

IIR Workshop

The European Union and Africa: A New Partnership between Two Neighbors?

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Institute for Industrial Research (IIR), Kwansei Gakuin University

The European Union and Africa: A New Partnership between Two Neighbors?

Lecturers

Dr. Takahiro Yamada

Economist, Policy Research Institute, Ministry of Finance, Japan
“EU and Africa: From the Perspective of African Development”

Dr. Vick Lukwago Ssali

Full-time Lecturer, Department of English Language and Cultures,
Aichi Gakuin University
”Poverty, Aid, Corruption and African Migration to Europe”

Dr. Kucuk Ali Akkemik

Associate Professor, Faculty of Economics, Yamaguchi University
“Industrial Policies in East Asia: Lessons for Africa”

Moderators

Dr. Christian Samen Otchia

Associate Professor, Graduate School of International Development, Nagoya University

Dr. Holger Robert Bungsche

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The European Union and Africa:
A New Partnership between Two Neighbors?

【Bungsche】

I am Holger Bungsche and I am in charge of organizing the framework of the Jean Monnet Module, for which we are getting some money from the European Commission. The money is used for both, conducting education on the European Union as well as also for engaging in outreach activities aiming at enhancing the awareness of the broader public regarding the European Union. This seminar, which is part of a whole lecture series, actually was in the first place intended to address the topic of the situation, politically as well as economically, of neighboring countries of the EU. But due to recent events, particularly events since autumn 2015, as there were roughly two million refugees fleeing from civil war in Syria, or from difficult living conditions in Afghanistan or other Middle Eastern and also African countries to Europe, the focus has shifted away from the neighboring countries of the EU like Ukraine towards Turkey, the Middle East and Africa as a whole.

First I would like to state, that I don't like the word refugee crisis. The crisis or the crises are actually taking place in the countries mentioned above. For Europe it's not a crisis but a huge task. And not just for Europe, but it's a task worldwide. According to the UNHCR worldwide there are roughly 60 million people, who are currently refugees or migrants. So, in defining neighboring countries of the EU, I thought we should apply a more broader definition of "neighboring countries". The neighboring continent of Europe is Africa and due to several developments, not just the refugee issue, but also for instance with regard to the Brexit, that means Britain's intended departure from the European Union, Africa is more and more getting into the focus on the European Union.

Only three or four weeks ago, Jean-Claude Juncker, the president of the European Commission, in his speech on the state of the Union in quite some length and detail talked about Africa and proposed a new partnership with Africa, in particular also mentioning the African Union. Specifically he talked about the necessity to leave the traditional approach of developed countries towards Africa, that means the approach of just providing foreign aid to the countries for local development behind, and create a new, much more deeper, much more intense partnership with Africa, and establish a free-trade agreement with the whole region. So, he proposed a close cooperation between the African Union and the European Union, a free-trade agreement covering the whole region of Africa and fostering large scale investments into Africa, not foreign aid but investments. Against the background of these developments, it was the intention to organize a workshop on the

relation between the EU and Africa. And I would like to thank Professor Otchia for his tremendous work he put into organizing this workshop, because he approached and gathered the experts, mainly from the Nagoya region, who will speak to us today. In fact I also asked Prof. Otchia for a presentation, but due to time constraints he will act as the main commentator of this workshop. So Prof. Otchia, I think, will now introduce to you the first presenter.

【Otchia】

Thank you very much, it's a really great opportunity for us to be here and for this workshop, it's about EU and Africa. But when we thought to get a very good insight about the issues, we should have kind of sort of a variety of speakers. So, our first speaker is from Uganda in Africa and he's going to give us... sorry, so the first speaker is from Japan, Dr. Takahiro Yamada. And we thought to start from a Japanese perspective because now there is a huge relation between Africa and Europe, but we need to have a view from outsiders, and I thought having a presenter from Japan would be very good to address the Japanese audience about kind of what idea or what perspective some Japanese have from Africa but using a Japanese scholar. So, Dr. Takahiro, he graduated from Nagoya University and he's now an economist at the Ministry of Finance in Japan. And his expertise is in the area of the triangle between economic growth, distribution and poverty and also sovereign credit risk analysis with many academic publications in peer-reviewed journals such as Economy Bulletin, JICA, Sovereign Credit Risk Assessment Reports among others. So, we'd be very glad to have him here because he has almost five years of experience, I mean professional experience in development economic area. And he has also visited many countries, not only in Africa but in Asia, so he can really give us a good perspective of what we need to understand about the current situation in Africa. So, Dr. Takahiro Yamada.

【Yamada】

Thank you very much for your introduction. Thank you very much for coming today's workshop. Again, I'm Takahiro Yamada, a Japanese national and working at Ministry of Finance Japan as an economist. And today, as Professor Otchia explained to me, I would like to provide some information and perspectives about Africa from a view of Japanese national. The title of my presentation is EU and Africa from the perspective of African development. The views expressed in today's presentation are those of the presenter and do not necessarily represent the views of the affiliations the presenter belong to. First, I would like to provide some introductory parts about myself then go to the explanations about the current situation in the world which is, where we are standing on. Then I will provide some

perspectives — where we are heading to, and moving to.

Who am I? So, this is a photo I took with Professor Otchia at my affiliation, Ministry of Finance Japan. In Japanese my affiliation is — 財務省財務総合政策研究所 — and I'm working for Policy Research Institute, Ministry of Finance as an economist. While the topic today is about the EU and Africa, my experience on EU is limited. For my business, I have visited some European countries and places — European Bank for Reconstruction and Development in London, UK; Warsaw School of Economics, Poland and University of Gottingen, Germany. And for the private activity, I have been to the southern part of France, from Nice to Avignon, this is just for private touring.

And now I would like to go to the explanation about Africa and probably for Japanese, people do not have an experience visiting Africa as it is very far from here geographically. I would say the number of people here today is 20 persons, maybe 10% is from Africa. But in Japan, we do not have frequent interactions with African people and African cultures. That's why I would like to provide some information about Africa in an introductory part. This is the satellite images which is taken from the satellite in the universe, and you can distinguish the continent and the shape of continent. On the right-hand side, Japan is located which is very much intensely lightening. However, when you go to the central part, you can probably easily distinguish the location of Africa and you can also easily distinguish the location of Europe. This is a bit magnified picture. Now, economists including me are using these types of night light images for the analysis of GDP, economic activity and so forth. You would find the light intensity is less in Africa, meaning economic development is still underdeveloped compared to other continents including EU and Japan and many other places. When it comes to culture and society, Africa is very much outstanding and beautiful. And you can find this picture, and I extracted this picture from — 外務省の「日本とアフリカ」。

Watermelon is originally from Africa and also a beautiful flower, Gerbera, is also from Africa. And Africa is rich in natural resources, rare metal, and also octopuses exported notably from Morocco, and sesame and okura are also from Africa. On the ground, maybe you can find many interactions with Africa. About the number of Japanese people living in Africa, Nigeria is largest, 2,700, the Ghana is the second, around 2,000, and Egypt is the third, 1,800. And if it comes to the number of countries, Africa consists of 54 nations. About the population which consists around 50% — 12 億 1340 万人. This is a kind of overview of Africa in the world. And while the picture is a bit small, maybe you heard about the natural

resources of Africa and the Japanese economy is very much stimulated by African mineral resources.

Here, the pink color describes — 石油埋蔵国世界 top 20 — meaning oil, in the top 20 oil production country. And this green is natural gas, top 20. And this blue is mineral, top 10. And there are many countries in Africa who are ranked in the top 20 and the top 10. You can find how Africa is rich in its mineral resources, oil and natural gas. Not only for the resources but also Africa is very much growing in terms of population. This is 2010, this is 2100, a projection. And in Asia the number of people are around 40 millions — 40 億人の人々が 2010 年にいます。

From now I'd like to explain places we are standing now in the world. So, this is the graph of poverty rate in the world. And on the horizontal axis, you will find time from 1990 to 2015. And on the vertical axis on the left-hand side, you'll find poverty rate 0% to 50%. And on the right-hand side, this is the number of people, population. While in 1990, just around 30 years ago in the world more than 45%, almost half of the people... sorry, around 40% percent are recognized as poor, measured by 1.9 international purchasing power parity dollars a day.

About the people who live less than \$2 a day in the world, they're 40% of the population in the world, while the number of poor people is decreasing. At least in 2015, the number of poor people is 10% in the world. Given this situation, the world community including Japan is committed to the achievement of Sustainable Development Goals. I picked three goals from Sustainable Development Goals, SDG 2, SDG 3 and 4. SDG 2 aims at eradicating hunger and achieving food security, improved nutrition and promote sustainable agriculture. SDG 3, this is about health issue, this goal aim at ensuring healthy lives and promote wellbeing for all at all ages. And SDG 4, this ensure increased equitable quality education that promote the lifelong learning opportunity for all... and while just the description is not good enough but maybe it's easier to imagine what is the real situation. This one, world hunger is on the rise again. So, this is very tragic and difficult situation to accept, meaning 850 million people are under-unrationed. — 栄養状態が非常に悪い人がこれだけいるということです。

The world still has big hunger and the situation is getting worse. About birth and health, birth is attended by skilled health personnel, which is increasing globally. In Japan, you can easily access quality health services. However, in the world, the situation is not the

same. In 2005, it was 62% but now the situation get worse, up to 80%. And about SDG 4, more than half of children and adolescents are not achieving minimum proficiency in reading and mathematics. — 読み書きができない子供がまだ 58%いるということです。

Probably this situation cannot be imaginable for the people living in Japan, but in the world, this is the reality. And more additional explanation about the world, about the SDG 2, stunting, wasting and overweight still affected millions of children under age five in 2017. And SDG 4, about more trained teacher are needed for quality education... the number of teachers who have enough educational experiences and who have opportunity to providing education activity for children are not enough. The world is trying to improve the situation from this point. And based on the academic definition, these types of undesirable situations can be called as poverty, if poverty is defined as pronounced deprivation in wellbeing. Wellbeing is a command over commodities in general, so the poor doesn't have enough income or expenditure defined by some thresholds below — 簡単に言えば、最低限の生活を達成するために必要な所得とか、消費水準にない人たちが非常にいるということで、そういった状況を解決しようとして世界が動いているということが、現在国際社会のなかで決められているということです。

This is the figure of income and the expenditure situation in the world — red is regarded as high income: US, Canada, etcetera, and Chile in southern part of America. However, some countries in American continent are poor, like Bolivia and the central part of Africa, like Guatemala, El Salvador, Honduras, Nicaragua and Haiti. When I was working for Japanese government JICA, I have been to Honduras and El Salvador, but these countries are recognized as very high incidents of crime and homicide rate, world top three levels.

But when it comes to the other parts of the world, maybe you can easily find the areas with blue color and light blue color increased a lot, which is concentrating in African continent and South Asia and some parts of Asia Pacific region. But you can easily find the serious situation colored by dark blue that is concentrating in Africa still now. That's why development activity and world commitment should heavily put on Africa based on this fact. And now, I will show you some very short movie which is created by the World Bank. This is people living in extreme poverty. This is the extreme poverty in 1990, and you can even find big portion is taken by China, India, Indonesia and Vietnam. This is Asia, and this is South Asia. You can even track the chronological changes. The share is decreasing in some areas in Asia, especially China. In 2013, while the portion of Asia decreased a lot, however, the portion of Africa increased — meaning extreme poor is increased in Africa. This is the

situation we are now facing.

Given these facts and situation we observed, what should we do? And, where are we heading to? As I previously explained, now world is moving to the achievement of Sustainable Development Goals. SDG 1 is no poverty, SDG 2 is zero hunger, SDG 3 is good health and wellbeing, SDG 4 is quality education, etcetera. So, based on these global goals, including Japan, the United Nations and the 193 member countries are aiming to achieve this goal, trying to improve the situation. Next question is how to reduce poverty and how to improve the situation in the world? This is the function, 関数, 一次関数 and economists try to describe the situation by figures.

This is the poverty change, and the poverty change can be explained by economic growth, and (re)distribution 再分配政策. For example, Ministry of Finance collects tax payments from the citizens in the country, and the Ministry of Finance distribute the collected tax payments to the country in a rough explanation. Poverty can be influenced and explained by these two components in aggregated level. Now, I define poverty as a monetary term and then poverty is measured by income and expenditure. If you draw income and expenditure of people, you can draw this type of graph 所得がほとんどない人の数、縦が人の数になっています。お金を持っている人というのは非常に少ないんですけど、同様に低所得の人もかなり少ないということです。

The middle class has big proportion in this graph. How to reduce poverty? If we can shift this graph to the right, many people will get out of poverty from low income level to higher income level. This right side of the shape is achieved by economic growth. This shape change can be regarded as a distributional effect. I mean, if the government collects tax and distribute it to relatively poor people, the distribution of this diagram will change. Again, this is a function of poverty change and economists estimate the countries' poverty reduction and analyze the mechanism of the poverty reduction in the relationships with economic growth and distribution.

If you take classes about macroeconomics, you can easily understand this decomposition of economic outputs; the agricultural sector output, the industrial sector output and the service sector output will act as components of economic growth. In order to increase growth, then reduce poverty reduction, you need to increase output of each sector, but how? This is the share of GDP in Africa, Saharan Africa for example. Agriculture composes relatively higher proportion compared to the world average. In the world, the share of agriculture is relatively small while the service and industrial sectors are big. Therefore, in

Africa, I suppose that there's still spaces to improve the continent to industrialize. If it were materialized, economic growth would accelerate, then finally poverty reduction can be achieved to some extent.

In the world, when we look back the history, the world has developed based on the industrialization. This is extracted by "Liu et al" (2018). A systematic development method for cyber-physical machine tools. In 1775, around 300 years ago, there were machines, but they were manually operated. After that steam power was invented and this enabled the mass production of the country and the world, which accelerated the industrialization using electricity. Now, we are facing different stages of industrialization. However, when it comes to the cases of Africa or South Asia, still, we have a space of industrialization. Related to this, the number of employments in agricultural sector is still high and people can shift their works from agriculture to other non-agricultural sectors. While I explained the some challenges in Africa maybe other presenters would explain the positive aspects of African development.

To conclude, what I would like to stress is the world community aims at eradicating poverty. This is the world goal. And industrialization is crucial for poverty reduction by job creation. Toward poverty reductions through industrialization, what do we need? This is an open question, there are many types of options in fact. However, one powerful way should be industrialization. And we'd like to talk deeply about this point in today's workshop. Thank you very much for your attention.

【Bungsche】

山田先生、ありがとうございました。

日本語のほうが質問をしやすいと思いますが、皆さんからご質問はありますでしょうか。

【Attendee】

低賃金というワードが多かったと思うんですけども、具体的にどういう仕事が多いんですか。

【Yamada】

国によってもかなり違いますし、アフリカといっても比較的発展しているところがあるので、一概には言えないんですけども、農業とか一次産業に従事する人の数が非常に多いということになっています。

最後のほうで見た、この図にもあらわれているんですけども、SSA というのがサブサハラ・アフリカというもので、北アフリカを除くアフリカのことをいうんですが、これで見ると

おり、まだ農業部門で働いている方が世界に比べて非常に多いということです。

経済成長が進展していくにつれて農業部門のシェアが下がってくる現状がありますが、2017年時点でもアフリカの雇用とか仕事というのは、農業部門に偏っているということになります。

【Attendee】

オイルとか石油関係の仕事というのは、現地の人ではなくて、資本の会社の人ということですか。

【Yamada】

それは非常に重要なポイントで、仕事を区分するときに、労働集約型の仕事と資本集約型、要は *labor intensive* とか *capital intensive* の仕事という形で区分することができまして、石油とか *mining* といった分野の仕事は、雇用を吸収する力が、労働集約型の仕事に比べると小さいということがあります。

例えば国レベルで見たときに、石油がとれるとか、鉱物がかなり埋まっています、それが生産につながるがあったとしても、国レベルで見れば産出が増えて経済が豊かになるんですが、それが配分に回っていくか、国の人々、個人の所得につながるかといったら、そうではないと。ですから、少し前のスライドでも説明しましたがけれども、人々の所得とか生活の状況を向上させるときに、国レベルでの石油だとか *mining* を通した経済成長があったとしても、それが必ずしも *poverty reduction* につながっていない。再分配のところとか、売上というか、国が稼いでいるものがどういった形で分配されていくかということにも目を向けないといけないということです。

【Attendee】

ありがとうございます。

【Attendee】

お話をありがとうございます。

僕から1点伺いたいですけれども、絶対的貧困の人が *1.9 international dollar* とお聞きしたんですけれども、もともとは *1.25dollar* だと僕は思っているんです。それが変わったことによって貧困の数が変わったのかということをご存じであれば、お聞きしたいと思います。

【Yamada】

ご質問ありがとうございます。

Purchasing power parity と貧困線の変化によって、貧困の人数は変わります。今、出ますのでお見せしますと、世界銀行が出している *PovcalNet* というものがありまして、ここに細かい定義が書いてあるんですが、最新のものが *1.9*、その前に *1.25* というものもあるんですが、*1.5*

に設定されている場合もあります。

何で、こうやって変わるかと言いますと、購買力平価を **Purchasing power parity** を考えるときに何が重要かという、いろいろな国での物の値段がわからないといけない。いろいろな国の物の値段がわかって、その値段の違いによって所得とか消費を計算したところ、ほかの国とどれくらい所得とか消費が違うのかがわかる。

物の値段がどういう状況になっているかを毎年とか、頻繁に調べられればいいんですが、莫大なお金がかかりますので、頻繁にはできないということが前提にあります。

一言で言えば購買力平価が変わる都度、貧困線の設定も変わっていきますので、貧困層の人数もかなり変わるという答えになります。

【Attendee】

ありがとうございます。

【Attendee】

思ったのは、SDGs を目標にしている例があって、MDGs というのは、世界の貧困をなくすということがあったりするじゃないですか。その目標もさまざまに影響されてしまっていると思うんですけども。

【Yamada】

影響されます。MDGs のときは、貧困の撲滅とまでは言っていなかったんですけども、今 SDGs で目標としているものは、2030 年までに撲滅するということです。

それも、世界中のすべての人間の消費とか所得の状況を調べることはできませんので、テクニカルな話になりますけれども、ランダムに調査家計を選んで、それによって全体の状況を統計的に推計するという方法をとっています。

ただ、それは推定になりますので、分析の前提とか制約が出てきます。ですから、100%こうだということは言えないんですけども、2030 年までに、かなり多くの人口が **poverty** から抜け出る形にすることができるのではないかという議論が発端にあって、では、2030 年の目標は貧困の撲滅にしようということが世界で決まったということなんです。

おっしゃったとおり、貧困の状況というのは 2011 年の購買力平価に書かれていて、これは 1990 年の状況です。ですから、ここが変われば状況が変わる可能性もありますので、それは直視しないといけないんですが、全体のトレンドとして下がってきているということは、世界中の経済学者が納得しているところです。

ただし、どれくらい正確にやれているかというのは技術的な問題になりますので、これからも議論が深まる必要がありますけれども、基本的には下がっている。今、世界はゼロにするところへ向いているということになります。

【Attendee】

ありがとうございます。

【Bungsche】

一応、比較するためですけども、先ほど、農業で働いている人、そして、農業の地域での割合があげられていましたけれども、アフリカでは只今 69% ぐらいの労働者が農業で働いているということです。

比較として、日本では何% ぐらいだと思いますか。日本では、農業に占めている雇用の割合は僅かな 3% ぐらいですね。そして、GDP に占める農業の割合はより低くて、僅かな 1.7% です。ということは、この数字から先進国の日本とアフリカの発展格差がどんなに大きいであるかということが良くわかりますね。

そして、EU と比較すると、EU の農業の割合は日本の割合より少し大きいです。なぜかという、2004 年以降に EU に加盟した中東欧諸国、つまりポーランド、ハンガリーなどの国々での農業の割合はまだ比較的に大きいですけども、EU の全経済に占める農業の割合はほぼ 3% ぐらいだと思います。

では発展の格差に関して質問があります。サブサハラ・アフリカの 1 人当たりの GDP を見ますと、ほぼ新興国と思われるインドのレベルと同様ですが、しかしサブサハラ・アフリカ諸国はインドと違って新興国つまり将来の経済大国ではなく今のように発展途上国とみられている。なぜ、インドとアフリカの発展可能性に関してそんな大きな格差があるのでしょうか。これはまずわたくしの第一目の質問です。

【Yamada】

まず、このデータがどこから来ているかという、衛星から世界の地表のデータをとったものです。

夜の光のデータが経済活動をあらわす指標として使えることがわかってきたんですが、こうやって見ますと、インドは面積は小さいけれども、かなり多くの人がいる。その一方、アフリカの面積は広大ですけども、人口を面積で割ると、インドと比べて人口の過密度は低い。それが一つの理由なのではないかと思います。

ただ、Poverty の面で見ますと、インドも非常に多くの poor がいまして、アフリカも同様ですけども、この光り具合で見ると、なぜここまで大きな差が出ているのかというところは、研究者でも十分にわかっていないところですので、分析をして、結果が出ると論文になると思います。

【Bungsche】

もう一つの質問、後でほかの方からご質問があるかもしれませんが、山田先生のプレゼ

ンテーションには非常に印象的なスライドがありました。このスライドは中国の貧困に関するスライドであり、つまり 1990 年と 2013 年の間に中国は貧困の減少に非常に成功しましたが、なぜ中国で成功して、なぜアフリカは成功しないのでしょうか。

【Yamada】

ここにベトナムが書いてあるんですが、ベトナムも中国と同様にかなり貧困の削減に成功した国で、私はベトナムとなじみが深いので、ベトナムはなぜ貧困の削減に成功したのかについて分析してきました。中国の例は自分自身で分析していないので、言えないところがあるんですが、ベトナムを事例にとって説明すると、こちらの地図を見ればわかるんですが、東アジアというのは製造業がかなり発展しています。製造業がなぜ貧困の削減に役立つかという、技術を持たない人々でも簡単に参入できて、仕事ができる。それでお金を稼いで自分たちの生活水準が向上するということです。

アジアの場合は、日本とか韓国、台湾が製造業をうまくやる、生産ネットワークをつくる仕組みができたわけで、日本、韓国、台湾の賃金も上がってきたので、民間企業が戦略としてどうすべきかと考えたとき、海外に生産拠点を移しました。それがこのあたりから中国に広がって、ベトナムも同様、タイも同様だと。

そこの生産拠点で大規模に人を雇って物をつくりますので、技術とか教育水準が高くない方でもそういった産業に参入できて、生活水準が向上した。つまり、poverty reduction につながったという経路が一つとされています。

一方でヨーロッパの国々も、投資とか、それぞれの生産拠点をアフリカに移すことも見られるんですけども、それはアジアよりもうまいってない状況があるかと思います。私は EU とアフリカの製造業のエキスパートではありませんけれども、おそらく、それが一つの要因だろうと思います。

また、日本企業がアフリカへ行きたがらない一つの理由として、まだ紛争があるとか、SDGs のさまざまなインディケータでも見ましたが、ここは health と education、あと income に関わるどころしか見ていませんが、教育水準が問題であったり、健康状態がままならない状況があるので、製造拠点を移したとしても、そこで健康に働ける人を確保するのが難しいということが問題になって、企業の参入も進まないところがアフリカではあるかなと思います。

【Bungsche】

ありがとうございました。

特に印象的だったのは、地域的な発展から見ると、日本は 1970 年代からはじめのアジアの国として世界の産業発展をリードしている国となりましたので、80 年代以降韓国、中国、ベトナムなどの東アジアまたは東南アジア諸国も発展し始めました。EU とも違っていると思いますが、そういうリードする国がアフリカでは、まだないということですね。

【Yamada】

Otchia 先生が今日とは別のワークショップとかセミナーでもコメントをするんですが、実は、アフリカでもうまくいっている国が幾つかあるんです。例えばエチオピアとか、ガーナでもうまくやろうという取り組みもあります。要は、製造業とか産業化の面で、靴をつくる産業が広がってしまして、それがうまくいくかもしれないと言われているのは、日本のカイゼンというシステムを導入しようとしているということがあります。

カイゼンというのはトヨタが体系的につくったシステムですけれども、生産効率を高めるシステムの導入によって製造業がうまくいったというケースがエチオピアで見られている。そういう事例がこれからも増えていけば、国として発展して、それが工業化につながる。そういう産業で働く人の人口が増えれば poverty reduction につながるというストーリーが見られると思います。

【Bungsche】

Maybe also Otchia-sensei has some comments?

【Otchia】

Actually, I think everything was well-said, and probably one more important thing I'd like to add is that if you compare over the last 20 years, I think many African countries have made tremendous progress. So, if you think about basic education for example, I think around Africa we have seen a lot of progress. And when you see, say education, you see many progress, and as I think Dr. Yamada said, now because for investors to come into a country I think education is very important because they have to find worker who can do things. And recently we have made people who can do things so we're having a lot of investments coming to Africa, of course China is one bringing investment, but we have also Japanese, especially the kaizen who are coming to Africa. So, if you go around Africa, like in Ethiopia, you go in Rwanda, Ghana, you see a lot of progress. And somehow it also depends on political leadership. And I think in Africa political leadership is very important and I think if you think about China for example, Deng Xiaoping was one of the political leaders who really, I think Dr. Ali may tell us more about the Asian experience, but what is happening in Africa is that some political leader have commitments to push development, and that's what is happening now in a few countries in Africa, that leadership is becoming very, very important. So, one of the constraints in Africa is of course conflict because fragility and conflict has been one of the many constraints in African development. But I think political leadership seems to be a key for the development of Africa.

【Bungsche】

Okay, thank you very much.

【Yamada】

ありがとうございました。

【Otchia】

So moving on to the next presenter, and it's Dr. Ssali.

Now, I think Dr. Ssali is from Uganda and he's a lecturer at the Department of English Language and Culture at Aichi Gakuin University. And he also served as the president of the Japan Society of Afrasian Studies, which means African and Asian studies. He obtained his PhD in global society studies from Doshisha University. And what Dr. Ssali is going to bring in this discussion is the perspective of Uganda. And we said that in Africa, probably there are some countries that are doing good, some countries are doing not good, there are other countries who are doing very bad. So, we want to go from the global perspective that Dr. Yamada brought to a very country specific so that we can see how the differences are, basically can be seen between countries. And he's going to bring a perspective of aid because in the discourse of African development I think aid has been the most important impediment for development.

And now we're talking about investment but traditionally, aid has been, I would say, one of the driver of economic growth and development. Of course, this can be discussed, but I think when we talk about development, especially in terms of cooperation, then I think aid is the only thing that comes into our mind. So, we give the floor to Dr. Ssali to sort of give us a perspective of a very local case so that we can understand how the relation between aid and local development can be seen from a Ugandan perspective.

【Ssali】

Thank you very much Christian, for your kind introduction. And, as I have been introduced, I'm originally from Uganda and today I'm going to talk about poverty, aid, corruption and African migration to Europe. And as I was listening to the first speaker and then the questions that followed, I was kind of excited because we didn't have the chance to coordinate our presentations, but somehow, we are connected because I got the hope that I can give some answers to some of the questions that came at the end of the first speech. And I have to apologize, I am a very proud Ugandan but I'm going to give a very negative image of my country, directly connected to what Christian was saying at the end of his answer to the question, that some countries in Africa are actually doing very well. And I

agree with the names that have been mentioned. Uganda is not one of them in terms of really focused development and a good use of not only the aid we get from countries including Japan, well Japanese aid I think is put to good use because there's a system of monitoring it. It's given by Japan, monitored by Japan, by JICA, for example.

So, I think in that aspect we have good... but a lot of aid, as I'm going to show like from the EU, I focus on the EU because there's aid from the USAID, from other organizations. And besides the aid, there's a lot of tax income from us, Ugandans, be it income tax or graduated tax. There's a lot of tax that is collected but is put to misuse. So that's why I apologize that I'm going to give a very negative image of my own country, which I love very much and it's very beautiful country, but it's on purpose to answer that question that why are some countries are lagging behind and others are really doing very well. Rwanda, our neighbor, they had a genocide in 1994, and the people who stopped the genocide, maybe 90% of them were from the Ugandan army because they grew up in Uganda as refugees and they went back and liberated Rwanda. And they're now in power. And if you go to Rwanda, you don't need to be told, you can just see that they're really moving forward, and all the other countries that have been mentioned. Right, so this title, like the vicious cycle, in Japanese you call that — 悪循環 — vicious cycle. You have the poverty which has been brought about by many things, wars, our struggle from independence to the new governments. That's a different topic. It can take a whole different discuss and the history of conflict. But at some time after the '90s we came out of the political conflicts and the wars mainly and we had chances to develop. But the poverty is still going on as we have seen the figures from other presenters.

And you can see that we get aid, but aid in Africa, and that's the difference between Africa and Asia, the aid is not transformed into, for example, an industrial base that can create jobs and sustenance for the common people. So that's the problem. And the reasons mainly are, we call them patronage, clientelism, corruption. The other two words are a little bit big, but I'll explain them later. But just remember the word corruption and the taking of bribes as part of policy implementation and part of the daily administration in local and national offices. Corruption, that's the big disease that is eating Uganda and some other African countries. So, what happens is that the resources including the aid that comes in is drained by a few individuals, very few individuals, so that you have a cross section of people like in Uganda, who are extremely wealthy. They can take their children to foreign schools, foreign hospitals almost on private jets. And then you have very little, very poor people that have been mentioned with the low income who live under, is it 1.9? Sometimes some people

say \$1. I heard the discussion in Japanese and I don't know if I got it perfectly. But even if you say \$2, because here we buy a bottle of water for \$2 so that's... so that's the low income, people are really poor. So, you have big, big income inequality. And then the poverty at the grassroots just explodes, and so people want to escape from that but sometimes they're so suppressed by the political systems they have nowhere to go. And the only route they could have is to risk life on the boats to go to Europe and other places. So that's the connection.

So, the aid comes from Europe, a lot of it comes from Europe, it's misused and the majority of people are not benefiting from it, so they want to escape. So, you have heard of these stories of the migration from Africa and other areas to Europe. That could be one of the reasons. So, there's this vicious circle and the story of the EU cooperation with Africa is the story of aid. And the problem of African refugees who risk their life to reach Europe is also a story of part of that vicious circle. There's a constant sense among many observers that the rapid economic growth Africa has enjoyed in the last two decades has actually not produced enough structural change. So, structural change here is the keyword. If you don't have structural change then you cannot affect job creation and poverty reaction. So, this has resulted in continued dependence. In many proverbs, or at least in our language we say, if you want to save a man from poverty give them a net to fish, don't give them a fish, give them a net, teach them to fish. So, our governments are not doing that.

And this is a management that has been going on for many decades. For the professors here, I think they've all heard about Dambisa Moyo, she's a famous African scholar and she had a very controversial book. At that time, it was controversial, but now we know she was true. And she said that the aid given to Africa is not working. The billions of dollars in aid have been hampered, stifled and have actually retarded our development. The aid does not help Africa to develop but makes it worse. That's what she said. And many people thought she was crazy but actually she was right because of the vicious circle I'm talking about here. So as the previous speakers and the answers to the question said, actually some parts of Africa are doing very, very well. As a region, look at these figures of development. I don't know the figure of development for Japan now, what is the figure? What percentage? Is it five?

【Otchia】

Economic growth?

【Ssali】

Growth.

【Otchia】

Less than two.

【Ssali】

Less than two. So, you have countries actually who have seven, six, more than five figures, development, economic growth here in Africa. But others are not developing, benefiting from that because despite the growth, as these scholars said, Africa's structure of production employment today is largely similar to that of 20 years ago. It hasn't changed. So, you can see the figures of development. When you look strictly down to the lower levels, we haven't changed that much. This contrasts sharply with Asia, again, the next speaker I think will talk about what Africa can learn from Asia and I think that's another thing probably, I hope we share where major changes in economic structures have accompanied growth and poverty reduction. So, the scholar I talked about, Dambisa Moyo, this is what she said, that billions of dollars in aid have hampered, stifled and retarded Africa's development. It hasn't helped it. However, the aid is flowing, the aid is coming in, it has been coming and it continues coming. And in the case of Uganda for example, the EU gives aid in five-year cycles. And in the cycle between 2008 and '13, they gave Uganda for example, 479, almost €500 million. This money translated to Uganda money is a lot of money because of the cost of living and stuff like that. And it could do a lot of things. And the EU also specifies areas that require money. For example, this time it was about transport infrastructure, road development, microeconomic support and so on.

The current cycle also, this amount of money, almost €600 million, 578, again to focus on transportation because as you have been told, the biggest majority of our people are in agriculture. But sometimes the roads are so terrible, they can't transport their products. So, I think that's a very... everyone knows that's obvious. And I have had many friends from Japan who go to Uganda and they come back and say, if only you can have better roads, things would move faster. If only you had trains, for example, Uganda would be in a better shape. We don't have good roads, we don't have. And we could. I'm going to show you why we don't have them. But so, the money is coming in plus the tax base and from other donors too. That's just from the EU in these two cycles. The other donors, the World Bank also gives donations and grants and loans. UK Department for International Development also gives money. The others, USAID, Japan, we get a lot of money through the ODA. And the problem is corruption as I said, as I apologized, I'm going to give a very negative picture of

my country. The problem is corruption. There are many scandals in the road construction business in Uganda.

The best example is the Kampala northern bypass. If you have been to Uganda to Kampala, you would see we have a northern bypass there, a system that was supposed to be the biggest transition for Uganda to modern road construction. It was intended to relieve the current severe traffic congestion in Kampala city and also to serve as part of the wide program to reduce the transportation constraints along the northern corridor for both national and regional transportation. Because as you know, Uganda is landlocked and other countries like Rwanda, the eastern Congo is almost another country altogether, they're also landlocked and Burundi and the eastern part of Tanzania. They all could benefit from the route from Mombasa through Uganda. So that was part of the reason to take that route from the center of Kampala to build the northern bypass. So that's very important for the region and for the country itself.

But what happened is that when it was opened in 2009, it had 21 kilometers, it was funded by the EU and other donors. And 17.5 kilometers of that road had only single carriage way. In 2009, so if you build such an important project, you would expect to have two lanes going up and two lanes coming down. But it was only 3.5 kilometers that had two lanes, the 17, almost 18 kilometers had only one lane. At that time, we were excited, okay, we have a new road, this is modern. But then in 2014, they started the second phase. So, I also happened to go back to Uganda and I saw all this construction and people's houses being broken and said, what's going on? Yes, the Northern bypass is being widened. So that's about five years later. And they had to widen it to give it a two-carriage way. They had delays also and wrangles in doing that because people who had settled with the new highway, now they are being told to move away to make room for the new road. And it was estimated that in 2017, last year, that project was losing about 150 million shillings, that's about \$40,000 a day to widen. This is the small one. This is what it is now so they're trying to widen it. And so, losing \$40,000 a day, daily because the Portuguese contractor cannot continue to construct every day because there are many wrangles about compensation to the landlords. Move away. We are not moving. Move away. We moved five years ago, we are not moving anymore. So that kind of... and that kind of money was being just lost to compensate the contractor who had been contracted to build the road.

Now, that same amount of money could construct almost 10 complete classroom blocks for at least four rural schools that are struggling. We have universal primary education system

in Uganda, but mainly schools are struggling because they don't have buildings, the students sit in leaking buildings. Some of them study outside the building, outside under trees for example, they don't have books, they don't have... so that kind of money is... so the planning, the corruption, which we have talked about at the beginning. That's one of the reasons that is keeping some African countries behind and is putting aid money to a loss. To give you an example, in 2014 I took a group of Japanese retirees, about four or five of them, I teach them in Nagoya, they learn English, but they say they want to use Africa as the topic, so their class is called - アフリカと英会話, for them the 英会話 is to talk about Africa, they are interested. And one day they told me, because we learn a lot of things, you bring out images, written stories; they also look at the Internet and find stories. And some day they came to class and said, "If we had 50 万円, that's about \$5,000 at that time, what can we do to help with education in Uganda?" I said, "I think you can do a lot, you can repair buildings at the... school with bad buildings, you can even build a new block" I said with 50 万 you can build and said, yes and so we want go sightseeing, but also we want to give a donation, so take us. So, I went with them, we did sightseeing and they went to... I took them to my village, because charity begins at home, so I brought them to my own village, because I know there's a school there with very bad buildings and they... with 50 万円 they built this building for the rural school.

Why am I bringing this? Because I've told you about 150 million Ugandan Shillings lost in compensation to contractual company because the planning is bad. And a road being widened after five years, a modern road constructed and five years later, I know that money is aid money, so it's being misused. The donors may be don't know the details, but the local people in Uganda... when I talk to my cousins and my sisters and friends, they know the reason why there's that kind of mess. They know... they're almost convinced, they don't have proof or data, but they know that in the first place the road, that highway, the bypass was supposed to be two lanes going, two lanes coming back, but they constructed one lane, so the money for the other lanes was pocketed by the officers in charge of the project and corrupt officials, as we said. Why are the citizens so skeptical? Because they have seen worse things taking place in terms of corruption with money donated from the EU and other donors. For example, I looked around and there's a record of scandals... by the way in terms of schools, yes you can see the difference here. So these schools... I always think if for example we get a loan from the EU or from the UK, from Japan and if this money went in good hands, so this kind of project would transform all these schools, because you have a lot of schools like this, they're broken down, the roots... they don't have the hope in two years, five years to get even. Because building... and I'm talking about

buildings, this is the basic stuff with a rural school, for any school for example, you have to have building first and then you think about libraries and good classrooms, comfortable classrooms. These are also schools, these are also in Uganda; this is Uganda also.

And there are many other areas in Africa I know, if you went to Internet you could find, if you put rural school in Senegal, probably they have the same problems maybe or in the Congo or somewhere in Tanzania. But you would think these are easily solvable problems if the money was put to good use. So, the problem of leadership, corruption and patronage... there have been bigger scandals, so the people know that if there is money to make a new road, someone is benefiting from that. It has become a kind of a culture in some of our countries. And for example, this is a bad example, really not bad in my presentation, but bad in terms of morality that, it happened in 2008. The \$10 million in Uganda, again anywhere in the world is a lot of money, in Uganda that's a lot and a lot of money 25 billion shillings at that time, maybe even more at today's rate. This money went missing and it was meant for Malaria and TB, tuberculosis programs. So, we are talking about diseases that affect little children, but for that amount of money to be diverted to private use, that's a big, big scandal and big problem.

In 2007, Uganda hosted the Commonwealth Conference of leaders and again 200 million dollars at that time about 133... no 500 billion shillings at that time \$200 million was also kind of used in irregular procurements, so that was also a big scandal. So, the people, local people know but they can't do anything about this, because these acts of corruption are defended by the leadership. So, the last speaker talked about the problem of leadership and that's exactly what is happening. And so, the bigger word that I showed before 'patronage' that's exactly what it means. So, patronage and clientelism, these are big problems; these are the mothers of corruption. But here we talk about officially protected corruption, because if corruption is done by one man, by bad individual in an office, they can be arrested and put to court and maybe things get better. But if corruption is officially sponsored by the government, by the people in power, that's a big disease in the country. So, patronage here influences the setting-up and running of government itself, in effect institutions try to create or to align themselves in a vertical linkage to the top. If you have the president like in Uganda, we have a president, he's at the top and most of the institutions are in line from him down. So, appointments for leadership, appointments for managing these kinds of projects that I've given as an example are done with the purpose of protecting and supporting the people in power.

So, it's not like you went to Nagoya university, you went to Kansas University, you graduated, you have a PhD, you qualify for this job, please do it, no. It's like, who do you know? That kind of connection and if you get the job, then you have to work yourself to protect the one who put you in the job. That's what they call patronage in public policy and it's a big disease, official sponsorship of corruption. So, there's no speculation, like in Uganda and I guess some other countries in Africa and in the world who are hampered by corruption. Ministers and other officers are appointed to reward their areas for example for voting for the people in power. If you vote... if you give enough votes to the party, to the president at the election, then your area must get a minister or someone up in the government to benefit from the government you put in a power, that's how politics goes. So as a result, you have to have many ministers therefore to satisfy your political base.

I'll give an example, in Uganda, because of this connection. We had 33 cabinet ministers and ministers of defense... sorry, state, combined in 1986 is the year when the current government came to power by the way, after a war, they fought the civil war and they came as liberators, we were very happy. I was a schoolboy and we were very happy, dancing, because we in fact two years, we haven't changed the government. Now Uganda has in 2018, 31 cabinet ministers and 49 ministers of state, so we have 80 in total. Why? Do we need them? We don't, but they have to be appointed to please them and to please the people in their areas because they are voting for the government. So, the government will stay in power for a long time and that's the patronage system and how it works. Uganda is only 40 million people or so and we have a total of 80 ministers. Japan as you know 127 million people, the last time I checked just under 20 ministers, I think, and ministers of state and vice parliamentary ministers combined, under 20. So, there's no logic that Uganda needs 80 ministers. China, 1.3 billion people, has 26 men and women at cabinet level departments. So, the parliament also is oversized, in 1986, we had a very effective parliament, composed of 38, 38 人, now we have 426 legislators, why in 30 years have we gone up? Because the argument is, the more you break up the constituencies, the more easily you can bring services to the people. But that's the lie, because for 33 years we haven't moved from that type of school I showed you and hospitals and other services have not become better. So, there have also been a lot of decentralization, the districts themselves and of course they're connected with a number of parliamentarians. The Americans call it gerrymandering I think, they do it for another purpose, in our case gerrymandering is done for the purpose of strengthening the patronage system.

Again, in 1986 we had 33 districts, administrative districts; like in Japan you have the 都

道府県, 47. We had 33 and it was okay, very good; now we have 127. So, government has dramatically increased this number of districts to enhance the NRM patronage networks. That's obvious and that's what scholars and observers said, as Sasaoka & Nyang'oro and others. So, the effects are opposite, the services are not better, everywhere you see women lined up with their little kids, lining up for a whole day and they have to pay to see the doctor actually, but where do they get the money? From agriculture, which is, for which crops they are not really well paid, they can't transport their crops to the markets because the road system is not very good, so this is misrepresentation.

So, another big effect is youth unemployment. Uganda is exploding in terms of population, which I think is a good thing, that we have manpower, but then the manpower is not used very well. So, a lot of our youth and our education also is getting better in terms of people going to university and having a degree, but after that they don't have jobs, so youth unemployment is very, very high in Uganda as a result. So, by the way, again going back to the aid money and the misuse of money, if you have so many legislators – actually 293 of these parliamentarians are government-sponsored. So, they vote for the party in power for 32 years and they are famously known to have been paid off twice. In 2005, they were paid cash to amend the constitution and lift presidential term limits. I did apologize; I'll be very blunt about my own country, but that happens, so you pay parliamentarians, MPs give them money to change the constitution, to favor the men in power. And last year, they were paid again, but this was a lot more; I think about 100 times, 100% higher. This time they had to vote to remove the age limit at which you have to stop to be president from 75 and it passed, it was lifted.

But at the same time, there are many young men and women who have known only one president and one government for 32 years. So they are... and they see themselves with no future, the only future is to travel somewhere to Europe or in the Middle East and do some petty jobs and get some money, they can be even better off than staying in Uganda and other countries also that were even mentioned are the... some are infected by war, but Uganda doesn't have the war now, so people are really running away from poverty. So, but when I go back a lot of people... not a lot, but some people will say, "Can you take me to Japan?" And I say, "How can I take you to Japan? There's no way I can take you, it's not that easy." But I know where they are coming from; they're just looking for an escape route, as I showed my vicious circle; they're supposed to get all the help and aid that comes in to help them create jobs, make them happy in their own country, it's a beautiful country, but they want to run away to look for jobs. So maybe you have been wondering why, if you read

the stories about the EU and the problem... we shouldn't call it a problem, crisis of refugees, but yes, people moving to Europe. Why do they want to go there? But that's one of the reasons, they are kind of suppressed. So, when these things happen, there are a lot of youth, now the news making rounds in Uganda is of a very youthful member of parliament and actually he's a musician. This is the... yes, so if you're interested in music, if you go back, please go to YouTube and put Bobi Wine, Bobi Wine Uganda. The music is great, so he's a singer and he is 36, but he has known only one president. When the government came to power, he was four years old and he grew up in a place called Kamocha in the suburbs of Kampala. And it's... we call it the gutter, because it's very... it was a neglected part of the city, the suburb that is very — what do we call them — the slum area, that's where he grew up, but he worked his way, he went to university, Makerere University, got his degree and... but he had a passion for music and he's a great musician, his music is great.

And he grew up with all these young men and women who have no dreams, they're not cared for, no jobs are created for them and a few people are getting richer and richer and he said, I'm happy as a musician who is a millionaire, I guess, he says, out of music, but he said it's not about me, it's about young people like me. And he won a seat in parliament and he went to parliament last year and he speaks out every day saying almost the same things I have told you today. And he has had audiences at BBC, CNN and Al Jazeera. He goes everywhere, but he speaks like that, I think he apologized also, I love my country, but this is what is happening. So, he apologizes and says bad things that are happening, and he says “We want to liberate the younger people, give them a future by using the resources that come in, resources that we have.” Uganda also has a lot of natural resources, use them for the future of the country. Because Uganda is now 70% of... the population of Uganda, they say is under 30 years old, can you imagine? Seventy percent of the population of Uganda is under 30. And the people in power who are doing this thing, they are managing the roads, if you look at the cabinet picture, the minister of transport and road works, they are 70, 69 they are... and they say “Yes, we have the vision to lead the country” but some people say, “Where are you leading the country, to the grave?” Because these guys are going to the grave, basically and they are leading.

So, so this guy is saying, “No, the future is ours” and he has been beaten badly, by the way, and I think I have... I hope I have five minutes, I can show you a little video, the EU debating his beating, because he was beaten badly, this year he was beaten badly and he almost lost his life. So here he is addressing the young people and so he's the story now in Uganda. So, he's saying exactly the same thing we are saying today that the money that

comes in as aid, the money from the taxes must be used for the good of our children for the future of the country. So, going back to EU and Uganda and the new partnership, I just thought, what do you do with patronage with people with power? He's trying, Bobi Wine is trying, but it's... we have to have hope, but sometimes it is so difficult, because these people are so entrenched in power that it's very difficult to uproot them. If I was just dreaming and I thought if the EU for example, could find a way of passing money to these groups that they call Saccos, okay, Saccos, a small group, cooperative societies, they are everywhere in Uganda and maybe some other countries, and they lend money to local people and they have to pay back and they have a very good system; there's no corruption, you borrow money, you bring back with an interest, you'd go and rear a goat or rear a cow, get milk, sell the milk, take your child to school and so on.

So, the previous speaker Yamada showed a picture of the development of agriculture for example machines, we don't have tractors. In Uganda, you find one district with one tractor and 70% more than that of our people are in agriculture, maybe 90. So, it's just amazing how we are just going behind actually because when I was younger, when I was young as a boy, a little boy, things were much better in terms of the even agriculture management. We also have the church model for example, but I was saying for example if there's a way, but this is my dream, it's almost impossible, because there's bureaucracy, if the EU for example is passing money somehow safely, 90% of the aid goes to the little Saccos, Uganda would bloom easily in a short time. There's also the church model, for example. The church collects money from Christians, especially the Catholic Church where I grew up, and usually the priests who are minding the church, recently they have other problems maybe you have heard about them, but the problem with money is not a big problem. They get the money from the Christians and sometimes some little aid from developed countries like church, the church in Germany for example, could donate money and the projects always, always they go through. Because these people, they don't have families, they don't have really wives and children to think about more than their communities and so the best, the cleanest schools now in Uganda mainly are church-managed, because the funds are used as they come in, so that's church model.

How do you get aid money to clean hands basically? But what would you do with the bureaucracy? That's not how things work. So, I'm going to leave this as a question, the new partnership, how are you going to solve the problem of misused money? And the people in Europe, the parliamentarians in Europe, they don't seem to have a solution to that, because somehow, they're obliged to continue sending money, because of other issues. For

example, you have, if Europe, the EU will have to look to be helping refugees from Sudan for example, they're going to send €400 million to Uganda, the government of Uganda. I know, I'm convinced, my sister knows, my friends in Uganda know that 200 million Euros maybe will go into wrong hands, if the EU is not very careful. That will happen and it will continue to happen. But they have to be involved in helping the refugees. So, the international diplomacy obliges them to continue sending money.

Think about Somalia for example, the US knows for long time, they're not happy with the picture I have painted here of corruption and political repression. They know exactly what is happening, because they have an embassy, they have reports, but they never say a word. They don't even stop it, because they need the Uganda government for example, is helping with fighting Al-Shabaab in Somalia for example. So that's the question that's beyond me, my level of understanding, but the challenge and other people can talk about that. How do you solve... how do you go over international bureaucracy to address the needs of the people who actually need the aid? The people I have mentioned here, the young children dying from malaria, from TB, not going to school and studying under trees. So, what we need is a change of heart, I have to be a little bit ideological here, but I think that's what Christian meant that some countries in Africa they have moved forward. I think they've said enough is enough and we have seen people like Magufuli, President of Tanzania, he is iron-handed, but he's fighting corruption every day, he's in the news for that and I think he's hated by many people in his country, but he knows this is what the... my children and grandchildren need.

The people in Ethiopia, they have had conflicts with Eritrea, they have had the change of system, federalism has worked and been tested. Now they're moving forward. Kenya is also another example; Ghana is a very good example. So, there's a change of heart and revolution and it needs one man maybe to come and stand up and say "No, enough, enough is enough with corruption." And at that note, I will end my speech and if you have any questions, I will entertain them, but before that I want to show you the... since we talked about the...

So this sort video is... maybe I show a clip of about five minutes. The parliamentarians in Europe were debating the situation in Uganda. It is connected to the singer, I told you, Bobi Wine, at that time he was beaten by the government and he was fighting for his life. He had to be flown to the U.S. for treatment. And he was prevented from leaving the country the first time he went to the airport. So, a lot of things are happening. And I was impressed

when I saw this video in August, the EU debating and there was one who stood up, expressed these sentiments that we cannot... you know, Uganda is partner for us in development with the refugees, but then we can't allow. But I know, after that debate and they made the policy the statement that things don't change because international bureaucracy is different from good hearts thinking about the people on the ground, so...

Okay. We shall skip this.

【Bungsche】

Thank you very much for this deep insight from Uganda, which we don't know much about here, at least seen from my perspective. It is good to have someone here who was able so eloquently to inform us about the problems in Uganda. I think it was very impressive and I think there might be some of you having some questions.

【Ssali】

Mine is not a questions, it's quite like a comment.

【Ssali】

Comment, yes.

【Ssali】

In Malawi, I'm from Malawi, by the way. We had like the same kind of situation of corruption and through the... and one of the solutions was brought by government, instead of giving money to the government they usually fund for the projects or invest in whatever they are doing. So, I think like through kind of this project, our solution has brought like good results. So, I feel like even like other governments like UK, Germany, the whole European Union can also call that kind of thing, instead of giving money directly to the government, they should do whatever they want with money like investing in agriculture projects or hospitality.

【Ssali】

Yes. There are mainly Europe-based donors like the Danish Development Agency who work directly. But I think the last point I mentioned is the setback, international bureaucracy. So, Uganda is needed on the international stage to help with problems that Europe also wants to feel involved in. And for that reason, Uganda has been a very good state; we had the UN base for many years where all the aid that went to the eastern Congo as the war was going on there, was... the base was in Uganda. And we had the security and the permission to do

that. So, as I mentioned, Al-Shabaab fighting Al-Shabaab Uganda has been very... and our government is actively involved in that and pleases them in, but they know, that's why I want you to look at this debate (in the European Parliament), they mentioned it. We need Uganda as a strategic friend, but we cannot allow this to continue. But will they stop? Probably no, their hands are tied in a way. But you're right, yes, there are some groups that work directly and they handle these Saccos and schools and hospitals directly and things are working okay. But we need more, because most of the money is the money I have mentioned here, which is really being eaten by a few people.

【Attendee】

How do you evaluate the aid that is given directly to individual, like basic income?

【Ssali】

How do you evaluate?

【Attendee】

Yes. I think in fact how is the process from the money from the progress company to the development country, like how is the process, I think some money doesn't miss it?

【Ssali】

It doesn't get... yes, it's a very similar...

【Attendee】

Like here?

【Ssali】

Yes. I think I have the same answer. Where groups can go directly to the local people, there are no losses. Another example, Japan example is very good, as I said ODA as far as I know some experts can correct me. As far as ODA is concerned, it also monitored by JICA and JICA sends volunteers, younger men like you. And they... as far as I know most of the time, they're monitoring projects that are being supported by ODA. But many other governments don't do that and as I said, their hands are tied, because of international diplomacy. So, they end up giving the money to the government, which unfortunately is the wrong hands, but if they can go directly and as I said there are some groups like... are working directly with the villages and women organizations and the churches, that money is clean and a lot of work is being done. So, everything is not lost.

【Attendee】

Thank you very much.

【Attendee】

Thank you for your presentation. So, I have one question about how an anticorruption movement is going on in Uganda. So, I'm pretty sure that if lots of international organizations like the UN or let's say JICA or USAID, etcetera, who are also working in Uganda, and I think all people have known that there's definitely corruption in the area and stuff. Now I want to know that what kind of measures have been taken by those organizations and also how effective they are?

【Ssali】

I hesitate to answer that. So, I can't answer that question... yes, I'm not capable of answering that. I think they are aware and if you asked anybody who has been in Uganda for JICA, I have a lot of friends in there who come back. They know that corruption is taking place, but they mind only about their work, they were sent to do a certain job, they do it and come back. So, what could they do about other cases of corruption that are taking place? But especially, in my presentation, I focused on patronage and that directly means the government, it's within the system of government and sometimes it's not very easy even to know if you are an outsider, even if you're the donor sometimes you don't know. We know from research and investigation and being part of the community, we know, but if you're from outside, you may not actually know that your money, the money you gave... some governments will not probably, they sign checks or grants or loans, because aids come in many phases.

But so, I didn't... I should have mentioned in the beginning that I was talking about a direct aid, aid that is given from government to government, that's the problem, that's the big problem. These other organizations, their money may be being used okay. So when I paint this picture of Uganda, as I say everything is not lost, there are many things that have been done, good things also, but I was pointing at the government-sponsored corruption out of patronage. That one you may not know or if you know, you may not have anything to do. So please go and watch the video as I was pointing it and you see those parliamentarians in Europe, they know that for example human rights are being abused and you tell them, okay don't support that government, but maybe they will not stop supporting that government, because of international bureaucracy or something like that,

yes. I don't know if I answered your question.

【Attendee】

Thank you so much.

【Bungsche】

Other questions?

【Attendee】

Thank you for your presentation. I have just questioned that, I can understand the aid directly from government to government or local people, but however, if the local people are in the other organization and they cannot understand how to you use that kind of aid. For example, if like the organization— the local people don't know like how to use or how to educate these things from like other developed countries, do you understand that?

【Ssali】

Yes.

【Attendee】

So, like how should like local people or organization should learn or get education to use this kind of money like... that they can get aids from... directly?

【Ssali】

They can learn by education, being educated. Actually, even in a country like Uganda, we have a Ministry of Local Government and the Ministry of Corporative and Marketing. I think they have sections in those ministries that should be going down to the people to educate them about projects; how to raise good crops, how to manage a local village corporative. Now the people themselves and the churches on the local and international NPOs, they have gone over the government, because the government is not doing their job. So, the people in those ministries, they are just basically for keeping money, if they get the grants. So the people have gone over and even I know some volunteers from Japan who go not through the government, directly to the people and they seek under tree and educate them, how to keep their books, how to... and those are the Saccos I mentioned, the small cooperative groups, and they're doing very well in helping the grassroots women to take the children in school and so on. So, to answer your question, how would they know? If the government was serious, they would know by education, very easy. You go down, teach

them, give seminars and people can do better than they're doing now, yes.

【Attendee】

And I would also like if... I mean Japanese volunteers or any other country volunteers just go and start teaching the local people, I know that, but I think like every education from developed countries are always demand and perfect education for them. So how do you know like developed country's people or any volunteers to teach their own like original education?

【Ssali】

To the local people?

【Attendee】

To the local people yes, who's demands are always prepared?

【Ssali】

Yes, if they went as governments, they have to work with government and that's the problem. But that's the problem from my speech was patronage, they... you know what will happen for example, if the government of Japan organize, they do organize. For example Mr. Abe, the Prime Minister, initiated the program to bring more African students to Japan to study and go back and help with the African economies, but still even that one is corrupted sometimes, because you can find that maybe... I'm not saying every country or I'm not even talking about Uganda, but in cases of corruption and patronage you can find that even the students who are selected to come, they come because they have connections to the politicians. So when they go back, probably they won't be beneficial to their local communities. But to answer your question, efforts from government to government, if the government was serious, the government will organize through the ministries, the ministries are there and the ministers get the big salaries and they don't organize local education seminars and courses for the local people to learn about how to use the knowledge from outside, okay. Or when they come maybe they are taken to a few areas that are connected to the politicians, that's true, that one is true. A few areas will benefit and maybe they don't even need so much, but they're taking, their education is given, and it's brought back, other areas are left behind, because nobody cares about them.

【Attendee】

Thank you.

【Bungsche】

Still someone else? Some questions? Yes.

【Attendee】

Dr. Ssali, thank you for your lecture. I learned from your lecture that what EU is doing in your country, the aid from Europe is focusing on infrastructure, construction?

【Ssali】

Partly.

【Attendee】

Partly?

【Ssali】

Partly, not always but the current phase is mainly focused on road infrastructure, but they have also sponsored other areas before, yes.

【Attendee】

Since we all know what Japan did in Africa or in other countries until maybe 20 years ago, Japan's aid was focusing on infrastructure, but that was criticized from EU and USA, so I'm just wondering why... what EU is doing in your country is for infrastructure?

【Attendee】

Still Japanese government is prioritizing infrastructure investment.

【Attendee】

Nowadays?

【Attendee】

Yes.

【Ssali】

Yes, they just built a state-of-the-art bridge in the river Nile in Uganda, it was opened last month, a bridge for the... I don't know about the criticism, sorry, I don't know why they... maybe innovator, I don't know why but...

【Attendee】

What I know is that maybe USA and EU are much more focusing on like human rights action, so...

【Attendee】

They are always criticizing Japan and China... thank you.

【Ssali】

Good. You have something to say?

【Attendee】

It seems from your presentation, there are many... It seems from your presentation, there are many evidence, they said what EU are doing there because of your infrastructure, just asking.

【Ssali】

Yes, that's why I said I don't know, I haven't heard about the criticism and I cannot comment where it came from, but at the end of your comments, you say the word human rights?

【Attendee】

Human security.

【Ssali】

Human security. Was the conflict between...

【Attendee】

How to say, USA and EU, what you are saying, what EU is doing is always recognized as a pure aid maybe. But what Japan did and what China is doing is always recognized as business turn. This is the right way of reaching out.

【Otchia】

The point is especially particular if it is in regard to China. China is accused of the kind of neocolonialism policy in Africa. So, focusing on particularly getting much of resources and for instance not on the basis of any for instance democracy and human rights, etc. And so, EU is always to some extent having a clear mission and EU is giving foreign aid only to

countries which are clearing for instance democracy, some standards of human rights, etcetera.

【Ssali】

Exactly. To be fair to the EU, if... I don't know, if it will happen after this debate, if you watch the YouTube video from here, that debate was so good. They were about 10 people stand up and say, "We can't give aid to such a country." So, they're always addressing the issues of human rights. And actually, to be fair, my time was very limited, but I saw when I was preparing that sometimes their recent cases were from the UK for example and they cut off aid to Uganda because of ABC because of this and that. The UK also sometimes say, "Okay if you do this for example, if you tread on gay rights for example." Uganda was passing a law to imprison or even kill for example gay people at one time. The current government was doing that. It was seen as abominable all over the world, even in the country. Many countries came and said, including countries in Europe and I think the EU also warned, "We are going to stop our aid if you do that." So, they do look like the issues of human rights which China and actually Japan, to be fair, they don't usually go into that area. They can work with any government as long as it is peaceful to send there the project managers. So probably that's the point that the lady was trying to ask. But we feel the EU, they do question. They are very strict on, and that's the debate I wanted to show you a little bit here. Maybe we are still in the same year this was an incident that happened in August. So, at the end of the year maybe they will stop the aid for Uganda if human rights don't get in shape.

【Bungsche】

Just one question, does the African Union on its member states have any kind of influencing power on this issue or is it...?

【Ssali】

It is a club.

【Bungsche】

It's a club?

【Ssali】

It is a club, because it is compromised. If he has a goal, Mugabe was 90 years old and chairman, he has been in power for 45 years. He was 90 years old. He was abusing all the

human rights he could in his country and they were electing him. They did elect him and he was sleeping through the meetings as the chairman. So, it's a club that is compromised so I think it is not effective at all.

【Bungsche】

It does therefore also not make sense that the European Union is paying development aid to the African Union, which manages or steers the development aid. So, that the EU would have some kind of a counterpart in Africa, because it is not working.

【Ssali】

Right now, it would be useless. I think right now, the best we can get from the EU and other partners is direct contact by individual countries. We have countries we have mentioned the names who are serious and they're really moving forward. We pray and hope, I ended at the very idealistic note, we pray and hope that people convert. And so and so will get more government's concern about their own people then we can have more things for bilateral relationships with our partners.

【Bungsche】

Okay. Thank you very much indeed for this insight into the problems and maybe some solutions or possible solutions. Thank you very much indeed.

【Ssali】

You are most welcome. I'm going to pass on this — this is the Japan Society for Afrasian Studies. It is a new society we founded this year. I happen to be the founding president and Christian is my vice president, and this is the flyer. You can already learn a lot more about African Development and Economics if you join our events. We are focused on the young students and on the faculty living in Japan as Asian, both Asian and African. Thank you very much. I have more posters I pass on.

【Otchia】

Thank you very much, Dr. Ssali, for your presentation and I think there were many takeaways from this presentation. I can just take a few more minutes to summarize in a very few contents. Some important elements that I have picked up. One is, we didn't discuss about that very much, it's about history, political tie and aid. If you think about the relation between EU and Africa, I think we have colonization behind that and that's defined how aid is distributed. When I think about Japan and China, there is no history.

But I think the way China is bringing it is what many people are trying to make the case of a new colonization. I think of course we still have to see evidences. But I think aid between EU and Africa has a background of colonization and we have to recognize that.

The second key takeaway I think it is about coordination of aid. What we understand here is that, let's say when we talk about the EU for example now EU is working as one. And they provide aid let's say in Uganda, I think it is a coordinated aid but 20 years ago or 15 years ago each country had its own aid program. So, if France is giving aid to let's say to Uganda and let's say Germany's giving aid to Uganda, each one has its own program. If the UK – if Germany is building in schools probably France is helping human rights. So, when you think about the total effect, it's very small because there is no coordination. You build the school, but there is no desk, there is not book so the return on that aid is very small. Speculative talking about coordination and what aid has been doing is not that coordinating at the original level, how it can be transmitted to Africa

And I think then you have a discussion of evaluating aid and I think there was a question about how do we evaluate aid? So, we you look at the case of Japan for example, Japan sends many volunteers through Kaizen projects. They go to Africa and Dr. Yamada's wife actually was in Africa as a volunteer. She basically went to village and stayed there one year or six months and learned the local languages and lived with those people. When they go there, especially the young people they think about its effectiveness because they say we are using taxpayer's money. You have to see the impact of that. So, in many countries even in Europe people are talking about effectiveness because it's taxpayer's money which is basically thrown away. So, I think the young people they should increase your voice, they want the effectiveness because I think that's where we can really see the impact of aid.

And finally, I want to make the case for the relation between education and the effort of aid. So, it has happened sometimes that Japan wants to help farmers in Africa. They give them fertilizer, which are written in Japanese and there is no one that can read Japanese in Africa. So basically, you give aid, but it's not actually implemented fully because there is no support. So, education is very important and sending volunteer I think can help to magnify that effort. Finally, I want to talk about this relationship between aid and business because I think Dr. Ssali mentioned about and this is about aid. And recently there was a huge discussion, should we help Africa with aid? I will tell you, the amount of aid, it's very small. To tell you the truth. We need more aid but at the same time I think Africa need business and you have now many European companies.

Japanese companies are going back to Africa to do business instead of aid because I think we believe that combining aid with business, that's going to be good. One basic example I can give is about Ethiopia and the Kaizen project, I think Dr. Yamada mentioned about that. So, the Japanese aid wanted to help business in Ethiopia and they knew that Ethiopia has nice coffee and I think you guys love coffee. So what Japan did is, they went to Ethiopia, they identified the value chain of coffee. They said, "Okay if we want the production of coffee, we have to teach them the basic Kaizen", like — 整備, those cleaning and stuff and by the end there is this huge project that really help Ethiopian company to be able to export coffee. And now coffee is really moving in Ethiopia because of that specific project. So how will you use aid to link it with business? I think it's the future and I think that's how we can discuss about this topic.

So, to move to the next speaker Dr. Ali he's an associate professor of Economics at Yamaguchi University. He just joined the university in September 2017. Before that, he was an assistant professor... an associate professor of Economics and he has a career at a university in Istanbul. Actually, he's going to bring us a new perspective of industrial policy and what to do to basically boost our development in Africa. He's a specialist of East Asia, I would say Asian economy. I think we are going to learn from him from what we should do basically and probably can bring the discussion back on the role of aid in Africa. But I think he's going to bring us a new perspective. And just one small anecdote, I knew Dr. Ali in a very I would say... probably you don't remember. I was a student that time and I read a book on industry and development, which is one of his books and I needed some code to basically replicate the analysis and I sent him an email. He responded to me, "Oh, you're from Nagoya University, I was there also." So that's how we knew each other. That was probably more than four or five years ago. So, thank you very much Dr. Ali for being here.

【Akkemik】

Thank you very much Christian and Kwansai Gakuin University for inviting me to this nice beautiful campus. It's my first time in Kobe. It's good to see old friends from Nagoya. This is the Nagoya connection and I'm the last of the chain here. Okay, so today I'm going to talk about industrial policies in East Asia and lessons for Africa for the benefit of everyone here. Christian forgot to mention it. I'm not from Japan, I'm not from Africa. I'm from Turkey. Turkey is トルコ in Japanese. So, you might consider it the western tip of Asia or southeastern tip of Europe, whichever you take, I'm from both. But I'm specializing in East Asia, so this is an interesting mix. I did most of my research in industrial policy in Nagoya

University. After that, I continued studying industrial policy, especially the traditional industrial policies of the 1960s and '70s up to 1980s starting from Japan to Korea, Taiwan, and Singapore. My doctoral thesis was about Singapore. I built a computable general equilibrium model of Singapore's economic policy. My main point was that there's still room, space for government intervention for industrialization. So, today, the outline of my presentation will be like this. There was a lot of information about Africa before me. I'm not an Africa expert. So, what I would like to do is give you a brief overview of current state of industrialization in Africa. Apparently, Africa failed in industrialization. And, why manufacturing is so important.

What is industrialization? I don't know the audience, whether you have any knowledge of industrial policy or economics in general. I think you understand the basics of microeconomics, macroeconomics, maybe. I'm not going to talk about very detailed economic concepts. I will keep it as simple as possible. Then, I'll talk about industrial policy and maybe some lessons for Africa. And because we're talking about Europe, I might want to add a little about what role Europe can play in industrializing Africa. So, what is the current state of industrialization in Africa? Well, just one word: bad luck. Africa was not lucky because Africa started industrialization basically in the 1980s. Although many countries gained independence in the 1960s, it was too late for them in 1980 because the world was changing. In what direction? But first of all, actually, some of these countries showed some interest in industrialization. I know the case of Tanzania, Kenya; they had some sort of economic organization, organizing their economies in the socialist way. So, they wanted to kind of emulate what we call the Soviet system in a way but to some level of success. Some of them actually got very successful. But I cannot say the same thing for the rest of Sub-Saharan Africa. There was not much private investment. Growth was very slow, and we know by now the inequality and extreme poverty, as Yamada-san already talked about. So, we know there are lots of political and institutional factors and we saw the case of Uganda right now. Other than that, what was wrong in the 1980s and 1990s?

What went wrong for Africa? Why did they not industrialize? This is a crucial question we should be able to answer. My take is that, first of all, as with many other developing countries of the '60s and '70s, they first resorted to what the United Nations and World Bank specialists told them: import substitution. And, Turkey was like that; that means in the 1960s and '70s we were like a closed economy. Import substitution was implemented for too long in Africa, just like in India. The result was, basically for businesses I mean, sinking, which is typical for import substitution countries. And, in the 1980s the world was

changing. The 1960s and '70s were different times. The 1980s, we saw the collapse of the Soviet Union in the 1990s. The world was changing in a way very different than the early times when South Korea, Singapore, Hong Kong and other late-comers, like Thailand and Indonesia were industrializing. They started earlier. They were lucky, but Africa came late. When they started to industrialize, they started to build some industrial base in their own countries. Then came the terms of trade shock and economic crisis of the 1980s which started in Latin America and other parts of the world. This affected Africa.

In the early 2000s, I was a PhD student then, I remember people were talking about the rise of Asia, and the rise of Africa. There were strategy papers written by big international institutions. They were talking about how Ghana is going to be the next Korea; some other African countries like Botswana were good examples. Botswana had almost 10% growth rate which could only be succeeded by a country like China. They were very hopeful of these countries, but what we saw after almost 20 years is that they couldn't compete with Asian countries. Think of Vietnam in 1986. They started the Doi Moi policy which is some sort of Chinese way of the socialist capitalist system. Look at where they are now. This year Vietnam built its own national car. Probably many of us don't know it: VinFast. Vin like Vietnam and Fast as in "fast car," I guess. So, that is the national car. It's a big achievement I guess, for a country like Vietnam where GDP per capita is still very low. And, my favorite example is, I've been there three years ago, Cambodia. Cambodia is comparable to African countries. But here's what I think, Cambodia is the next Vietnam. So maybe in 10 to 20 years, I might be talking about Cambodia in a seminar like this because it's coming. I saw a special economic zone in Cambodia. We drove by car and it took us 30 minutes. We drove around to see all those facilities; a huge place. I don't know, but I claim that it is the biggest industrial zone in the world. I saw lots of Japanese companies, lots of German companies producing there. And most of the workers we saw there were locals.

So, you can compare Africa with many other cases. My take is that Africa was unlucky and today, if you want to industrialize Africa again, it is going to be very difficult for two reasons. One is, industrial infrastructure gap; there's a huge amount of investment necessary. So before coming here, I thought that I might be asked questions about Africa which I don't know much about. But I did some research and every major international financial institution have reports about Africa. The World Bank the IMF have reports about Africa. Also, African Development Bank has a nice yearly report on the state of industry in Africa. Some figure I remember from there, from the African Development report was that every year Africa needs about \$90 billion of ODA or whatever you call it,

investment, for full infrastructure. For the next 10 years, \$90 billion a year; but what Africa gets is \$15 billion. So, basically, Africa needs four to five times more than that. Also, there's skills gap, educational attainment, facilities are insufficient. I don't think I need to talk more about this because it was already discussed.

Alright, so, my specialty is industrial policy and why industry is so important. At the very basic level, you can forget about agriculture although I heard most of the people in the labor force in Africa is in agriculture; for sure it's going to change. It's going to be shifting towards manufacturing and maybe if it happens prematurely, to services. But services are the... politicians like services because services create employment.

You can find a lot of job opportunities in services sectors. That's a typical policy objective for corrupt politicians... maybe in Uganda and other countries, they prefer this. About manufacturing: it's a long-term project, huge commitment, it requires very long-run planning.. Manufacturing brings in innovation and productivity which an economy needs. I'm sure some of you have heard about Kaldor's Laws. Nicholas Kaldor was an economist in Cambridge in the 1950s and the 60s. And, he was an advisor to many African governments and many of his advices failed actually; he is well-known for this loss. Okay, I'll show this in this picture here, taken from a book by Murat Yulek. Manufacturing is important because manufacturing brings new technologies, which also spreads to other sectors, even services, also agriculture. So, growth of manufacturing directly affects GDP growth and, us economists, we have this growth fetishism, we like an economy to grow. Whatever it takes, make it grow. But quality of this growth is equally important and if it is through manufacturing and productivity, that's better. You can make an economy grow in many ways. You can build a lot of factories. You can educate people, you can build human resources, you can use physical resources. But the best way to make an economy grow is productivity or improved efficiency. And, productivity and efficiency improvement in manufacturing immediately spread to other industries. Sometimes the unintended effects are more important than the intended ones.

We all use cell phones and we have maps, right? But these were originally devised for military purposes by the American air forces. GPS system was originally a Pentagon project, now we have it in our cell phones. So sometimes they start that way. And Internet was also a military project at the beginning but then they had civilian uses. This, I believe, is very important too. That's why we need industry. That's why we need manufacturing.

Yamada-san showed us data from Africa. I knew somebody was going to do that, so I didn't bring data here. The share of manufacturing in Africa since 1980 was decreasing in GDP as far as I remember. I call it premature deindustrialization. It shouldn't happen, but it is happening. How to understand if countries industrialized or not or how industrialized the countries are? If you ask this question in a different way, how big an economy is or how developed an economy, the first thing people look at is per capita GDP or GDP itself. About manufacturing, we can do the same thing. Actually, it's very interesting. We don't have a clearly defined measure of industrialization. So, you cannot compare industrialization levels of countries using just one simple measure. You have to do it indirectly. The way I choose is to look at manufacturing value added. China is number one (should be a nice title for a book! Hopefully nobody has written that, so, I should be the first!), "China as number one" like "Japan As Number One."

America is following, Japan, Germany, Korea, India, Italy, France, ... goes like that. No African countries in top 20. But when we compare GDPs of countries, we also look at per capita GDP. So, I also looked at per capita manufacturing value added. Here is a list, I don't know if you can see it from behind. Number one is Hong Kong and number two is Belgium. Number three is Singapore, Netherlands and Switzerland. Switzerland, number five. What does Switzerland produce other than chocolates and watches, Swiss watch or Swiss knives? Switzerland is supposed to be a very highly industrialized country if you look at this data, right? Actually, Switzerland has a quite large industrial base, not many people know about that. So, we know Switzerland for its finance and insurance sector, its services, but Switzerland is home to Swiss companies also. Nestle is a Swiss company. It is large enough. I'm from Turkey and Turkey is one of the top producers of hazelnuts and our biggest customer is Nestle. Nestle is not a country but our biggest customer. So, this list here shows something very interesting actually for comparison purposes. Per capita manufacturing value added in Africa are here on the right.

The only country in this list on the left side is Botswana which was supposed to be an economic growth miracle in the 1980s. There was a very famous report by the World Bank in 1993: the East Asian Miracle. When they compare Asia, they compare it with many other regions. Botswana is one of the countries they use to compare Asia. So, Botswana was supposed to be, in the 1990s, more industrialized, not industrialized but more developed than Cambodia. Now it is the opposite. China is number 58, China was number one, right? China ranks 58 because of the population, I guess.

But the most interesting thing here is: look at all these countries, African countries bottom the list and there were 145 countries in this list by UNIDO. Most African countries, even those in North Africa like Egypt, are down there. But per capita GDP and per capita manufacturing value-added are positively related. So, if a country has high per capita manufacturing value-added, you expect that country to have high per capita GDP also. Okay, so that's why I think — this is from a technical point of view — manufacturing is important. With manufacturing and industrialization comes economic growth. I think I don't need to show data to say that. Okay, so here's what we understand from development economics. Low income countries, most African countries are here, and high income countries are there. You can measure the level of industrialization or you can compare the level of industrialization of different country groups also using this kind of a framework. It is the share of primary products in exports — this is basically agriculture and mining. And if you look at the share of manufactured exports, you will see that most low-income countries are actually exporting food, agricultural products and minerals. But, high-income countries like Japan, Korea, are exporting cell phones and very sophisticated machines.

Okay, having said that, what is going to happen? We are always talking about now, the current situation. How about the future? What should we expect? First of all, even the most developed countries are experiencing this: deindustrialization. In Japan, we call it — 産業の空洞化, which is hollowing out of industry. Deindustrialization is happening in developed countries, which is expected. I'm an economist, and in economics we talk about hypotheses, theories, but not laws. But there's a very old law, Petty-Clark law, which is a particular law. It says that an economy starts with agriculture, moves to industry and then services. The servicization of the economy is the ultimate step of economic development, which is happening in USA, Germany, UK and Japan. Japan is a service economy. Japan used to be an industrial economy; Japan is a highly industrialized economy, but not an industrial economy anymore because most of the industries have been shifted to other offshore production sites.

But looking at developing countries, I see that in some of them, this deindustrialization started prematurely. My favorite example is Turkey, where I come from, also Malaysia, China and India. In China, it's happening. I didn't know that it has started in 2009/10. But our subject is not China now. If you look at other countries, the share of manufacturing is decreasing to like 30%. In South Korea at some point in time, it was as high as 30%, and it stayed there for a long time and still is there. So, what is going to happen in South Korea in the very near future is what is happening in Japan on the left side. But why is it happening

in developing countries? That is one question. Some of these industries are actually shifting to other locations. In the case of Turkey, some of these Turkish companies have been investing in Mongolia, in Bangladesh, in Vietnam, and some of them I know, in Uganda. Why? Because costs are lower. There's always competition for industrial production. Whenever costs are lower in one developing country, the more industrialized developing countries also shift to those developing countries. I call them late late-comers. So, late comers are moving to late late-comers and Africa is definitely a late late-comer region.

That is for this group of countries, actually mainly emerging economies. These emerging economies are moving more of their resources to services nowadays. Turkey is trying to build a regional financial center in Istanbul, and things like that. Okay, so what is with manufacturing then? Actually, if you look at what is happening in manufacturing especially in developing countries, you see that the share of manufacturing production is decreasing, it is true. But some of it has been shifted overseas because manufacturing does not make all the money. Do you know what a smile curve is? It is very famous nowadays, people talk about smile curve. I took it from Internet. The smile curve (because of the emoji shape) is about global value chains. This is just the global value chain.

For production, there is the concept, then research and development and then there is branding, design, manufacturing is here. In this direction, the value is decreasing. So, when you produce an iPhone in a factory in Fujian province in China (Foxconn, actually this company is originally Hon Hai), the manufacturing production there is actually not making that much money. Most of the money is coming from the beginning here. But after that production process, there's marketing, distribution and after-sales services. Most developing countries are here and that's why their manufacturing is not making that much money.

Okay, so nowadays we hear that economists in highly prestigious American universities, also universities in Japan, say that developing countries should specialize in this section because they have a competitive advantage in this, which may be true. But if you told a policy maker in South Korea in the 1960s the same thing, Korea wouldn't be producing cars now. Korea would be producing maybe simple textiles or even T-shirts, better T-shirts, but not cell phones or Hyundai cars. So, this is a dynamic process. I think that this is a very static way of looking at things though competitive advantage concept itself is dynamic, it can change in the future. And how to change that? I believe the keyword we're looking for is industrial policy as it happened in East Asia.

So, industrialization, through a very deliberate policy or just by working of the market itself, does it; I don't care how it happens. But, industrialization is a capacity building process as put forward by Murat Yulek. Ssali sensei was talking about giving a fish net, right? If you give a fish, it's ODA. If you give a net, you produce a capacity. I think that this is the right way of looking at the industrialization process. But, what is done in industrialization itself? The general idea is, if you build manufacturing industry it is industrialization. There are many factories in many African countries but it doesn't mean they are industrialized. Industrialization is not about just building these, industrialization has two components, the hard one and the soft one. What we always focus at is the hard component most of the time. They're always talking about physical infrastructure; building roads and building bridges and people are... people in Japan, policy makers in Japan... very proud, because there's a big bridge in Africa. Very nice! But how about the soft one, the soft component? Did you teach them anything about industrial policy? Did you teach them how to devise a development program, development plan for five, 10 years, if it is very important? The hard component of industrial policy is very important. It is one source of economic growth, for sure. We need machinery. We need all these kind of infrastructure. This infrastructure includes energy infrastructure, Africa desperately needs energy infrastructure. Because I remember the African Development Bank Report; it said something like this, "In China, on average, in special economic zones, free trade zones, about four days in a year are lost because of a power outage, but in the free trade zones in Africa, it is 44 days. 44 days, that is 11 times more. So, that means you don't have enough electricity to run even daily businesses. This is not good.

The soft component is — this is the industrial policy part — institutional capacity. You have to have institutions which are able to drive the next step, the next step, all the time. Choosing the right industries to support and also having this knowledge, knowhow of policymaking, plus you need also expertise for businesses as well, i.e., how to direct businesses. And also, there's the human capital on the business side. We need to educate people. This can be through formal education with better schools, better education systems, which is important for future generation of labor force that will be important for industrialization. Also, the current workers would benefit from on-the-job training or maybe things like kaizen and other things. These are very important.

Okay. So, in 2006, I finished my PhD. I did military service in Turkey and one year later I was in the university in 2007. The only thing I had was knowledge about industrial policy.

Then I realized that we don't need it anymore because of government intervention and the European and American economists didn't like this idea at that time. But then I saw this cover of *The Economist* in August 2010. This was right after the global financial crisis. This is the cover of that famous journal, the newspaper — they call it newspaper, I call it a journal: “Leviathan Incorporated: The state goes back into business.” This is a liberal English newspaper. Can you see the cover of that? The state goes back into business! I was so impressed, and I felt really happy because I thought that I will not be unemployed in the future because I can still do my research in industrial policy. What to look at: to devise a good industrial policy! That's what I looked at in East Asia, because that's where the success stories are. I don't want to go into these boring details. I wrote a big book on that. In very simple terms, industrial policy is deliberate government intervention in the economy. And, we see it best implemented in Japan and newly industrializing economies, Taiwan, South Korea, Singapore and China.

What we see in these countries is traditional industrial policies. Nowadays, they use this word, industrial policy; it has a general meaning. If there is a policy about any industry, it's called industrial policy. Like, there is a textile industry policy; there is an automobile industry policy, but in the 1960s there was just one industry policy and that required a huge amount of government involvement in the working of the market itself in East Asia. And the governments deliberately — what we call — “picked the winners.” Some industries were selected on the basis of technological improvement prospects and the future for demand of their products like automobiles, steel, semiconductors, computers and industries like that. And, they also had a huge potential for exports, which is very important for a developing country because exports earn the foreign currency you need to buy, maybe, oil and other things. And also, there are strong linkages, strong backward and forward linkages of these industries.

In the beginning, you cannot expect from a country like South Korea, which was almost like an African country in the 1950s, to make this happen, by just leaving it to the market itself. That's why the government just jumped in and tried to change things. At the beginning, investment decisions are very, very important. This is a huge — what we call — “big push.” The government needs to give a big push to the economy and also manipulate the allocation of the available productive resources in such a way that the industries which are supposed to be promoted really get promoted. So, investors are short-sighted; investors usually care about their profits and they care about maybe profits for next year or for two years, three years ahead. But for an economy, industrialization is a

longer-term process, 30 years, 40 years, 50 years sometimes. You cannot expect this from private businessmen. And, coupled with imperfect capital markets, finding resources for this kind of a big project, a long-term project, might be difficult. I'm talking about a capitalistic economy. I'm not talking about a communist or socialist kind of organization here. In a capitalistic economy – I think most African countries are also capitalistic – what we observe is that, markets are perfect in allocating consumer goods. Imported, domestically produced, it doesn't matter, they're very good at allocating these. But, they are not very good at allocating investments. Investment decisions sometimes require very careful thinking and sometimes markets may fail in doing that.

That is the idea behind industrial policy. And that is why the governments were active in coordinating these investments. Actually, coordinating is a very positive word. Most of these governments were authoritarian, so maybe it's not so bad to have an authoritarian government. Africa has that; in Turkey we are moving in that direction. So, I expect that if you want to be a dictator, be a developmental dictator, be a benign dictator, so do it better if you want to rule the whole country by yourself, just like in Korea. But, I'm not saying that democracy is bad. Given these circumstances, political instability may be negative. A dictator also creates political stability, but in a bad way. So, I would say that the circumstances in Asia were different but what they did in developmental states was that they disciplined firms; they disciplined private firms. You don't have to do that, but you can show direction. You can give guidance to those inexperienced industries, inexperienced firms. What I see in Africa, here is a good picture, is that Africa is stuck here. Turkey is here, we are stuck in the middle-income trap. Turkey has a per capita GDP of something like \$10,000, maybe less now. But we cannot go beyond that and many countries are suffering from this middle-income trap. At the low level of industrialization or low level of economic development where the most African countries are, the main focus is on macroeconomic policies.

Whenever I see IMF reports and World Bank reports, they talk about monetary policies and fiscal policies. I hardly see an emphasis, a focus of ODA on industrialization. Okay, I'm talking about the soft side, not the hard side. Even the soft side itself, building a bridge is like government expenditure. It's not different. The multiplier effect from that is very similar whether the government does it or a foreign government does it. It doesn't matter. It's the same thing for an economy, right? So, it's more macroeconomic to me.

Some African countries are already here, the next step is how to move from middle income

to high income like South Korea or Taiwan did. I believe the key to success is in industrial policy. It can be through government intervention or some other way, but there is a clear path they will follow (borrowed from Murat Yulek). Four stages; each of these successful cases in East Asian region have demonstrated. At the first stage, import all those materials, all those machinery from developed countries. Japan was like that, right? Do you remember — I think many of the young people here know the first movie — "Back to the Future"? Have you seen the movie? One scene is about this video camera and the crazy doctor says it is made in Japan. It's 1955 and it's made in Japan. So, really, is it made in Japan? In 1955, a technologically sophisticated western laptop coming from Japan? They couldn't think of something like that, but that's the year 1985. And what did he (Marty) answer? "Everything best comes from Japan", right? In 1955 Japan was at stage one. They sent businessmen to study what we know today as kaizen, to study that in America. It's an American invention; a statistical process which was invented by a famous American statistician, Edmund Deming. Now there is a Deming prize in Japan named after him. So, that was stage one.

In stage two, technology will be adopted. You will learn the technology and you will learn by doing. In stage three, you will imitate it. China is doing that very well. At stage four, you will have to innovate. Here's where most middle income trapped countries are; you're imitating, but you are not creating, coming up with new technologies. What South Korea did is this, stage four. In the year 2000, there were only three countries which were able to produce flat screen TV, only three countries; Japan, Germany, and USA. Korea was not one of them. Now, about 40 percent of this market belongs to Samsung itself. Remember 2000, Korea couldn't produce that. So, that is the right sequence of policies. You do not have to start innovation policy right away from the beginning. You have to wait.

The technology policy has to follow this general industrial policy. At the beginning, you need to learn. So, the sequencing of policies is very, very important. If you start to build a computer industry from the beginning when you're not even able to produce steel, probably you are going to fail and fail big time. All right, industrial policies in East Asia: what are some lessons here? Basically, I talked about this, I'm going to move. But remember, East Asia is made up of many countries and every country has own experiences with different initial conditions and different institutional backgrounds and the industrial policies are actually very complicated. So, when I say industrial policy, I'm talking about a set of policies which are summarized here. It's a really broad concept and every country has different historical conjunctures that you might be interested in. I think this is available to

you in the handout, so you can just follow from there.

It was then, and how is it now? Well, actually remember what I said about Africa in the 1980s, the world was changing, and Africa was really late in starting industrialization. And these countries were very, very lucky. So Africa is unlucky. They were really lucky because they could benefit from the international political economy in the 1960s and 70s. They were like うるさいガキ, noisy brats, that they could just... you know, how to say — 甘える in English? They could just be naughty and developed countries would just say, do whatever you want, we don't care until the 1980s when South Korea and Taiwan had mass production capacity. Then, America and European countries started saying that is too much, now you have to slow down, and we won't let you do more than that.

So, the idea of developmental state: using state power, state bureaucracy, actually highly skilled state bureaucracy because these are brilliant graduates of top universities just like in Japan. Yamada-san being one of them, he is working for the Ministry of Finance. Right at the top, you see the top graduates in this country are going to the government, not in my country. They are working for the private sector. So, they have a huge capable bureaucracy here in East Asia. Okay, that changed, and these guys were very good at policy design and implementation. This developmental state idea started to crack in the late 1980s in Japan and in the 1990s in other countries because of the changing global economic conditions. The new international political economy did not tolerate government intervention because that could be a bad model for other countries.

There's a very nice book I like, written by the Cambridge economist Ha-Joon Chang. Have you read that book, "Kicking Away the Ladder"? It's a very nice book. It's talking about the economic development histories of the Western countries. So, they started like this. They started like Korea and Taiwan and Singapore and now they are trying to promote the idea that market is good, government is bad. But they did the same thing. I'm sure they are saying the same thing to Africa, right? What I believe is, there is still an important role to be played by the government initially. But I don't know for corrupt governments; they have to be not corrupt at least. So, traditional industrial policies have to be changed because of this criticism toward more liberalization. I think we all know the story, even trade and financial architecture of the world at the top level has been changed since the 1980s and 1990s.

The World Bank was positive towards government involvement in industrialization in 1993

in this report, “The East Asia Miracle”. But the World Bank cannot write a report like that now. Now, they are kind of demonizing this kind of policies. And also, it's true that the economic bureaucracy, including the one in Japan, actually kind of lags behind in meeting the demands of the changing consumer needs in the modern economy. Did you know that one of the reasons the mobile telecommunications industry in Japan actually failed to globalize is because of the bureaucracy, Ministry of International Trade and Industry, (MITI). We all use Apple and Samsung, but Sony had to buy Ericsson to be able to produce cellphones. One of the reasons why it was happening in the 1990s is that the Japanese market was big enough. Today they lost the chance to globalize.

Sometimes bureaucrats may be lagging, even in Japan. They're not corrupt, I believe. But, still, bureaucracy doesn't solve every problem. The traditional industrial policies are no longer an option. What can be done is depending on where you are on this ... here. Depending on where you are, you might still think of using one of these. So, I believe that African countries should be tolerated to implement similar policies the Korean and Taiwanese governments had been tolerated in the 1960s and '70s, at least for some time. But, in a good way. That I say on purpose because one of the things ODA is about infrastructure, right? Maybe European governments and American government can be a bit more tolerant toward this kind of うるさい kind of policies.

Okay, now lessons for Africa. There's a very nice book which was printed two years ago by Oxford University Press and one of the editors of this book, I don't know him in person, but I like the way he does research in development, is a Danish economist, Finn Tarp. And, one chapter there by John Page is about – the title is very interesting: “Can Africa Industrialize?”. It is a very nice chapter, I recommend to you. You can find a lot of things about what I'm talking about here in this presentation. So, look at Cambodia and Vietnam, that was my example at the beginning. Two decades ago, they were equally poor like African countries; now, they are in high growth industrialization stage. What they did is, basically, they attracted a lot of FDI and some of these are by Japanese companies. Hi-tech exports are now making up more than half of Vietnam's exports. For a country at the level of industrialization of Vietnam, this is a huge achievement.

What I foresee for Africa is that, well, maybe specializing in specific tasks. Remember the global value chains, specializing in a specific task at the beginning is easier, a lot easier than specializing in all tasks. Now, rather than building a car itself, like Vietnam is doing, why don't we just start with the doors or some small parts? That's how we start. So, global

value chains may be beneficial for Africa, that's what I believe. There was the case about European countries not investing in Africa, right? It is happening in Tunisia. Tunisia is attracting a lot of European investment and Tunisia is one of the most successful industrializing countries in Africa. What Japan is doing in East Asia can be emulated by European countries in Sub-Saharan Africa.

Tunisia has, I think, closer roots, closer relations with France and some other European countries. But I think whole Africa was colonized by Europe in the past, so they also have this link, this connection. It's not that Europeans don't know about the continent, they know a lot. What they should do now is to pay back for all their sins in the past. I can say that because I'm not from Europe in this case and my country, as far as I know, has not colonized any part of Africa other than North Africa. I think I can safely talk about this. All right, so also you don't talk about... we always talk about industry, yes, but also, a lot of world trade is becoming services trade. That's also a new development which probably has not happened in history before. And some standardized services are now being traded, like communication services. You know the story about call centers in India. Indians speak English, Africans speak English too. So why not some call centers in Africa too, so the idea is like that.

There is... no electricity, yes. And you saw the daylight in India, right? There is a lot of electricity at night. Okay, so I'm not saying call centers, call center is just one example of such services. There are many services, which can be traded... Because there's also cost advantage in Africa. My idea is basically not this, my take is that, industrialization is important, but at the same time you can also make money from this kind of services trade as well. Definitely you need to export more in Africa and there's a lot to do about this logistics and infrastructure, that's for sure.

But also, I believe that we always talk about one-way relation from Japan to Africa, from China to Africa, from Europe to Africa, USA to Africa. How about Africa to Africa? Why don't we integrate the region? I see that people are more interested in giving to Africa. There is a very good case of Southeast Asia. Southeast Asia was a very poor region, look at what's happening in ASEAN. ASEAN is becoming like a second European Union -- not that way after Brexit. But nowadays, there's a lot going on actually in Southeast Asia. It is a very dynamic region, something like that is possible in Africa, I believe very innocently. This is just an idea. I think this would be a very interesting research Christian would like to continue. You might want to make a career out of this and I will help you from my East

Asia experience.

All right, so we also talk about China and Africa. Did you know that China is building special economic zones in Africa? There are six special economic zones China is building in Africa. This is a very typical case for soft component of industrial policy. But did you also know they all failed? There's only one good example of a free trade zone which was very successful in exporting. It's Tunisia again. Tunisia, I believe it's going to be... We're going to talk about Tunisia in the coming decades. But we see that Africa is at the stage of development where Africa is still trying to compete with low-end manufacturing products with a labor cost advantage. This is like China during the 1980s and 1990s. So, what Africa is trying to do is what China tried to do, as I said, in the 1980s and '90s.

What Africa can also take advantage of in the current situation, and in East Asia, is that China is no longer a low-cost country. China's wages are a bit high. If you're a businessman and if you're looking for cheap labor, you don't go to China anymore. You go to the Philippines, you go to Bangladesh. Maybe Africa, it's a chance for Africa. But it's not that easy because of all these infrastructure problems and all that. But you know even on the condition that Africa improves on this, there's again a chance for Africa to start at least a big push. The big problem in Africa nowadays is that you don't see that big push. When it starts, the continent, the economy is going to take off like an airplane. You all know about how airplanes work, first it runs in the track and then it jumps. The airplane in Africa is still running but has not jumped yet and you have to give it a big push. China is also trying to offshore their manufacturing processes. This is the industrialization in China. It's going to happen. And as to the still ongoing special economic zones in Africa by China, I don't know why they are not working. As far as I know, Japan is not doing that. This is one area Japan would think of maybe: building special economic zones, industrial agglomeration areas. Industrial agglomeration is very important because in economics textbooks you see that there are many industries located in one specific region in an industry or an organized industrial state. Then, there is a lot of spillovers to other industries and Africa definitely needs this kind of industrial agglomeration sites, in my view.

Okay, aid for development. I'm reaching the end of my presentation. The donors have been partners so far rather than helper. I don't see that for the donors in Africa. You always talk ODAs do this. Of course ODAs do it, which is good, but they see themselves as partners. I want to see them as helpers. What do you mean by partners? They have very strong influence even on budget-making of a country. I think that this is too much of a power for

such institutions which are supposed to be acting in a different way. So, what should have been the appropriate job for government agencies or countries? I'm talking about European states, in this case: to facilitate dynamic industrialization and maybe dynamic industrial policies in Africa based on private sector development.

This is the key point of my presentation. Africa needs industrial policy but not because... The traditional industrial policies of Asia in the '60s and '70s are now off the table because of government intervention, which is not good anymore. How about private sector development? With private sector development, the governments can make the market work efficiently if they really want to. So, rather than pocketing the money, if they use it for good purposes, the purpose I'm talking about here, then Africa will definitely go its own way. Global value chains are another thing here, but that's also a challenge because trade is free, freer than before and it's getting almost free with free trade agreements like 400, 500 of them in the world nowadays, bilateral and multilateral.

But, what we see with free trade is economic inequality in the world growing. It is supposed to be the opposite. That is now what we teach in the economist textbooks, right? Trade is good because it is a win-win situation, both sides win. In this case, developed countries win, developing countries lose. Why is it happening? One reason is that because trade is not really free as the way we understand it is supposed to be, because trade is dominated by multinational corporations. There's a very nice documentary I like about Ethiopian coffee industry. Have you seen the movie 'Black Gold'? Documentary, I recommend it, just watch it. It is how Ethiopia is being exploited by big coffee companies. Yirgacheffe coffee in Ethiopia is one of the best in the world, but they cannot even set their own price. So, if you go to Starbucks, my favorite coffee is Misto, grande Misto. That is 410 yen. The actual cost is maybe just 50 yen. They are putting 360 yen on top of that. Imagine another 50 yen going to the region, back to Ethiopia. I'm sure poverty will no longer be a subject of study; 50 yen, just 50 yen, maybe more. So, this is a big problem. When we look at developing countries, we always look at the positive side because they give money. But don't forget that this is another thing happening. I think this is a negative aspect of what's going on in industrial relations between Europe and Africa. Even global value chains: they are supposed to be for the benefit of Africa, it's not really happening. These low-cost countries still remain to be low-cost countries and there are also disadvantages for them. FTAs (Free Trade Agreement) usually have clauses about IPRs. I'm not against IPRs but I don't think they are answering an economic problem. The problem is that regarding design, branding, marketing. Remember the phases that I was talking about. There's imitation stage. There

is no imitation with IPRs. We cannot imitate, right? So, when there was an iPhone, in China there was APhone, BPhone, CPhone, DPhone (joke!). There were all kinds of letters, they were all copies of iPhone. This is how it starts. Maybe, there should be some special treatment, maybe preferential treatment towards African countries in the case of IPRs. I don't know what to do, but this is my perspective on that. I'm not saying to change the rules, but maybe be a little tolerant. So, at the lower end of the smile curve, remember the smile curve, is manufacturing. There is actually another problem. African countries will remain at the lower part, lowest section of manufacturing.

But, there, you see the IPRs are more emphasizing branding and after-sales services rather than this. So again, multinational corporations are being treated preferentially, but the developing countries in Africa are going to lose, I guess. I don't have much time. This is the last slide and what I'd say, in the current trade system and the concentration of economic power, it is difficult for Africa to compete with these MNCs (multinational corporations) and the bargaining power still rests with developed countries. And, I think the rules of the game are set this way, so they should be considered carefully when you talk about what Europe can do for Africa. What I see is: there are two boxers now fighting but African boxer is very weak; the other is very strong. And, the strong one is saying that I'm going to win, and you are going to lose. It is not balanced from the beginning. So, this should be my last message open to questions. Thank you.

【Bungsche】

Just one thing, please fill out the questionnaire of this session please. And do you have questions? Yes.

【Attendee】

Thank you very much for your informative presentation. I would like to ask, do you know the... actually you know but do you know the... have you ever heard of the debt dependency theory by Matias Vernengo?

【Akkemik】

Yes, much as like I did.

【Attendee】

Do you think that this theory has anything to do with the current state of Africa's... current industrialization and how history had played out in African industrialization up this point?

【Akkemik】

Okay, just an ideological question probably. I myself am inclined to believe in dependency theory because that's how I was taught in undergraduate years. Yes, historically you're right. But what Marx also says is that history is subject to change, right? Then, I think that one way to change history is the way I was talking about, by industrial policy. So, you want to get away from this dependency theory and you have to be able to devise your own development program just like South Korea, and have to be bold and have enough patience. I don't know whether it's a good answer to your question.

【Bungsche】

Another question?

【Attendee】

Just a comment, Just to emphasize that the current topic on Africa and Asia, as we said in the beginning. Even in Africa they are showing examples and they have forgotten the dependence. And maybe sometimes when debating you know just waiting for aid, they have forgotten that we really want them. None of us had that kind of presentation, we would bring Chinese examples like Rwanda in terms of technology, in terms of communication they have moved and we should run that and they have done that with a very short time. So, yes it is – you have to move forward. You have to have the way to move forward and Africa can do it. And we are hopeful.

【Akkemik】

Can I get back to that question actually about dependency theory, maybe just an addition to that. My answer was not complete. So, I don't really like the concept of global value chains because what China is doing, for example in Africa is that they are exporting intermediate inputs. Most of the trade is intermediate input trade. It's not final products. So, the intermediate inputs are supposed to be produced in Africa and exported to China. Japan... sorry... China is not even doing that. Instead of importing from Africa, what they are doing is based on this dependency theory. They're exploiting these resources from Africa. So, maybe that theory might be right for China, which is a communist country. And, it is interesting, right? It is supposed not to be happening for a communist country which is based on Marxist principles.

【Attendee】

Thank you very much for your very competent and insightful presentation about the middle-income trap. You have mentioned about the importance of the industrialization to the middle-income trap. And I read some report which is written by practitioner ABD (Asian Development Bank) economist. Most of the country who graduated from middle-income trap have succeeded in industrialization. I personally would like to prove industrialization is a very crucial point. How do you graduate from middle income trap? Have you ever read those types of paper, country who succeeded in Industrialization graduated from middle income trap? Or if not – if they did not study do you have any point to prove it.

【Akkemik】

So, I would... yes, I read about those studies. One famous study is done by professor 大野健一, who has written about Vietnam and Ethiopia. He has been an advisor to Vietnam and Ethiopia governments. And, he talks about exactly the same thing. So, my idea is not original. I borrowed this idea; maybe he has different opinions than me. But the idea is simple: industrial policy.

【Otchia】

Thank you very much doctor for the great presentation. So actually, I will just probably try to summarize a little bit before we finish. And I think the talk of industrial policy is I think very prominent from Africa and we really need actions and I think we learn many new things to do. And one of my main take-away from the last presentation about China is that you know, China is new to Africa and we don't know much about that because there is not enough research to inform policy. But so far, what I have personally learnt is that there is new paper I think by David Dollar and coauthors. They say that aid is good for the poor. So, they did a very nice study about China aid in Africa and I think it is a very good lesson from EU. Because what they did is, they tried to see like the dispersion of Chinese aid into Africa and what they say is that when you look at the aid from EU for example it is going to basically places where there is no conflict or human right to push for that.

What China has been doing is that in order to help Chinese investors, which is part of the industrial policy, there were going to countries where there is conflict, which is of course related to national resources. But they are using aid basically to build those basic infrastructure, like they call it common infrastructure which is not based on let's say one country but mutual country. So, if you say there is war in Congo, they are building infrastructure between Congo let's say Kenya and Uganda so that they can reduce risk for

Chinese investors to come and invest in Africa. And of course, they are doing many economic zone or industrial park, which help to learn from the mistakes. But it is very different from what EU did. And I think what we can learn from that is that we can use aid to remove constraints like those basic infrastructures so that we can create very good room for private investors to come and try to develop.

And I think what is happening for example in Ethiopia is that China started one industrial park, it was very big, they failed but they learned from their mistake and they built a new one. So basically, they are learning by doing. And I'm very positive because I think Africa can learn a lot from that new way of bringing aid and development in many African countries. So, my conclusion is we really need many – a lot of research to try to understand from an academic point of view what is happening in Africa and how we can inform aid policies especially for the EU.

【Bungsche】

Okay, last word from my side. Thank you very much for joining this session with very different presentations. I figured out that I have to learn much more since what I've learned about Africa is very... well not much, I have to learn more. I hope that Ali's point was right, particularly in the last integration monitoring of the European Union, can we in some way, not mean, but can give some advice on integration. And so, you will have to look closer in the future, but you can learn as the EU now starts to take Africa more seriously as it has before and tries to somehow create a new relationship, a new partnership. It is just at the beginning, what I saw it was quite fruitful for all of you to be a part of that from the very beginning. And we follow up what is going to happen in the future. I would like to say as the last point, I know I was a little bit pushing in my class for attendance here, but I was very pleased that so many people, young students who are not taking my class also participated in this workshop today. You are all young people, and I am the oldest here, on which I am not going to comment further, well it is a little bit shocking, but Africa will be a much more important in the future also for you, the young generation.

Well, we could have discussed this more and more in detail, climate change, allocation of development aid, about free trade agreements et cetera and also follow up what is going on in the European Union with respect to Africa. The next seminar we will have on the topic of Europe 2020. At that time, it will be next year in the Spring semester and at that time we will see whether Britain has really left the European Union or not. I'm still hoping that they will stay in the European Union. And we will then also discuss what the EU 2020

strategy has achieved, sustainable development in Europe, ecological policies and many other things. Thank you very much indeed for coming today. I hope you profited in one way or the other and you will come back again to one of the seminars organized by EUIJ or in the frame of our Jean Monnet activities. Thank you very much.

And don't forget the questionnaire.

(The end)

POVERTY, AID, CORRUPTION and AFRICAN MIGRATION TO EUROPE

Vick L. SSALI (PhD)
Aichi Gakuin University

1

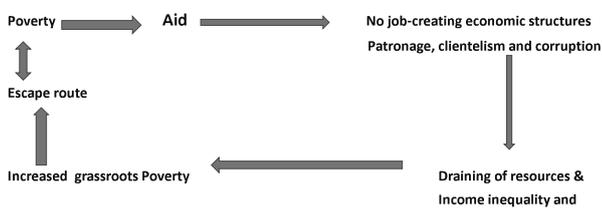
DEAD AID

“Billions of dollars in aid have hampered, stifled and retarded Africa’s development”.

Dambisa Moyo (2009)

5

The vicious circle



2

EU AID TO UGANDA

2008 and 2013

€479 million

main focus on transport and infrastructure, rural development and macroeconomic support.

6

Regional Growth?

- **Africa's Top Fastest Growing Economies In 2018**
- Ethiopia (8.5%) The fastest growing economy in Africa 2018 has a name, and it's Ethiopia.
- Ivory Coast (7.4%) ...
- Rwanda (7.2%) ...
- Senegal (7%) ...
- Djibouti (6.7%) ...
- Tanzania (6.4%) ...
- Ghana (6.3%) ...
- Burkina Faso (6%) ...

3

EU AID TO UGANDA

2014-2020 cycle

€578 million

one of the focuses is on transport infrastructure,

7

Continued dependence on foreign aid

“Despite growth, Africa's structure of production and employment today is largely similar to that of 20 years ago. This contrasts sharply with Asia where major changes in economic structure have accompanied growth and poverty reduction.”

(Page and Abebe, 2015).

4

OTHER DONORS

Other donors to both road construction and other sectors include:

1. The World Bank and
2. The UK Department for International Development (DFID) (both funding and technical support)

8

CORRUPTION & TRANSPORT INFRASTRUCTURE

The Kampala Northern By-pass



9

And Like this:



13



10

OTHER SCANDALS

GLOBA FUND 2008

\$10 million (then sh25 billion) went missing
Was meant for malaria and tuberculosis drugs programmes

CHOGM 2007

Over shs 500b (200 m US\$ then, 133m US\$ today) was lost in irregular procurements

14



11

THE BIGGER PROBLEM: PATRONAGE

- Tool for semi-authoritarian regimes
- Exclusive and
- Concern for grassroots society

15

Still many schools like this!



12

Patronage and power

Government appointments, local government administration and relationships among the ruling party, government and grassroots are

“repeated efforts to create **vertical linkages of dependency and patronage**”

(Tripp, 2010:125)

16

Oversized Cabinet

- 1986 – 33 Cabinet ministers & Ministers of state
 - 2018 – 31 Cabinet ministers & 49 Ministers of state (80 Total)
- Note**
- UGANDA @ Just over 40m: 80
 - JAPAN @ 127m: Just under 20 Ministers, Ministers of State and Vice Parliamentary Ministers
 - CHINA @ 1.3 b : 26 Cabinet level Departments

17

Contradictory Effects

Youth Unemployment and the latest youth revolution: **People Power**



21

Oversized Parliament

- (1986) = 38 legislators
- (2018) = 426 legislators

18

Youth for the Youth



22

Decentralization Gone Wrong

- (1986) 33 districts
- (2018) 127 districts and the capital city of Kampala

Government has dramatically increased number of district simply “to enhance the **NRM patronage networks**”
(Sasaoka & Nyang’oro, 2013:143)
(Mwenda, 2007)

19

EU – UGANDA: New Partnership?

- Reach to the Grassroots?
 1. Saccos?
 2. Church model?
- What to do with the Bureaucracy?
- That’s the question

23

Contradictory Effects

- Poorest service delivery ever: education, health



20

Industrial Policies in East Asia: Lessons for Africa

K. Ali Akkemik
(Yamaguchi University)

Outline

- Africa: current state of industrialization
- Why is manufacturing important?
- What is industrialization?
- Industrial policy
- Industrial policy in East Asia
- Lessons for Africa
- Challenges ahead and a role for Europe

Africa: current state of industrialization

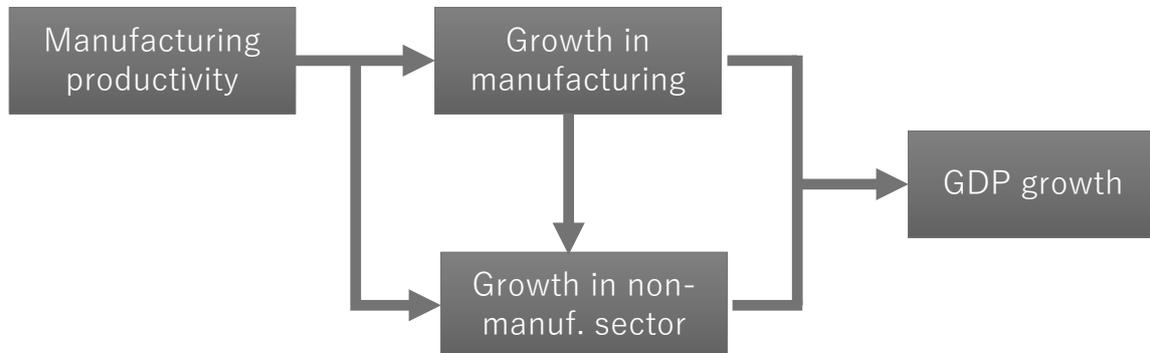
- African development experience: Bad luck?
- After independence some prominent countries showed striking commitment to industrialization.
- But, there was not much of private investment in industry.
- Growth was slow, inequality and extreme poverty prevailed.
- Other than domestic political and institutional factors, what went wrong?
 - Import substitution too long, leading mainly to rent seeking
 - 1980s: terms of trade shock, economic crises
- Early 2000s: Africa revived! But its industry was not able to compete with other developing regions of the world, esp. Asia. A new start for industrialization seemed difficult.
 - Infrastructure gap: esp. visible in trade-related infrastructure (roads, ports, railways, power, etc.). ODA is insufficient to close this gap. More is needed.
 - Skills gap: educational attainment and facilities are insufficient.

Services vs. Manufacturing

- Services ~ employment
- Manufacturing ~ innovation and productivity
- Kaldor's Laws:
 - Manufacturing is the engine of GDP growth.
 - Productivity drives growth in manufacturing.
 - Output and productivity growth in non-manufacturing sectors are positively related to the growth in the manufacturing sector.

Based on: Yülek (2018)

Kaldor's laws



Based on: Yülek (2018)

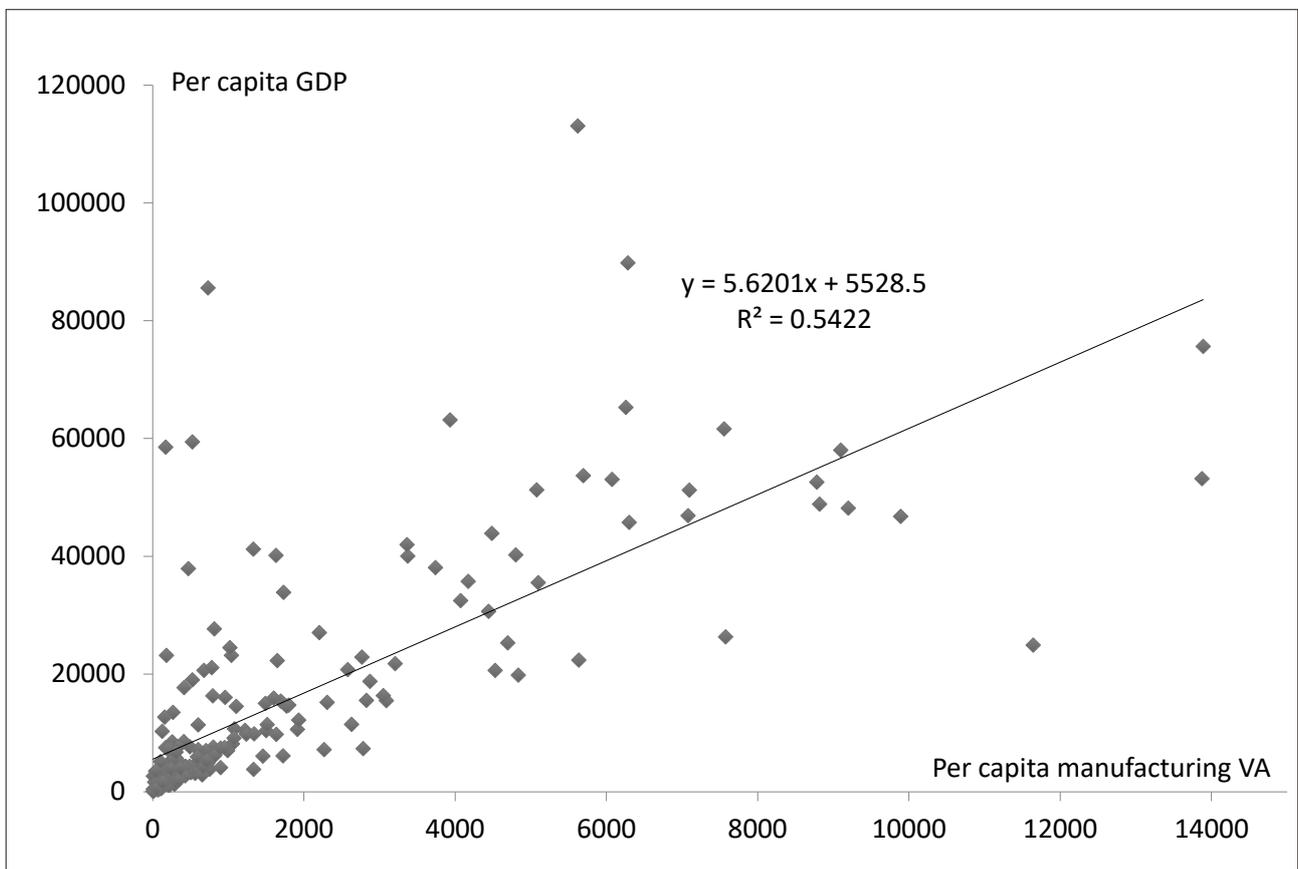
Who manufactures? (Manufacturing Value-Added, MVA, \$bn)

		1990	2000	2009	2016
1	China	1611.9	3225.1
2	United States	...	1543.7	1704.6	2160.6
3	Japan	...	1102.5	1001.6	1041.8
4	Germany	...	404.2	611.1	717.7
5	Korea	68.7	146.1	235.0	378.9
6	India	54.6	76.5	221.7	347.3
7	Italy	234.2	199.9	299.5	272.4
8	France	205.7	197.2	284.9	254.2
9	United Kingdom	182.6	215.2	207.9	239.0
10	Indonesia	21.1	37.4	142.2	191.2
11	Brazil	...	86.1	217.7	184.9
12	Mexico	50.0	134.4	135.9	180.7
13	Spain	...	96.4	184.1	159.3
14	Russia	157.7	153.8
15	Turkey	33.1	51.2	97.7	143.4
16	Switzerland	52.9	48.6	101.0	119.0
17	Thailand	23.2	36.1	83.4	112.8
18	Ireland	...	23.1	48.0	98.0
19	Poland	...	27.7	72.3	85.2
20	Netherlands	53.2	56.5	90.3	84.8

	1990	2000	2005	2009	2014
1 Hong Kong	4826	3240	2400	957	62154
2 Belgium	10119	16023	28216	30005	37274
3 Singapore	10686	18916	25983	25049	34239
4 Netherlands	6701	9612	16189	18766	27994
5 Switzerland	8927	9999	16165	20204	26778
6 Luxembourg	16064	15869	24301	21922	23513
7 Ireland	5634	18338	24351	24387	23464
8 Austria	5124	6721	12481	13720	17732
9 Germany	4524	5764	10628	11714	16106
10 Czech Republic	1087	2650	7037	9766	15219
11 Sweden	6351	9000	12988	12623	15184
13 Denmark	5008	6909	11276	12824	14650
14 Slovenia	3050	4100	8237	10051	13362
15 Finland	5056	8356	11763	10385	11926
17 Korea	1449	3622	5905	7302	11263
19 Hungary	781	2501	5571	7134	10184
23 Israel	2436	4338	5447	6318	8421
24 Norway	3501	3513	5611	7026	7812
25 Canada	3377	6678	7283	5429	7775
26 Italy	2789	3976	5894	6165	7754
27 France	3177	4430	6308	6514	7722
28 Malaysia	1196	3742	4667	4794	6300
29 United Kingdom	2726	3999	5292	4355	6032
30 Portugal	1595	2256	3138	3559	5592
32 Spain	1230	2433	3836	4094	5535
34 Japan	2278	3622	4398	4150	4986
35 Australia	864	1422	2269	2990	4968
36 Poland	240	705	2002	3127	4943
40 Botswana	1512	1512	2267	1648	3734
42 United States	1200	2183	2322	2293	3269
43 Thailand	305	942	1462	1927	2996
48 Mexico	157	1384	1577	1593	2678
54 Turkey	185	385	981	1232	1823

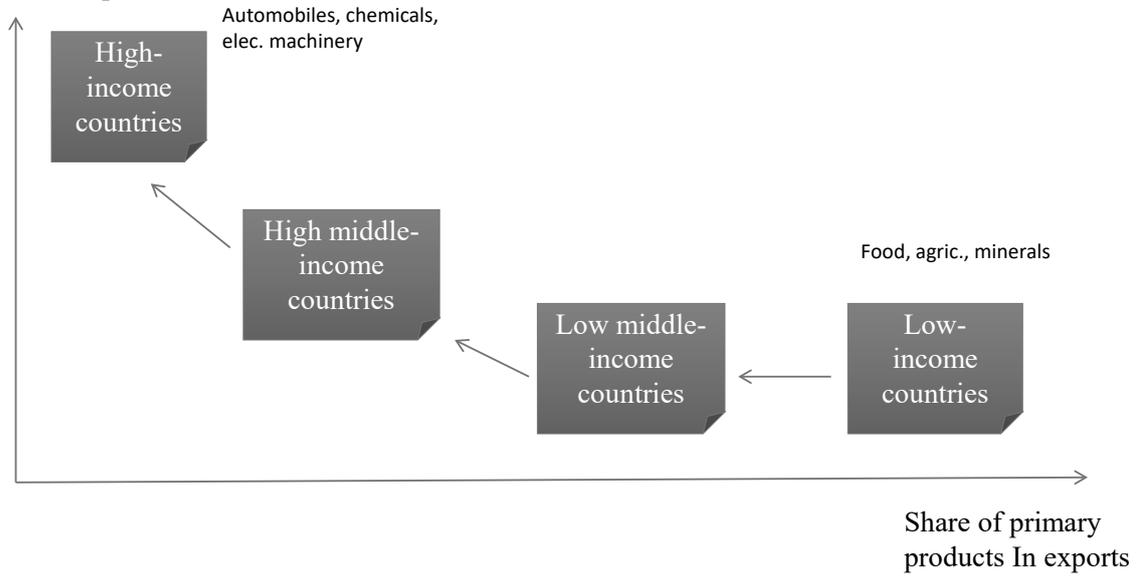
Who manufactures? (per capita MVA, constant 2010 \$)

40 Botswana	1512	1512	2267	1648	3734
55 Namibia	453	453	680	1373	1801
58 China	60	178	548	855	1623
60 Mauritius	1131	1229	1120	1320	1430
62 Tunisia	333	523	889	1162	1318
65 South Africa	213	409	673	717	1195
70 Swaziland	781	781	1024	889	889
78 Gabon	298	381	610	643	643
80 Morocco	100	196	293	351	577
82 Congo, Rep.	27	54	265	652	554
108 Cote d'Ivoire	67	107	227	229	223
109 Egypt	33	53	85	185	221
114 Senegal	34	38	90	112	120
115 Zambia	10	31	46	88	114
119 Nigeria	2	0	28	17	91
120 Cabo Verde	28	23	22	43	88
121 Ghana	16	25	50	31	80
122 Cameroon	34	17	35	36	63
123 Kenya	22	19	56	56	58
124 Niger	17	12	20	26	51
125 Mozambique	3	3	10	19	50
126 Tanzania	3	4	7	27	47
127 Madagascar	8	28	24	36	45
129 Rwanda	0	1	4	10	24
130 Malawi	5	6	10	13	22
131 Uganda	1	1	4	12	17
137 Burundi	1	0	1	3	4
138 CAR	12	17	23	7	4
139 Ethiopia	1	1	1	2	4

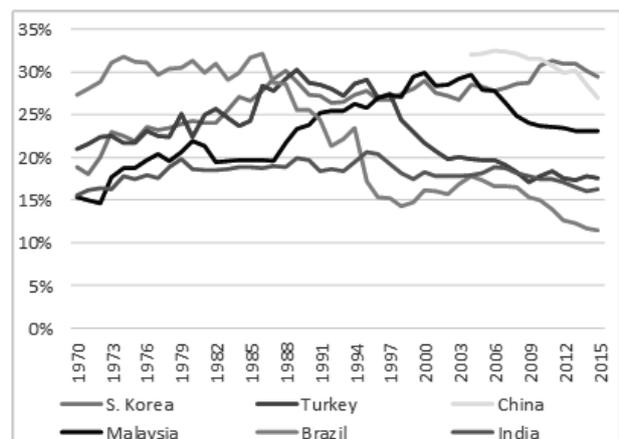
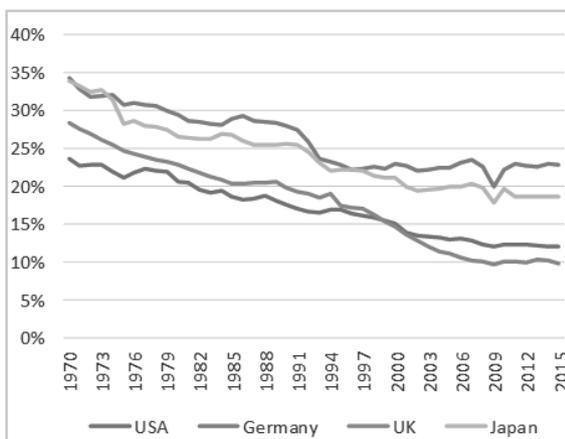


Who is exporting what?

Share of manufactured products in exports



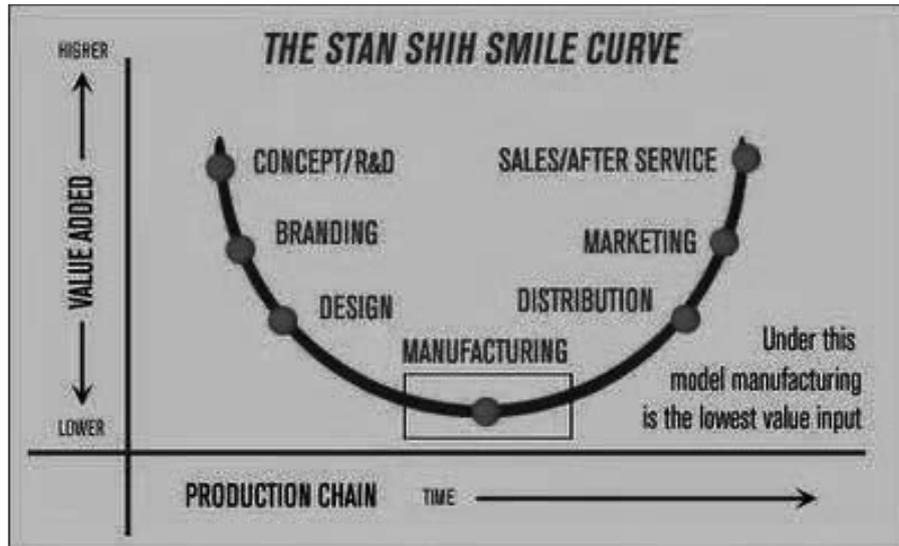
Decline of manufacturing (share of manuf. in GDP)



Premature de-industrialization?

Source: Yülek (2018)

The Smile Curve



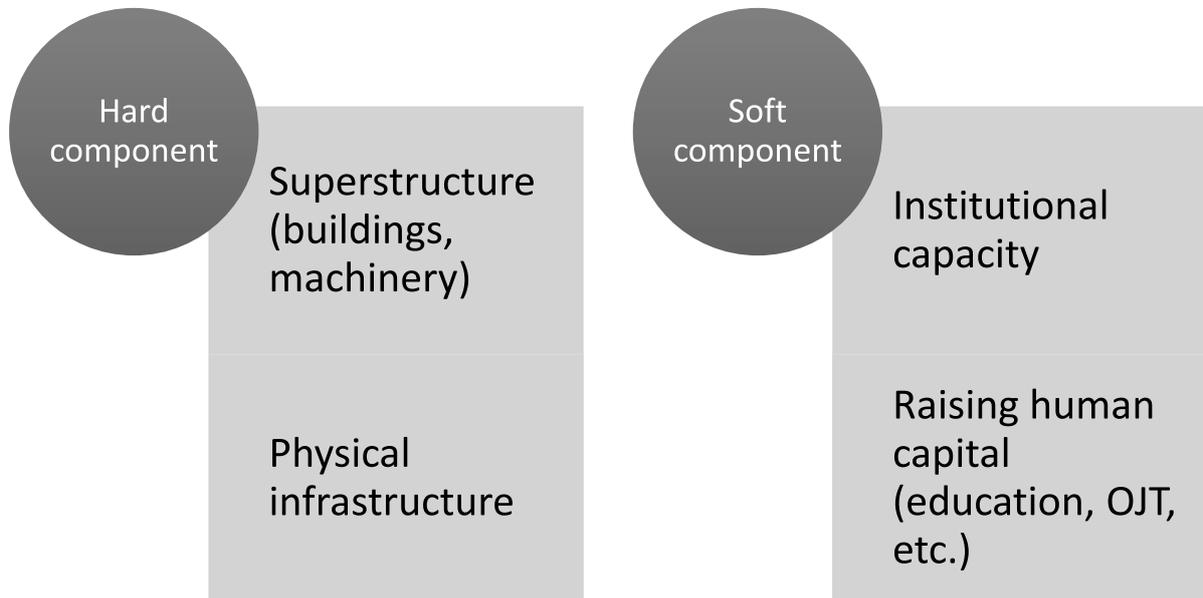
Manufacturing does not make all money!

Source: <https://chaitrivi.wordpress.com/2010/02/10/the-smiling-curve-stan-shih/>

Industrialization: Capacity building process

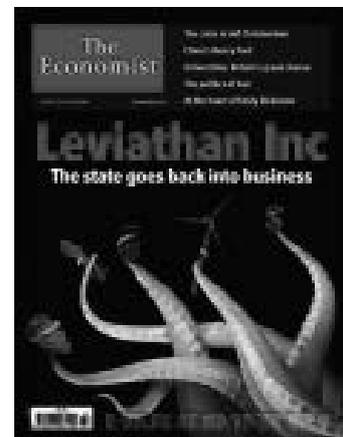
- What do we mean by industrialization?
- Building many factories = industrialization?
- Industrialization is a capacity building process
- Industrialization requires careful thinking: building capacity through long-term policies

Industrial capacity



Industrial policy: back in the agenda?

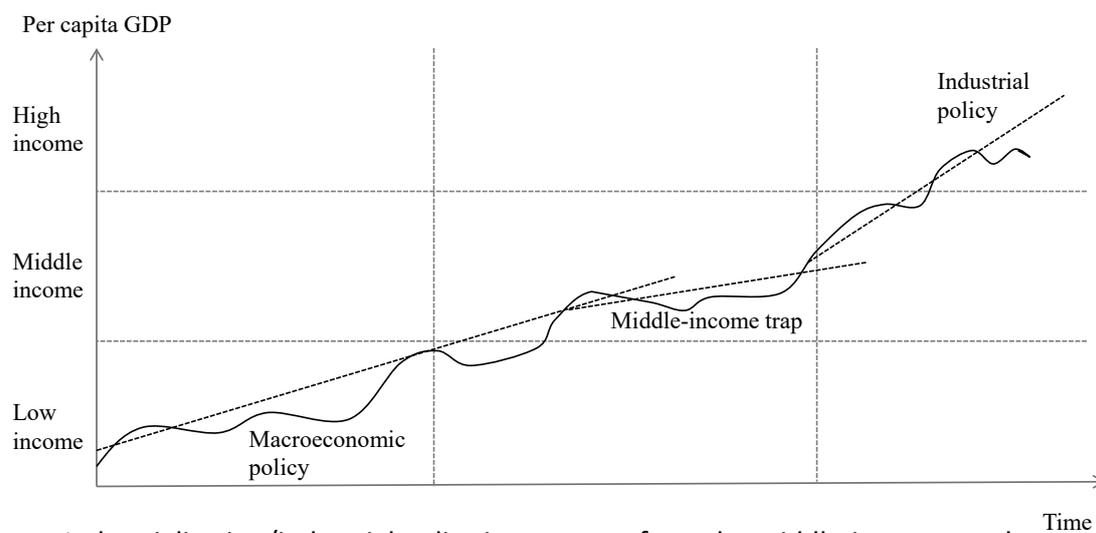
Economist, 7 August 2010



Industrial policy

- Industrialization was realized in East Asia with deliberate industrial policies
 - Japan, NIEs (Taiwan, Korea, Singapore), China
- East Asian industrial policies were different in terms of scope and depth!
 - General industrial policies: no priorities or targeting general instruments: tax incentives to industrial investments
 - East Asian industrial policies: “picking the winners.”
 - How to pick the winners: income elasticity, prospects for technological improvements, potential for exports, linkages with other sectors, etc.
- Individual investment decisions lead to non-optimum allocation of resources because the investor maximizes private marginal product, externalities are not exploited sufficiently, capital markets are imperfect.
- Markets work efficiently in allocating consumer goods, but not investment and capital. Lack of capital and entrepreneurship are common problems. Governments take active position in coordinating investments & production.

Middle-income trap and industrial policy



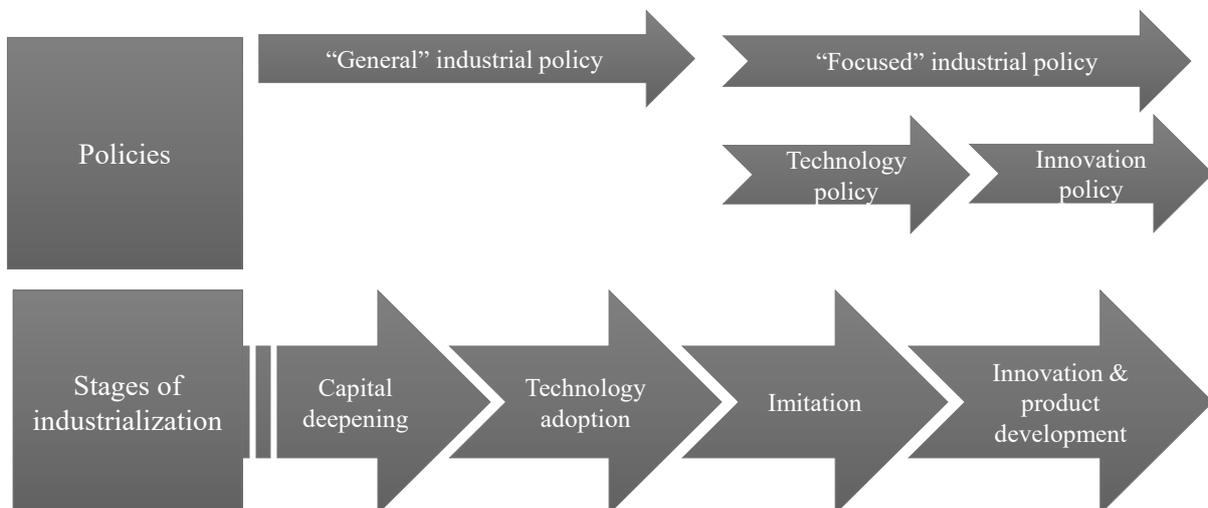
Based on: Yülek (2018)

Industrial policy: sequencing

Stage I	Stage II	Stage III	Stage IV
Import and use of machinery	Technology adoption	Imitation	Innovation & product development
Enhancing productivity through capital deepening	Learning by doing	Development of new industries	TFP growth, capital deepening with newly developed equipment

Based on: Yülek (2018)

Sequencing of policies



Based on: Yülek (2018)

Industrial policies in East Asia

- General justifications: market failure, infant industry protection, theories of backwardness and catching up, the Big-Push theory
 - Positive externalities from the spillovers among complementary investments
 - Scale economies require large-scale investments
 - Heavy and chemical industries as the most appropriate candidates.
 - Linkages among industries
- Developmental states: Johnson (1982), Amsden (1989), Wade (1990)
 - ambitious and aggressively implemented industrial policies.
 - Bureaucracy enjoyed autonomy (e.g., MITI in Japan, EPB in Korea).
 - “Disciplining” private firms and then turning them into globally competitive MNCs (e.g., Korean *chaebols*) while at the same time preventing rent-seeking
 - Public-private cooperation & research alliance (research institutes, technoparks, etc.)
 - Political economies of each developmental state are different.

Industrial Policies: Instruments

Government	Firms	Economic environment
<ul style="list-style-type: none"> • Import tariffs • R&D subsidies • Infrastructure (health, education, etc.) • Bond finance • Tax incentives • Accelerated depreciation • Autonomy in economic bureaucracy 	<ul style="list-style-type: none"> • Investment under uncertainty, government support • Rigidity in entry and exit (e.g., setup costs, minimum capital requirements, etc.) • Loans and allocation • Local & foreign ownership • Learning effect, innovation • Lobbying for protection 	<ul style="list-style-type: none"> • Trade, balance of payments, foreign exchange for imports • Nominal & real exchange rates • Maintaining long-term price stability
External environment	Human capital	Economic geography
<ul style="list-style-type: none"> • Foreign aid • FDI • Demand for exports and imports • Technology transfers 	<ul style="list-style-type: none"> • Labor demand and supply • Human capital (education, skills, etc.) • Income distribution, inequality, poverty • Productivity enhancement 	<ul style="list-style-type: none"> • Agglomeration of industries • Differences in industrial infrastructure across regions • Differences in social and political structures

Industrial Policies in Asia

	Domestic firms	Foreign capital	Technology transfer	Competition policy
Japan	Use of domestic resources for industrialization encouraged, growth of large domestic firms supported	Hostile attitude towards foreign capital, esp. in strategic industries	Technology transfer during 1960s & 1970s, license agreements and technology purchases preferred, foreigners were denied dominant position	Promotion of oligopolistic markets
Korea	Harsh local content requirements, government support for supporting industries (SMEs)	Allowed on condition of technology transfer, joint ventures	Massive R&D support in technology-intensive industries, public investments in tech. infrastructure, strategic tech. targeting	Nurturing of chaebols by government support, direction of chaebols to heavy industries
Singapore	Ignored by government, seen as subcontractors to MNCs, LIUP and other schemes	Substantial support to MNCs, MNC dominance in industry	Technology transfer from MNCs encouraged through LIUP and similar other programs (post-1985)	--
Taiwan	Support to increase local content	Government avoided competition with domestic firms, EPZs, technology transfer	Effort to upgrade SMEs' technologies, public research institutes, public-private joint R&D projects	Generally directed to heavy industries by the government, some large firms were SOEs

Industrial policies in East Asia: then and now

- Over time, private firms gained independence from government in decision making. They moved away from developmental state.
- Rise of neoliberalism (1980s~): states adapted to new conjuncture. Developmental state is no longer an option.
 - Changes in global economic conditions and the changing nature of manufacturing in the modern economy.
 - Economic bureaucracy lagged behind in meeting the demands of the changing consumer needs in the modern economy.
- Traditional industrial policies were replaced with science and technology policies and use of globalization of production via FDI policies.
 - More emphasis on private sector in industrial rationalization and restructuring
 - The main task of bureaucracy now: to strengthen the working of the markets

Lessons for Africa

- Important policy implications: Newman et al. (2016)
- Cambodia and Vietnam were equally poor two decades ago. Now, they are in high growth and industrialization path!
- Specializing in specific tasks is easier than specializing in all tasks vertically in developing a product. Therefore, GVCs may even be beneficial for Africa. See Tunisia and Vietnam!
- Services trade: another opportunity! Standardized services (e.g., call centers using languages such as English, French, etc.) may be an area of interest for communications services.
- Africa needs to export more. Governments need to implement regions regarding institutions and regulations to facilitate exports and improve trade logistics.
- Also, regional integration may be an opportunity.

Based on: Newman et al. (2016)

China and Africa

- Africa is still at a stage where it can compete with lower-end manufacturing products with a cost advantage (low wages) just like China during the 1980s & 1990s.
- Wages are rising in Asia (esp. China): a chance for Africa for a new fresh start?
- China: offshoring low-end manufacturing processes to Africa! China has preferential tariff policy for imports from these countries. Also, plans to establish SEZs in Africa.

Aid for development?

- Donors have enormous influence on national budgets and policy making process in SSA. They act as “partners” for development rather than “helpers.”
- What should be the appropriate role of donor agencies/countries to facilitate dynamic industrialization and industrial policies in Africa based on private sector development?
- Much of world trade is realized through GVCs. Services trade is growing rapidly. Africa can benefit from opportunities of location-specific trade.

Challenges ahead for Africa (trade, GVCs, and development)

- Free trade: trade is freer than ever but inequality got worse. Why?
- One reason is the dominance of large MNCs in trade and which enjoy an oligopoly-like status. UNCTAD’s Trade and Development Report 2018 emphasizes this fact! GVCs enabled MNCs to control design, production, and distribution at the global scale.
- Outsourcing part of the production to low-cost countries: did not improve inequality.

Challenges ahead for Africa (trade, GVCs, and development) – cont'd

- FTAs usually include clauses about IPRs (regarding design, branding, marketing, etc.) and such rents usually go to MNCs, further strengthening their market power. Most value-added is there (remember the smile curve!)
- At the lower-end of the smile curve (manufacturing production), competition reduces prices and workers get less. Most developing countries are stuck at this lower-end and did not really “gain” much from the rapidly increasing world trade. These are low-productivity jobs: not much prospect for technological upgrading and value-added creation.
- How to escape from this: Look at China and its industrial policy!
- China aims to increase the domestic value-added content and improve the workers’ living standards.

Challenges ahead for Africa (trade, GVCs, and development) – cont'd

- Under the current trade system and concentration in economic power in the hands of MNCs, it is difficult for developing countries to industrialize.
 - Difficult to compete with MNCs
 - MNCs hold the bargaining power vis-à-vis the developing countries
 - MNCs have huge market power in manufacturing sector, in financial services, in telecoms, etc.
- GVCs: as it currently stands, MNCs manipulate regulatory frameworks, tax regimes, environmental standards, and even macroeconomic policies in their own favor.
- Strong MNCs and relatively weak states: What China achieved may not be easy for small developing economies in Africa.

Thank you for your participation.

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【Lecturer Profiles】

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Dr. Takahiro Yamada is an economist at the Ministry of Finance, Japan. His expertise is in the areas of the triangle of growth-distribution-poverty; and sovereign credit risk analysis, with the several publications in *Economics Bulletin*, *JICA Sovereign Credit Risk Assessment Report*, among others. He has finished his master's and doctoral studies for around 3.5 years, and also, he has possessed around 5 years of professional experience in the economic development arena, including lending/post-debt restructuring lending operational assistance, technical assistance of macro-fiscal/finance area and policy dialogues with government authorities, IMF, and the World Bank. The geographical coverage of his work has been across Asia and the Pacific, and Central America, the Caribbean. He holds Ph.D. from Nagoya University, Japan.

Dr. Vick Lukwago Ssali

Dr. Vick Lukwago Ssali graduated from Katigondo National Seminary Uganda with a Diploma in Philosophy and Religious studies, and a Degree in Philosophy of the Pontifical Urban University, Rome (1989). He holds a PhD degree in Global Society Studies from Doshisha University, Japan (2017). He has been teaching at various universities in Japan since 2006. Currently a full-time lecturer in the Department of English Language and Cultures at Aichi Gakuin University. Also founding President of the Japan Society for Afrasian Studies.

Dr. Kucuk Ali Akkemik

Dr. Kucuk Ali Akkemik is an associate professor of economics at Yamaguchi University, Faculty of Economics since September 2017. He is teaching development economics, East Asian economics, and industrial policy. He holds a PhD degree from Nagoya University (2006) and BS degree from the Middle East Technical University in Turkey (1999). Previously, he was an associate professor of economics at Kadir Has University in Istanbul, Turkey. His research interests include input-output and general equilibrium modeling, development economics, and behavioral economics. His recent works focus on industrial policies in China and Japan, political economy of development in East Asian economies, economic history of Japan, and the relation between culture and economic behavior (worldviews and intergenerational altruism, in particular). He is the author of *Industrial Development in East Asia: A Comparative Look at Japan, Korea, Taiwan, and Singapore* (World Scientific, 2009), *Political Economy of East Asia* (Bogazici University Press, 2015, in Turkish), and *Economic and Social History of Japan* (two volumes, forthcoming, Bilgi University Press, in Turkish). His articles have been published in various journals including *Socio-economic Review*, *Journal of International Development*, *European Journal of Operational Research*, *Tourism Management*, *Energy Economics*, *Energy Policy*, *Journal of Chinese Business and Economic Studies*, *Journal of Behavioral and Experimental Finance*, and *Journal of Economic Psychology*.

【Moderator Profiles】

Dr. Christian Samen Otchia

Dr. Christian Samen Otchia is an associate professor of Economics at the Graduate School of International Development, Nagoya University. His research interests lie in the areas of political economy, labor economics, and economic development. His general approach is the use of statistics and computable general equilibrium (CGE) models to study poverty, inequality, the relation between economic growth and structural change, and industrial policy under globalization. His work includes contributions to the development of analytical tools for policy evaluation in developing countries. His contribution on CGE models and inclusive growth was recognized with the 2013 Flash Session Price from the International Input-Output Association. More recently, he received the 2016 Lawrence R. Klein Award from the Pan Pacific Association of Input-Output Studies as well as the First Thomas Rutherford GAMS Prize which is awarded by both GAMS corporation and the Center for Global Trade Analysis, Purdue University, for his work on CGE and microsimulation models. He has published widely on these themes in leading peer reviewed journals, including but not limited to the Review of Development Economics, Resources Policy, Journal of Economic Structures, The Extractive Industries and Society. Dr. Otchia obtained his bachelor's degree in Mathematical Economics (first class honors) from the Department of Economics, University of Kinshasa, Democratic Republic of Congo. He holds a master's degree in Development Economics and a PhD in International Development from Nagoya University, Japan.

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Holger Robert Bungsche is a professor at the School of International Studies at Kwansei Gakuin University, Nishinomiya, Japan. He holds a PhD in Asian Studies from Erlangen-Nuremberg University, Germany.

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Since 2001 he has worked in several research projects on the Japanese and European automobile industry. Recent publications were on the development of the Japanese automobile market after the financial crisis, management, corporate governance and labor market reforms in Japan after 1990, as well as on contract manufacturing in the automobile industry.

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