

The Role of the State

in the Process of Economic Structural Transformation

CONCEPT

Date of Conference: 25-26 September 2013

Venue: Coconut Grove Regency Hotel, Accra/Ghana

Introduction and Context

African Economies are sometimes characterized by a lacking manufacturing industry, a huge agricultural sector which absorbs the majority of workers as well as a focus on the service sector and the exports of raw materials. Significant growth rates of some African countries which are on the way to middle income countries are based especially on the expansion of the extractive industries. Exporting raw materials, such as gold, diamonds, minerals, timber and oil therefore become the buzzword in such economies, neglecting the value addition to products. Analyses with regard to those countries which recorded a high growth rate in the past years show that the economic well-being on paper is actually a “jobless growth”. Poverty in many countries is at the rise.

The current neoliberal economic concepts adopted by most of the African countries have been promoted by the Worldbank and IMF in the 80s. Economic growth was supposed to happen without an active involvement of the state. The new approach of a neoliberal economy with a “minimum” of state regulations or even no involvement manifested itself over the years. Many country examples show today that these concepts did not fulfill the wishes of a prosperous and social inclusive growth – in some countries it had even the opposite effect. Other countries such as Botswana who did not follow the concept of the WB and IMF but rather gave the state an active role to shape and manage the economy are now better off.

What is a developmental state and what are its characteristics? How much state regulation is needed for a sustainable economic development? How can the role of states be strengthened in order to foster economic development? What kind of preconditions must be present to ensure an enabling environment for the state to structurally transform an economy? How can a cooperation between the state, private sector and experts be facilitated?

The conference will focus on the need of structural transformation which leads to “job creation” by increasing the productivity of the national economies, improvement of the infrastructure and investment in education and health system. But this structural transformation of economies can just be initiated through an active state which does not rely fully on foreign investors and tries to support unique economic initiatives by local people in order to give entrepreneurs the chance to implement their business ideas.

All these strategies for economic transformation need to be social inclusive and the worker itself has to be protected from exploitative actions in order to ensure the increment of its livelihood.

Objectives and Outcome

The conference will look at the following aspects:

- Defining an active state, developmental state
- How to regulate without controlling?
- Defining preconditions and requirements of a developmental state
- Looking at various country cases and the involvement of the state
- Discussion on the management of resources and raw materials

The outcome will be detailed conference report which will include concrete policy recommendation.

Participants

Maximum of 25 experts from various Sub-Saharan African countries

- **1 Policy-maker** (Ministries, MPs or Adviser to Government) **and 1 representative from the Civil Society or Academia** from the following countries:
Ghana, Nigeria, Senegal, Cameroon, Ethiopia, Uganda, Kenya, Botswana, Mozambique, Namibia, Zimbabwe and South Africa
- **Plus** presenters from Africa, Europe and America

Venue and Time Schedule

1. Conference with Experts and Decision makers, with working groups
2. two days seminar
3. Venue: Accra, Ghana

Programme

(draft: 17th September 2013)

The Role of the State in the Process of Economic Structural Transformation

**25-26 September 2013
at Coconut Grove Regency Hotel, Accra/Ghana**

Wednesday, 25th September 2013

- 9:00 **Welcome Address** by Daniela Kuzu, Resident Director, Friedrich-Ebert-Stiftung Ghana
 Welcome Address by Hon. Rashid Pelpuo, Minister for Private Sector Development, Ghana

- 9:30 **Presentation**
 “The Challenge of Neoliberal Market Economies for Sub-Saharan African Countries”
 Input: **Irmgard Nübler**, International Labour Organization, Geneva

- 10:00 **Presentation**
 “Hands on – The Developmental State, its Functions and Preconditions”
 Input: **Dr. Yaw Ansu**, African Center for Economic Transformation, Ghana

- 10:30 **Snack Break**

- 11:00 **Questions and Discussions on both Presentations**
 Chair: **Ebow Mensah**, Programmes Coordinator, Friedrich-Ebert-Stiftung Ghana

- 12:30 **Lunch Break**

- 13:30 **Presentation**
 “The Role of the State in Economic Development – Country examples”
 Carlos Nuno Castel-Branco, Director of IESE Mozambique
 Prof. Dr. Patricia M. Makepe, Department of Economics, University of Botswana

- 14:30 **Discussion**
 Chair: **David Owiro**, Institute of Economic Affairs, Senior Researcher, Kenya

- 15:30 **Snack Break**

- 16:00 **“The Developmental State and Donor Expectations – Between Conditionality and Self-Initiatives”**
Fish-Bowl Discussion with
- **Thoko Matshe**, Olaf Palme International Center, Stockholm/ Sweden
 - **Martin Wandera**, Center for Labour Research and Studies CLARS, Executive Director, Uganda

Chair: **Merin Abbass**, Desk Officer, Africa Department, FES Berlin

17:30 End of Day 1

Thursday, 26th September 2013

09:00 **Recap of Day 1**
Merin Abbass, FES Berlin

09:10 **Presentation**
“The Role of State in Managing Raw Materials and Resources to Foster Structural Transformation of the Economy”
Input: **Mohammed Amin Adam**, Executive Director, African Center for Energy Policy, Ghana

09:40 Discussion
Chair: **Donald I. Ofoegbu**, Center for Social Justice, Nigeria

10:45 Coffee Break

11:00 **Introduction of Working Groups**

11:15 **Working Group Session**
Working Groups on

- The developmental state – in what degree should the state regulate and initiate?
Input: **Prof. Dr. Patricia M. Makepe**, Department of Economics, University of Botswana
Chair: **George Dzeto**, Center of Development, Research and Advocacy, Ghana
- National ideology and national vision of transforming economies – strategies to make transformation processes sustainable and social inclusive!
Input: **Carlos Nuno Castel-Branco**, Mozambique
Chair: **Eric Ronge**, Ministry of Trade, Director External Trade, Kenya

13:00 Lunch Break

14:00 **Presentation of Working Group Results and Discussion**
Chair: Merin Abbass, FES Berlin

15:45 Snack Break

16:00 **Wrapping it up – The Way Forward**
by Daniela Kuzu, Resident Director, Friedrich-Ebert-Stiftung Ghana

16:30 Feedback and End of Conference