

**THE LAUNCH OF THE INSTITUTE OF DIPLOMACY AND
INTERNATIONAL STUDIES ALUMNI CHAPTER**

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CHIEF GUEST**

THE ROLE OF DIPLOMACY IN EMERGING AFRICA

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- Prof. George Magoha - Vice Chancellor, Nairobi University**
Amb. Prof. Maria Nzomo - Director, Institute for Diplomacy
Dr. Betty Gikonyo - Chair, Nairobi Alumni Association

Fellow IDIS Alumni

Distinguished Guests

Ladies and Gentlemen

I am delighted to have been invited by Prof. Amb. Maria Nzomo to be the Chief Guest on this important occasion of launching the Institute of Diplomacy Chapter of the Nairobi University Alumni Association. I have noted that the Alumni Association has grown substantially since its launch in the year 2005 and I am glad to participate in its further extension through the IDIS Chapter.

HISTORICAL PERSPECTIVE

Nairobi University has served this county extremely well as the most important institution of training professionals since its inception in 1970. It is opportune that I completed my first year in the university college of the then East African University only to enroll in the University of Nairobi for my second year. Those were very exciting days and changes were taking place very fast across the Nation. We, as students at the time, were actually slow in accepting our university to be downgraded from the University of East Africa to the University of Nairobi. We even suggested that the bettername should have been at least University of Kenya until a

somewhat forward looking student, whom I cannot remember, argued that the name chosen was appropriate considering that in future, there will be more universities in Kenya. We accepted the argument although the possibility appeared very distant at the time.

I was fortunate enough to have been in the second class of the diplomatic training programme in 1974/75 then being sponsored by the Swiss Government. It is many years since but I am extremely delighted to be associated with the growth of the programme into the current Institute of Diplomacy. Many Kenyan Foreign Service Officers and Ambassadors and others in participating countries have benefitted greatly from the diplomatic skills they learnt from this distinguished institute. Some of our colleagues in the Ministry of Foreign Affairs came back to teach in the Institute, enriching it with their experience. The institute is ultimately inseparable from its products. The Institute therefore requires to be supported by its alumni so that it can grow stronger and excel. It is in that spirit that I highly commend the founders of the Nairobi University Alumni Association, its Chairperson and rest of the Association's leadership and the membership.

It was suggested to me to speak about "Role of Diplomacy in Emerging Africa" which seems very relevant at this time. Diplomacy was extremely important when Africa was waging the extremely important and momentous struggle against colonialism in 1950's to 70's. The struggle was complex as the colonial masters created divisions among the African population and leadership and also made sure that African countries were literally isolated from each other. The independent African countries: Ethiopia, Liberia and

later Egypt, Ghana and Sudan struggled hard to support liberation struggles in Kenya and Algeria which faced armed struggles with a substantial logistical problems. Formation of the Organization of African Unity in 1963 was a master piece in the growth of African Diplomacy and I warmly salute the OAU founders.

Africa was emerging from the status of the “dark continent” to an Africa of independent states. Diplomacy was founded on a clear identification of national or collective interests to be advanced. Africa, then, was unanimous in the support of the countries which were struggling to be independent. Independence therefore was a clear national and collective African interest that the African Countries pursued very successfully. Independence, however, remained insecure due to the vulnerability of the newly independent African countries to the East/West cold war. There was also the threat of newly independent states holding territorial expansion ambitions, with Somalia as a case in point.

That is why the establishment of OAU was extremely timely. It became a protector of the independence of African countries and a catalyst for liberation of those who were still under colonial rule. The OAU diplomatic efforts were galvanized at the sub-regions, at the continental level and at the United Nations through the African Group in New York, the Non-aligned Movement and the G77. The success of the OAU diplomatic offensive culminated with the total liberation of the continent from colonial rule and the ending of apartheid in South Africa. Kenyan diplomats also benefitted from the unwavering support of the African Group and G77 to win global support that brought UNEP, Habitat and the UN Center to Nairobi.

In between and after, OAU intervened in many intra-Africa conflicts, among them Algeria-Moroccan dispute of 1964-1965, the Somali-Ethiopian and the Somali-Kenya border disputes of 1965-1967 were resolved through mediation. Later, OAU/AU supported ECOWAS and IGAD sub-regional blocs to intervene militarily in Liberia and Sierra Leone and IGAD to intervene in Somalia successfully. State power was restored in these countries after many years of lawlessness perpetrated by war lords. IGAD also shepherded the negotiation of a Comprehensive Peace Agreement between North and South Sudan culminating in independence of South Sudan. These have been some of the greatest diplomatic successes by Kenya, Nigeria, IGAD, Ecowas and AU. The frontline states of Southern Africa led by Tanzania and Zambia certainly played a critical role in the liberation of Angola, Namibia, Zimbabwe and Mozambique in addition to ending of apartheid in South Africa.

While these regional diplomatic initiatives were faced with many challenges, the African Spirit of trust, perseverance and the appreciation of the underlying causes of the conflict produced desired results.

African countries also went through painful experiences of military coup d'états, excessive economic controls and mismanagement leading to serious under performance in the provision of basic social services to the populations especially in respect of education, health, water and housing. The problems were confounded by rapid population growth without corresponding economic growth. Africa remained dependent on agricultural commodities and natural resources such as mining and timber

and lately, oil in a few countries. The gains made in the decades of 1960s and 1970s eroded fast in 1980s and the 1990s, as evidenced by the explosion of conflicts in the continent which led to a total collapse of states in Sierra Leone, Liberia, Somalia, Rwanda, Burundi and D.R Congo. At the same time, many others were experiencing serious internal conflicts due to struggle against single party or military regimes by multi-party democracy movements supported by Western powers following the collapse of communism.

On the socio-economic front the IMF, World Bank and EU were forcing Structural Adjustment Policies on African countries which had become excessively dependent on donor funds for their survival. The Structural Adjustment Policies focused on liberalization of foreign exchange controls, decontrol of interest rates and import licensing regimes. These policies were also forcing privatization of public enterprises to overcome corruption and to ultimately open opportunities for foreign investors. Critically, cost sharing in the provision of essential social services particularly education and health was embedded in the policy.

The structural adjustment programmes were extremely harsh and exposed the vulnerability of the African economies. Virtually all the import industries i.e textile, leather, furniture, motor vehicle assembly plants, cement etc collapsed. African countries became importers of virtually everything manufactured. Health services and education accessibility fell drastically. There were no funds to finance infrastructural development. Many African

countries were seriously challenged by dilapidated and grossly inadequate infrastructure. Access to funds from the World Bank, EU and even from bilateral sources were subjected to IMF stringent conditions which made the financing a very slow process.

These experiences must teach us that diplomacy cannot succeed in a situation where African countries are negotiating from a weak position. Countries can only truly be considered to be negotiating when it is on the basis of the principal of reciprocity.

PRESENT CONDITIONS

Not everything was lost at this time. During this period – sub regional organizations, namely ECOWAS, for West Africa, SADC for Southern Africa, COMESA for Southern and Eastern Africa, IGAD for the Horn of Africa and East African Community were established by the member African countries to respond to the global market and investment challenges. They were slow in picking up because of financing limitations and internal contradictions. However, diplomatic foresight and perseverance prevailed and now these sub regional economic blocs are becoming important regional markets and investment areas. The next diplomatic thrust must be to merge these markets into single markets and investment areas through infrastructural linkages, inter-regional roads, railways, pipelines and civil aviation open skies and electricity grid networks.

The 21st Century came with more democratic and accountable multi-party governments. Most African countries have Constitutions which limit the term of office of the Head of State and government to 5 year terms. The governments are therefore more accountable and competitive. Consequently, the African governments are becoming more creative and ambitious in their development agenda. There are more options for investment in Africa now than there are elsewhere globally. Africa has significant scope for infrastructural development, food production, exploitation of natural resources and value addition to the same, mining, forest product, livestock products and provision of services for fast growing populations with increasing purchasing power.

The OAU was transformed into AU in 2002 after realization that African collective leadership and diplomacy had to change the strategy for transforming the Continent into a peaceful and modern regional economy with a happier and more prosperous population.

The new policy track embraced democratic forms government and totally rejected military and other forms of authoritarian rule. AU institutionalized structures including a Peace and Security Council to facilitate the Organization's interventions to facilitate solutions in internal conflicts that threatened stability of individual member states and regional peace. In this context, AU has been able to suspend from its membership Mauritania, Guinea, Madagascar, Cote D'ivoire, Eritrea and Niger following coup d'etats. The organization has also been able to send peace keeping forces

to Darfur and Burundi as well as to support the mediation missions to several African countries including Libya.

The AU efforts to integrate the African economies and to fast track social economic transformation of the continent is being greatly supported by a corresponding policy of the African Development Bank, prioritizing financing of regional infrastructure and relevant institutional capacities. Fortunately, this is further bolstered within the sub regional economic blocs where regional projects are identified and prepared by the African leaders, Diplomats and professionals for execution. One such project is the LAPSSET transport corridor.

Africa is therefore becoming an increasingly attractive and growing market and investment opportunities are enormous. Recent massive oil and gas discoveries in East, Central, West and North Africa, have greatly fueled global interest in the continent. Africa is also a home of strategic and precious minerals, copper, iron, coal, gold, uranium, phosphate, diamonds, titanium, rare earth etc. We should however not lose sight of the need for indigenous participation in value addition to these products and resources to maximize local empowerment and wealth creation.

In addition, all these resources have been of great attraction to foreign interests which sometimes fuel the conflicts which have come to be associated with all mineral/oil rich countries. This is where high diplomatic skills are required in negotiating either government to government agreements or commercial agreements to ensure community interests are

secured. In the past, agreements were signed in total disregard of community interests leaving a seed of community conflict. As a case in point, Nigeria has had a bitter experience in its oil fields in the Niger Delta.

FUTURE OUTLOOK AND OPPORTUNITIES

Fortunately today's diplomatic training is much easier because of availability of information in internet. Before negotiating a commercial agreement whether on basis of PPP, BOT or otherwise, it is always necessary to study similar agreements which have been signed by other countries so that one may opt for the practice that assures the highest national value. Currently international transaction advisers are commonly used but there is a need to build national capacities to avoid over reliance on very expensive external advisors.

The most important tool for anybody involved in negotiations is knowledge of the subject matter. Development of human capital to deal with all these critical sectors of the African economies is essential. Diplomacy must be backed with expertise in international law, commercial law and finance, economics, relevant sciences, history and political science.

Successive Kenyan governments have appropriately accorded the highest priority to education. The prioritization of education gathered unstoppable momentum under the grand coalition of President Mwai Kibaki and Prime Minister Raila Odinga and now the Jubilee coalition of President Uhuru Kenyatta and Deputy President William Ruto considering the latter have

started by empowering school children from class 1 with ICT skills. As a result, Kenya is making a global contribution in advancing communication technology. It is possible that during the 21st century, Kenya will become one of the leading countries in the communications technology, if the mobile money boom is any indication. The signs are there and the prospects are good. But there is nothing that comes easily. All science is research led and there is cut throat global competition in cutting edge technologies where significant amounts of money may be made. Therefore greater investment in science and technology is a must to ensure a breakthrough in sustainable science led development.

No country can make a real impact in the global economy unless it has manufactured products to sell in the global markets. Kenya and most of African countries except South Africa and Egypt depend on commodities and services for their export earnings. Africa is unfortunately not adding value to their commodities. In addition to prioritizing education, and infrastructure and food security, African leadership and diplomacy should accord industrialization highest priority. One of the key objectives of establishing sub-regional economic blocs is to provide larger markets to attract investment in manufacturing industries. This has not yet born fruit because the markets are still too open to cheap imports. Normally textiles and leather and wooden products offer a wide base for manufacturing to cater to the huge demand for those products by the entire population. For example the East African Community has a population of about 135 million people and yet it has no textile industry or leather industry to speak of.

Kenya's textile industry is basically for export with the domestic market in Kenya and the rest of East Africa is dominated by second hand clothes.

East African leadership and diplomacy and indeed the rest of Africa should formulate and execute appropriate policies to fasttrack industrialization. They should make it difficult for secondhand clothes and shoes to enter into the regional market. By so doing, they will be creating thousands of jobs in cotton and livestock farming, dress making, shoe making, training schools, textile and leather industries and in the marketing of textile and leather products.

African diplomacy should play a proactive role in directing foreign investments to areas where the host economy is benefitting from forward and backward linkages. Extractive industry investments may contribute very little to the economy unless their value addition processes are undertaken at the local level with appropriate taxes being paid and there is transfer of technology and substantive employment with appropriate healthy and safety measures.

Many extractive industries are notorious for transfer pricing with no benefit to the local communities which should be avoided in any investment agreements. One way of avoiding transfer pricing is to base payments to the host government and the community on a percentage of gross revenue rather than on the net profit.

To be competitive in manufacturing there must be heavy investment in power generation and distribution so that there is enough energy to fuel the economy at competitive prices. High power costs and unreliable supply have been major obstacles to industrial processing industries in Africa. Africa is now attracting investors in the energy sector but they are coming at very high premiums. Regional power pools and more investments in hydro, geothermal, coal, wind and solar energy, and when appropriate, nuclear energy, will eventually bring the cost of fuel down. Foreign investments in the energy sector and external loans to finance government power projects require competent and knowledgeable negotiators to ensure that host country benefits optimally. This of course is with the understanding that no investor will be interested without a predictable and profitable bottom line.

With recent financial and economic crisis in USA and Western Europe, Africa has become the most attractive investment destination. Western countries are now competing with Asian countries especially China, India, Japan and South Korea to invest in the Continent. They are all using their dollar diplomacy to get a hold on the African market, either as source of industrial raw materials or through expanding markets for their manufactured products. Multinational corporations are actively establishing their headquarters and operations in regional capitals like Nairobi, Johannesburg, Lagos and Cairo to leverage these opportunities.

Some especially China and Japan are focused on financing and construction of infrastructural projects and exploration of mining. They have set up huge funds to support infrastructural and other development projects in Africa. They have been warmly welcomed by the African governments and are making major advances in this area. Other countries like India and Korea are making major commerce and ICT investments. Western Europe countries which have until recently concentrated their funding on governance reforms and provision of social services, particularly health and education, are now encouraging their companies to be more aggressive in the investments in the African infrastructural project, mining and providing venture capital for investment in industrial and service enterprises.

African leadership and diplomacy at the same time needs to respond to the changing reality of civil society organizations. Civil Society organizations have become important actors in mobilizing public opinion in support or rejection of government initiatives in Africa. They have also become influential advocates for political reforms and significantly impacted national and regional legislative agendas. It is therefore necessary for the civil society organizations to identify themselves with the Pan-African agenda to reinforce the African leadership and diplomacy in advancing the continental agenda which sometimes is at variance with competing global interests.

More importantly, the role of media in mobilizing public opinion and support for the Pan African agenda is critical. Leaders and diplomats require media support in the difficult tasks of driving national reforms, integrating Africa and making the African voice better heard in global forums. African interests and agendas need to be better packaged during the 21st century.

In the last two decades there has been expansion of the development gap in between Africa and the other regions of the world. At the same time, the gap between Europe and Latin America and Asia narrowed substantially. We need to turn around Africa's negative trend into a positive trend if we are to eventually catch up and exceed performance in other regions during the 21st century.

CONCLUSION

I wish to conclude by saying that African countries are becoming richer with more educated population and therefore more assertive in international negotiations. This trend is bound to gather momentum as the number of conflicts in Africa goes down. Many of these conflicts are fueled by the scramble for scarce resources and non-inclusion in governance structures. Fortunately, these problems are being addressed by the reforms which are taking place in Africa.

Diplomacy will undoubtedly play a greater role as the African countries strengthen and occupy higher profiles on the global negotiating tables during the 21st century. As much as diplomacy is the process of transaction of business among states, it is important to appreciate that African countries are individually in competition among themselves in pursuit of their economic interests and influence. Collectively they are in competition with other regions for same reasons. Diplomats have the responsibility of identifying their national and regional interests clearly and packaging them most conveniently to win support from countries. The

responsibility of any foreign ministry is to raise the profile of their country among other nations and also create an enabling environment to do business with those other countries.

I thank you for your attention and for your kind invitation for me to preside over this important function.

Have a good evening.

Amb. Dr. Francis Kirimi Muthaura, EGH, EBS