

Ninth African Economic Conference

Knowledge and innovation for Africa's transformation

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Opening statement

by

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**Her Excellency Nkosazana Dlamini Zuma African Union Commission Chairperson,
Honourable Demitu Hambisa, Minister of Science and Technology, Federal Democratic Republic
of Ethiopia,
Vice-chancellors,
Researchers,
Distinguished guests,
Ladies and gentlemen,**

I am pleased to welcome you to the Ninth Session of the African Economic Conference. Our call for papers delivered a rich harvest to support Africa's policymaking by Africans. This conference comes at a particularly important point in Africa's transformation agenda. It is also very timely for ECA and its ambition to become Africa's Premier Think Tank in order to better assist its member States in addressing the challenges of structural transformation.

Over the past nine years, together with the African Development Bank and the United Nations Development Programme, this conference offered a platform to learn, debate and enrich the African intellectual discourse. This year's conference theme is "*knowledge and skills for Africa's transformation*" a subject dear to our chairperson.

Excellencies, ladies and gentlemen,

The continent abounds with examples of knowledge helping change the narrative. Kenya's financial inclusion performance through mobile banking is now quoted worldwide. *Cardiopad*, invented by Arthur Zang, a 24 year-old Cameroonian engineer, enables heart examinations through tablets. The *Saphonian*, invented by Anis Aouini, from Tunisia, attempts to offer an alternative way to harness wind and generate green energy that can be converted to electricity. In South Africa, a pedal-operated, self contained, easy to assemble waterless toilet called the *SavvyLoo* is being rolled out to respond to the need for innovative sanitation solutions. Eneza ("to reach" or "to spread" in Kiswahili), a virtual tutor and teacher's assistant on a low-cost mobile phone is making wave in East Africa. *M-Farm*, provides up-to-date market information and links farmers to buyers through a virtual marketplace and shared current agri-trends.

These innovations bode well for the future. However, supplemental work is still required to speed up the pace of creation as well as the absorption rate of new technologies and spread it to all sectors of our economies. I am encouraged by your strong turnout. Both young researchers and highly respected professors are here to make a contribution. Your respective institutions continue to create opportunities to engage and exchange with industry leaders from Africa's emerging knowledge and technology-driven commerce. I cannot over-emphasize the importance of fostering a continuous dialogue between those who create knowledge and those who commercialize knowledge in the quest for structural transformation, industrialization and sustainable development of the continent. As you know, sharing has a multiplier effect on knowledge dissemination.

Excellencies, ladies and gentlemen,

Arguably, one of the most important developments of the 20th century for enhancing economic development has been the emergence and establishment of the knowledge-based global economy. Africa has to be prepared. We can actually be net beneficiaries of this focus on the role of information, technology and learning as a determinant of economic performance. We can leapfrog. We can offer frugal innovation. Technology has important implications for our ability to identify and exploit opportunities to transform our economies and for the employability of our growing young population. In today's knowledge-driven global economy, innovation and technology-oriented education is vital for sustained economic performance and competitiveness. In practical terms, innovation and technology-oriented education gives our youth critical building blocks to secure their future. It ensures their integration into the more productive sectors of an economy, and also gives them the capability to generate new sectors and products. In this context, the Common African Position on the Post-2015 Agenda is clear – no one is to be left behind. The continent is aiming for inclusive and sustainable growth that leads to the uplifting of each and every single African: we want simple households to be capable of building wealth, whether by establishing a competitive small business or by plugging into an industrialization drive. For this to happen, we have to upgrade skills and make them responsive to the employment demands.

Let me delve a little deeper into the demands of a knowledge-based economy. One of its central manifestations is the codification of knowledge and its transmission through communications and computer networks. This means that workers must acquire a range of skills in order to meet the requirement to grow and learn continuously. At present, the world thrives in a learning economy. We

must adapt and equip our youth with the ability to keep learning, and more importantly, implant in them a problem-solving mindset that will be a rich source of innovative ideas. Enabling innovation to spread through the entire economy implies an obvious role for governments and learning institutions.

Excellencies, ladies and gentlemen,

The Ebola crisis in Guinea, Liberia and Sierra Leone, is a tough reminder of how skills deficit on the continent can have a dramatic impact on the economic progression of affected economies. I certainly do not intend to dwell on missed opportunities of our education and wider national innovation systems; suffice it to say that we have allowed ourselves to be lagging behind by just copying and pasting without learning. Our cumulative deficiencies in education, skills generation and innovation pose an enormous threat to our ambitions for sustainable and inclusive growth.

How do we change this attitude?

By making sure that we are strategic in our investments and see social spending as part of our investment into the future. We are not going to be taken seriously if all we care is to have more GDP growth, without translating it into quality. Countries that understand the scale of the challenge are the ones capable of relating policy ambition with dynamic innovation systems.

If I seem to insist on national innovation systems it is because a country's innovative performance depends critically on a collective system of knowledge creation. It also depends on how the knowledge created is actually used - and, how and with which technologies it is combined. I should stress that national innovation systems can and should be complemented and enhanced by regional innovation systems. Some of our countries are a little bit more advanced than others. For instance, several South African, Egyptian and Ugandan universities earned a world ranking in 2014 (Centre for World University Rankings 2014). We can learn from their experience. I see an important role for the sharing of resources in the context of and in the furtherance of regional integration.

I believe that most African governments recognize the importance of knowledge generation and innovation. But that is not enough. They need the institutional mechanisms that will help the majority of their citizens to derive direct benefits from.

Excellencies, ladies and gentlemen,

A key challenge for many of our countries is mobilizing finance and investment to make the required reforms happen. The solution might come from building public and private partnerships, for instance, much of the job of re-skilling our labour force takes place at the level of structured on-the-job skills development programmes, in which business is a driving force.

Where needed, business is already finding enough skilled workers to start low-end value addition. This is good news but hardly heartening. We are only going to scale up industrialization if we respond to higher and sizeable skills demands. For that, we need more synergy and synchrony between public and private sector actors.

Excellencies, ladies and gentlemen,

Capacities is not the same as capabilities. We have lots of capabilities; but we need capacities. We need capacity for strategic decision-making. Capacity for enhanced productive economic activities. Capacities for aggressive absorption and generation of knowledge intensive technologies. In one sentence: capacity to transform growth into quality growth. This is a fantastic challenge for an inter-generational group of African economists.

I thank you.