principles" developed by Rev. Leon Sullivan for multi-national corporations. These principles worked as a

## Building Global Cooperation – New Alliances with Africa

mutually binding mechanism for companies doing business in South Africa not to comply with apartheid rules.

What is needed today, Mr. Gurirab reasoned, is networking to identify the key players that can make a difference in pushing the agenda of building new alliances with Africa. Additionally, the world needs leadership with wisdom, courage and compassion and a better understanding among nations in order to be able to invest in cooperation beyond national borders. Only these conditions could help to eradicate poverty, war, intolerance and the peril of contagion in Africa (e.g. HIV/AIDS). It was for this reason, that Mr. Gurirab reaffirmed its support to the Wittenberg-Center's program, "Building Global Cooperation," as it represents a promising initiative for fostering these very conditions of entrepreneurship.

Mr. Gurirab concluded his contribution with a personal note to the young generation: In 1963, the year of the "I have a dream" speech and the civil rights movement, he visited the U.S. and was fascinated by that generation of daring, courageous and "crazy" young people of the 1960s. It was precisely in that moment that he lost the last doubt that through organization and creating relations, one indeed could make a difference. In order to stress the point further, Mr. Gurirab reminded the audience that by the time Nelson Mandela and Oliver Tambo had decided to set up a law firm, though they were inexperienced young men striving for change and a better future. "If those two village boys could do it", Mr. Theo-Ben Gurirab addressed the assembled young leaders, "you can do it as well!"



H.E. Dr. Ibrahim Said MSABAHA

In referring to Andrew Young's speech that same morning, H.E. Dr. Ibrahim Said Msabaha, Minister for East African Cooperation of the United Republic of Tanzania, agreed on the role of individuals and ideas in history. Examples like Namibia, Zimbabwe, South Africa and Tanzania were a living testimony to the strategic role of individuals and powerful ideas in history. The minister however did not agree with a perspective on human interactions that puts the conflict of interests in the middle of analysis. Instead, he said, "I do believe in boundless faith, in the good sense of men and women, as well as in the capacity of intellectuals to acquire good results."

According to Dr. Msabaha, the internationally adopted eight Millennium Development Goals (MDGs) and the numerous international initiatives that subsequently were launched in order to address the issues of poverty and development especially in Africa are a testimony to this conviction. Additionally, Africa has more and more assumed responsibility for its own future: the NEPAD program and the implementation of structural adjustment programs were a case in point. But despite these efforts, the MDGs targets were unlikely to be attained by 2015. In order to present reasoning for this failure, Dr. Msabaha mentioned three major arguments:

1. Since the late 1980s, international donor agencies such as the World Bank (WB) and the International Monetary Fund (IMF) has given foreign aid and loans to developing countries conditional to the so-called "Structural Adjustment Programs". The purpose was to attain macroeconomic stability as a prerequisite to development.

Tanzania, together with numerous Sub-Sahara African countries, had achieved this goal. However, Tanzania and its peer group countries had not experienced "comparative politics in an atmosphere of peace and tranquillity and were still grappling with poverty and microeconomic issues". Therefore, macroeconomic stability (through prudent fiscal and monetary policies ) is a necessary – but not sufficient – condition for rapid development.

2. Sufficient conditions are only both: a critical mass of Official Development Assistance (ODA) and Foreign Direct Investments (FDI). However, both ODA and FDI shunned Africa in the past. "This is particularly surprising and apparently irrational in the case of FDI", Dr. Msabaha said. Despite extraordinary returns on capital in Africa, only a minuscule portion of the world's FDI has entered the African continent. Therefore, development is slower than expected in most African countries.
3. Africa can not achieve the declared development goals by producing and trading primary commodities alone. Rather, the development experience of many countries shows that rapid growth can only be achieved by investing in manufacturing industries that produce processed products.

In his concluding remarks, Dr. Msabaha called for a new international policy. In referring to the Marshall Plan, he reminded the audience that the Marshall Plan after World War II was never a gift to Europe; it was a policy of containment to prevent Soviet Communism from overrunning Europe; "contribution to Africa's development is in the best self-interest of the international community", highlighted Tanzania's Minister. It is in this very context, that fostering entrepreneurial spirit, building global cooperation, new alliances with Africa, and Corporate Social Responsibility should be further discussed at the Wittenberg Center for Global Ethics.

## The Political Dimension



H.E. Fatoumata Siré DIAKITE

H.E. Fatoumata Siré Diakité, Ambassador of the Republic of Mali in Germany, focussed on necessary conditions for alliances and global partnerships. She also emphasised the importance of partnership, as it is about mutual respect for one another as well as a space given to Africa to be heard.

According to the Ambassador of the Republic of Mali in Germany, global cooperation would not be successful without Africa being included. However, inclusion has

to be accomplished by Africa itself, not by others. Former efforts to include Africa were misleading because rules (e.g. structural adjustment programs) have simply been imposed on African countries without appreciating Africa's expertise in managing its own affairs and needs. Furthermore, there is cultural and traditional knowledge that Africa possesses that is being ignored –knowledge that could and should be taken into account when talking about development in Africa. Consequently, Africa's main problems were being ignored. Hereupon, Mrs. Diakité presented a number of examples in order to clarify the point:

- *Foreign Aid:* Within the practice of “tying aid” Africa had been misused as a market for exports. Foreign aid disbursements had been tied to the obligation of buying machinery and tools from donor countries. As a consequence, only little money had stayed in Africa and almost no knowledge transfer had been taking place.
- *Cold War:* The cold war had created a strong competition for Africa between East and West. Within this ongoing struggle for hegemony, Africa had been used as a tool. It is only with the end of the cold war era that Africa finally received its independence and the opportunity to be a purpose in itself.
- *Resources:* Africa's resources had been utilized (“robbed”)

by others not least with the help of African leaders themselves. As a response, people have decided to make their leaders accountable and have enforced the feedback by forming a strong civil society.

According to H.E. Mrs. Diakité, today there are at least two good reasons why Africa and its problems should not be ignored on the international agenda:

1. *Immigration:* If the West does not consider Africa's problems as truly global problems, the West will experience consequences. Pointing to the already pressing issue of immigration policy, Mrs. Diakité argued: “If you ignore our problems, we will come to you!”
2. *Markets for products and labour:* Yet today, Africa is an important emerging market, both for exports to Africa as well as for imports of primary resources from Africa. But due to economic and population growth, Mrs. Diakité argued according to economist David Hay, Africa will have the biggest market and the youngest workforce worldwide by 2050.

In conclusion, Mrs. Diakité elaborated on the conditions for successful partnerships with Africa. Partnerships had to be based on:

- Mutual respect and equality among partners which involve the recognition of African expertise and profound cultural heritage as a key element for development
- The young generation
- Emphasis on women
- A focus on civil society and the private sector

The Ambassador strongly believes that the African voice must be heard, equally, from the women's perspective. Women should speak on their own behalf and make themselves heard. It is evident that women working in governments in Africa worked twice as hard as men in the same and or similar positions. Thus, they need to work hard in order to be heard. Moreover, they ought to “build” themselves up so as to become economically independent as well.



After the panelists' speeches, Andrew Young involved the audience in the discussion. He asked the entrepreneurs in the audience to introduce themselves. Subsequently, more than a dozen young entrepreneurs from Nigeria, Cameroon, South Africa, Mozambique, Germany and other countries became engaged in a vital discussion with the panelists.

# The Institutional Dimension

**A**lthough “Entrepreneurial Spirit” and “Mutually Beneficial Cooperation” are concepts unanimously embraced by individuals and organizations with different interests and backgrounds, they are in danger to remain empty phrases if not incorporated and secured by the formal and informal structures that guide individual actions within societies. Therefore, there is no exaggeration in saying that institutions and governance which ascertain the “rules of the game” underlying individual interactions are as vital for efficient social cooperation as “the air is for breathing”.

Against the background of this comprehension, the panel focuses on new promising initiatives encouraged in particular by the vision and strategic framework of the New Partnership for Africa’s Development (NEPAD). With the ultimate goal of setting free and canalizing the vast productive energies of the continent, high-ranking experts and personalities analyze the yet available track record as well as experienced drawbacks of this framework and discuss ways to strengthen both the legitimacy and the effectiveness of self-determined institutionalization – in Africa and worldwide.

## Participants

### **H.E. Prof. Firmino MUCAVELE**

Chief Executive Officer, NEPAD Secretariat  
The New Partnership for Africa’s Development

### **H.E. Horice MEGHAR**

Ambassador of the People’s Democratic  
Republic of Algeria to Germany

### **Prof. Dr. Ingo PIES**

Martin-Luther-University Halle-Wittenberg

### **Ute KLAMERT**

GTZ Regional Director for Southern Africa

### **Dr. James KAJETE**

NEPAD Council Europe

## Convener

### **Prof. Doris FUCHS, Ph.D.**

Wittenberg Center for Global Ethics  
University of Stuttgart

## The Institutional Dimension



Prof. Firmino MUCAVELE

themselves, its core philosophy lies in building true partnership and mutual support among African countries. As a common framework for joint action, its member countries adhere to the following 12 key principles:

1. African ownership and responsibility;
2. Partnership among African citizens, African countries, and the international community for the development of Africa;
3. Self-reliance and reduced dependency on foreign aid by strengthening the private sector;
4. Self-confidence on our resolve to implement NEPAD;
5. Self-esteem in our cultural heritage and African history;
6. Protection and promotion of democracy;
7. Good political, economic and corporate governance;
8. People-centered development;
9. Promotion and protection of human rights;
10. Accountable leadership;
11. Gender equality and
12. Action oriented partnership.

Prof. Firmino Mucavele, Chief Executive Officer of NEPAD, opened the panel discussion by giving a comprehensive overview of the general idea incorporated in the NEPAD initiative.

NEPAD - the New Partnership for Africa's Development is a vision and strategic framework for Africa's renewal. It is also a socio-economic program to promote sustainable development in Africa. Being developed by the African Union and hence by Africans

As Prof. Mucavele elaborated, within the common framework of the NEPAD partnership concrete action orientated initiatives are designed according to the following methodology:

1. Analyzing and establishing necessary conditions for development: These include ensuring peace, security, socio-economic, political stability, as well as good governance.
2. Analyzing and setting sectoral priorities: Within the NEPAD framework six sectoral priorities were identified. These are agriculture and food security, infrastructure, science and technology, environment, markets and market access, and tourism.
3. Combined efforts to mobilize unemployed resources: Generally speaking, resources to be mobilized may be found in a variety of areas. NEPAD hereby focuses especially on human, natural, institutional and financial resources.

Meanwhile the NEPAD initiative has developed from a mere concept to a concrete implementation mechanism.

As central pillars for accomplishing common goals on the national level, the Regional Economic Communities have proved widely successful. Now, more and more countries introduce the NEPAD principles into their development planning. This also proves to have effects on the level of engagement in the international arena.

As further necessities for the continuing success of NEPAD, Prof. Mucavele identified the following four projects:

- Capacity building which could be organized by strengthening the NEPAD Secretariat
- Infrastructure: Infrastructure Consortium for Africa and Investment Climate Facility
- Information and Telecommunication Technologies: Eastern Africa Submarine Cable System
- Promoting and advancing development corridors



Prof. Doris Fuchs, Honorat Sataguina, Ute Klamert

# NEPAD – Vision and Strategic Framework Institutions and Governance as Condition for Entrepreneurial Spirit



H.E. Horice MEGHAR

Supplementing Prof. Mucavele's speech, H.E. Horice Meghar, Ambassador of the PDR of Algeria, pointed out that NEPAD is not some kind of a "magic formula". Rather, based on the idea of African self-reliance and ownership, it has to be interpreted as a new approach carrying a new vision of Africa's development. Thus, it constitutes indeed an opportunity to create a new institutional environment in Africa which will lead – and which has

already partially led – to a change, both in the way Africa itself is behaving and also in the way it is perceived by others.

According to Mr. Meghar, Africa, for too a long time has been perceived as "the lost continent". By implementing supportive institutional conditions and developing its own strengths, NEPAD now is on its way in contributing to end the marginalization of Africa within the international community. In this context, Mr. Meghar, elaborated on three decisive reasons for being optimistic:

1. Peace, stability and security as necessary conditions for development are gaining ground in more and more African countries. Furthermore, the NEPAD framework

provides new instruments to understand, address and handle intra-African problems better; thus supporting stable progress.

2. Democratic government and individual liberty are expanding in many regions in Africa. While on the national level countries are strengthening their human rights efforts, on the intra-national level new developments include, for instance the institution of an African Parliament.
3. Moreover, Africa's civil society / private sector is in rapid development and evolving more and more as a new partner for cooperative forms of governance.

Mr. Meghar concluded his speech by admitting to the audience that there still is need for decisive reforms in many of the political, judicial, financial and educational systems prevailing on the continent. Nevertheless, it should not be forgotten that a lot of progress has already been made. In order to give an example, Mr. Meghar reminded the audience that the African Peer Review Mechanism (APRM) which allows independent countries to be analyzed and criticized by their peers now covers already 26 countries – a development considered by many people as utopian, only some years ago. As Mr. Meghar pointed out, "on a global scale, this is a unique and extraordinary development – and it should be valued as such by Africa's partners in the world."

Building upon the input given by Mr. Meghar and Prof. Mucavele, Prof. Ingo Pies from the Martin-Luther-University reflected on the concrete mechanisms evolving from the NEPAD initiative from the perspective of an economic ethicist.

At first sight, Prof. Pies reasoned, commitments seem to be a sacrifice, since they always impose restrictions on one's own behavior. However, if a commitment induces others to honor the commitment with a productive reaction, then commitments can be a powerful investment. Thus, by mutually restricting possible actions, trust among different partners can be built up and win-win situations created. This, according to Prof. Pies, is what entrepreneurial spirit within the institutional dimension is all about. Entrepreneurs who are willing to invest in partnership and trust set free the logic of commitment, which is in effect a win-win logic – a logic of mutual improvement.

By this logic, Prof. Pies carried on the perspective that NEPAD framework and its concrete mechanisms (e.g. the APRM) can serve as a powerful credibility instrument (i. e., a commitment device for institutionalizing good governance in Africa). The public declaration and resolve to implement the rule of law as well as sound economic policies is therefore not a sacrifice that does not pay off. Rather, as it induces productive reactions from other players, it is a powerful



Prof. Dr. Ingo PIES

investment for a better future in Africa. However, as Prof. Pies admitted, there will be no ready-made blue prints for carrying out this process. Simply copying Western models from Europe will fail to address the specific needs in Africa. On the contrary, if NEPAD proves to be successful, there surely will be lessons to be learned in Europe as well.

The panelist's input sparked a lively and fruitful debate that also involved many active contributions by the audience. These comments raised questions about the role of the State, the definition of good governance and the importance of education. While discussants held diverse views concerning a number of issues, there was a strong consensus that there are no grounds for Afro-pessimism. Africa itself holds the key to peace and sustainable development. As Prof. Mucavele summarized the basic message of NEPAD: "We Africans can do it!"



Ute KLAMERT

Ms. Ute Klamert, regional director for Southern Africa at GTZ - Deutsche Gesellschaft für Technische Zusammenarbeit, continued her preceding speaker by reflecting about the ideas, visions and underlying concepts used in context of the institutional dimension of entrepreneurial spirit. As Ms. Klamert conceded, talking about NEPAD a number of critical questions would have to be raised with regard to economic development, entrepreneurship, governance and institutions.

**Economic development:** Ms. Klamert assured that there has been stable economic growth for several years in Africa and that inflation is low and budget deficits are modest. However, one would have to notice that there are two different schools of thought as to how to interpret this situation. While optimists argue that Africa is on the rise and will finally overcome long-term poverty, there are also the pessimists who argue that Africa will remain caught in the poverty trap: desertification, depleting resources and population pressure will eat up the fragile economic growth.

**Entrepreneurship:** According to Ms. Klamert, there are quite different kinds of entrepreneurship – and one would have to reason about which one is needed for sustainable development: Is it primarily about foreign direct investment or rather about Africans themselves investing in Africa? What are the sectors to be invested in? Are small and medium sized enterprises prepared to invest? How should a fair framework look like in order to institutionalize competition with multinational enterprises?

**Governance:** As it is apparent that NEPAD will only prove successful in the long run, if political entrepreneurs not only in Africa but also in Western democracies commit themselves to the program, Ms. Klamert raised the decisive questions: Is NEPAD indeed taken seriously by politicians and does that lead to concrete actions above the rather usual attendance at NEPAD conferences? In the face of a variety of programs and initiatives: What are the respective roles and responsibilities of NEPAD, the AU and the regional communities?

**Institutions:** Referring to further developments of the institutional framework, Ms. Klamert analyzed that the major impediment for fast change is a lack of human resources and management capacity. As Ms. Klamert explained, this also means that on the part of development agencies, it remains unclear if and how aid should be given in the future. What therefore is in need according to Ms. Klamert is more on-the-ground cooperation between politics, development agencies and the private sector. Today, aid groups and the private sector often live in two separate worlds – instead of working for Africa these groups should be given the opportunity to work *with* Africa.

Dr. James Kajete from NEPAD Council Europe, completed the round of contributions to the panel discussion by reasoning how hopeful initiatives such as NEPAD could be supported and brought to a wider public awareness.



Dr. James KAJETE

Dr. Kajete explained that the NEPAD Council is exactly such a common forum through which assistance to the NEPAD process can be organized. Composed of young African professionals working in leadership positions all over the world it supports the NEPAD initiative in realizing its objectives. Addressing still existing pessimism about such initiatives, he admitted to the audience, that we all have seen different initiatives for Africa come and go. “Nevertheless”, he confirmed, “we from NEPAD Council, together with our partners, have come to stay!”

With regard to the preceding contributions, Dr. Kajete pointed out that NEPAD Council also believes that entrepreneurial spirit, good governance and self accountability must be strengthened in Africa in order to foster development. Therefore the APRM (African Peer Review Mechanism) is a valuable instrument welcomed by the Council. But plans within NEPAD Council would even go further: “We think that the APRM can help to foster entrepreneurial spirit not only on the national, but also on the individual level, if it is extended to the private sector. This entails that Foreign Direct Investment in Africa should be subjected to credible commitments and rigorous checks, which assure that it conforms to the principles of good governance and provides long-run profitability to Africa’s citizens.”

Finalizing his contribution, Dr. Kajete informed the audience that NEPAD Council is organizing the Europe Africa Business Summit which will take place in November 2007 to stimulate practical initiative in Africa. The aim of this summit is to bring about European awareness of the numerous business opportunities in the continent of Africa. During the summit the current and future state of African-European economic relationships will be carefully analyzed. As Dr. Kajete pointed out, the most important hope is to create a biannual international platform in which African and European enterprises, businesses leaders, policy makers and academics can discuss and share ideas about how to develop new and sustainable business relationships.

# The Creative Dimension

**T**oday, after many decades of pious declarations, after all efforts on debt relief, aid and assistance, the savage irony is that the hopes and aspirations of most countries in Africa remain largely unfulfilled. It becomes more and more obvious that large-scale programs and adjusting formal structures alone are of little help if they fail to be borne by on-the-ground practices and mindsets. Forging a better future thus requires people who take their life in their own hands as well as a social atmosphere of innovation and open-mindedness that spurs persistence in case of drawbacks, allows to learn from mistakes and provides insurance for possible disappointments.

The panel analyzes the complex preconditions and available strategies for fostering that very public attitude of “Entrepreneurial Spiritedness”. Drawn from a variety of personal and educational backgrounds, the distinguished participants discuss how to harness the productive energies of creativity and imagination by reframing educational, financial and cultural structures in such a way that allows social cooperation and development to flourish as a self-determined process.

## Participants

### Herman BAILEY

Chief Executive Officer, Home of Cape Wine  
Public Entrepreneur, South Africa

### Fatima WALI

Chief Executive Officer and Founder  
Filmo Realty, Nigeria

### John Hope BRYANT

Founder and Chairman  
Operation HOPE, Inc.

### Dr. Peter LANGKAMP

Sparkassen Foundation for International Cooperation, Germany

### H.E. Archbishop Gregory KPIEBAYA

Archbishop of Tamale, Ghana

### Jeremy GAINES

The Commission for Africa, Coordinator Germany

## Convenor

### Dagmar DEHMER

Journalist, Der Tagesspiegel, Germany

# The Imagination and Creative Dimension



Herman BAILEY

As Mr. Bailey observed, countries across Africa have been experiencing some major changes during the last decade of the 20th century. On the political level, consolidation of inclusive political systems and peaceful transfer in a number of states was heralded as the “third wave” of democratization; on the economic level, state planning was giving way to liberalization and private ownership. According to Mr. Bailey, a key aspect for unlocking Africa’s potential

arising from this development is the fostering of entrepreneurial spirit.

As Mr. Bailey explained, entrepreneurship is central to the functioning of market economies, since entrepreneurs act as agents of change and growth to accelerate the generation, dissemination and application of innovative ideas. By doing so, entrepreneurs not only ensure that efficient use of resources is made, but also expand the boundaries of economic activity and meet the challenges of rapid change in a globalized economy. Thus, entrepreneurship may be defined “as the spirit of enterprise and innovation that leads to new economic value.” (GEM Uganda 2004)

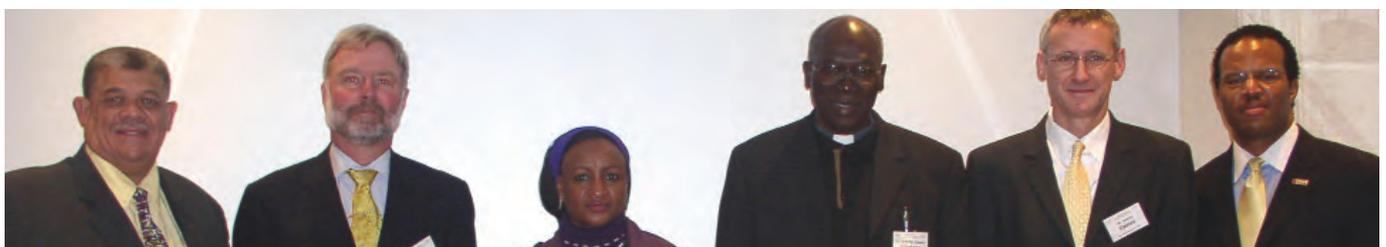
However, as Mr. Bailey conceded, creativity and new visions do neither easily nor automatically translate into successful business ventures. In an environment marked by poor financial infrastructure, an unreliable justice system and scarcity of relevant management skills, it is essential that entrepreneurial spirit be nurtured and given support by a variety of different actors. Mr. Bailey therefore continued his contribution by looking at three different levels of action:

1. The level of the individual entrepreneur  
On the level of the individual entrepreneur, there are a number of factors promotional to entrepreneurship which range from psychological characteristics, such as assertiveness, imagination and tolerance for risk to socio-demographic factors such as values, beliefs, knowledge and skills. Since many of the behaviors associated with successful entrepreneurship can be taught, training in

schools, colleges and universities represents a major key in developing self-reliant entrepreneurs. According to Mr. Bailey, it is therefore necessary that educational systems move away from their traditional model of preparing for “live-long” jobs at the government or large corporations to a model that aims at empowering young people to explore their abilities to be self-employed and start their own business.

2. The level of the entrepreneurial firm  
Analyzing supportive and impedimental conditions for entrepreneurship on the level of the individual companies, Mr. Bailey pointed to the fact that the entrepreneurial landscape in Africa is dominated by small and micro enterprises predominantly run by women. What these small businesses, according to Mr. Bailey, mostly need is organizational and financial capital in order to manage, utilize, protect and develop their resources. Useful investments to be supported are the establishment of regional business networks such as the Western African Enterprise Network and banks and organizations such as the “Grameen Bank” in India or the “Compartamos” in Latin America, which play an important role for providing the necessary capital flow for small income enterprises.
3. The level of the external environment  
Even with effective education programmes and available capital, Mr. Bailey conceded that entrepreneurial activity will still struggle to emerge in an environment that is not conducive to the establishment of new firms. Thus, also governments carry responsibility to create a climate that encourages individuals to enter the field of entrepreneurship. Referring to the special situation African entrepreneurs face, Mr. Bailey called on the governments to strive for stable macroeconomic environments, an upgrade of property right systems and the tackling of pressing infrastructure and labour problems.

Summing up his contribution, Mr. Bailey emphasized that entrepreneurial spirit that drives cooperation and development in Africa can indeed become reality provided that all role-players at the different levels seriously commit themselves to analyze objectively their responsibilities and act according to what is required of them in order to build mutually beneficial partnerships.



## Entrepreneurial Spirit as crucial driver for Cooperation and Development



John Hope BRYANT

Continuing the inspiring character of Mr. Bailey's speech, Mr. John Hope Bryant, self-made entrepreneur and founder of Operation HOPE, Inc., stressed the point that responsible business behavior that looks beyond immediate profits may indeed prove to be a powerful investment beneficial to both partners. As an example he reminded the audience of another innovative and world-famous entrepreneur: Henry Ford.

According to Mr. Bryant, the "miracle" Ford accomplished was to pay his workers a salary big enough that they themselves could afford to buy the cars they constructed. Thus, a win-win situation could be created.

*"Whatever you do, you must be passionate about it."*

Looking back at history, Mr. Bryant analyzed that most of the successful entrepreneurs never needed exhaustive campaigns to become successful. Giving a practical example from Rwanda, he told the audience about a young entrepreneur who was born out of the simple problem that he couldn't find a place to buy sandwiches. "What this young man did", Mr. Bryant explained, "was first to import the bread and make his own sandwiches. Later on, he bought machines from Europe and started producing bread in Rwanda. Today he runs a large-scale enterprise producing 50,000 loaves per day." As Mr. Bryant summarized, the message is: "Usually it is not the Ph.D.s who become entrepreneurs – it is the 'PhDs'!".

Mr. Bryant assured the audience, especially the young leaders, that success usually does not come automatically, and in any case requires persistence and the ability to move forward even in spite of failures and setbacks. "There is never a rainbow without a storm first!", Mr. Bryant concluded from his own experience with Operation Hope, a non-profit investment bank which provides housing loans and works on educating children about banking to eradicate financial illiteracy.

Looking back at his own experiences, Mr. Bryant came to the conclusion that simply providing money in the form of donations can not be an appropriate tool to foster sustainable development. After all, as Mr. Bryant explained, "donor money" is a resource that will run dry one day and only enthusiastic entrepreneurs will be able to produce sustainable wealth. With the demand "Stop looking for aid! – Start looking for trade!" Mr. Bryant reminded the young leaders not only to ask what others could do for them, but also to ask what they could do for others, thus focusing not on aid, but on win-win situations.

The next speaker on the podium, Mr. Peter Langkamp, Director of Sparkassen Foundation for International Cooperation, brought in profound experience from the financial sector. The company, which was founded in 1992 as a nonprofit organization, is the largest German savings bank and by far the market leader in retail banking with a market share in granting loans of 70%. As Mr. Langkamp explained, the most important assets of the bank are experts and market experience which they also offer to transition countries interested in retail banking.



Peter LANGKAMP

Mr. Langkamp reported that since 1992 his institution conducted more than 90 projects in 50 countries, among them Tanzania, Kenya, Uganda, South Africa and Madagascar. As Mr. Langkamp explained, the key in supporting Africa is not money itself but the provision of access to finance often hampered by the instability of interest rates. According to Mr. Langkamp, further obstacles which inhibit a sufficient flow of capital to small enterprises in Africa are a lack of risk management know-how, which makes banks (too) risk-averse and the reason why many young entrepreneurs are short in experience and simply not used to talking to banks. Deliberating on this situation, Mr. Langkamp identified abundant possibilities for mutually beneficial cooperation between local banks and young entrepreneurs, if training and knowledge transfers are put in place, which enable both sides to comply with each others' needs.

*"The key in supporting Africa is not money itself, but the provision of access to capital!"*

*"Although it is still a long walk to the end of the tunnel, I see rays of light already there today."*

Concluding his presentation, Mr. Langkamp reported on the "Business Angels Model" that was introduced in South Africa for exactly that purpose. Although their support would not always be appreciated, the original task of the Business Angles to encourage the establishment of SMEs is worth being expanded towards investments in businesses. As Mr. Langkamp assured, although it is still a long walk to the end of the tunnel, rays of light are already there.

## The Imagination and Creative Dimension



Fatima WALI

Fatima Wali from Nigeria, an entrepreneur in construction business, followed Mr. Langkamp's path of bringing practical knowledge to the forum. As the manager of a construction company for ready-made luxury apartments, she discovered demand for her business in Nigeria for expatriates who complained about difficulties with their new homes. As Ms. Wali explained, before her company entered the market it usually took about two months to settle tenants into their

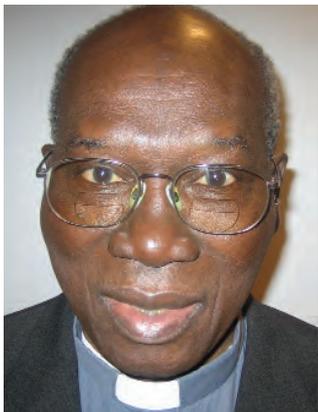
new homes. A situation that has now changed!

Ms. Wali, who holds a degree in Architecture from the Universities of Minnesota and London, explained that her way of doing business would not have become possible without independence from the government. "Otherwise, too many rules, regulations and corruption layers would have hindered my ideas to becoming reality", she said.

Unstable or unclear property rights, especially the entitlement of land, which is crucial for her business are the major impediment to entrepreneurship in Africa. Nevertheless, as her history shows, progress can be made. Hence, she called upon the young leaders to stay or rather to come back to their countries of origin, build their houses and their own future in Africa. That is what creates assets and sustainable wealth for the continent.

Finalizing her speech, Ms. Wali referred to the women's essential role in the African business world. As she illustrated, it usually is a wiser decision to put money in a woman's hand, since women are more empirical in their business decisions and are led by their duty to feed the family. The problem is, as Ms. Wali continued, that women usually lack securities and therefore are not entitled to obtain loans. According to Ms. Wali, the only way to escape that vicious circle is trust from the side of the lender and the credible commitments from the side of the women to transfer the money once it is obtained, into assets that may serve as future securities.

*"The young leaders have to come back to build their houses and their own future in Africa. This is what creates assets and sustainable wealth for the country."*



H.E. Gregory KPIEBAYA

H.E. Gregory Kpiebaya, Archbishop of Tamale, Ghana, introduced himself by suggesting that he is neither an economic expert nor a business professional but rather a village boy who became pastor in the Catholic Church. Contrary to the previous speakers, Archbishop Kpiebaya emphasized the importance of (financial) support from the Western world, particularly for the underdeveloped and disadvantaged regions in Africa.

Nevertheless, Archbishop Kpiebaya emphasized that help and assistance is not to be seen as a one-sided pittance. According to Archbishop Kpiebaya there is still an important contribution the African continent can offer to the industrialized world in the process of globalization that goes beyond financial interests. As illustrated by him, Africa's advantage is the experience from its history with slavery and the division of tribal areas through colonization, as well as its many cultural values,

*"When two elephants are fighting, the grass suffers."*

particularly the strong sense of community still felt in many African countries, which is a counterbalance to Western individualism. Moreover, Africa's extended family system phenomenon constitutes a value by itself, since it gives rights and duties to a larger group, and thus reminds individuals that private self-interest must never be the only motivation if partnerships for mutual advantage needed to be achieved.

Appreciating that there is indeed a new generation of African leaders, Archbishop Kpiebaya appealed to them not to make the same mistakes as their predecessors, but rather to invest in an atmosphere of trust and mutual respect that commits all its members to creating a sound society. Since such an attitude cannot be changed only with seminars and workshops but requires long-term training and education, what is needed most is a social training center where people will be educated in all relevant values from civil responsibility to good governance. Finalizing his speech, H.E. Gregory Kpiebaya admitted that a "Rerum Novarum Center" which should provide social and ethical values for Ghana citizens is still his personal dream – a dream that may become reality one day.

*"What is needed most, is a social training center where people are educated in all relevant values from civil responsibility to good governance."*

## Entrepreneurial Spirit as crucial driver for Cooperation and Development



Jeremy GAINES

Jeremy Gaines, Coordinator of the German Section of the Commission for Africa and a consultant to Bilfinger and Berger, a leading German building company, proposed loaning cement instead of money to Africa. What Africa needs most is help to build up their own infrastructure and production facilities. In this context, Mr. Gaines criticized the expenditure structure of many NGOs with 70% being payroll costs that flow back to Western pockets. Thus, a

big part of the money that many kind-hearted Westerners spend while hoping it would serve the needs of those in trouble in Africa, rather benefits the workforce of the organizations than aiding the African population.

Although, according to this thought it would be generally forceful to call for investments rather than (monetary) aid for Africa, things are not so easy. According to Mr. Gaines, not every kind of investment is desirable and creates win-win situations. He reflected about what is actually going on in Africa with respect to the Chinese engagement there. As it seems, many of these engagements seem to be focused only on securing (natural) resources for the booming Chinese economy without simultaneously providing the basis for African self-development. As a result, the actual Chinese policy towards Africa essentially moves Chinese money from the Chinese government to the Chinese private sector, without sustainable benefit for African countries.

But this, as Mr. Gaines explained, is not only the fault of the Chinese. For many African governments it still seems to be a temptation too big to resist, to use income generated, i.e. by the exports of resources in a consumptive way rather than investing it in the future of their countries. Therefore, the so-called "unconditional" investment contracts or partnerships which do not constrain the possibilities of the usage of incoming (foreign) capital may create more problems than they solve under given conditions in Africa.

Mr. Gaines clarified that this is a problem which can be solved by true and responsible partnerships, not only, but especially in the private sector. As an example of a company which created a win-win scenario for both sides, he mentioned Mittal Steel, which is an Indian company that began as a local steel company and developed into a global player. This company really makes the difference by selling steel in Nigeria and simultaneously making its infrastructure available to the country. Mr. Gaines is convinced that sustainable growth can only result from local jobs within the private sector since the governments are more than busy performing their classical duties from healthcare to schooling.





# The Economic and Business Dimension

**A**lbeit making money may be at the core of many business endeavors, as a guideline to success, it suffices for quite a few people. As value chains expand, cross-country engagements deepen and new markets need to be developed in the surge for profit, sustainable economic success and socially responsible behavior become more and more two sides of the same medal. Being an entrepreneur in the economic realm thus requires a lot more than focusing on quick returns with little risks. It is about developing new innovative concepts and programs which merge the needs of society with the necessity to increase long-run profits immanent in the market system of modern society.

The panel explores how reasonable calculation and spirited action masters the risks that come along with productive investments in future benefits and shows how win-win situations among consumers, employees, interest groups and governments may be generated by facilitating the process of cooperation and reducing the costs of information and transaction. Moreover, the panelists show practical examples how Corporate Responsibility – understood not simply as a handout to the poor but as a sensible investment in the search for mutual benefits – may foster the powers of development and create increasing value for both: the company and the environments in which it operates.

## Participants

### **H.E. Dr. Batilda BURIAN**

Deputy Minister for Planning and Economic Empowerment,  
United Republic of Tanzania

### **Dr. Andreas ULTSCH**

Group Vice President, BASF AG, Germany

### **Wolf-Rüdiger GROHMANN**

Deutsche BP AG, Germany

### **Klaus THORMÄHLEN**

Managing Director, Thormählen Holding International, Germany

### **Karolin BLANK**

United Nations Conference on Trade and Development

## Convenor

### **Prof. Dr. Andreas SUCHANEK**

Wittenberg Center for Global Ethics



H.E. Dr. Batilda BURIAN

H.E. Dr. Batilda Burian, Deputy Minister for Planning and Economic Empowerment, United Republic of Tanzania, initiated the panel discussion by giving a short review of the socio-economic situation in her home country. As Dr. Burian illustrated, Tanzania is a country with a dynamic developing population of 36 million people and a stable economic growth of 5.4 % per year.

According to the Nelson Mandela quote, “if you allow your inner light to shine, it will also shine for others.” Dr. Burian explained that Tanzania is not only aiming for its own development but is also trying to become a role model for other African countries. In this respect, Tanzania can point to encouraging progress in decisive fields:

- The time it takes to start a business in Tanzania was reduced from 365 days to only 23 days in recent years.
- Tanzania is now one of the UN top-ten performers in development by successfully establishing a national strategy for growth and poverty reduction.

- Tanzania already is the 3rd largest producer of gold, having major market shares also in the coal and gas industry.

As Dr. Burian continued by stating that making sure that economic growth on the macro-level also trickles down to as many Tanzanians as possible remains the major task of current policy decisions in Tanzania. The Tanzanian government thereby focuses on four integrated projects which also may provide a common ground for mutual beneficial partnerships with national and international corporations:

- Integrated labour markets (e.g. the employment of underprivileged people and the provision of scholarships)
- Empowerment of people (e.g. investments in consumer enlightenment)
- Innovations and technology (e.g. increased research in renewable energy)
- Cooperation with business for a better standing of Tanzanian entrepreneurs (e.g. common programs to encourage more people to become involved in private enterprise)

Finalizing her speech, Dr. Burian invited entrepreneurs and young leaders to visit, and more especially to invest in Tanzania. Spreading hope to the attending future leaders, she reminded everyone: “It is incite and ‘crazy’ new ideas that is at the root of entrepreneurial spirit – not just knowledge and money!”.



Wolf-Rüdiger GROHMANN

Building on the thoughts of his previous speaker, Mr. Wolf-Rüdiger Grohmann, Deutsche BP, pointed out, that –contrary to common belief and perception – large companies are not entirely free to act as they their management would like. According to Mr. Grohmann, This is due to a fundamental difference between a private entrepreneur, who spends his own money, and a manager of a large company, who has an obligation vis-à-vis its

shareholders and their money. Because it is not the money of the individual manager he works with, decisions in companies need much stricter rules and require more transparency than decisions of a private entrepreneur. Nevertheless, as Mr. Grohmann assured, big companies do acknowledge their responsibility for promoting the public good, striving, within their limitations, to identify adequate ways of responsible corporate behaviour. In this respect, BP surely

does not pretend to know the truth, but is willing to engage in open dialogue with stakeholders to commonly finding good solutions for a better cooperation. According to Mr.

Grohmann, the two basic contributions a big company like BP offers to promote the public good are the employment of people, enabling them to earn their living and pay taxes to the government, and the production of safe-to-use goods for consumption as well as their continuous development. In addition to such core activities, companies like BP are often expected to take responsibility by stepping in on behalf of the state. As Mr. Grohmann explained, such expectations may not always be met as the activities in question often raise doubts about a company’s “democratic legitimization” to effect such public investments in lieu of government. Finalizing his speech, Mr. Grohmann presented some practical examples of impressive activities his company undertakes to strengthen cooperation with its stakeholders. In all such activities, BP focuses on helping people to help themselves; BP’s decision to buy as many products and services as feasible from local SMEs is part of this strategy.

*“We do not pretend to know the truth, but we are willing to engage in open dialogue to commonly find good solutions for a better cooperation.”*

## Increasing Values through Corporate Responsibility



Klaus THORMÄHLEN

Mr. Klaus Thormählen, founder and president of Thormählen Holding International, was invited to join the panel as a lighthouse example of entrepreneurial spirit. He shared his experiences of trying to establish a railway project in Sudan.

As Mr. Thormählen reported, Thormählen Holding International was founded as far back as in 1989, with the ultimate goal to fostering private-public partnerships in development.

More than ten years later, in 2002, the first meeting with government officials from Sudan took place. As Mr. Thormählen remembered, it was at that time when talks about the idea of a referendum to unite the two countries in Sudan were discussed; what was desperately needed was a functioning railway connection between them. According to Mr. Thormählen, the then situation of the Sudanese Railway system was quite similar to that of Germany after the 2nd World War – unable to be repaired. But what he focused on were not the overwhelming problems, but the big chances of making a new start and thus agreed on building the much needed North-South connection.

As Mr. Thormählen pointed out, finding support and achieving progress was not always easy. He asked for help from German politicians but was often told to forget about peace and security in Sudan, and to abandon the project. Nevertheless he found support from other companies, and together with them, a feasibility study was started. New energy to push the project forward was also found by visiting southern Sudan, and also by being "infected" with the "African spirit", Mr. Thormählen frankly admitted. The actual state of the project is worth to be exhibited: A map for 4200 km of railway lines has been worked out and a contract for building and managing the lines for 25 years was signed with the Sudanese government. Furthermore, the feasibility study is ready and financing is already underway.

Finalizing his speech Mr. Thormählen explained that in order to be successful in the long run, the foremost intention now is to start training local people in Sudan in order to enable them to build and conserve their own railways, and making them to require foreign investors only to bring in additional management resources. Mr. Thormählen also pointed out that despite abundant opportunities in Africa, he could not get the political backing for the project. Nevertheless, as a true entrepreneur, he persisted and was eventually able to find partnership with other companies – Chinese companies.



Karolin BLANK

The last contributor to the panel was Ms. Karolin Blank who is a Carlo Schmid Fellow with the United Nations Conference on Trade and Development (UNCTAD) and former member of the Network for International Politics and Cooperation (CSP-network). She initiated her speech by thanking the Wittenberg-Center and the other contributors for having a young leader like herself on the panel. Her special interest regarding developmental policies lies in investment, technology and private enterprise as well as in corporate social responsibility.

Following up on the preceding speakers, Ms. Blank pointed out that in order to use the capitalist market system for the purpose of the public good, it is eminent to have a balanced approach which allows everyone to compete on a fair basis. Such a balanced approach is also proposed by the UNCTAD regarding the development of international markets: On the one hand, international trade enables good chances for growing possibilities and development. On the other hand, we must make sure that all producers (especially small and middle scale enterprises) have equal access to these markets. This ensures a fair chance in competition.

Referring to the discussion on sustainability and corporate responsibility, Ms. Blank criticized the neglecting of the ecological aspect of the usually triple line approach regarding sustainability. Ms. Blank elaborated that economic, social and environmental well-being always condition each other, and thus have to be treated together in order to ensure sustainable development. As Ms. Blank concluded, such development is indeed possible, but will require specific investments by all stakeholders of the market system (enterprises, consumers, governments, NGO's). In order to give practical suggestions for action, Mrs. Blank identified five core areas:

- Price and market differentiation to provide profitable niches for sustainable products from Africa
- The transfer of efficient and friendly environmental technology to developing countries
- An ethically enhanced business behaviour on the part of international corporations, which gives SME's a fair change to develop their own resources
- Activities to see more added value, and hence more money staying in developing countries
- The ensuring of provisions in order to react adequately, in case large corporations close their investment and leave the country.

# The Economic and Business Dimension



## The Ten Principles of the Global Compact

The Global Compact's principles enjoy universal consensus being derived from:

- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention Against Corruption

The Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption:

### *Human Rights*

- Principal 1 Businesses should support and respect the protection of international human rights within their sphere of influence; and
- Principal 2 make sure they are not complicit in human rights abuses.

### *Labour*

- Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4 the elimination of all forms of forced and compulsory labour;
- Principle 5 the effective abolition of child labour; and
- Principle 6 the elimination of discrimination in respect of employment and occupation.

### *Environment*

- Principle 7 Businesses should support a precautionary approach to environmental challenges;
- Principle 8 undertake initiatives to promote greater environmental responsibility; and
- Principle 9 encourage the development and diffusion of environmentally friendly technologies.

### *Anti-Corruption*

- Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.



# The Future Generation

**A**lthough not unbound by history and inherited conditions, it is the young generation and, in particular, the new crop of African and international leaders which pave the way for the future. In a more and more dynamic environment they possess both the flexibility and the passion to trace new chances and opportunities as well as to seize them for their own benefit, their communities and society as a whole. They are those upon whom we set our hope that misused paradigms will be rethought and made workable in the modern society.

Convened by Andrew Young, former US-Ambassador to the United Nations and President of the Wittenberg Center, the panel analyzes the visions and challenges that come along in this process. Jointly, the Young Leaders reflect on a common focal point that symbolizes what "The Future Generation" stands for and which helps to organize and manage the abundant Entrepreneurial Spirits already existent in Africa's youth. The fact that a common focal point can be "Development and Equal Chances", it becomes clear that some of the most important things to examine and explain would be how competition serves social cooperation, what a (globalized) market system does for the people and what is needed to make the possible benefits of such a system to work also in and especially, for Africa.

## Participants

### **Dr. Amichia BILEY**

NEPAD Council Europe  
DEG - Head of Berlin Office

### **Kristina SCHAPIRO**

Merton College, Oxford University

### **Victor AWA**

University of Magdeburg

### **Joaquim MUCAVELE**

Humboldt University Berlin

### **Cyril FEGUE**

New York University

## Convenor

### **Andrew YOUNG**

Wittenberg Center for Global Ethics

## The Future Generation



Dr. Amichia BILEY

Starting the 5th panel discussion, Dr. Amichia Biley, a member of NEPAD Council Europe, once again reminded the participants that the manifold developments which are taking place in the course of the NEPAD initiative indeed constitute a major chance in perspective. For the first time in history, involving the private sector actively, headlining private initiatives, as well as determination in development are key elements of combined efforts to organize Africa's future.

As Dr. Biley affirmed, this new approach is nevertheless without tangible outcome. Especially in the last 4-5 years many countries in Africa have experienced good and constant growth. By looking at China and India one could easily observe the power of change and development that comes along with institutional reforms and private entrepreneurship. In Africa, especially in the south of the continent with South Africa being its main engine, the trading patterns are changing and African nations successfully started doing business with one another and are bridging the gap between the industrial nations and Africa.

Beside mentioning the fact that change is already taking place and actually speeding up, Dr. Biley conceded that still a lot remains to be done. According to him and the NEPAD Council Europe, the

focus thereby has to lie especially in enabling the African population to invest in the necessary conditions for development. To reach this goal, Dr. Biley presented four main areas of action developed jointly by the Council:

- Tackling the problems of the private sector: Many businesses in the formal economy are still lacking the necessary liquidity for major investments (e.g. to build up modern production facilities). By introducing credit-rating, the efficiency of the credit sector and thus, the money supply for private business could be strengthened.
- In order to stop the "brain drain" from the African continent, a center for vocational and educational training for African students abroad would be a sensible investment. Such a centre could help African students to learn about the specific circumstances in their region of origin, know better how to deal with upcoming difficulties and on the whole, be better prepared and motivated for returning to their mother countries.
- A Europe-Africa summit could help to link these activities and jointly analyze common goals and processes for action.
- In order to develop real partnerships on the individual level, match-making between foreign investors and African entrepreneurs has to take place. In this respect, the building up of a decent institutional framework (e.g. an African entrepreneur/invention bank) which facilitates such match-making seems to be a real value creating endeavour.



Kristina SCHAPIRO

Ms. Kristina Schapiro from the Oxford University initiated a follow-up to the inspiring input made by Dr. Biley and confirmed that in large parts of today's Africa a new spirit of hope and future-oriented thinking is on the way. Speaking about her personal experiences, she reminded the audience, that being in Africa, one could see many dreamers that are looking ahead into a brighter future for themselves and their communities – they are already on the way to converting their dreams into reality.

However, Ms. Schapiro also mentioned that it is important to keep in mind that we can not change the world within a few days. The same would hold true also for such events as big conferences. They will not lead to a better world just after the day the conference is finished. Nevertheless, one should bear in mind that during such meetings helpful new ideas and fruitful perspectives can be gathered

and discussed. Moreover, friendships and partnerships may be forged that can last for years or even decades. In this context it is important to keep in mind that building up such learning processes and networking capital will not instantaneously lead to a better world of today, but that it will enable us to startchanging the world of tomorrow.

As Ms. Schapiro noted, it is a step-by-step approach which also reflects the Wittenberg-Center's philosophy and which is compatible with the way Africans are used to cooperating in their various communities. After all, entrepreneurial spirit is not the same all over the world. As Mrs Schapiro explained, in Africa the so-called informal sector is still of major importance and people are used to forms of cooperation which take place primarily in small groups, and by doing little things together without the need of much formalization. Such experiences and abilities would display a special form of social capital which facilitates cooperation. Developing this capital so that it could also work in larger communities and globalized markets, remains the major task for development. Reminding the audience of the importance of such long-term investments, she rounded off by saying: "If you want prosperity for one year grow wheat; but if you want prosperity for a hundred years grow people!"



Victor AWA

Resuming the discussion on common goals concerning the necessity for individual action to be taken, Mr. Victor Awa from the University of Magdeburg made clear that we can not always resort to existing (bad) conditions as an excuse for our non-acting. Alluding to the actual situation in Congo he insisted: "If we don't do something today, our children will blame us for being corrupt tomorrow, as we are now blaming Kabila and others for being corrupt today."

According to Mr. Awa, to provoke actions today one has to remember again and again that Africa's situation is essentially man-made and not a necessary fact like the laws of natural science. Since it is man-made, it can, and indeed, be changed with time. Although we as individuals can not influence these changes in every detail, we nevertheless can choose and influence the direction in which it moves. As Mr. Awa explained, this direction will mainly depend on the people (i.e., the human capital they possess and develop), as well as the institutions and networks they commonly use to coordinate their activities (i.e. the social capital they employ).

Mr. Awa pointed to the fact that what is especially important in this context is a sensible human idea. "Sometimes, especially when we are talking about moral or ethical problems, we suppose people to be angels and thus are tempted to neglect their status as also empirical beings", he observed. That such a conviction has proven to be wrong may be observed by the fact that if people were angels, we would not need a State, but since we are also empirical beings, we need rules, law and order. Mr. Awa expressed his hope that by bearing this in mind we may find a better understanding in the role of institutions. Hence, individuals may talk and learn mutually about the necessary conditions for their functioning in diverse environments more elaborately.

Finalizing his statement, Mr. Awa once again alluded to the importance of change in history: Not far away from the conference venue in Wittenberg in the year 1884, the division of Africa between the then colonial powers took place in Berlin; a conference, the goal of which goal was to codify the colonial status of Africa for centuries to come. "Think of that!", Mr. Awa demanded. "Now, the situation has changed completely and we Africans are back here as equal partners to discuss a self-determined future of the continent!"



Joaquim MUCAVELE

Mr. Joaquim Mucavele from Berlin's Humboldt University initiated his contribution by headlining that talking about change and common investments requires knowing what one wants and what one stands for. Since cooperation always requires two people, one can not abstain from letting others know what oneself stands for and based on that, find common grounds for the necessary trust to develop.

Drawing a connection to the recent past, Mr. Mucavele referred to Martin Luther King Jr. and H.E. Andrew Young who were fighting for independence and equal rights for black people in the 60's and 70's. Similarly, the young leaders of today have to define a common focal point in what they are fighting for. According to him a possible answer to the question "What do we stand for?" could be found in "development and equal chances!"

Taking into account the situation in his mother country, Mr. Mucavele reported that it is exactly this spirit of development combined with the opening up of new opportunities that can be felt today in Mozambique. After many years of bloody civil war, a new atmosphere of cooperation has caught the country; people are experiencing new and open opportunities. Giving a striking example for that progress he reported about a friend, who as a young boy started to rent mobile phones and now leads a well-run business in the telecommunication industry and has, as a matter of fact, started to build houses for his family.

Mr. Mucavele made clear that such a success story also involves a change in mentality since business is only successful when it is able to provide valued services for different markets. Therefore you have to think about what people need (the boy renting mobile phones is a good example) and try to serve their needs as best as you can. Thinking therefore is focused on the interests and needs of other people.

In Africa, thinking according to the needs of others is already deep-rooted. However, cooperation often takes place within small communities and this kind of cooperation is quite different from the cooperation taking place by anonymous exchange through markets. While within small communities "cooperation" is the main experience in daily life, on anonymous markets it is primarily rule-guided (i.e., institutionalized competition with cooperation coming in through the institutional framework of the market). Africans, therefore are more used to cooperation than they are used to competition. We have to educate them on how to act within a competitive environment and what such an environment is doing for them (i.e., how competition can be organized for fostering social cooperation).

## The Future Generation



Cyril FEGUE

The final speaker on the panel, Mr. Cyril Fegue from the University of New York, brought in the perspective of a social scientist. According to Mr. Fegue, entrepreneurship is not only taking place in the private sector, but is also taking place in the social sector. In this sector however, the necessary conditions for cooperation are much more complex. Solutions to the question in which conditions to invest must not be technical, but have to be tailored to the

special needs and backgrounds of the people they affect. As Mr. Fegue concluded, cooperation on that level therefore is always a dialogue process that tries to find the adequate institutions which

enable people to work together for their common benefit.

Continuing his contribution, Mr. Fegue pointed out that for a constructive dialogue the image and self-image one possesses is of fundamental importance. In the past this image often led to thoughts about everything Africa is not and cannot. But instead "Africans have to think about and therefore learn what Africa is and can accomplish".

Giving a practical example for such a change in perspective, Mr. Fegue reminded the audience of the fact that a lot of worth in Africa is produced in the informal economy, but since it does not show up in official statistics, this sector is often neglected. Therefore, instead of blaming this sector for being inefficient, corrupt etc. one would have to make use of the knowledge and the entrepreneurial spirit already existing there. Step-by-step formalization in a cooperative manner would be the strategy of choice, not neglect and social exclusion.



*Andrew Young and the future generation panelists*

# Lightbox Exhibits

**E**ntrepreneurial Spirit is about coveting visions into reality. During this portion of the Africa Forum, some world leading companies as well as young entrepreneurs presented their ideas and experiences. They demonstrate numerous opportunities for fresh and innovative thinking in Africa. These presentations are just some of the many examples of the successes that result from creativity, entrepreneurship and investment in Africa and all over the world. The presentations might become a tool of inspiration for the next generation of innovative thinkers.

## Contributions

### ***Cotton Made in Africa – A new Approach to Social and Ecological Sustainability***

**by Ingo AMMERMANN**

Cotton Made in Africa

Foundation for Sustainable Agriculture and Forestry

### ***Fostering Entrepreneurial Spirit in the Rural Community***

**by Rui Manuel DOS SANTOS**

Foundation for Community Development Mozambique

### ***Bridging the Gap between Investors and Entrepreneurs***

**by Jerry CHEAMBE**

African Business Information Databank

### ***Making Corporate Responsibility Work – BP’s “Community Investment” in Africa***

**by Wolf-Rüdiger GROHMANN**

Deutsche BP AG

### ***Human Resources and Capacity Building for Africa***

**by Tiar NDA-NGYE**

Africa Human Resources

### ***Africa – A Continent of Thousands of Opportunities***

**by Eugene NYAGAHENE**

Tele 10, Rwanda

### ***An Innovative Idea Becoming Reality***

**by Dapo OGUNMUYIWA**

Ogunmuyiwa Motorentchnik GmbH

### ***Training for a Better Future – The DaimlerChrysler Automotive Academy Network***

**by Prof. h.c. Josef SCHLEICHER**

DaimlerChrysler AG

### ***Microfinance Development – Giving the poor a working chance***

**by Stefan KNÜPPEL,**

Opportunity International Deutschland



## Cotton Made in Africa

by Ingo AMMERMANN

Cotton Made in Africa

Foundation for Sustainable Agriculture and Forestry

The aims of this project sound quite familiar: to reduce the pesticides-pollution of the planet, to reduce the waste of water in areas which already suffer from dryness, and to provide a better income for the cotton farmers in Africa is what lots of fair-trade and bio-cotton projects aim for. But usually they aim at a very small market. Products from these projects are more expensive and the quality is not as good as with normal products. Also, there is only a small group of customers willing to pay the higher prices. These projects depend on the good will of customers who are willing to pay an extra price for sustainability.

The project, "Cotton Made in Africa," follows a different approach. Instead of relying on the good will of the customers, it uses the forces of the market by bundling the demand for sustainable-orientated cotton. A higher demand means a better profit from economies of scale, which means lower prices for the customer. The aim is to sell "cotton made in Africa" at prices as low as conventional cotton. The Otto Group, one of the partners in the project, is the world's largest mail-order retailer and holds about 50 per cent of the mail-order business in textiles. Together with Tom Tailor, a textile retailer from Hamburg, they represent a big market power. Now they use this power to promote sustainable-orientated cotton production in Africa and to promote the acceptance of these cotton products by the consumers.

This project is a real public-private-partnership. The Otto Group and Tom Tailor represent the private sector. They are responsible for the economic basis of the project. The German technical cooperation GTZ and the DEG represent the public interest. They support the local farmers in learning new and more efficient agricultural techniques, and help them reduce the use of pesticides. With the World Wildlife Fund (WWF) and the Welthungerhilfe there are two NGOs in the Project.

In its first phase, the project covers three African countries: Benin, Burkina Faso and Zambia. 150,000 African farmers can take part in the project. Taking into account that each family is made up of about seven people, it is expected that over one million people in these countries will gain profit from the project by getting a regular and reliable income.





## Fostering Entrepreneurial Spirit in the Rural Community

by Rui Manuel DOS SANTOS

Foundation for Community Development Mozambique

The rural areas of Mozambique possess a vulnerable population, especially women and children – particularly those made orphans by HIV/AIDS. On the other hand, rural areas also possess a great concentration of underutilized human and natural resources in terms of labor, knowledge and raw materials. This combination inspired FDC – Foundation for Community Development, to establish, in partnership with the Anglican Church of Maciene, the “Paulo Mabumo Arts Centre”, in the village of Maciene (situated 20 km north of the town of Xai-Xai, in Gaza Province).

Established in 2003, with support from USAID, the “Centro de Arte Paulo Mabumo” (CAPM) was designed based on a model which aims to stimulate holistic and sustainable community development. This is done by focusing on developing communities’ material and financial capacity so that they may better respond to the needs of their most vulnerable members – particularly orphaned children and youth affected by HIV/AIDS. Gradually this art center has evolved into an innovative production workshop for handmade products which has shown great potential for attaining a sustainable community model.

In addition, the Center seeks to establish a feedback and sustenance system, where the community supplies the Center with labor and raw materials for the production of crafts, which are then promoted to appropriate markets. The profits return to the Center and an average of 20% to the Community Trust Fund.

With the support of the Kellogg Foundation, in two years, the CAPM achieved many milestones. Among the most important of these was the official launch of the Center’s “MACIENE” brand in September 2005. Sales of Maciene products increased significantly, and new marketing strategies successfully boosted popularity of specialized items. In two years, product sales exceeded 100,000 USD. This revenue was used to support some of the project’s current costs. Buyers are now being drawn from international as well as local markets. Other positive results include increased motivation, a more positive outlook on life in general, greater community respect, and skills acquisition – noted especially among community youth. The families in this community have also benefited from the diversification and increase in household income and greater economic stability.

The above-mentioned quantitative and qualitative indicators give evidence for the project’s increasing self-sustainability, and suggest that the “Maciene model” of community-based income-generating activities can continue to inspire community engagement and enjoy economic success.





# Bridging the Gap between Investors and Entrepreneurs

by Jerry CHEAMBE

African Business Information Databank

The African Business Information Databank (African BIB) was initiated to bridge the need of African entrepreneurs to find business representatives in other African countries, with the objective of providing independent, accurate, timely and active information on African countries for investment opportunities.



Small, medium and micro-sized enterprises (SMMEs) form the backbone of emerging economies, but often cannot compete at a global level because of some inherent constraints:

- Emerging African entrepreneurs with proven economic skills have major difficulties to attract potential investors without the prejudice of being branded as fraudsters.
- Currently, there is no centralized information provider of independent ratings, economic indices, investment research, and valuation of African business and opportunities to potential investors.
- The lack of independent, accurate, timely and complete information on African investment opportunities, companies and countries is a serious handicap to foreign investors.
- High information discrepancies all result in high transaction costs that impede and/or block business transactions and investments in Africa.

The vision of African BIB is to bridge the information gap between potential investors and African business operators, while creating a sustainable mechanism of building a credible and trustworthy environment:

- Empower SMMEs to understand, prepare and present relevant business information in ways that are transparent to a foreign investor.
- Promote the entrepreneurial spirit among emerging Africans as well as extensive capacity building.
- Promote the “formalization” of the informal sector in African economies.

The African BIB would provide a variety of services that include:

- Business information: Listing of business organizations

and their contacts, business descriptions and prospects, business evaluation and ratings as well as investment gaps and opportunities;

- Regulatory information: International funds transfer regulations and processes, approved foreign exchange regulations and processes, summary of economic country indices and performance ratings;
- Specially commissioned research as well as
- Trainings and capacity building for SMMEs.

In addition, the African BIB would establish generally acceptable evaluation criteria that businesses can use as a benchmark for building social capital and trust mechanisms that are required for fostering entrepreneurial spirit. With this strategy, the African BIB provides numerous advantages and opportunities to foreign investors, African businesses, and African governments:

- Foreign Investors: Better understanding of African market needs, increased transparency and better information supply to comply with internationally accepted standards and evaluation criteria to reduce transaction costs and exposure to a larger market of investment opportunities.
- African Businesses: Locally adapted standards against which SMMEs can benchmark their performance, increased exposure and enhanced chances to acquire much needed capital by meeting key modalities and a medium for acquiring business information that allow to compete locally and globally.
- African Governments: Access to information on potential investors, their terms and their areas of interest, an independent partner to better align the goals, objectives and resources to attract foreign investors, the availability to pool local expertise and, last but not least, a more powerful SMME sector.

The African BIB project is supported by the NEPAD Council and the Wittenberg Center for Global Ethics (Germany). In addition, it reaches out to all Africans, investors and organizations that are interested in the idea for collaboration and partnership. For further information, please contact African BIB at: [www.africanBIB.com](http://www.africanBIB.com)





## Making Corporate Responsibility Work – BP’s “Community Investment” in Africa

by Wolf-Rüdiger GROHMANN  
Deutsche BP AG



As a global energy company, BP is an enterprise, appreciating and aiming at fostering entrepreneurial spirit both internally and externally. We do not claim to have all answers to the many questions and challenges related to progressing economies in Africa, but we are grateful for this opportunity to share our views and experiences and to learn from others. In Africa, BP has operations in

nearly 20 countries, employing some 22,000 people who themselves support some 100,000 more on the continent. Major exploration and production activities have been established in Algeria, Angola and Egypt, major refining and marketing activities take place in Kenya, Malawi, Mozambique, Namibia, South Africa, Tanzania, Zambia and Zimbabwe.

Direct benefits to a country’s economy and population from BP’s engagement are tax revenues and positive effects from its employees’ purchasing power, as well as the provision of safe products for its customers. Corporate social responsibility activities, in BP called “community investment”, have been strategically reviewed recently and are now globally focussed on three key areas:



- “Providing access to energy” has taken the shape of solar energy projects in areas without connection to electricity grids.
- “Promoting education” encompasses the support of basic education in the field of large infrastructure projects, business leadership skills, and the natural sciences.
- “Fostering enterprise development” aims at enabling the provision of products and services from local business and suppliers, at providing (micro-) loans to small and medium-sized enterprises (SMEs), and at creating opportunities for local business “beyond the oil and gas sector”, e.g. in traditional crafts and products for export.

As conditions differ between mature and developing countries, the practical implementation of these global themes varies according to local circumstances, needs and priorities. To ensure the application of equal standards, BP staff in country are generally, but also in this respect, being guided by a set of corporate brand values, a global code of conduct, and commitments flowing from BP’s membership

of Global Compact and the Extractive Industries Transparency Initiative (EITI). In Africa, BP’s community investment is evidenced by several projects and a number of ongoing activities. A few examples which may serve as lighthouses for further projects may be mentioned:

In Angola, a USD 1.4-million, rural micro-finance programme commenced in 2005. The “Paranhos Solar Project”, funded jointly by BP Angola and the UK government, is helping an area to recover from recent conflict by providing energy to community buildings, including a school, a medical centre, lighting for houses and streets, a vaccine refrigerator and a water pumping system.

In Algeria, we are helping to create employment in the handicrafts industry, being one of three partners in a project involving 700 artisans. The “Iherir Solar Project” provides over 2,000 Touareg people in a remote Saharan village with reliable electric lighting, heat and other basic services, and a hybrid photovoltaic/diesel plant gives power for agricultural irrigation.

In South Africa, in August 2001, the Mineworkers’ Investment Company (MIC) and the Women’s Development Business Investment Holding (WDBIH) accepted an equity stake in BP’s South African operations, giving them an immediate three seats on the board of BP South Africa (Pty) Limited (BPSA) and 25% shareholder voting rights. In February 2005, BPSA sold its commercial and industrial fuels marketing business to a new black joint venture company, Mansana Petroleum Solutions. Mansana is a fully black owned, managed and controlled company, in which will have a minority interest of 45%, and four empowerment partners, including MCI and WDBIH. The company will use existing staff, providing stability and growth for its employees.

In Tanzania, in 2002, and in Malawi, in 2005, BP was instrumental in instigating the “Private Sector Initiative” (PSI). This initiative aims at addressing the challenge of “the missing middle” – the relative lack of formal SMEs in national economies – by creating ways for large companies to include locally owned SMEs in their supply chains. This is based on the view that the key to developing the private sector is to create an enabling business environment – companies and individuals only invest when they believe that the economic and regulatory framework offers them a fair chance to earn good returns on their investment.

Initially comprising 6 large companies in 2002, the PSI Tanzania network has now grown to currently 17 members. Direct procurement from Tanzanian SMEs could be advanced from USD 21 million in 2002 to over USD 45 million in 2004 – an aggregate growth of 40% per annum! This shows the success of the PSI initiatives and heralds positively for PSI Malawi, in which so far 7



## Human Resources and Capacity Building for Africa

by Tiar NDA-NGYE

Africa Human Resources



A group of Africans who studied in Europe realized that despite their qualifications, it is still very difficult for most African graduates to find employment that would enable them to put their know-how into use. As a result, they decided to create the Africa Human Resource recruitment initiative (AHR). They initially specialized in the recruitment of skilled Africans in -Germany and the German speaking environment for

companies or institutions with interest in the African continent. They also created a platform to network companies, organizations, students and professionals with interests in the African continent.

But AHR strives to do more than just recruit. It also wants to contribute to capacity building projects in Africa. "The African market has a huge potential that we want to promote", Mr. Nda-Ngye explained. AHR wants to persistently further the growth opportunities in Africa by building a bridge between the African continent and Germany, as well as Europe in general.



AHR has already successfully organized networking events between potential candidates and companies or organizations which were held in Cologne (2006) and in Munich (2007). AHR also sent many candidates to the "Careers in Africa" recruiting event in Brussels which was one of the major recruiting events for Africa in Europe. The event was held by the Global Career Company ([www.careersinafrica.com](http://www.careersinafrica.com)); a company which AHR is in cooperation. AHR is also in cooperation with Africa Recruit ([www.findajobinafrica.com](http://www.findajobinafrica.com)). These two major companies are based in London and specialize in recruiting for Africa by exchanging company profiles and candidate CVs.

Furthermore, AHR sent some German candidates to German companies looking for engineers to work in Africa. It has also provided candidates with African origins to the dialogue platform "Partnership with Africa", an initiative of the Federal President of Germany. In addition, AHR is actively supporting the 2007 European Business Summit organized this fall by the NEPAD Council. Lastly, Africa Human Resources has actively participated in the creation of the "Confederation of Africans in Germany".

## An Innovative Idea Becoming Reality

by Dapo OGUNMUYIWA

Ogunmuyiwa Motorentchnik GmbH



The Dapo Ogunmuyiwa company is a very good example of entrepreneurial spirit. It started with an idea of a new, fuel-efficient engine which helps save resources while providing the same power using conventional combustion engines. Dapo Ogunmuyiwa developed planetary gears reciprocating piston engine. Conventional engines have the piston only moving up and down, while the pistons of this engine also make

a rotation around the main power shaft, a concept, which promises higher fuel efficiency, higher power output, and lower emissions. This is a concept that will fit perfectly in an environment of shrinking resources, growing pollution and man-made climate change.

The young company was founded by Ogunmuyiwa, who studied engineering in Germany, in 2005. At the moment, research and development of the engine is going on and production is planned for 2008. The engine will be developed for automotive, motor sports, railway, ship and light-aircraft applications. There are also plans to be a part of the LeMans prototype race series, to prove the concept and to promote it to the public.

Here we see the entrepreneurial spirit in an early stage. Ogunmuyiwa has the idea, the vision, and the belief in his idea, but he is just at the beginning. The concept hasn't been proved a success yet, it is of course a risk. But this is what entrepreneurial spirit means: not only having the idea, but doing it, taking the risk and the challenges to make this idea become reality. This is what Dapo Ogunmuyiwa has shown with his project



## **Africa – A Continent of Thousands of Opportunities**

by Eugene NYAGAHENE

Tele 10, Rwanda

The story of Eugene Nyagahene sounds more like the “American dream” than a story of a young entrepreneur in Africa, especially as this story develops in regions that were marred with civil wars, mismanagement, corruption and economic decline. Yet despite all this, Nyagahene built investment-groups in Central Africa that have been successfully active for 14 years and which have created a multitude of jobs in his own country.

The Tele10 Group ( [www.tele-10.com](http://www.tele-10.com)), founded in 1992 by Nyagahene, engages itself in various sectors such as broadcasting and television, Internet, car-rental and amusement parks. In its 14-year-old history the business was established in 10 African countries, from Kenya to the Ivory-Coast, from Chad to South Africa. Today, Tele10 is especially active in East Africa (Uganda, Burundi, Rwanda, Kenya and the Congo).

In his entrepreneurial journey, Nyagahene's biggest challenge was the political instability and hence a huge planning uncertainty. Bureaucratic procedures, ponderous administration, lengthy permission procedures, obsolete legal regulations and high costs for the business foundation, obstructed the extension of the business. Many local banks were not prepared to provide financing due to the unsteady political situation in many African countries.

Such a business environment requires the full flexibility of the entrepreneur as Nyagahene himself shows with his biography. After graduating in Cameroon with a Master of Business Sciences, in 1984, a year later, he founded his first company for car spare parts in the Democratic Republic of the Congo, which was at this time Zaire. He expanded his business in the following years and therefore immersed himself into car trade, car rental and real estate business. In 1991, when looting and despoilment became a serious problem for the country, he migrated to Burundi to work in the gold business. Again, in 1993, he fundamentally changed his concept of business and built a “virtual business.” He founded radio stations, pay stations and acted as an Internet service provider. With the help of mobile receiving terminals, the Internet became accessible in formerly inaccessible places.

Mr. Nyagahene is convinced that Africa provides the best prospects for entrepreneurs, who are flexible, innovative and have the capacity to react quickly and effectively to new market conditions. According to him, Africa's political circumstances have become stable, while the economic environment is increasingly becoming reliable and secure. Because of this change, the expenses of his business declined. Long-term investments are possible and the business returns a growing profit.

Since it was possible under the circumstances of war and unrests to have founded and built up a prosperous business, the prospects for potential entrepreneurs in Africa are now even better. As Mr. Nyagahene puts it: "Africa is a continent of thousands of opportunities – you only have to use them!"





# Training for a Better Future – The DaimlerChrysler Automotive Academy Network

by Prof. h.c. Josef SCHLEICHER

DaimlerChrysler AG

Furthering the promotion, qualification, and training of highly qualified specialists, giving young people a future, and stabilizing society as a whole: The DaimlerChrysler Automotive Academy Network, a global network of DaimlerChrysler training institutions, is the groups valuable contribution to recovery and development work in every country. The idea for the training network arose in 1999 and was first realized in Ulaan Baatar, Mongolia. Today there are additional established and recognized training facilities in Kabul, Afghanistan; Perm, Russia; Kuwait; Beit Sahour, Palestine; and South Africa. More institutions will gradually be added and the network expanded based on experience gained in these facilities. New academies are being developed in Sudan and Saudi Arabia.

### The Key to Success: Responsible Partnerships

Training institutions can be regarded as a responsible partnership. Other important partners are incorporated. The German government and its development organizations are involved to varying degrees in the project, which comprises individual public-private partnerships. Private-sector commitment and public-sector development policy are thus working hand-in-hand. The diverse strengths of the parties involved can thus be used to a great advantage to achieve the goals set. The local context and conditions will not be neglected. The governments of the respective countries are the first points of contact when it comes to establishing a training institution. This guarantees the support of local communities; cooperation in the training itself means contacts with the countries in question can also be maintained and cultivated. In view of the often difficult local conditions, this is a meaningful undertaking and an important signal for development policy.

### The Guiding Principle of the Training Program: The Dual Approach

The main focus of the training in the networked academies is the automobile, an area in which DaimlerChrysler has unique expertise. The training ranges from basic courses in vehicle mechanics, mechatronics, and electronics, to lessons in general management and marketing, practical and theoretical training in Stuttgart, to qualifications for several master's students. The curricula vary in terms of content, level, and length of the individual modules and are thus tailor-made to suit the specific conditions in each country.

The guiding principle that is characteristic of the training concept is the "dual approach." Sound theoretical training goes along with practical training in the most modern diagnostic systems and vehicles. The pioneering maxim on which the entire network's activities are based is that trainees should be able to begin work immediately after the training has ended and apply what they have learned in practice. Based on the principle of "training the trainer," the best trainee in each year



"Furthering the dialogue and understanding between different cultures and value systems, acting as a responsible, actively engaged member of society as well as reflecting and addressing international problems of importance – these vital considerations constitute the link between DaimlerChrysler and the Wittenberg Center for Global Ethics. Joint projects like the annual "Jordanian-Israeli Wittenberg Forum on Economic Co-Operation" or DaimlerChrysler's engagement for the "Africa Forum" are exemplary for the success of the fruitful partnership between DaimlerChrysler and the Wittenberg Center for Global Ethics."

*Josef Schleicher,  
Director External Affairs and Public Policy,  
DaimlerChrysler AG*



will be given further training so that they can work as a trainer in their own mother tongue. One indication of the great importance attached to making use of synergies and of the fact that the goal is to optimize training, is the close cooperation with technical universities. Recruiting top-grade students and using academic facilities are examples of the future potentials of such cooperation. Facilities belonging to local DaimlerChrysler authorized dealers are also used, particularly when it comes to practical training.

#### **Providing the young with opportunities: The DaimlerChrysler Automotive Academy**

One training facility which is exemplary for the success story of the entire network is the DaimlerChrysler Automotive Academy in South Africa. Organized as public-private partnership in cooperation with the Peace Parks Foundation, the vocational training facility aims at qualifying young Southern Africans to become experts and specialists in the automotive sector. The Academy was established in 2006 on the premises of the World Wildlife Fund at Orped, Hoedspruit. To take care of the proper maintenance, service and repair for the safety of the tourists and for road safety standards, educated mechanics have to be trained. Each year, 8-12 apprentices from the Limpopo region are provided with technical automotive education and training at the existing facilities of the Southern African Wildlife College. Moreover, the project is intended to serve as model case for other sectors of Southern African economies, e.g. the water and energy industry, the mining industry and construction. All in all, the project outlines the importance of educational efforts exerted in the ongoing process of the development of the Republic of South Africa.

#### **DaimlerChrysler: A "Good Corporate Citizen"**

The global training network represents how DaimlerChrysler is fulfilling its self-imposed duty as a good corporate citizen. Accordingly, the corporation will use its competencies to advantage around the world for the good of society – taking seriously its responsibility as an "active citizen." The DaimlerChrysler Automotive Academy Network bears witness to this principle and not only helps individuals to support themselves, but also promotes economic development and stability in an entire region. For DaimlerChrysler, accepting social responsibility as a global player is an important investment in its own future and society as a whole.





## **Microfinance Development – Giving the poor a working chance**

by **Stefan KNÜPPEL**

Opportunity International Deutschland

Opportunity International Deutschland is a charitable foundation and part of the Opportunity International network, the world's largest Christian microfinance organization.

Opportunity International is making a lasting difference in the lives of over one million poor entrepreneurs in 29 developing countries including Africa, Asia, Eastern Europe and Latin America. The organization offers small business loans, training in basic business practices, insurance benefits, savings services, HIV/AIDS education and counseling in personal development that are proving to be viable, long-term tools for helping poor people work their way out of chronic poverty.

The Trust Group, Opportunity's core group-lending methodology, is typically the first point of entry, bringing together 15 to 40 poor entrepreneurs who guarantee each other's loans and receive business training from loan officers. About 90 % of the clients are women because they are usually responsible for five to seven family members. The repayment rate stands at over 97 %. When the micro credit is repaid it is loaned to another poor entrepreneur.

The award of the 2006 Nobel Peace Prize to Muhammad Yunus and Grameen Bank, Opportunity International's fellow pioneers, confirms the development of microfinance as a proven, long-term solution to poverty.



# Special Contributions

This section contains special contributions of some of the participants of the Africa Forum. It ranges from innovative and new theoretical conceptions to practical examples of political, corporate and social entrepreneurial spirit. It also offers new avenues for researcher, visionaries and decision makers in the debate of fostering development with Africa.

## Contributions

### *Entrepreneurial Spirit and the Logic of Commitment – A Vision for NEPAD*

by Prof. Dr. Ingo PIES

Martin-Luther-University Halle-Wittenberg

### *The Ethics of Business in Africa*

by Jeremy GAINES

The Commission for Africa, Coordinator Germany

### *Entrepreneurial Spirit as a Crucial Driver for Cooperation and Development*

by Most Rev. Gregory E. KPIEBAYA

Archbishop of Tamale, Ghana

### *“It’s the Visionaries that are Identifying the Course for the Future!”*

by John Hope BRYANT

Founder and Chairman of Operation HOPE, Inc.

by TUMENTA F Kennedy

Director Building Global Cooperation, Wittenberg Center for Global Ethics

## Young Leaders’ Contributions

### *Changing Paradigm: Fostering Entrepreneurial Spirit*

by Victor A. AWA

Institute for Policy Making – Otto-Guericke-University Magdeburg

### *Increasing Value through Corporate Responsibility*

by Karolin BLANK

United Nations Conference on Trade and Development (UNCTAD)



## Entrepreneurial Spirit and the Logic of Commitment – A Vision for NEPAD

By Prof. Dr. Ingo PIES

Martin Luther University, Halle-Wittenberg

Let me start with a personal remark. I am an economist by training and a philosopher by heart. So it is not by accident that I have specialized in a field that is called “economic ethics”. From this perspective, I would like to share with you some thoughts on the topic of entrepreneurial spirit and NEPAD, the New Partnership for Africa’s Development.

But before reasoning about the future, I would like to draw your attention to the past. Nearly 100 years ago, a remarkable thing happened in the automobile industry in the United States. Henry Ford publicly declared the 5USD workday. In effect, that doubled the going wage for industrial work. The results were fabulous. Turnover fell, absenteeism fell and productivity rose. Judged in retrospect, the 5USD workday proved to be one of the most successful moves the Ford company ever made.

How can we understand what had happened? According to our everyday way of thinking, wages are cost. Period. – It was the entrepreneurial spirit of Henry Ford to think outside the box. He had introduced a new production technology: the assembly line. Workers in this line are highly dependent on each other. This means that the new technology was extremely vulnerable to fluctuation and absenteeism. In this context, higher wages are not only higher cost. There are advantages that can be realized by higher wages. Workers become loyal to their employer. They want to stay with the firm. They become interested in a productive long-term relationship. By this logic, the net effect of the 5USD workday was to reduce overall cost.

What can we learn from this? Of course, the lesson to be learned is not that it always pays for a firm simply to double wages. Under normal circumstances, it does not. Instead, I think that the lesson to be learned is this: the public declaration to double wages was a commitment that triggered a productive reaction of the workforce. Thus, the initial disadvantage – higher cost – was overcompensated by advantages – lower cost. Now, isn’t this a tremendous example of entrepreneurial spirit, courage and vision? I think it is. It is an example of how entrepreneurial spirit can set free the logic of commitment, which is in effect a win-win logic, a logic of mutual betterment, a logic of benefiting from providing benefits to others, a logic of doing well by doing good.

The recent Nobel prize winner in economics, Thomas Schelling, provides a very neat formulation for the logic of commitment. He says: “Weakness may be strength.” In fact, this logic of commitment is very old. It has an ancient origin. The insight that

weakness can be strength dates back to Ulysses and the sirens, when, according to the *Odyssey* by Homer, Ulysses made his comrades tie him to the mast of their ship. Properly understood, this was an early exercise in entrepreneurial spirit. The special commitment allowed Ulysses to enjoy the sirens’ song – and survive!

Let me illustrate with a more contemporary example. One of the large international management consultancies publicly declares that they will never hire people from active clients. Now, isn’t this a peculiar promise? At first sight, it is easy to see a disadvantage. Management consultancies are dependent upon highly intelligent and knowledgeable employees. From this perspective, the promise is a sacrifice. However, once you think about it, the promise is a commitment that pays off. If the management consultancy did not make this promise, clients would have to be afraid that their best employees might be poached. As a result, they would be reluctant to make their very best people join consultancy projects, which in return would reduce the value of such projects. From an economic point of view, the promise is not a sacrifice, it is an investment. The public declaration never to hire people from active clients is a promise that triggers a productive reaction. By doing so, it sets free the logic of commitment, the win-win logic of mutual betterment. Both parties profit from the promise.

The main point of my argument that entrepreneurial spirit sets free the win-win logic of commitment easily translates into a vision for NEPAD. NEPAD itself can be interpreted as a commitment device: as an instrument that is intended to trigger productive reactions. What I have in mind is this: the win-win logic of commitment can be set free by political entrepreneurs, too. From this perspective, the central aim of NEPAD should be to create and foster trust and credibility. Thus, the public declaration to implement the rule of law as well as sound economic policies can prove to be extremely advantageous. On the one hand, it is true that a government makes itself vulnerable if it does not comply with publicly declared integrity standards. On the other hand, weakness can be strength. There are a huge number of potential investors, both within Africa and from abroad, that reward if promises are kept. In this context, good governance and the credible commitment to good governance pays off.

Let me conclude by stressing a final point. In history, there are numerous examples of the logic of commitment. As a case in point, one can interpret the emergence of the democratic state in Europe with a constitutional protection of basic rights along these lines. But we must be careful here. The crucial point is that we must be very precise in asking what it is that can be learned from such examples. To put it as simple as possible, I should say: “A good solution always fits the problem at hand.” Contemporary problems in Africa are different from historical problems in Europe. But the logic of the problems may be the same. Solutions in contemporary Africa have to be and certainly will be different from solutions in historical



Europe. But the underlying logic might be the same. It is the logic of commitment. From my point of view, it is not advisable and maybe not even possible simply to copy historical arrangements from abroad. But understanding the logic of commitment might help in finding and in creating good solutions to contemporary problems. It needs entrepreneurial spirit to do so. In this respect, NePAD is a very original and promising attempt to institutionalize good governance. My vision for NePAD is that, as a credibility mechanism, it has the potential to set free the win-win logic of commitment for a better future in Africa. And if NePAD proves to be successful, I am sure there will be lessons to be learned for Europe, too.

#### **Appendix:**

#### **The relationship between State, Market and Good Governance for Development**

In the discussion several participants raised the question how can we characterize the relationship between market and state and how can we define the role of good governance for economic development. In this context, I think it is useful to distinguish between three different kinds of markets:

- 1) First, there are primitive markets. They can be so robust that they even work if the state tries to suppress them. For contemporary examples, think of all the gray or black markets in the informal sector, markets for illegal drugs or for stolen goods or markets for services where both parties to the exchange want to circumvent paying taxes. The alcohol market during prohibition is a case in point, too.

Primitive markets are very old. They already existed thousands of years ago. Think of subsistence farmers who try to sell their surpluses in times of a good harvest. Primitive markets usually are spot markets. The trade takes place between partners who exchange their goods and services at the same time, so that they can control each other. They do not need a third party enforcement of their contract. Informal mechanisms will do. The gains from trade are enough to make sure that if not at the optimal level, at least to some degree trade takes place.

- 2) Second, there are precarious markets. They are related to natural resources. Think of oil or gas fields, mines for gold or diamonds, and the like. It is relatively easy to exploit these resources, for example with the help of international companies which provide the necessary technologies.

There will be revenues from natural resources. That is the good news. However, there is also some bad news because these revenues might not create incentives. On the one hand, it is likely that the state tries to nationalize these resources. Here, it is important whether human rights are respected and whether ethnic minorities, for example, are compensated. On the other hand, the economic development of a country depends on how the revenue is spent. It makes a huge

difference whether the money is privatized via corruption and put on a Swiss bank account or whether the money is spent to improve the living conditions of the population at large, for example by investing in infrastructure or by investing in human capital via elementary schooling and basic health services. There will be trickle-down effects in favor of the large population only if the government is interested in improving their conditions. Political feed-back mechanisms can support this. This is why democracy and good governance can go hand in hand.

- 3) Third, there are sophisticated markets. They depend on an institutional framework that guarantees basic rights and legal processes for exchanging these rights. This framework is needed because exchange takes place anonymously and/or because exchange covers a longer time span. In the first case, the parties do not know each other personally. In the second case, the "quid pro quo" is disintegrated in time, so the goods or services by one party have to be delivered long before the other party delivers her return. Credit markets and insurance markets are a case in point.

Sophisticated markets are of vital importance for growth. That is why law and order in the sense of a reliable legal framework is so important to economic development. The underlying logic is quite simple. People do not seed if they do not expect to be the ones who harvest. Put generally: People will not invest in physical, human capital or social capital if they fear being exploited. Incentives matter.

Finally, let me conclude my answer to the questions raised with some theses:

- The difference between rich countries and poor countries is not that the former have markets whereas the latter do not. Even very poor countries have markets. The difference is that rich countries are rich because of sophisticated markets, while in poor countries we observe only primitive markets. Sophisticated markets are missing.
- Precarious markets can be a blessing or a curse. They can be a blessing if they lead to investment in people. They are a curse if they invite rent-seeking by political pressure groups and/or corruption by government.
- Good governance is important because it is the institutional structure that matters. In order for a society to prosper, it needs an institutional framework to make sophisticated markets work properly and to check the potential abuse of precarious markets. The task is governance for growth!
- NePAD is a promising initiative as a benchmarking process for good governance.



## The Ethics of Business in Africa

By Jeremy GAINES

The Commission for Africa, Coordinator Germany

It is a pleasure to have the opportunity to reflect about the ethics of business and Africa. About my person, two things need to be said. Unlike the rest of you I am a layperson. I am here because I work as a coordinator in Germany for a company heavily committed to Nigeria and as a coordinator for Bob Geldof. So first there is the risk that the specialists, say the economists, may find some of what I say inaccurate. Second, it means I hope to bring a slightly different angle on our topic here today.

About a fortnight ago I was at an official conference in Berlin on “Economics and Africa” or “Business and Africa”, depending on how you understand the German word “Wirtschaft”. There was only one German industrialist present, and one representative of an SME, whereby the emphasis would have to be on the S rather than the M. A large transparency was projected onto the wall above and behind the podium on which they sat. It boasted a badly hand-drawn face of a black miner, complete with helmet. I guess this was meant to represent business, the return on investment.

A parliamentary secretary opened proceedings, saying how she wished business with Africa could be done between equals, eye-to-eye with the opportunities available on the African continent. I would entirely agree. But how? If I went by the transparency, that would however mean everyone either went down a mine to do business, or felt that she should also be seen in such a hackneyed, caricatured manner. However, I think the inadvertent parochialism is typical, as was the lack of business on the podium. That is, not treating each other as equals, but is the old donor/recipient motif. It cannot form the basis for partnership, in which equitable profit-sharing could function as motivation.

Before offering a few remarks on business, allow me to say that I do not wish to ignore the massive problems Africa faces on other levels, as embodied by the Millennium Development Goals (MDG) – such as health, water and primary education, to mention but three. All three are definitely the province of government, could enable charitable support from the private sector (e.g. in the guise of corporate social responsibility) and must be tackled at the intergovernmental level, potentially via donor projects or foreign loans. As regards to William Easterly’s recent comments on aid, let me say one thing. I remember reading an UN article analyzing the expenditure structure of NGOs. 70% of their outlays was on payroll costs. That I feel is unethical. Put differently, a large part of the trillions Easterly describes as having gone down a black hole actually went straight back into Western pockets. Foreign aid seems to be inextricably incompatible with altruism.

Let me give you an example not from Africa, but from Turkey. Turkey is about 40 years ahead of many African nations on

becoming a republic. And in the 1960s it was still a primarily agrarian society, whereby some of the farmers cultivated opium. Back then, most of Turkey’s economy was in the hands of state monopolies. The Americans provided large amounts of aid to help mechanize agricultural output and get a higher return on wheat (making it more profitable than opium). Turks industrialized agriculture on John Deere tractors paid for by loans. So again, a large slice of the aid went into the coffers of John Deere back in the US, and it was to be a long time before the Turks built their own tractors, let alone cars. But they did, and they do, in the private sector, with gradual demonopolization. And what started out back then as a heavy steel company, Arcelik, now sells white goods to Nigeria such as stoves and refrigerators.

*African businesses must start proactively seeking investment partnerships in Europe, describing what “great cakes can be baked” in their country. They would potentially be giving up a slice of the prospects to a foreign partner, but without the latter, no cake.*

What about Nigeria, the biggest economy in Africa? Nigeria is just starting to turn out its own heavy steel, and is targeting trade throughout West Africa, thanks to the help of the Anglo-Indian-European steel giant Mittal, who smelts scrap metal and also runs ore mines along the coast in Liberia. Mittal, as many European financial newspaper over the last few months kept pointing out, is highly profitable. And the steel-deal is mutually profitable. The Nigerians got Mittal to commit to supporting infrastructure investments for a few billion dollars in return for being permitted to resurrect a decrepit Russian steelworks that have never run. It’s a win-win situation. There is new infrastructure growing, and there is local construction steel available for western Africa. Partners in mutually profitable progress, if you like.

In fact, western Africa is a good in current foreign business in Africa, and highlights the manner in which foreign direct investment, FDI, is usually committed. The US and European oil companies are investing heavily, mainly in offshore extraction facilities. This accounts for the lion’s share of the significant rise in FDI in western Africa over the last two years. The Gulf of Guinea benefits in two ways, first the revenue share in oil or gas, and second extraction assists in creating downstream jobs locally – which it unfortunately to date rarely does. But growth will only come from local jobs, preferably in manufacturing and supply industries. Governments have not committed to using the revenue to promote local business development because they have enough other problems to cope with like health, water, etc. So the question must be: How to spur such growth without government programs or resources? That is the point at which African and European businesses can grow the approximately 45 countries south of the Sahara.

How not to do it? The Chinese government has now started to seek to secure energy resources from Africa. In return, it provides loans



for infrastructure projects, for example railways, which Chinese companies then carry out. That moves Chinese money from Chinese government pockets to Chinese private-sector pockets. I would call that a one-sided deal. China has also started massively selling manufactured goods, be it textiles or motorbikes, to western Africa. The textiles undercut local products, and the motorbikes pollute the air. In Chinese: grab resources, sell the goods. That is not ethical and will hopefully have negative repercussions leading to their companies being ostracized. As I see it, if Africa is not simply to become one large mine from which commodities are extracted, it must start manufacturing its own manufactured goods, cheaper textiles, motorbikes, etc.

But how to create win-win situations? And as I view it that is where African governments and business people need to take Europe seriously, and vice versa. African business must start proactively seeking investment partnerships in Europe, describing what great cakes can be baked in their country, if they were to have the expertise available or the equity capital. They would potentially be giving up a slice of the prospects to a foreign partner, but without the latter, no cake.

To go back to the beginning: At the Berlin meeting I mentioned earlier, that the Mali ambassador in Berlin bemoaned the fact that the traditional garb she was wearing had been made outside Hamburg. Her appeal fell on deaf ears, as there were no textile loom makers there. What Africa and the EU need are real road shows, massive road shows to drive for investors, not just little tours for trade delegations now and then. In the process, Africa will have to compete with their ideas for projects with others in the European market – but given the continent’s immense potential and proximity to Europe I do not think that need frighten anyone. African business people must press their governments to pursue good governance, and African governments must press their business people to engage in corporate governance. Just as is the case here in Germany.

### The Millennium Development Goals of the United Nations:

1. Eradicate extreme poverty and hunger
2. Achieve universal primary education
3. Promote gender equality and empower women
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV/AIDS, malaria, and other diseases
7. Ensure environmental sustainability
8. Develop a global partnership for development

## Entrepreneurial Spirit as a Crucial Driver for Cooperation and Development

by Most Rev. Gregory E. KPIEBAYA

Archbishop of Tamale, Ghana

### Introduction

Mr. Chairman, your Excellencies, distinguished invited guests, ladies and gentlemen. First of all I would like to express my sincere gratitude to Prof. Suchanek and his colleagues for inviting me to the Africa Forum 2006, under the theme ‘Building Global Cooperation: New Alliances with Africa’ with emphasis on fostering entrepreneurial spirit as a crucial driver for cooperation and development.

To begin with what I want to emphasize that I am making this presentation not as an economic expert or business professional, but as a village boy who became a pastor and a church leader in the Catholic Church in Ghana and who, together with my people, feels the brunt of the modern liberal economy which is being globalized. In this intervention I will focus on three key points: first I will give a brief overview of the baneful effects of globalization; second I will propose what contribution Africa can make in the globalization process, a process that should uphold both the interest of the individual and the common good of all. Finally I will share with you my personal dream of a new crop of African leaders who will facilitate global cooperation and lead Africa to a healthy development.

### An Overview of Globalization and its Effect on Africa

One of the positive effects of globalization is that today, the world and its people have become a global village, that is to say, people of the world has become closer to one another than before, thanks to science and technology. This has brought in its wake a complex mixture of the good, the bad and even the downright ugly. Some of the good things e.g. include: the global transfer of science and technology, the conquest of time and space, the ever improving fast means of communication, the availability of information and knowledge posted on the internet and the wonderful discoveries in medical sciences resulting in improved health for the world. By contrast there are many negative aspects of globalization, too which pose serious challenges to humanity, especially less developed communities like Africa. Here are some of the negative aspects of globalization which we are experiencing especially in Africa:

- The neo-liberal Capitalism, according to which market processes ought to be kept free of morally motivated intervention. This neo-liberal capitalism seeks to maximize profits, often times at the expense of the poor.
- The concentration of economic power in the hands of



individuals, companies and multinational corporations which can be bend the hand especially of weak governments to conform to their thinking. Often times they give conditions and trade terms which are detrimental to African economies.

- The ability to lend huge monies to poor nations who spend their scarce resources servicing these debts at the neglect of social investment such as health, education, water provision, etc.
- Values such as the dignity of human person, freedom, equity, justice, the sacredness of the family are being trivialized.
- The invasion of the so-called 'world-culture' on other cultures through the use of the media, fast foods, fads, foreign and often inappropriate fashions, etc. People are lewd away to prefer foreign goods to their own. They become alienated from their own culture thereby losing their own cultural identity.

In a nutshell these are some elements of the negative impact of globalization we in Africa are experiencing.

#### Africa in the context of World History

The African continent has passed through violent periods in world history: slavery and trafficking in human person, colonization, etc. The political domination of Africa by European powers was dismantled 40 years ago in many African countries, post-independent Africa then fell victim to the cold war between the East and the West and, as the proverb goes 'when two elephants are fighting the grass suffers'.

Now Africa once more, is caught in a web of two world views, namely: the African world view which is considered to be 'incurably religious, traditional, unscientific and underdeveloped' and the modern Western World view which is highly scientific, technological and deeply secularized. The former is struggling to development and the latter is highly developed. Has Africa and its world view any chance to survive? Its situation is similar to the biblical story of David and Goliath. What can Africa contribute to a global world, to give it a human face? A global village where people feel they are their brothers' and sisters' keepers. A world where self interest will not be the leitmotif of industry and the economy and therefore at the expense of the welfare of others, but motivated by concern for the common good.

#### Contribution of Africa to Sound Globalization

I sincerely believe that there are many cultural values in the African world view that can contribute to build a modern equitable global world that will benefit all humanity and not just a small privileged section. For want of space I mention only one of these values: The sense of community.

Africans in general have a strong sense of community as against the individualism of the West. The African believes he exists because he belongs to a community. Western individualism however, has infected all educated Africans. For instance when educated Africans speak of civic rights and responsibilities of the community. The sense of community demands from the individual that he/she subordinates his/her interests to those of the group.

The first African political leaders like Senghor, Kwame Nkrumah, and Nyerere, to mention a few, tried to use this concept for nation building. Unfortunately they were totally misunderstood by their colleagues who rather saw great advantage in individualism. Nkrumah and Nyerere were branded as communists because of their efforts to promote these social values in the African cultures. If world leaders today would take this 'sense of communality' serious there would be less polarization of the world into 'haves' and 'have-nots'.

So far Western governments have been showing charity to Africa by they grant-in-aid and because it is charity the donors believe that what they give they still have the right over it so they impose all kinds of conditions, some of which are really harmful to the African nations. The time has come for the West to practice 'hospitality' to Africa and that presupposes that those in need have the right to be given what they need. This should be the basis of a Christian global world.

#### New Crop of African Leaders

It is my contention that for any nation to develop soundly, its citizens must prize certain fundamental values and ethical principles in their conduct, such as truthfulness, honesty, probity, accountability, concern for the common good, respect for human dignity and the rights of others, the rule of law, etc. The tragedy in Africa is that these principles have often been flouted with impunity, especially by the leaders. Fortunately the situation is changing. To hasten the change we need a sustained and systematic training of citizens in civic, political and socio-economic principles and values. Hence my conviction of the need for a special training center which I want to name 'Rerum Novarum Center' (Center of a New Era).

The goal of this Center will be to train men and women in social and ethical principles which will lay the moral foundation for a healthy economic development; to equip them with moral values that will make them have the pride to serve their people. I strongly believe that this Center can contribute immensely towards forming a new crop of leaders among whom greed, hatred, ethnocentrism and destruction will give way to truth, growth, love, true freedom and hope.

In the present economic development of the modern world few of us Africans ever think that there are values in our cultural heritage that could contribute positively to world progress. This will be a key issue in the formation programs of the Center.



## It's the Visionaries that are Identifying the Course for the Future!

by **TUMENTA F Kennedy**

Director Building Global Cooperation, Wittenberg Center for Global Ethics

**John Hope BRYANT**

Founder and Chairman of Operation HOPE, Inc.

*In informal talks at the conference, Marie Winfield a Young Leader Fellow of the Wittenberg Center met with John Hope Bryant, Founder and Chairman of Operation Hope, USA, to reflect about the proceedings at the conference and its future impact.*

**Tumenta Kennedy:** Mr. Bryant, you're the Founder, Chairman and Chief Executive Officer of Operation Hope, America's first non-profit social investment bank. What is this organization about, what gives you the power to carry on, what is your "vision" so to speak?

**John Hope Bryant:** We believe that low-off communities, which in the US are often minority communities, are emerging markets. We believe that if Doctor King was alive today, he would be with us in the movement of economic empowerment, or what we call "silver rights". "Silver rights" is basically what we are about.

We believe in converting cash customers to banking customers and minors into home owners and small business reamers into small business owners; moving people up the economic ladder and from the poverty roles to the payment roles is what you might call your "vision". We try to empower those with short bases and options so they can harness the investment capital, educational capital, spiritual capital and, of course, also the physical capital they need to take care of themselves and their own lives in dignity. And in so doing, we believe – very much as you are also – to create a New Partnership for the 21st century.

**TK:** Mr. Bryant, you are a busy man and I am sure, there are a lot of other appointments which would deserve your attention. Why was it so important for you to participate in this conference on Africa.

**JHB:** I think that the world is at cross-roads and I think that visionaries, those who are forward looking at where we are going, have a much harder job than those who are embedded in the "here and now". You know, the habits of today, the institutions of today, how you make money today. That's a much easier thing to keep peoples attention on. But it's the visionaries that are identifying the course for the future.

I think that what you are doing with this conference, struggling for

African Entrepreneurship, should be on the agenda of all major cooperation in the world especially in Europe and the US. This is one of the few concepts where political interests, private sector interests, civil society interests, community interests, the interests of the rich and the poor all converge. We will have to find a way to ease the tensions that threaten our societies – but not by hand outs! Even the Noble Peace Prize winner, my friend Muhammad Yunus from Grameen Bank, is with us in this endeavor. He got frustrated because people kept asking him for handouts in the streets. And he said: "Well look, let me give you a loan, and give you some tools and some knowledge. You are not dumb and you are not stupid; you just need to know better, so you can do better. And you can help yourself." But he was also saying: "Get off my back – stop asking me for money!" So it was dignity but it was also self-interest – it is doing well by doing good.

It's the dream that you can become middle class, it's the dream "If I work hard, if I play by the rules, get education, if I stay out of trouble, raise my children, then I am a good citizen and I am going to be treated with dignity and respect and have the opportunity for advancement." That is not a black dream, it is not an African dream, it is not a Turkish dream, it is not a German dream and it is not an American dream – it is a human dream. I think what you guys are doing is bringing light to this dream.

Now, why am I here today? Because you have assembled people from the German business community, the German business elite, led by DaimlerChrysler; you have got leaders from the government sector, support of the Federal President, you have got leaders from the civil rights movement – Andrew Young, my personal hero, who traveled all the way across continents and seized to be here because he thought this is important, because this would be the work that Dr. King and he would be doing if Dr. King was still alive today – you have got African leaders and you have Young Leaders, those who live here in Germany and, especially, those who come from Africa and who aspire to go back and carry a different dream.

**TK:** You are perfectly right. Being part of this conference, I feel how a new spirit, a new "dream" is spreading, especially among the Young Leader, which gives hope and rise to optimism for the future. Nevertheless, in public discourse, many still talk about Africa as "the dark continent" – and, looking at some recent developments, this seems still to be true.

**JHB:** I really think we are at cross-roads – and we need to change direction. Africa will indeed become the Dark Continent, literally. It will become a breeding ground for terrorists, terrorism and everything bad of the world. You don't want 900 million "pissed off" people in the world. Europe will light up like a Christmas tree – and

*"I think that what you are doing with this conference – struggling for African Entrepreneurship – should be on the agenda of all major cooperation in the world especially in Europe and the US."*



I am not talking about ornaments during the holidays. I am talking about riots and mayhem. Europe can't afford that. Your image, your history can't afford that. I am not trying to scare anybody, for me this is just as practical as the nose in my face.

But I think there is a more positive answer and it is in everybody's interest: Look at Africa as an emerging market. Look at these young people here in Germany who are here getting an education. Look at them and say: "What can we do to help them help themselves? What can we do to get them off from our back, asking us for everything?" Realize that most of them are not asking for anything other than a fair chance. Let them become a productive part of society, let them become encouragingly calm leaders and an inspiration for others coming behind them so that also the next generation may realize: Hey, if you work hard, if you play by the rules, if you do the right things, this can happen to me, too. This will reduce social ills, it will reduce the burden on the state finances, it will cause peace and prosperity on the same basis in Africa, Germany and across Europe. I am convinced that what you are doing here – creating a place where different social parties can come together to form a new social contact that makes free enterprise and capitalism relevant to the poor – has to become a role model for the future.

**TK:** It's a honor to hear that – open dialogue indeed constitutes a central column of the Wittenberg-Approach. However, people often embrace new ideas, become enthusiastic about a brighter future, and try to start anew, but on returning, facing the conditions and constraints that actually exist, they often find it rather difficult, if not impossible, to live up to the ideas and dreams they got. How do you think a real difference can be made?

**JHB:** You bring Israel and Palestine together, you bring any other two groups that have some frictions together. But you got more potential and I guess we have the answer here at conference, especially with the Young Leaders: With an impact on a few leaders you can impact an entire country and its conditions. These leaders are going back and they are going to have a ripple effect – because they have influence among their peers, because they are leaders amongst leaders, because they are going to become the Prime Ministers and Heads of Ministries in their countries, because they are gonna become entrepreneurs, business leaders and their values will reflect the discussions we are having here today. If you do it right and if a number of companies follow, as did DaimlerChrysler by leading in sponsoring and becoming a strong partner in this activity, they will build a good wheel in Africa. In the 54 countries in Africa, which is a market for the future, they will be able to do business. They will be considered a friend there – they will be considered an honorary African, if they are really lucky. That's a market way to be born. That's the market of the 21st century. And that market exists all over the world.

**TK:** Mr. Bryant, you talk about Africa as the market of the future. To many, this may seem to be a typical American position, concentrating on open markets and competition. On the other

hand, large companies often seem to play a rather ambivalent role in development. Do you think that business, multinational companies in particular, can indeed help Africa? And – after all – why should they do so? What would be in for them to gain?

**JHB:** America is far from perfect. But part of what we have done right in America is, we have every nationality living in our borders. People will come there from all over the world looking to pursue their dreams. That's why we do business with world! That's because you don't do business with companies or governments, you do business with the people. And that's really my message here today. But how can you do business with Africa? How can you do business, if you don't know anybody? If you don't have any relationships, if you have no way in? Today we have the possibility to forge these relationships, to find partners and the necessary networks.

But there is also another point: If you are a major multinational cooperation you can't just do business with white people. You are in competition. You need an even larger share of an even smaller market place. There is too much of everything on every street corner! In every mainstream community throughout Europe or the US: too many gas stations, too many grocery stores, too many banks! So, as an entrepreneur, there are two major reasons why I am here today. The first one is somewhat selfish: The places where you still find unmet needs are the places of color all over the world. And these are markets waiting to be born! Even in America alone, the inner cities, the minority communities, are a two trillion dollar a year economy. Calculate what Africans spent here in Germany, it will blow your mind. Calculate what's possible as an economic opportunity in Africa in just one country; it will blow your mind! And there is far less competition. So corporations who get in early will make more money – the early bird will catch the worm!

The second point is that these young African entrepreneurs are the Silver Rights leaders of the future in their country. You can't grow a country and sustain a country on aid! You can't grow a country and sustain a country by rape, pillage and looting, either. My friend, Shimon Peres, has once told me: "If you want to distribute money like a socialist, you gotta first collect money like a capitalist." We are teaching these entrepreneurs here how to collect money like a capitalist. We are teaching them to go –back to their countries, to become entrepreneurs and to spread this idea, this new paradigm, to create an economic democracy, to create stakeholders, shareholders and property owners. And when you create a strong middle class in any community, they will be too busy to hate. They will not want to go to war – they will want to go to shop. You will create taxpayers and then you will create the opportunity for Africa to take care of itself.

*"I am convinced that what you are doing here [...] has to become a role model for the future."*

So that's a mouthful, but that's why I am here. I think you have the right people together, with the right topic at the right time. I think



you are ahead of the curve a little bit with regard to what people are talking about. In fact you are talking about issues, embracing issues that nobody else wants to talk about. And in that regard there should be a line of corporations lining up to support you.

Because you are really letting them off the hook, you are really embracing and dealing with issues in a positive way before they become problems. That are really issues on the back of everybody's mind in Europe, Asia, Middle East, Africa, America and all over the world.

*"I think you are ahead of the curve a little bit [...] you are really letting them off the hook and dealing with issues in a positive way before they become problems."*

**TK:** You are right. Today, many problems we face are so-called "global problems" but often these problems are either not discussed openly or discussed in a way that leads to mutual accusations and blockade. It is my impression, that focusing on "Fostering Entrepreneurial Spirit" can indeed make a difference in this context.

**JHB:** We all know these issues, we all know there are problems out there, nobody is dealing with – you guys are dealing with them in a constructive and a positive win-win manner. I think that the leading corporations not only here in Germany, but throughout all of Europe should be lining up to join DaimlerChrysler as partners and supporters in your work. And after that, the government of this country – you already have the support of the Federal President and others. I really think this is not just a Germany issue – it is a Global issue. And I don't see anybody tackling this issue as positively and proactively than the Wittenberg-Center. This focus on African Entrepreneurship needs to be encouraged, expanded and supported.

What I would like to see developed after the conference on African Entrepreneurship is a sustained commitment to an agenda that involves leaders of government, from the private sector, from civil society, and the communities. A positive dialogue and ultimately a positive action around the very real and tangible agenda of encouraging African Entrepreneurship – a whole generation and culture of African Entrepreneurship. Entrepreneurship is what built Germany. It is what built Europe, America and Asia. It is what is gonna built Africa, too. If fostered by leadership and responsibility, it will be a "win" for Europe, Africa, America and all other partners engaged.

**TK:** Mr. Bryant, on behalf of the Wittenberg-Center, I would like to thank you for being with us and sharing with us your inspiring ideas.

**JHB:** You are welcome. Thank you for having me.

For more information on John Hope Bryant and his organization, visit the website of Operation HOPE: [www.operationhope.org](http://www.operationhope.org)

## Changing Paradigm: Fostering Entrepreneurial Spirit

By Victor A. AWA

Institute for Policy Making –  
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### Statement of the problem

Since the end of the Cold War, the World has been undergoing a process of profound social transformation. In Africa as indeed in other parts of world, the implications within the overall context of socio-economic, political and security related issues are enormous and multi-dimensional. At its onset, the current process of global transformation was characterized by popular enthusiasms about the prospects of democracy, global peace and security. According to many observers, democratization provided a real opportunity to overcome the economic crises, because the practice of 'patrimonial autocracies' that characterize Africa's politics during the first three decades of their independence, was said to be the main reason for the severity of its economic crises. As one 'Economists' editorial puts it:

"There is no alternative to free-market as a way of organized economic life. The spread of free-market economy should gradually lead to multi-party democracy, because people who have free economic choice tend to insist on having free political choices, too"

Accordingly, the promotion of free-market economy would be an antidote to international war and civil strife. Unquestionably, the last decades have witnessed the spread of democratization across the world – the so-called, "third wave of Democracies". Whereas between the early 1960s the late 1980s, Africa's political landscape was filled with 'patrimonial autocracies and apartheid regimes'. Today, at least virtually, all governments Africa claims to have come to power via the 'ballot boxes' and, almost all pay lip-services to regime accountability. Furthermore, liberalism has fostered the expansion of world trade and the spreads of global capital have intensified. Along side the transnational production and trade networks, the dynamics of global finances have become central to economic globalization and interdependency.

### Opposing Trends: Democratization, Nationalist Exclusion and Ethnic Conflicts – the Rise of Nations and the Decline of States?

In the decades that have lapsed since the collapse of communism and the re-emergence of democratic processes, not only has ethnic conflict shown no sign of abating, war has being endemic. Even before the euphoria "the third wave" could recede, new forms of tension and fears about ethnic cleansing, state melt-down have gripped the entire world. In Africa, ethnic mayhem caused over a million deaths in Rwanda, and countries like Liberia, Sierra-Lone,



Chad, Sudan, Ethiopia and Congo to mention but few examples have continued on the 'Hobbesian' course. Even the still relatively stable and "economic wonders" of Africa such as Nigeria and South Africa remain internally balkanized, fragmented and deeply polarized.

Canon of law and order dissipate under the rising tide of poverty, pestilence, AIDS and economic chaos. In fact, given the magnitude of the African crisis and, the depths to which the continent has fallen, the skepticism and pessimism about the prospect of democracy and economic development in that region is not entirely unfounded. Of course, the last place one would expect any form of economic opulence, much less democratic development is the societies ridden by incessant conflicts, socio-political turmoil and, insecurity of lives and property. In 1987, Edem Kodjo lamented:

*"Our ancient continent is now on the brink of disaster, hurtling towards the abyss of confrontation, caught in the grip of violence, sinking into the dark night of bloodshed and death."*

This is surely not the voices of some 'crude chauvinists', but rather that of Edem Kodjo, the then Secretary General of the Organization of African Unity (OAU) solemnly articulated before African Heads of States and leaders of thoughts. Kodjo is not alone on this view. Similar sentiments have been variously expressed by many other eminent Africans in the recent times.

On the other hand, as recent developments would seem to have clearly demonstrated, Africa does not have a monopoly of ethnic conflict, nor is the phenomenon a specific trait of any particular society, culture or civilization. Ethnic politics and its manifest violence are or have become a global phenomenon. In attempt to build democracy on the ruins of communism, the cosmopolitan dreams of 'fraternity' unraveled into its ethno-nationalist components. Since the disintegration of both Soviet Union and Yugoslavia federations, some twenty new states claiming to represent nations long suppressed under the communist empire have emerged. Elsewhere, different shades of identity movements have generated more or less hidden and more or less hopeless cases of insurgences and global war. In civil wars, from Somalia to Bosnia, Kosovo, Iraq and Afghanistan, international peace-keepers are attacked daily and held hostages by local thugs and warlords. Nationalism, rather than being discredited, remains as popular and as problematic today, as it was in the 19th and 20th centuries. As Andreas Wimmer (2004) and many others observed, ethnic conflict has become a testing ground for a new morality of promoting peace, stability and human rights across the globe.

### **Stability, Social Order and Development: The Global Crises of Transformation**

A cursory look at the above in relation to ongoing global transformation reveals several areas of critical problems and their correlative theoretical and policy themes: Issues of human rights

protection, democratic participation, conflict management and sustainable economic development. Of course, there is the logic of priority, but the interconnectedness of these problems often makes such sequential prioritization every difficult, if not irrelevant. A situation of dysfunctional conflict and social disorder – particularly of mass-violence and breakdown of law and order always involves gross violation of rights, denial of civil liberty and, of course, frustration of economic development.

Much has been written on the issues in recent times: both the earlier process theories put forwards in the aftermath of the Second World War and, the decolonization of Africa have attempted to grapple with these problems. Even though the debate was largely dominated by the competing ideological paradigms of the Cold war politics, either ways, there was the consensus on the importance of 'nation-building'. Alas! If the arguments in the 1950s had been that democracy and nation-states are directly correlated, current debate would have been largely circumscribed by such arguments. On the contrary, the 'nation-state' paradigm has increasingly come under attack for different reasons in different regions of the world. The state is seen simultaneously as being too large and too small. Too small, to be effective in coping with many of the problems that are truly regional, transnational and global in scopes, e.g. environmental degradation, immigrations, trade and security related issues. On the other side, it is also said to be too large to be effective in confronting localized issues of economic development, minority rights, rapid urbanizations and decaying social infrastructures within the territorial boundaries of nation-states.

Perhaps, it is true that the "nation state paradigm" is part of the problem and not the solution. The state is failing or has failed to solve the recurrent problems confronting humanity. It obstructs developments and, no longer carries the inspiration it once did. Since neither the state nor the institutions it has engendered are adequate to meet the immediate needs of the common person, rival solutions, both larger and smaller in spans of control and jurisdiction have to be tried. Even though economic factors alone can certainly not account for all crises, however, many are not unrelated to issues of deprivation. Hundreds of thousands illegal immigrants that risk their lives daily in deserts and oceans across the world are not fun-seeking individuals, but people in desperation to escape destitution, pestilences and poverty. Of course, that economic development shapes our lives and even determines the successes of democracies is hardly questionable.

Paradoxically, despite its empirical ramification – democracy has always found its practical expression in specific political community – "the organic conception of political units of the modern state system". Much of our noble efforts in the name of democracy have been for that marvelous, if politically naive notion of "self-determination" – an international equivalent of "self-actualization" of nation-states enshrined in the United Nations Charter and Articles of Rights. Yet, even as the traditional concept of 'sovereignty'



erodes, there is no presumptive, let alone adequate replacement for the 'administrative states' as the locus of responsibility through which, the individual rights can effectively protected, and conflicts effectively mitigated, resolved or managed when such functions are not exercised by private individuals or sub-national communities.

The dilemma is this: there is no way to promote democracy without unwitting promoting nationalism – “the doctrine of popular sovereignty”. Reflection on the issues raises complex questions and provokes difficult thoughts, e.g.:

- *How do we reconcile the principles of “self-determination,” with the notion of territorial integrity of states when they do not happen by accident to coincide?*
- *And if the nation-state “Weltanschauung” has proved untenable, is a “World state cosmopolitanism” a feasible alternative proposition? Moreover, in the absence of a universal planetary sovereign with an overwhelming power of legitimacy, what menu of strategies is there that permit social transformation, which challenges the existing status quo to occur peacefully – short of the resort to test of forces?*

Even more difficult than the practical issues of daily politics are the fundamental normative or philosophical questions – those that precede the issues about how a particular social order is or ought to be organized: of legitimate and illegitimate control of authority, of domination, resistance and acquiescence to the constituted social order and finally, of political trust and obligations expected of obedient and lawful citizens. Certainly, answers to such complex questions are difficult to find within the confine of a single theoretical framework. However, the fundamental relationship between liberty, peace and economic development is truly a matter of insight and knowledge gained and lost among philosophers to rediscover through rigorous theoretical research and peace initiatives.

### **Fostering Entrepreneurial Spirit: Changing Paradigm**

Of course, concern with socio-political conflict as point of democratic transformation is not new. Since the 4th century B.C., Aristotle's political thinkers have sought to systematically understand the sources of discord and the conditions that promote peace and mutual coexistence. Society comprises of a general structure of expectations; some overlapping others nested and some independent: religion, family, nation, ethnics, race or class, economic and social. Thus, conflict originates in the socio-cultural space of meanings: norms, values, interests, status and class and they integral aspect of humanity. In fact, many of today's global crises, e.g. incompatibility of norms, values and socio-political outlooks, perceived or real deprivations, violation of human rights, domination and resistance arise within the socio-cultural space of meaning.

Viewed against this setting, in nationalist thinking, all streams of

social life spring from the nation as a primary source of human culture. Polity, economy and society all bear the stamps of the nation. Such classical anthropological notion of culture as a complex integrated whole, is build upon and exploited by the current polarization of the world between “We” and “Them”. Culture thus writes the script according to which individuals play their role on the stage of society. Many of the interventions in this conference seem to rely on this classical notion of culture as a clearly defined unit, unchanging – a historically lasting and integrated whole. Of course, it is true that modern society unfolded within the confine of nation-states and strengthened them with every step of development. On the other, shadow side of it, new forms of exclusion based on ethnic, national criteria developed, largely unacknowledged by the grand theories of modernity as a universalistic and egalitarian model society. Thus, belonging to a specific national and ethnic group determines access to rights and services the modern state is supposed to guarantee. Perhaps, it is often difficult to find the correct balance between the “sui juris” rights to be different and the “sui generis” pride of identity.

However, in a tumultuous world of multiculturalism and overlapping identities, the *egalitarian passion* that supports the intense cult of differences causes a lot of distress and countless dilemmas. Not only on the basis of ethnicity or nationality, but also of race, class, religion, language and gendered, if not of particular sexual practices. The evils of the twentieth-century arose from the populist movements who committed atrocities in the name of utopia idealism. Yet despite the illusion of nationalism, there is nothing in any democratic theory per se that indicates neither where the civic boundary of the “popular sovereign” ought to be drawn, nor the one of the “self” that has the right to ‘determine’ political destiny, nor the boundary of the “civic sovereign”. Perhaps it is important to make it clear that a requital with nationalism and its excess or any other ideologies is not what I seek or am competent to do. In any case, finding a moral balance would involve a series of rather difficult ethical choices.

Of primary interest is seeking new approaches of “culture compromise”. Culture compromise emerges when actors sharing a communicative space can agree that certain values are valuable and that certain modes of classifying social world make sense. Such process of negotiating meaning does not depend on convergence of interests, norm or values, since even from different positions in economics, politics and cultural hierarchies, individuals or groups may still find – albeit for different reasons – certain ways of looking at their world meaningfully. Thus, negotiation of culture compromise goes hand in hand with a process of confidence-building, conflict de-escalation and the investment on trust for mutual advantages. The needs for a new thinking and approaches to the reality of the 21st century challenges the entrepreneurial spirits of both individual, groups and collectivities.

In sum, perhaps it should be reiterated; beyond the “dualisms” that



have characterized Africa's responses to the process of social change, the current crises call for more proactive response to the challenges. For example: What concepts of social order can best promote peace and stability? Is the nation-state still relevant or appropriate for African or global trends? How can the continent overcome turbulent crises of triple transformation? These and many other issues confronting the African continent will challenge our individual and collective entrepreneurial spirit now and in the near future.

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## Increasing Value through Corporate Responsibility

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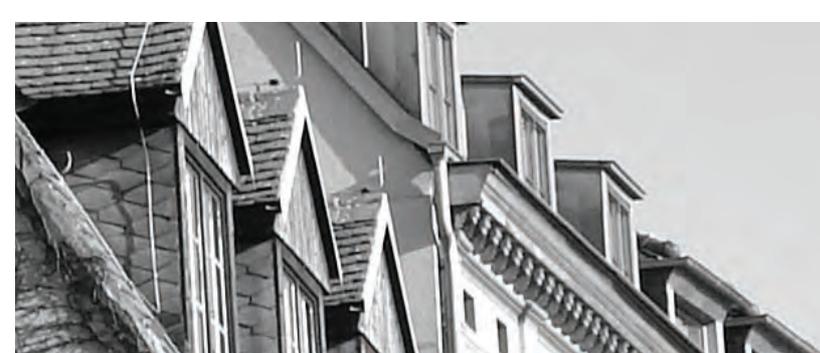
To successfully foster Entrepreneurial Spirit in Africa it requires not only the involvement of the individuals concerned, i.e. the prospective entrepreneurs living in Africa, but also many other actors such as national governments, international organizations, the private sector, non-governmental organizations (NGOs), and civil society. As an economic development organization, UNCTAD encourages Entrepreneurial Spirit in many activities. For instance, the new UNCTAD Corporate Contributions to Development program (CCD) inherently encompasses the creation of business linkages as an expression of Corporate Responsibility (CR). By means of a global cooperation of governments and corporations, UNCTAD aims at promoting both an enabling environment for investment as well as further business ventures with small and medium-sized enterprises. In the following, I wish to outline a few aspects from the viewpoint of both a young graduate and a current fellow with the United Nations Conference on Trade and Development (UNCTAD).

### 1. The Complement of Corporate Investment, International Framework and Reputation

Living and learning in multicultural environments has taught and continues to teach me how valuable integrating and discussing different viewpoints in any endeavor is. Against the background of developing countries my thinking was much influenced by the following complementary elements that can lead to moral behavior as an integrated feature to business ventures and to profitability:

Every country requires a stable national and international legal framework of rules as a prerequisite for development to advance in a coordinated fashion, for investments to flow into the country and for economic activity to prosper. Such an enabling environment, however, is equally affected by corporate strategic decisions that can decisively contribute to the well-being of an economy through economic long-term planning and investment in human resources and other assets including business linkages in the respective country.

Besides these institutional framework considerations, economic factors are at the core of corporate value creation. Indeed corporate success can be measured in terms of the economic value of profits and reputation. Profitability and corporate value have until recently been the main interest of shareholders. Much more recently, reputation has become the fragile and highly valuable asset on part of Transnational Corporations (TNCs). Especially grassroots



activists involving NGOs and civil society have frequently used various media channels to remind large TNCs of the negative effects their operations have on developing countries' environment and peoples. As a reaction to the threat or actual damage of corporate reputation, TNCs have thus often increased their publicity on charitable contributions to the environment, to social standards and, at times, to development.

In this paper, I wish to argue that in order to foster entrepreneurial spirit and economic development, corporate responsibility goes beyond corporate philanthropy, abiding by the rule of law and refraining from "bad" corporate conduct such as employing restrictive or discriminatory business practices. Instead companies have already demonstrated that they rely on global cooperation: They invest in technology transfer and personnel training; they build up local and cross-border value chains; they foster employment and entrepreneurship; they engage in specialized product development; and they engage workers and entrepreneurs in these processes. In brief, while steered by their self-interest and strategic goals, without which no private effort is sustainable in the long run, corporations play a key role in the economic development process. This also holds true for TNCs that establish foreign affiliates through Foreign Direct Investment (FDI) and, through their global value chains, maintain vast networks of linkages to businesses in developing countries.

UNCTAD's past research has shown that investment by TNCs can be an engine of economic growth in developing host countries. However, not all investment produces the same impact on development, nor are the benefits of FDI diffused in the host economy in all cases. Moreover, there may also be adverse consequences arising from FDI, further underlining the need for adequate policies and the role of CR.

## **2. Creating a Sustainable Win-win Situation through Corporate Contributions**

In order to facilitate and enhance positive corporate contributions to development, TNCs can undertake beneficial activities and thus create a win-win situation for themselves and in the host developing countries they operate. Clearly, companies are increasingly recognizing the central role that sustainable development plays in long-term (economic) success both for the companies themselves as well as their immediate stakeholders and shareholders in particular

This is being underlined by the fact that the economic value of the firm has become linked to sustainability as concerns the Principles for Responsible Investment (PRI) that were established by UN organizations and partners such as the FTSE. The PRI link sustainable corporate behavior to the actual value of the firm as well as to corporate reporting behavior and have the "ultimate goal [...] to identify long-term investment drivers" and to integrate

environmental, social and corporate governance concerns in the evaluation procedures of individual stocks. Besides this aspect, a recent study sponsored by Deutsche Bank showed that company risk represents the indirect link between corporate responsibility and financial performance. Thus, good CR performance leads to lower risk and reduces the cost of capital.

As a consequence, corporate benefits through corporate responsibility serve as incentive to further advance the reciprocal benefits of growing markets and growing revenues. In many industries today, the most dynamic markets are in the developing world, and consequently a large proportion of international companies have been looking to these countries for future growth opportunities. As a result, corporations may be increasingly willing to make greater contributions towards the development effort of host countries by integrating more development concepts from a long-term strategic perspective into their business operations.

### ***Facilitating Corporate Contributions through Economic Development Organizations***

In order to gain access to highly valued natural resources in Africa, companies therefore have to go beyond traditional investment. TNCs create value by initiating many activities on the ground; at times on their own, but much more often in cooperation with other stakeholders such as NGOs, governmental, health and United Nations organizations. This shows that TNCs slowly move away from charity. Still, their cooperative initiatives have largely focused on social and environmental issues represented by the original 9 principles of the United Nations Global Compact. While all of these issues are important and relate to some aspect of development, none of them directly addresses the issue of economic development.

In order to bridge this gap the traditional concept of CR was enlarged in a complementary fashion in the UNCTAD XI Conference in São Paulo. Here, Governments agreed to add the concept of "corporate contributions to the economic and social development of host developing countries" to the CR agenda [emphasis added]. This adds the economic development dimension to the corporate responsibility debate and thus allows a balanced approach of the triple-bottom line to CR. At the core of this new agenda lies the question of "how to maximize the benefits of corporate activity and how to minimize its negative effects in the process of economic development and poverty alleviation".

In order to learn about existing good practices and further promote their implementation, UNCTAD is in the process of building a database of corporate examples associated with activities along the lines of the 10 research areas and complement them with a survey to be distributed among TNCs shortly. Based on these inputs, UNCTAD will analyze the implications of corporate behaviors for the economic development of poor countries, and will provide policy options to governments on how to best set incentives and



encourage corporate contributions to economic development.

These research findings will then feed into UNCTAD's international consensus building and technical cooperation projects. In international consensus building, UNCTAD will build on the achieved understanding among Governments with regard to the core

issues, and further deliberate on them. On technical assistance, UNCTAD will assist governments in setting up policies and enabling frameworks to enhance corporate contributions to national development objectives and to poverty alleviation endeavors.

### **Global Cooperation to foster Entrepreneurial Spirit through Corporate Responsibility**

UNCTAD takes the stance that many practical action-oriented corporate approaches to poverty reduction and economic development already exist in African and other developing countries. These may take the form of private-public sector partnerships, enhancing small and medium sized enterprises' capabilities, and offering micro-financing schemes as means to promote economic contributions to development. This is also reflected in the above research issues and in the creation of business linkages in particular.

For instance, UNCTAD has initiated manifold capacity-building projects as part of the technical assistance mandate. These initiatives aim at creating an enabling environment for business linkage promotion as well as supporting entrepreneurs in developing countries. UNCTAD maintains cooperation with national governments, the private sector and NGOs to effectively reach field-level partners. Among TNCs Toyota, Unilever, FIAT, AngloAmerican, DaimlerChrysler, Volkswagen, INTEL, IBM implement their proper successful programs. National governments are further supported by donors and international organizations including DFID (the Business Challenge Fund), the International Finance Corporation (IFC), ITC (International Trade Center), the United Nations Development Programme (UNDP), the United Nations Industrial Development Organization (UNIDO), Gesellschaft für Technische Zusammenarbeit (GTZ) and the World Bank.

### **UNCTAD CCD: The ten issue areas**

1. **Investing** in developing countries
2. **Provision** of goods and services to poor customers
3. **Employment** creation
4. **Human resource** development
5. Business linkages
6. Technology Transfer
7. **Ethical** business behavior
8. Contribution to public revenue
9. **Minimizing negative effects** of corporate restructuring
10. **Institutional framework** constraints

Reflecting on these partnerships, stakeholders have recently come together to share experiences and to exchange information on "lighthouse projects" during the Expert Group Meeting on Best Practices and Policy Options in the Promotion of SME-TNC Business Linkages in early November 2006. For instance, in its capacity as Business Development Service Center, Enterprise Uganda presented its approach to facilitating business linkages. Based on the insights made during each project's implementation, UNCTAD Member States receive feedback and gain new insight concerning possibly approaches to replicate successful global cooperation in other developing countries – taking into account that there are no one-size-fits-all procedures applicable to all developing countries.

### **3. Summing Up**

Development and investment both represent challenges in general, but to the developing world and Africa in particular. The same applies for the relatively new approach of "corporate development responsibility" and each of the ten research issues for UNCTAD. Although UNCTAD is no rulemaking body, it is well able to add new elements to the discourse in the global CSR community. In doing so UNCTAD promotes both dialogue and ways to social cooperation making reference to a balanced approach to the triple-bottom line on corporate responsibility. From the point of view of a young graduate, I believe that this makes adequate reference to UNCTAD's mandate, that UNCTAD can effectively live up to its facilitator role for the economic dimension of CR, and that UNCTAD will continue to be a focal point to multiple stakeholders including the private sector and business. Nonetheless, only with a global cooperation between various stakeholders, a win-win situation enabling prosperity in an emerging world economy can be further advanced. Even more, I believe that this cooperation can certainly help create value and achieve the paradigm shift away from a charity focus towards deepened global cooperation.

For further information please visit our website: [www.unctad.org](http://www.unctad.org)

Annex: Further information on national/global efforts to fostering entrepreneurial spirit in Africa:

1. Mozambique government policy approach: developing an enabling environment to attract FDI to generate economic growth and jobs and to enhance quality of life and reduce poverty, see <http://www.mozlink.com> (in Portuguese only) and <http://www.cpi.co.mz>
2. South Africa/Tanzania: PSI (Private Sector Initiative & Business Linkages) in Southern Africa call for government action towards SME-linkages creation through creating an enabling environment as well as workable "rules of the game". Lighthouse project SBP with BP Tanzania; see <http://www.psitanzania.com/psimodule.php>
3. Business Linkages Challenge Fund (BLCF) financed by the British Government's Department for International Development (DFID) <http://www.dfid.gov.uk/funding/businesslinkages.asp>

# Participants

The Africa Forum attracted visionaries and entrepreneurs, both young leader and eminent persons from politics, business and civil society. The Wittenberg Center would like to express a profound gratitude to all the participants of the Africa Forum and their genuine contributions, without which this event would not have been so successful.





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The participants at the entrance of the historic Wittenberg University Leucorea



Mapping the origin of the participants

# About the Program

The Wittenberg Center for Global Ethics aims to identify and promote common ethical core principles that enable peace, justice and prosperity in an emerging world society. Globalization, world economy and competitive markets need to be utilized for the common good and the sustainable advantage of all people. Since 2001 the Center has been pursuing the program “Building Global Cooperation”. The program aims at changing paradigms in order to promote consciousness for global issues, mutual dependencies, and worldwide inclusion as well as commitment for individual and collective action. Please find more in this section.



# Building Global Cooperation – New Alliances with Africa



Since 2001, the Wittenberg Center for Global Ethics has been pursuing the program “Building Global Cooperation” to contribute to the realization of the 8th Millennium Development Goal: Build a Global Partnership for Development. The program aims at changing paradigms in order to promote consciousness for global issues, mutual dependencies, and worldwide inclusion as well as commitment for individual and collective action. This means questioning the traditional mental models by taking into account the needs and interests of others and thereby finding new “win-win solutions” for common problems. Thus, the idea of Building Global Cooperation is based on both mutually beneficial interchange as well as mutual respect.

“New Alliances with Africa” is an imperative for supporting hopeful initiatives and processes in Africa as well as in the Western parts of the World that contribute to overcoming old stereotypes and creating supportive conditions for true co-operation to take place. It encourages the path taken by Africa to become a valued and authentic partner in international relations and at the same time reminds industrialized nations of necessary investments in the sustainable development of the continent.

“Building Global Cooperation – New Alliances with Africa” is designed as a common working program that stimulates and supports collective learning and mutual understanding. It aims at bringing together stakeholders from business, politics and civil society and offers them both an organizational platform as well as a conceptual framework for rethinking mental models. The ambition of the program is to enable global interaction in such a way that benefits everyone. This approach is based on the idea that ethical principles support mutually beneficial interchange despite the plurality of values and perspectives.

Since 2001 a number of workshops and dialogue forums took place at the Wittenberg Center. The Center focuses on internationally trained Young Leaders to discuss the idea of mutually beneficial cooperation, as they have great potential to make a difference if they take responsibility for their own future.

For further information please visit the website:  
[www.globalcooperation.org](http://www.globalcooperation.org)

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## **Young Leaders Seminars since 2002**

Since 2002 the Wittenberg Center organizes Young Leaders Seminars. Internationally oriented high potentials from different disciplines, countries and cultures are invited to Wittenberg to discuss issues of global concerns. In a systematic and scientific manner they analyse questions of international cooperation and their ethical implications. Numerous topics have been covered, e.g. the Global Compact, the future of Africa, the Jo’burg Summit, prevention of corruption, global public goods, etc.

## **Strategy Forum 2003:**

### **“New Alliances against Poverty & Social Exclusion”**

At the Strategy Forum 2003 high-ranking participants discussed ways to strengthen and connect new and innovative initiatives from politics, business and civil society with the potential to sustainably counteract poverty and social exclusion in Africa. Constructive and open discussions about the NEPAD initiative as well as the activities of multinational companies and non-governmental organizations, operating in Africa were held. Thus, the Strategy Forum laid the foundation for further cooperation.

## **Prominent Discussions in 2004**

On May 11th 2004, Professor Dr. Horst Köhler visited the Wittenberg Center at his last public appearance before his election as the German Federal President. On this occasion, he met with experts and personalities of the society to discuss on the theme “Global Ethics – Ethics of globalisation”. During his speech and the plenary discussion, he pointed out his special relationship to and engagement in Africa. Soon after his election as President of the Federal Republic of Germany, he founded an initiative “Partnership with Africa” in cooperation with the ZEIT-Foundation.

## **Discussion Forum 2005:**

### **“Africa 2015-2050: Our Future – Our Vision”**

The Center organized working session with selected students of various disciplines from 15 different countries in Africa, America and Europe. Together they discussed about their future and developed a common vision for Africa and the African Union. They thereafter met with European and African experts from development politics, economics and the media who gave them feedback from a practical perspective. During this forum, the need for a change of paradigm as well as for an appropriate kind of entrepreneurial spirit was pointed out as a key for development and cooperation in order to overcome traditional patterns of dependency.

## **Consultative Meetings 2006:**

### **“Partnership with Africa”**

The German Federal President Horst Köhler met in Wittenberg with 50 Young Leaders from 18 different countries under the auspices of the initiative “Partnership with Africa”, which he founded together with ZEIT Foundation. This major event was a preparative and consultative meeting for the 2nd Forum of the initiative that took place in January 2007 in Accra, Ghana. The major event of the program Building Global Cooperation is the Africa-Forum “Fostering Entrepreneurial Spirit”, which is documented in this brochure.

## **The next steps in the future:**

### **Diplomats Forum, Young Leaders Workshops, Summer School**

Stemming from the Africa Forum 2006, in the near future several workshops are planned at the Wittenberg Center. A forum with leading ambassadors and diplomats from several African countries is scheduled for September 2007. A concept for Summer Schools regarding the issues of global governance, sustainability and economic ethics, is on the way.

# The Wittenberg Center for Global Ethics

## Profile

The Wittenberg Center for Global Ethics was founded in 1998 as a transatlantic initiative by US-Ambassador to the United Nations ret. Andrew Young and German Foreign Minister ret., Hans-Dietrich Genscher. The Center aims to identify and promote common ethical core principles that enable peace, justice and prosperity in an emerging world society. Globalization, world economy and competitive markets need to be utilized for the common good and the sustainable advantage of all people. Therefore, the Wittenberg Center pursues an ethics of leadership responsibility.

There are three main areas of activities: Research, Dialogues and Practical Initiatives, all contributing to the program "Building Global Cooperation". This program aims at changing paradigms in order to contribute to the realization of the 8th Millennium Development Goal: Build a Global Partnership for Development.

## Dialogue

brings together parties from different backgrounds to address specific challenges. Offering a unique atmosphere of trust, creativity and appreciation, the Wittenberg Center through its approach inspires diverse actors to identify common interests to develop fruitful cooperation.

## Practical Initiatives

create outreach and promote a better understanding for Global Ethics. Specific management seminars and educational programs foster leadership skills and convey competencies for pressing challenges.

## Research

offers a conceptual framework for a deeper understanding of fundamental social structures and for a sophisticated moral discernment. Thus, it helps to analyze the conditions of social cooperation for mutual advantage in order to encourage commitments and investments in this venture.

## The Vision

1. The Wittenberg Center for Global Ethics will identify common core ethical principles that enable people of diverse cultures to grow and develop in a peaceful world. Through formal interaction, leaders from business, religion, government and education will study, develop, communicate and act on issues that create or improve the spirit of self-development and self-responsibility and the capacity of people to care for their economic viability in an increasingly interdependent and competing world.

2. The Wittenberg Center will endeavor to change the paradigms of communication for all groups and cultures to find common ground for peaceful coexistence, growth and development. Global Ethics applied to, for and between all people and social, political and economic entities will be based on honesty, integrity, fairness and common good in open and transparent human interactions.

3. Economic growth for one group must not occur at the expense of other people. In a world where different cultures coexist and obvious common values cannot form the foundation for action, we need a common strategy that leads to the absence of fear and hate between peoples, nations and races. A common strategy creates a foundation where everyone benefits and where limits on growth and constraints on development do not exist. The Wittenberg Center will develop a spirit of sharing the one planet where we live together in peace.

4. The Wittenberg Center will engage people of wisdom of all ages to ensure growth, development and visibility of the Center and effective communication of ideas to all peoples and cultures. The involvement of people of all ages – especially of the younger generation – is essential to the effective communication of ideas and to the growth and development of the Center.

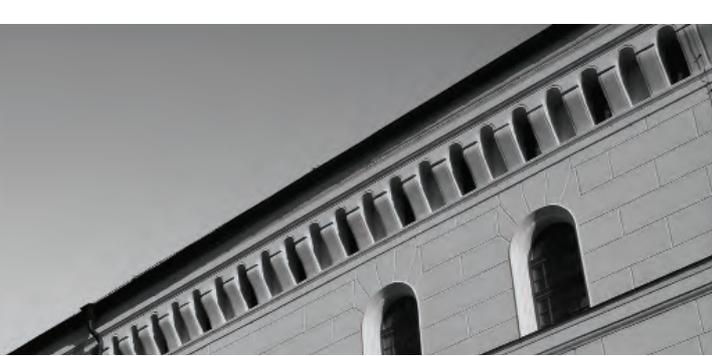
5. The strategic placement of the Center in Wittenberg is coexistent with the global mission and the potential for significant global impact. The Center will offer a facility and forum for all groups for study, training, the exchange of ideas and the development of solutions to issues facing all institutions and societies around the world. The diversity of activities and groups will enhance the Center's ability to focus on current and changing issues.



*The Founders of the Wittenberg Center  
Andrew Young and Hans-Dietrich Genscher*

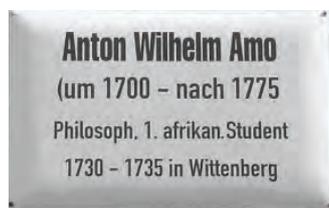
# Lutherstadt Wittenberg

## The historical genius loci



The city of Wittenberg is a place full of tradition and cultural heritage. With a unique legacy of reformatory, intellectual and humanistic thinking, this small town once created a global impact. In 1502, the Wittenberg University "Leucorea" was founded. It soon gained reputation as one of the most important intellectual, spiritual and cultural centers in Europe.

In 1508, Martin Luther became a professor of theology and began his writings and teachings at the Leucorea. In 1517, he promulgated 95 Theses against the misuse of indulgences, which were thereafter nailed on the door of the castle church. What began as a protest rapidly developed into a reformatory movement that would change the course of history and stimulate the Catholic Church, to find its way into a new era. Yet, Martin Luther was not the only one who promoted reformatory and novel thinking. World renowned scholars contributed to the reputation of Wittenberg and its university. Philipp Melanchthon became a leading humanists who systematized protestant theology and reformed the university and school system in Germany. Michael Agricola translated the Bible into Finnish, William Tyndale into English. The painter, Lucas Cranach created his most important masterpieces in Wittenberg and Giordano Bruno discussed a revolutionary philosophy.



Wittenberg was always a place of international discourse and exchange. Anton Wilhelm Amo, who came from Axim in Ghana, was the first African ever, who attended a university in Europe. He studied in Halle and Wittenberg, where he wrote his thesis on the body-soul problem and gained a degree as Doctor of Philosophy in 1734 at the Leucorea. Thus, the city of Wittenberg became a place of emancipation and humanity.



Wittenberg Center for Global Ethics  
Building Global Cooperation



For this reasons, it is no coincidence that this historical place has now become home to the Wittenberg Center for Global Ethics. The Center is located within the walls of the 500 years old Leucorea and is inspired by the atmosphere of dialogue, reform and learning.

The path-breaking ideas that spread from Wittenberg have shaped diverse thoughts, ranging from theology, medicine, law as well as the liberal arts. However, all of these innovations rested on two shared fundamental principles - education and reform. Education means more than merely accumulating knowledge. It is a process of learning competence, personal development and of growing leadership capacity. Therefore it is the key to genuine reform, and reform is the key to better education. However, reform does not mean revolution; it rather encourages to carefully identify room for improvement and change. It is about appreciating the past in order to empower learning for the future.

Although history cannot be copied, it can inspire. In Wittenberg, such inspiration is around every corner; the town can teach how other people learned and coped with the difficulties of life. The power of ideas coming from here has transformed the world. Nowadays, this cultural heritage inspires people of different countries, cultures and religions to tackle present challenges. Listening and learning, education and dialogue are of highest importance in the emerging world society. Reformation is also today a vital asset - it is all about changing paradigms.

The Wittenberg Center for Global Ethics would like to contribute to this challenge.



# The Organization Team of the Africa Forum 2006

Special thanks go to the organization team of the Africa Forum, including all members, trainees, Young Leaders and voluntary associates of the Wittenberg Center and in the program Building Global Cooperation.



*From left:* Tumenta F. Kennedy, Marie Winfield, Waldemar Hötte, Sally Rosser, Dr. Clemens Dölken O.Praem., Eckhard Naumann, Andrew Young, Paul C. Rosser, Prof. Dr. Andreas Suchanek, Barbara Hartmann, Victor A. Awa, Leonie Liemich

Team members - not on this photos

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*Standing:* Tumenta F. Kennedy, Waldemar Hötte, Mario Klimpke, Joaquim Mucavele; *Seating:* Victor A. Awa, Leonie Liemich, Christine Behrendt, Klaus-Jürgen Kerscher, Andrea Busch, Steve Ako Tanga, Sabine Wellnitz



Barbara Hartmann, Leonie Liemich, Nick Lin-Hi

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## **Donation to the Program Building Global Cooperation**

The Wittenberg Center for Global Ethics is a private nonprofit organization supporting academic and charitable purpose. Donations are tax deductible in Germany and in the United States. Your support of the Wittenberg Center is greatly appreciated.

In Germany donations can be given to the association "Wittenberg Zentrum für Globale Ethik e.V.". Please submit your address and you will get a donation receipt.

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We highly appreciate your support!

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The Wittenberg Center for Global Ethics would like to convey special thanks to the sponsors of the program Building Global Cooperation for taking corporate responsibility by supporting the process of integrating nations and cultures, young and older people into a global dialogue.

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