



**Wittenberg Center  
for Global Ethics**



## **Africa Forum 2006 Fostering Entrepreneurial Spirit**

### **Minutes of the 5<sup>th</sup> Panel: The Future Generation “Fostering Entrepreneurial Spirit” Wednesday, 6<sup>th</sup> December 2006**

Convened by H.E. Andrew Young, WCGE

- Dr. Amichia BILEY  
NEPAD Council Europe, Germany
- Kristina SCHAPIRO  
Merton College, Oxford University
- Victor AWA  
University of Magdeburg
- Joaquim MUCAVELE  
Humboldt University Berlin
- Cyril FEGUE  
New York University

## **Input by Dr. Amichia BILEY**

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Starting the 5<sup>th</sup> panel discussion, Mr. Bailey once again confirmed that NePAD indeed is a break in perspective by trying to actively involve the private sector and headlining private initiatives and self-determinedness in development.

The approach is not at all without tangible outcome. Especially in the last 4-5 years we have experienced a good and constant growth path in Africa. Moreover, looking at China and India one can observe the power of change and development that comes along with institutional reforms and private entrepreneurship. In Africa itself, especially in the south of the continent with South Africa being its main engine, the trading patterns are changing and African nations successfully start to do business with one another bridging the gap between the industrial nations and Africa.

Although change is already taking place and is speeding up in its process, a lot still remains to be done. The focus thereby lies especially in enabling the African population to invest in the necessary conditions for development. In this context the NePAD council identified 4 main points:

- Tackle the problems of the private sector. Many businesses in the formal economy are still lacking the necessary liquidity for major investments (e.g. to build up modern production facilities). By introducing credit-rating the efficiency of the credit sector and thus, the money supply for private business could be strengthened.
- A centre for vocational and educational training could help African students abroad to be better prepared to return to their mother countries, learn about the specific circumstances in the region and know better what to do.
- A Euro-Africa summit could help to link these activities and jointly analyse necessary conditions in which to invest for the common advantage.
- Real partnership on the individual level however can only start with real match making between foreign investors and African entrepreneurs. In this respect the building up of an institutional framework (e.g. an African entrepreneur / invention bank) which facilitates such match making seems to be a real value creating endeavour.

## **Input by Kristina SCHAPIRO**

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Ms. Schapiro connected to the inspiring input given by Herman Bailey and confirmed that in large parts of the Africa of today a new spirit of hope and forward thinking is on the way. Quote: "Being in Africa, I see many dreamers that are already looking forward into a better future for their live and those of their community and on the way to put their dreams into reality."

However it is important to keep in mind that we can not change the world within a few days. The same is also true for such events as big conferences, that will not lead to a better world just the day the conference is finished. Nevertheless, during such meetings new helpful ideas and fruitful perspectives can be gathered and discussed as well as friendships and partnerships can be forged that may last for many decades or even a live long and may be understood as a kind of social capital (networks) for future cooperation. Building up such capital will not instantaneously lead to a better world, but it will enable us to start changing the world tomorrow.

Such a step by step approach is also compatible with the way Africans are used to cooperate in their community. After all, it has to be understood that Entrepreneurial Spirit is not the same all over the world. In Africa, for example, the so called informal sector is still of major importance and people are used to cooperation that takes place primarily in small groups and by doing small little things together. In this respect it can also be observed that experiences made in certain surroundings also form peoples abilities to effectively cooperate with each other. Such experiences and abilities therefore constitute what could be called the human capital that is needed for cooperation. To develop this human capital to also work in larger communities and globalized markets remains the major task for development. Quote: "If you want prosperity for one year grow wheat, but if you want prosperity for hundred years grow people!"

## **Input by Victor Awa**

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Resuming the discussion about common goals the necessity for individual action to be taken, Victor Awa made clear that we can not always resort to the existing (bad) conditions as an excuse for our non-acting. Alluding to the special situation in Nigeria/Kenya?? Victor Awa insisted: "If we don't do something today, our children will blame us for being corrupt tomorrow, as we are now blaming Kabila and others for being corrupt today."

In order to provoke actions today it has to be remembered again and again that Africa's situation is essentially man made and hence not a necessary fact like the laws of natural science. Since it is man made, It can and indeed will change over the time. It is therefore important to mention and make clear to the people that changes in societal history are always happening and will continue to happen in the future. Although we as individuals can not directly influence these changes in every detail we nevertheless can choose and influence the direction in which it moves. Besides others, this direction will mainly depend on the people (human capital) and the institutions they commonly respect to coordinate their activities (social capital) as well as the way how they are interpreted.

In this context we may need to modify your own way of looking at the problem and find new, more adequate solutions. What is important in this context is especially the importance of a sensible idea of man. Sometimes, especially when talking about moral or ethical problems, we suppose people to be angels and are tempted to neglect their status as empirical beings. But if people were angel, we would not need a state, but since we are also empirical beings, we need rules, law and order, etc.

Bearing this in mind we may find a better understanding about the sense of institutions and may talk about the necessary conditions for their functioning in diverse environments more elaborated. By doing so, we can indeed learn from each other and our different experiences in different environments and find adequate solutions for the problems at hand.

Finalizing his statement, Mr. Awa once again made clear the fact and importance of change in history. Not far away from the conference venue in Wittenberg in the year 1884, the division of Africa between the then colonial powers took place in Berlin; a conference, which goal was to codify the colonial status of Africa for centuries to come.

“Think of that! Now, the situation has changed completely and we Africans are back here as equal partners to discuss a self-determined future of the continent!”

## **Input by Joaquim Mucavele**

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When talking about change and common investments into the future, it is necessary precondition to know what one wants and what one stands for. Since it always takes at least two people to cooperate, one can equally abstain from letting others know for what oneself stands for and find common grounds for the necessary trust to develop.

As Martin Luther King and H.E. Andrew Young were fighting for independence and equal rights for black people back in the 60ies and 70ies, we as young leaders of today are in need to define a common focal point for which we are fighting for today. So one of the most important questions for young leaders of today is: “What do we stand for?” According to Mr. Mucavele such a common focal point could be found in “development and equal chances”.

It is this spirit of development and the opening up of new chances that can be felt in the Mozambique of today. After many years of bloody civil war, a new atmosphere of cooperation has caught the country and people are experiencing new and open opportunities. A striking example for the progress taking place in the country is a friend, who started to rent mobile phones in his boyhood and now leads a well-run business in the telecommunication industry and just started to build houses for his family.

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

In Africa this thinking according to the needs of others is already deeply routed. However, cooperation often takes place within small communities and this kind of cooperation is quite different form the cooperation taking place by anonymous exchange though markets. While within small communities “cooperation” is the main experience in daily life, on anonymous markets it is primarily rule-guided i.e.

institutionalised competition with cooperation coming in through the institutional framework of the market. Africans therefore are more used to cooperation than used to competition. We have to educate them how to act within a competitive environment and what such an environment is doing for them, i.e. how competition is fostering social cooperation.

## Input by Cyril FEGUE

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Seen from the perspective of a social scientist, entrepreneurship is not only taking place in the private sector, but also taking place in the social sector. In this sector however, the necessary conditions for cooperation are much more complex. Solutions to the question in which conditions to invest can therefore not be technically, but have to be tailored to the special needs and to the special background of the people. Cooperation on that level therefore is always a dialogue process that tries to find adequate institutions under which people are able to work together.

For constructive dialogue however, the image and self-image one possesses is of fundamental importance. In the past we often thought about – and therefore knew! – everything Africa *is not* and *can not*. Instead we have to think about – and therefore learn! – what Africa *is* and *can* accomplish. A lot of worth in Africa for example is produced in the informal economy, but since it does not show up in official statistics this sector is often neglected. Instead of blaming this sector for being inefficient, corrupt etc. we have to make use of the knowledge and the entrepreneurial spirit existing in this sector by a step by step formalization. Similarly we ought not to talk about developed and underdeveloped countries any more, but rather speak of high and low income countries.