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AGRICULTURE

Paying attention
to underutilised
crops

HEALTH

Diabetes: the silent
epidemic that affects
all world regions

TRANSPORT

Infrastructure needs
of a mid-sized town
in Ghana



Employment and innovation

FOCUS

Employment and innovation

Innovative start-ups make a difference

Bio-Lutions is a German-Indian manufacturer of biodegradable packaging and disposable tableware. Kurian Mathew, the managing director in India, elaborates what his work is about in an interview. The start-up company was funded by DEG, the German development finance institution. Christiane Laibach of the management board of DEG, elaborates the core challenges of private-sector development. **PAGES 19, 21**

Advocating for the private sector

Liberia has a great but largely untapped potential for economic development. A business survey shows what problems the government should tackle to improve the investment climate and help to create more jobs. SalaMartu Stephanie Duncan of the Liberia Chamber of Commerce and Michael Konow of the Hamburg Chamber of Commerce report. MEST Africa, based in Accra, supports Pan-African entrepreneurship. Its marketing manager Veronica Mulhall told D+C/E+Z about the MEST approach. An evaluation of GIZ projects for employment promotion in Sub-Saharan Africa has identified good practices. Claudia Knobloch and Christian Pirzer of the research institute Endeava UG present the findings. **PAGES 23, 24, 25**

Unattractive formalisation

Creating jobs and formalising employment relations are generally considered to be important steps. They contribute to building a well-functioning market economy and providing social security. Mozambique, however, lacks the preconditions for modernising the labour market, argue Friedrich Kaufmann, who heads the German Chamber Network office in Maputo, and Winfried Borowczak, a consultant. **PAGE 28**

Enlightening the young generation

Frank Masanta is a social entrepreneur who promotes education. In 2011, he founded the Sunspring Charity School in the Ng'ombe Township in the Lusaka agglomeration. Masanta spells out what he is doing and what is driving him. **PAGE 30**

South Africa's time bomb

Youth unemployment is a ticking time bomb in South Africa: around half of the country's 18- to 34-year-olds have no job. Five interventions in the labour-market policy could make a difference, according to Maximilian Matschke, who wrote his PhD thesis about this issue. **PAGE 33**

Monitor

How the climate crisis will affect human health | The link between trade and flight | Nowadays: Media literacy in Guatemala | Imprint **4**

Debate

Comments on the Eco, the new West African currency, which is to replace the CFA Franc, on the failure of Donald Trump's unilateral approach to global affairs and on the creation of an EU army **8**

Tribune

MAXWELL SUUK

To become an economic hub, Tamale in Ghana needs appropriate infrastructure **11**

MARYAM S. KHAN

Why former dictator Pervez Musharraf's recent conviction on charges of high treason in Pakistan is indeed a historic judgment **12**

SILKE STÖBER

Neglected and underutilised crops could contribute to healthy world nutrition **14**

MAX KLEIN

Diabetes is one leading cause of death and also has impact on the global south **16**

Focus: Employment and innovation

INTERVIEW WITH KURIAN MATHEW

The sustainable approach of the company Bio-Lutions in India **19**

INTERVIEW WITH CHRISTIANE LAIBACH

Innovative start-ups make a difference in Africa, but on their own cannot generate enough jobs **21**

SALAMARTU STEPHANIE DUNCAN AND MICHAEL KONOW

Liberian business leaders want their government to tackle specific challenges **23**

INTERVIEW WITH VERONICA MULHALL

"Talent is everywhere, but opportunity is not" **24**

CLAUDIA KNOBLOCH AND CHRISTIAN PIRZER

What helps Africa's growing, youthful population find productive jobs in rural areas **25**

FRIEDRICH KAUFMANN AND WINFRIED BOROWCZAK

Why small-business owners find formalisation unattractive **28**

FRANK MASANTA

How I became a social entrepreneur and why **30**

MAXIMILIAN MATSCHKE

Labour-market policies to tackle youth unemployment in South Africa **33**

Enterprising people with great ideas

When Asia's first emerging markets started to experience fast growth decades ago, they benefited from the "demographic dividend". Masses of young people were joining the labour force, so expanding private-sector companies found it easy to hire the additional staff they needed. Some of the countries concerned must now cope with ageing.

Today, population growth is still quite strong in Africa, the Middle East and South Asia. In Africa, birth rates are generally above the replacement rate of 2.1 children per woman on average, so the cohorts of young people will stay large for many years to come. Even in India, however, which is close to the replacement rate, the population will keep growing for some time because the country still has very many women of child-bearing age.

No doubt, all economies concerned could benefit from the demographic dividend, but that is not happening. Instead, policymakers must worry about a demographic time bomb. Masses of un- and underemployed young people spell trouble. Many will work for a smallish informal businesses, or start one, with no prospect of ever really succeeding in life. Many will turn to alcohol and drugs. Crime will look alluring, and some will become members of violent mafia gangs. Mass discontent, moreover, can fast trigger political instability.

These are not merely domestic concerns. The global dimension is that some aspiring members of a generation lacking prospects at home will want to migrate elsewhere. If humanity is to develop in a sustainable way, it must bring about gainful employment for the vast majority of young people everywhere. The first step is to get the investment climate right. It will require considerable government action. The idea is wrong that markets thrive the better, the less state agencies intervene. If it were correct, the largely untaxed and unregulated informal sector would lead to broad-based prosperity.

It does not. Informal livelihoods are marked by insecurity and subsistence-level incomes. The lack of good physical infrastructure is one reason, but there are many others. Where the rule of law fails, only criminal mafia gangs provide some kind of protection. Where government agencies do not enforce technical safety standards, accidents are more likely and more devastating. Where everything is insecure, banks do not grant the loans that businesses need to invest and expand.

No, prudent state action is not the opposite of market freedom, it is its indispensable precondition. In an increasingly globalised world, however, prudent state action depends not only on national policymaking. International cooperation is just as important.

There is good news too. Technology start-ups prove that there are enterprising people with great ideas even in countries where the informal sector (including small-scale farming) still accounts for up to 90 % of the workforce. Innovative online platforms and apps give poor people new opportunities. To some extent, informal businesses benefit too. Internationally networked tech-hubs, which facilitate entrepreneurship, have emerged in many major cities of developing countries.

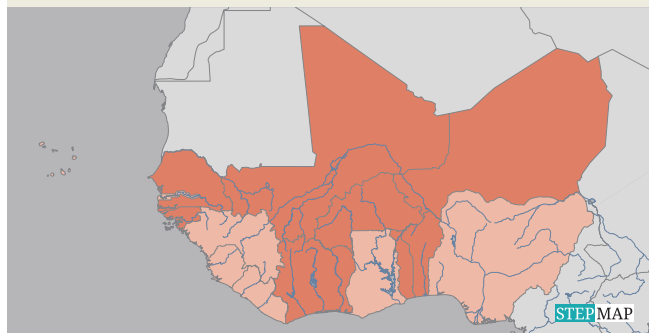
On their own, the tech start-ups cannot generate the millions of jobs that are needed. On the upside, they create an outlook for many talented young people who want to make a difference at home. And they prove that opportunities can be grasped even in disadvantaged countries.

► You'll find all contributions of our focus section plus related ones on our website – they'll be compiled in next month's briefing section.



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Debate



CFA Franc to become Eco

West Africa's CFA Franc is being set to become the Eco. The CFA Franc is a legacy of colonial rule and is being used by several Francophone countries. African economists have long argued that France has too much say in the currency's management. Not everyone is happy about the new initiative however, says Karim Okanla, a media scholar based in Benin.

PAGE 8

Tribune



Ex-dictator sentenced to death

Pervez Musharraf, the former military chief and president of Pakistan, was recently sentenced to death for high treason. This has been rightly hailed as a historic judicial verdict, Maryam S. Khan, judges a law scholar from Lahore. The sentence will probably not be carried out.

PAGE 12

Silent epidemic

Diabetes is one of the ten leading causes of death worldwide and has an enormous impact on the Global South. Policymakers and agencies are not meeting the massive need for prevention and treatment in poor countries. Civil-society organisations must raise awareness and put pressure on policymakers and private-sector corporations, claims Max Kleinof the BUKO Pharma-Kampagne team, a German NGO.

PAGE 16



Smoke caused by the Australian wildfire in late December.

GLOBAL ENVIRONMENT

Less food, more dengue infections

A recent report in *The Lancet*, the leading medical journal, presents a bleak picture of how a child born today will bear life-long health consequences of climate change.

By Roli Mahajan

As temperatures rise and the planet heats up, both flooding and droughts are becoming more common. These and other impacts of the climate crisis will negatively affect the food security of millions of people, which in turn will harm their physical well-being. According to a recent report in *The Lancet*, one of the world's premier medical journals, there are other health risks too. For example, a hotter climate will allow infectious diseases to spread faster. The authors warn that climate change is likely to undermine much of the progress made with regard to health gains in the past 50 years.

As several dozen researchers from UN agencies and other institutions point out in *The Lancet Countdown 2019* report, air pollution is set to worsen because of climate change. An example is the smog caused by wildfires – as is currently evident in Australia, though this crisis is of course not mentioned in the study which preceded it.

However, air pollution is principally driven by the use of fossil fuels and dirty power sources. According to Nicholas Watts, the lead author, controlling it is probably “the most important thing we should be considering from a public health perspective”. Air pollution has caused 7 million deaths worldwide in 2016, according to the report, and the scenario will only get worse unless the energy sector changes dramatically. Related measures, of course, would also serve to mitigate climate change.

The report states that, unless the world meets the Paris Agreement targets to limit

global warming to well below two degrees Celsius, children born today will experience a world that is more than four degrees warmer by the time they reach the age of 71: “The life of every child born today will be profoundly affected by climate change.”

UNDERNOURISHED CHILDREN

The number of undernourished people worldwide has been steadily increasing since 2014, according to *The Lancet*. This trend affects children under five in particular. Consequences include stunting, hampered development and various health complications. Food availability, access and affordability all matter. A hotter climate will lead to poorer harvests, which in turn will cause food price inflation, the scholars warn. Their data show that, over the past three decades, global yield potentials have fallen – by three percent in the case of rice, four percent in the case of maize and six percent in the case of winter wheat.

Moreover, rising sea temperatures, severe weather events and ocean acidification are affecting fisheries. Fish is a source of protein for 3.2 billion people, with people from low and middle-income countries de-

pending on this resource in particular. The researchers reiterate that people's health suffers if their protein intake is insufficient.

Compounding the problems, warmer temperatures herald an era of infectious diseases. The climate is becoming more hospitable to dengue, a mosquito-borne viral disease. In recorded history, nine of the 10 years in which conditions made dengue transmissions most likely have occurred since the turn of the millennium, according to The Lancet Countdown study. It considers Dengue to be the fastest spreading disease, putting half of the world population at risk.

According to the report, "reduced labour productivity is often the first symptom of the health effects of heat." It states that, due to higher temperatures, about 30% more potential work hours were lost in 2018 than in 2000.

The consistent international pattern is that people's resilience to the impacts of climate change depends on their wealth. The poor are always the most vulnerable. Poornima Prabhakaran of India's Public Health Foundation, a public-private part-

nership, expects "few countries to suffer from the health effects of climate change as much as India". The reasons she indicates are the "huge population, high rates of health-care inequality, poverty and malnutrition". She notes that diarrhoeal infections are a major cause of child mortality in developing countries, with things set to get worse due to rising temperatures.

PROSPEROUS WORLD REGIONS

The report insists that humanity is burning too much fossil fuel, with global carbon emissions still increasing. It also highlights that China, India and Southeast Asia are using far too much coal, with dire implications for air pollution. However, air pollution also haunts prosperous world regions, as the authors point out. Tiny particulate matter (PM2.5) is the most dangerous pollutant, causing serious cardiovascular and respiratory diseases. The report warns that – should PM2.5 remain at 2016 levels for another century – the average European lifespan will be reduced by almost six months.

Other health issues similarly affect the rich regions of the world. For example, Europe and the Eastern Mediterranean are most vulnerable to heatwaves because societies are ageing and non-communicable diseases are weakening ever more people. At the same time, the report points out that wildfires are becoming more common internationally, with India and China seeing the largest increase.

The report includes some good news. Achievements include:

- China has been reducing its reliance on coal,
- European air-pollution levels have been improving, and
- about half of all nations now have climate-emergency plans.

The authors also appreciate that health-care systems are increasingly being adapted to the new needs. They welcome these trends, but also make it very clear that much more must be done – and fast.

LINK

The Lancet Countdown 2019:

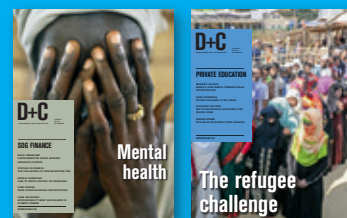
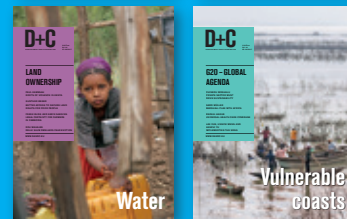
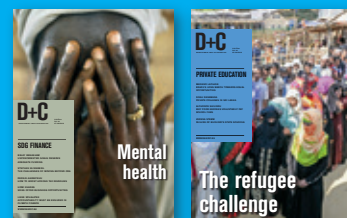
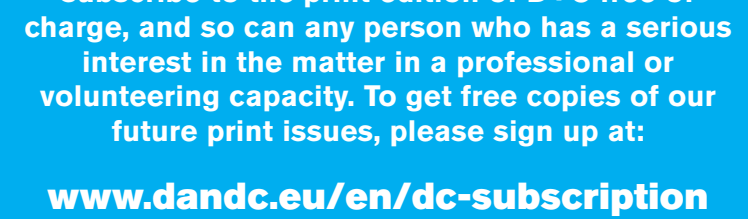
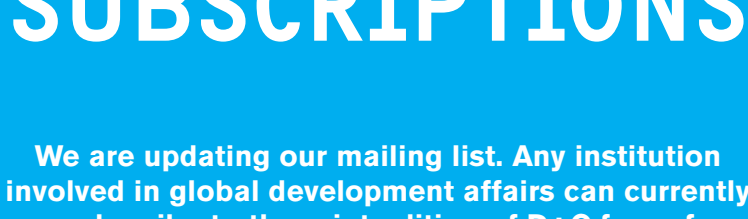
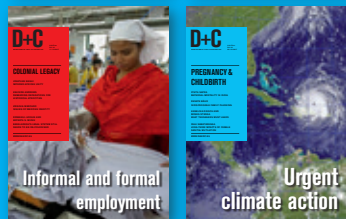
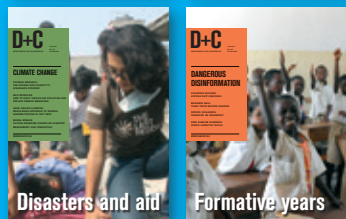
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TRADE AND MIGRATION

Fighting the causes of flight

Trade agreements can help to reduce in the long run what makes people migrate from their home countries. But to do so, trade agreements must be geared to sustainable development and deal with environmental and social aspects. Germany's Federal Ministry for Economic Cooperation and Development is demanding change accordingly.

By Dagmar Wolf

Other factors – including war and climate change – are probably more important for migration decisions, but trade can make a difference too. A recent report published by the German Institute for International and Security Affairs (SWP) examines the interrelationships.

According to Eva Schmieg, the author of the study, migration always has a positive effect on trade. Moreover, it deepens trade relations between the countries people left and those where they reside. Migrants make exports and imports increase, especially in the host country. This is especially true of highly qualified people who are also particularly mobile. On the other hand, the countries of origin suffer considerable “brain drain”. They lose tax revenues as well as the investment made in educating and training migrants.

Sub-Saharan Africa is particularly affected by brain drain. Schmieg points out that more than 20% of the people who graduated from universities in sub-Saharan Africa now live in industrial countries. On the other hand, they are an important source of capital. A welcome side effect of their remittances and investments at home, moreover, is the transfer of knowledge and technology (also note Sabine Balk in the Monitor sector of D+C/E+Z e-Paper 2019/10).

According to the SWP study, trade agreements can thus have positive as well as negative impacts on migration. Although a country's openness is an important factor for economic growth, world market integration does not automatically reduce poverty. After all, economic change may also cause unemployment and even the collapse of entire sectors. The people affected are then

likely to move abroad in hope of better opportunities.

But even if world-market integration leads to higher incomes, that trend may initially fuel migration. As Schmieg points out, people are only able to migrate once they reach a certain level of prosperity. In the long term, however, new trade flows and growth are likely to lead to less migration. Therefore, trade agreements should be designed in ways that they help to bring about sustainable growth in developing countries.



International students in Amsterdam in the Netherlands at a management course on the supply of medicines in developing countries.

World-market integration must go hand in hand with redistribution through social-protection policies and cushion off the negative impacts.

The EU has concluded Economic Partnership Agreements with African regional organisations. According to the author, they largely meet the requirements of sustainable development, but she sees room for improvement in many areas. For example, the agreements have so far been limited primarily to trade in goods. They hardly mention migration. Moreover, services have been excluded up until now. Ecological and social aspects of trade and economic activity could be incorporated into all existing trade agreements, Schmieg argues, and renegotiations at eye level between all parties involved

could bring about the desired results. Well balanced trade agreements would contribute to sustainable development and thus reduce causes of flight in the long term.

Gerd Müller, the federal minister for economic cooperation and development, sees an urgent need for action as well. In the course of Germany's presidency of the EU, he is calling for a complete overhaul of trade relations between the EU and the African Union. In a recent interview, he told the German newspaper Handelsblatt that this “EU-Africa Pact” should contain four key aspects:

- It should focus on the fight against hunger and poverty.
- The EU should extend its planned Green Deal to Africa.
- The pact is to include an agreement on

security and migration.

- It should include a new approach to fair trade.

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Telling good information from bad

Community radio is about more than informing and entertaining listeners. It is also about transferring some of the broadcasters' expertise to listeners, particularly to younger ones. And it is about two-way communication, listening to what the audience has to say as well as broadcasting material to them.

One area of expertise we have developed at Radio Sónica, where I work as a journalist, is how to tell the difference between true, useful information and misleading, harmful material. In a pioneering project, the station is taking this expertise to schools in Guatemala City, to give our younger listeners better tools for judging what they read, see and hear in the media.

Radio Sónica, broadcasting on 106.9 FM and financed by public funds, promotes free expression, critical thinking and the active participation of young people in public discussion. Using a mobile studio so that students can see what live broadcasting looks like, we instruct the students about media literacy in five areas: digital security, fact checking, freedom of expression, how best to use traditional media (radio, television, newspapers) and how to be savvy users of online social media. Important messages include:

- Use strong passwords to protect your privacy on social media.
- Do not rely on a single source of information, but compare what different

media report and use your common sense to determine what is likely to be true.

- Pay attention to whether a report lists all the relevant "Ws", spelling out who did what, when, where and to whom and perhaps for what reason. Stories that do not include enough Ws are harder to verify and therefore more likely to have been invented.
- Reliable reporting not only indicates who the information comes from, and if it quotes more than one party, that shows it is more trustworthy.
- Traditional media tend to apply such rules of journalism more rigorously than individuals who are active on social media, but they do not always do so.
- Check out what other sources are reporting what pops up on your Facebook account and assess whether they all belong to the same filter bubble.

In 2019, the mobile studio visited 70 schools and reached 1,822 students. Our instructors emphasise the difference between information that is useful to have and information that is best not to communicate further. "Now I will not share more homophobic, racist or sexist memes, because if I do that, I am spreading it," one student said in a feedback session.

How to use social media safely is a particularly important topic for many of our young students. While it is important for them to communicate with the outside world, they must also learn not to fall victim to online offenders. "I've learned about the importance of having strong passwords in my profiles," a student told us in a feedback session.

In addition to specific information about how to use media effectively, the students get a broader message about participating in public discussion. They learn the important lesson that their views matter. "You gave us the opportunity to speak," one of our students told me. "No one comes to our school, but you did that, and I learned a lot."



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ECOWAS

Mere first steps

Shortly before Christmas, the presidents of France and Côte d'Ivoire announced the end of the West African CFA Franc. This currency is a legacy of colonial rule and is being used by several Francophone countries. African economists have long argued that France has too much say in the currency's management. Not everyone is happy about the new initiative however.

By Karim Okanla

President Emmanuel Macron of France visited his Ivorian counterpart Alassane Ouattara in Abidjan. Shortly before Christmas, they announced the end of the CFA Franc and said it would be replaced by a new currency called Eco. The CFA Franc has been legal tender in former French colonies for almost 75 years now.

The CFA exchange rate is pegged to the Euro and was previously moored to the French Franc. It is managed by two monetary unions: UEMOA (Union Economique et Monétaire Ouest Africaine) in West Africa and CEMAC (Communauté Economique et Monétaire de l'Afrique Centrale) in Central Africa. The reforms announced in December only concern UEMOA, but similar steps are expected for CEMAC as well. The UEMOA's central bank is based in Dakar. It has eight member countries, including Lusophone Guinea Bissau. Guinea-Conakry, a former French colony, is not an UEMOA member however.

The CFA Franc has long been controversial. On the upside, the peg to the Euro ensures a stable exchange rate internationally. The big problem, however, is that this exchange rate reflects the European economy. For African exporters, it is overrated. Commodity exports are feasible, but it is very hard to add value. Other points of contention are that member countries had to keep half of their foreign exchange reserves in France, and that a French board member takes part in central bank decisionmaking.

According to Macron and Ouattara, the last two points are set to change. For-ex reserves will no longer have to be deposited

in France and France will no longer have a board member. To some extent, the Eco would thus give the UEMOA more policy space. The peg would remain, however, and that is not acceptable, according to Demba Mossa Dembélé, an economist from Senegal: "We cannot keep the Eco pegged to the Euro on a fixed exchange rate basis and pretend that we are independent."

Financial investors, moreover, doubt that France will keep the pledge to guarantee the exchange rate in times of crisis. Currency pegs have often led to financial turmoil. That happens when an exchange rate diverges substantially from a currency's true domestic value. High debt burdens are particularly dangerous.

These are things that the members of UEMOA must consider. The reforms that Macron and Ouattara announced point in a sensible direction, but considerable restrictions would remain. African policymakers should consider more reforms.

However, Macron and Ouattara indicated that their project is about more than

merely replacing the CFA Franc with something new. They suggested that the Eco should become the common currency of all members of ECOWAS (Economic Community of West African States), to which several Anglophone countries belong too.

Zainab Ahmed, Nigeria's finance minister, has slammed the Abidjan announcement. She pointed out that it does not reflect ECOWAS decisionmaking.

There actually have long been plans to establish a joint currency for ECOWAS, but the project has never really taken off. Several issues would need to be dealt with first, including very basic things such as convergence criteria for membership and a harmonised system of economic statistics. Nigeria wants a region-wide customs union to be established prior to the creation of the new single currency.

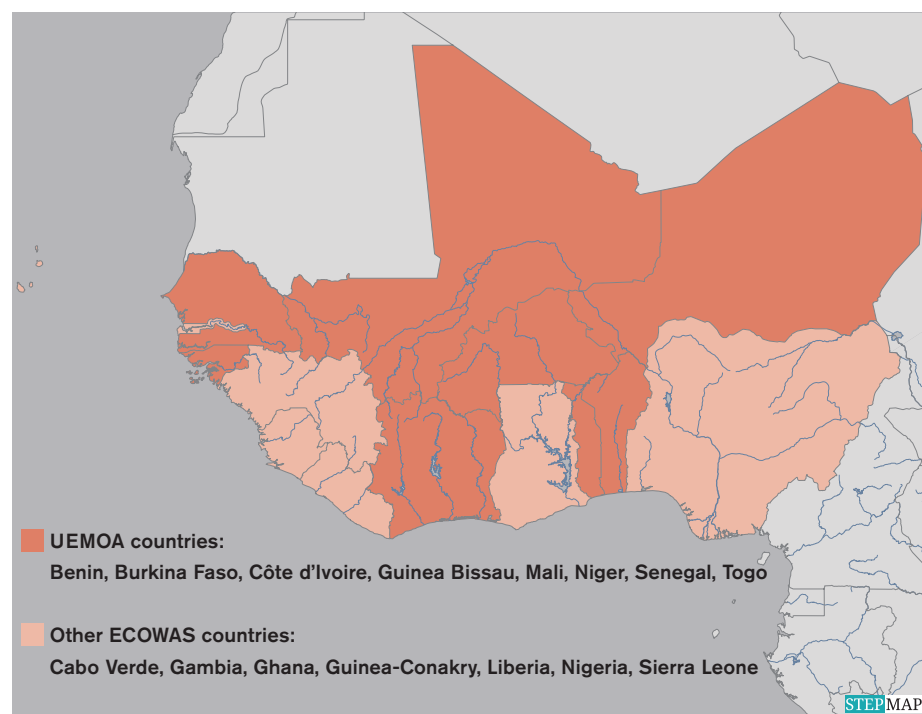
Moreover, there is no reason why governments of Anglophone countries should want to adopt a currency in which France is still a major stakeholder. The name Eco adds to the controversy, since it consists of the first letters of the acronym ECOWAS.



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OUR VIEW

Confusion and chaos

US President Donald Trump has now been in office for three years. His unilateral approach to global affairs does not work. That is evident not only in the Middle East.

By Hans Dembowski

On the brink of war with Iran, Trump threatened to bomb cultural sites which would amount to a war crime. He later backed off. He now wants other countries to put coordinated pressure on Iran to get a new agreement to prevent nuclear proliferation. The irony is that the current escalation of tensions resulted from his unilateral withdrawal from the old agreement.

The White House claimed that the deadly US attack on Qasem Soleimani, the Iranian general, on 3 January had made the world safer. Not only the families of those who died on board of the Ukrainian airliner shot down by an Iranian missile near Tehran on 8 January will disagree. Iran is directly responsible for this brutal action. However, the massacre would certainly not have happened had Trump stuck to the nuclear deal. The situation remains extremely volatile. Security forces were violently re-

pressing protests in Iran in January, while media in the USA debated whether the killing of Soleimani conformed with US law - and impeachment of course. Trump's constant lying and erratic behaviour exacerbates domestic as well as international crises.

The supposed peace deal Trump and Benjamin Netanyahu, Israel's right-wing prime minister, announced in late January was a unilateral exercise that lacks the participation of Palestinians, one of two conflict parties. Max Boot, the Washington Post's neo-conservative columnist, calls it a "PR campaign" in support of two leaders, distracting from their serious domestic problems. In Boot's eyes, the plan is "mere window dressing for an Israeli power grab and land grab". When D+C/E+Z went to press it looked as though Netanyahu would soon annex Israel's illegal settlements on occupied Palestinian land. He feels encouraged by Trump who has backed off from international agreements and radically changed US policy concerning the two-states solution. Needless to say, his approach is helping Islamist fanatics, including Iran's Mullahs, to mobilise frustrated Muslims.

When a superpower cannot be trusted, it cannot rely on partners. If rules don't apply to all parties, no one feels bound by them. The Trump administration is spreading confusion and chaos. Its disrespect for global rules and diplomatic conventions has not made the USA stronger.

The global trade regime is in disarray, undermining investor confidence. The White House has reached an interim trade agreement with China, but many important questions are unresolved. Trade wars loom with other countries too. Compounding problems, the World Trade Organization has been weakened because, due to US obstruction, its dispute settlement system is no longer functional because Washington has blocked the appointment of new adjudicators.

One year ago, Trump promised his sanctions would help to end the grip on power held by Venezuela's autocratic President Nicolas Maduro. Even though several other governments, including Germany's, quickly endorsed Trump's unilateral initiative, Maduro is still in office.

North Korea, of course, has not renounced its nuclear ambitions. Instead, it wants to build a new "strategic" weapon.

In the meantime, global warming keeps accelerating. The hurricanes that hit Puerto Rico and Houston in 2017 were examples of extreme weather situations getting worse. Wildfires in California in 2018 and – even more dramatically – in Australia in recent weeks offer similar evidence of not even rich nations being safe. Trump still denies climate science, as does Scott Morrison, Australia's right-wing prime minister. Both keep doing their best to thwart multilateral action to combat the climate crisis.

Global warming is a global challenge. It requires global action. Humankind must urgently reverse emission trends. The alternative is to let things spin totally out of control. The world order would become increasingly unstable – with the climate crisis exacerbating tensions in many places.

Only multilateral policymaking protect the climate and ensure peace. Responsible leaders around the world must not allow irresponsible populists to undermine the global common good. They would do well to forge alliances and stand up to the current US administration. They would find partners in the USA – in Congress, at the state level, in business and civil society.



Pro-peace protest in Washington.

SECURITY POLICY

The long road towards a shared EU army

European policymakers often reiterate that a forceful EU army is needed. Nonetheless, that will not happen soon.

By Julia Egleder

In early January 2020, a US drone strike killed Qasem Soleimani, the Iranian general and leader of the Al-Quds brigades. This attack almost started a new war in the Middle East. What did the EU do? Heiko Maas, Germany's foreign minister, appealed to all parties to act reasonably. Ursula von der Leyen, the president of the European Commission, and Josep Borell, its high representative for foreign affairs, warned against escalation. That was it.

"To exert influence in the Middle East, the Europeans would need a military presence there," says Markus Kaim of the Berlin-based German Institute for International and Security Affairs (SWP – Stiftung Wissenschaft und Politik). Moreover, they would have to speak and act as one. That is not the EU's strong point.

First of all, the EU does not have a military of its own that it might deploy in the Middle East. The member states insist on

their national armies. Only a few training missions are run under the EU flag, with member countries contributing troops. The impact of these missions is close to zero, however, because they lack staff and a strong mandate.

Top policymakers from leading EU countries keep reiterating that they want a shared EU military. When von der Leyen was still Germany's defense minister, she said that she and others wanted an "army of the Europeans" that could be deployed fast in times of crisis whenever a European response was required. So far, however, only tiny steps have been made toward establishing joint armed forces.

There are some examples of cooperation. For example, Dutch soldiers have been integrated in a German tank division. However, cases like this are like small islands that must yet merge and become a continent. Hans-Peter Bartels, Germany's parliamentary coordinator for the armed forces, expresses the hope that this will happen.

So far, however, his hope looks exaggerated. What is needed most of all for establishing a joint military is a joint plan that all EU members subscribe to. It would

have to spell out what the new armed forces would look like and what purposes they would serve.

Opinions diverge even on who is really threatening European security, however. The Baltic countries fear Russia. Italy, France and Spain worry about what is happening in Africa. Their concerns include mass migration as well as terrorism in the Sahel region, most of which used to belong to their former colonial empires.

No European government wants to give up its power to decide for itself when and how to get militarily involved. Consider Mali, for example, where France is running an anti-terror mission, while Germany is involved in UN peacekeeping as well as in a European training mission that teaches Malian troops to shoot. Even the two leading European powers, Germany and France, are not properly coordinating their action in this crisis-hit country.

As for the defense industry, EU rhetoric far exceeds reality. Member states' armies still rely on a great diversity of different tanks, aircraft and ships. This diversity is expensive in financial terms, and it makes coordinated deployment of national armies more difficult, whether in foreign missions or mere military exercises. There are some initiatives to harmonise matters, including PESCO (Permanent Structured Cooperation) and the European Defense Fund, which is designed to support joint defense industry projects. However, the national governments still decide about what arms they procure, and they typically are less interested in "Europe" than in the fate of their national defense industries and their workers.

Yes, Germany's Federal Government nowadays launches the most expensive and prestigious defense projects with its French counterpart, for example regarding tanks and aircraft of the next generation. However, such cooperation does not amount to European action, since Poland or Italy still prefer buying US-made fighter planes. The road towards a shared European military still looks rather long.



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The Eurofighter – seen here in Mecklenburg-Vorpommern – was developed by partners from several EU member countries, but it was not a EU project.

URBANISATION

Road to riches

In many developing countries, policymakers tend to ignore small and mid-sized towns. But such municipalities usually grow quickly, while their outdated infrastructure fails to keep pace. There is an urgent need to solve the resulting bottlenecks. Tamale in northern Ghana provides a good example.

By Maxwell Suuk

From a glance at the roads in and around Tamale, a town of 360,000 people in northern Ghana, you wouldn't guess that it is considered the fastest-growing city in West Africa. Roads are rutted and poorly maintained. Vehicles of all types break down regularly due to deep potholes. Muddy conditions are typical of rainy seasons. Travelling at night is doubly hazardous, as many street lights do not work.

And yet Tamale is emerging as a regional economic hub, linking farmers in the surrounding communities to markets in the south of the country and also facilitat-

ing trade with Togo to the east and with the landlocked Burkina Faso to the north. Tamale is also strategically located to serve as a hub for trade between Ghana and other member states of the Economic Community of West African States (ECOWAS), including Niger, Nigeria, Mali and Côte d'Ivoire.

Tamale is Ghana's third-largest city in terms of population size, behind Accra and Kumasi. Because of its dominant role in the northern part of the country and the trading opportunities that position creates, the city offers a perfect example of how good infrastructure can boost a region's economic growth.

The World Bank recognised the city's economic importance by awarding \$150 million in loans in 2017 to improve the region's roads. The funds are intended to upgrade the main road between Tamale and Tatala on the eastern border with Togo, plus about 200 km of feeder roads linking the surrounding agricultural districts to urban markets.

In addition, Ghana has contracted with Sinohydro Corporation of China to build a traffic interchange to ease congestion in the city. The Tamale Interchange Project, which includes building 10 km of surrounding roads linked to the new interchange, could be completed by the end of 2021.

Such projects – and attention to transport infrastructure in general – are sorely needed. So far, Tamale's potential as an economic hub has been seriously eroded by dilapidated transport links. Better transport links would improve farmers' access to markets and facilitate business activity of all kinds. Conversely, clogged and lawless roads can slow economic growth to a crawl.

The tourist industry offers a cautionary tale. Anakin, a tourist from the Netherlands, experienced far worse than potholes during a recent trip to Tamale. "Armed robbers attacked our car and took our money and phones," he says. "This happened where the road wasn't good and the driver had to slow down." Due to poor road conditions and a related spike in crime, some tourists are avoiding historic sites such as the Salaga slave market near Tamale.

Crimes that were not previously known to this town are on the rise, and part of that increase is due to poor road condi-



In the rainy season, the streets become muddy in Tamale.

tions. “We used not to have crimes like kidnapping and car hijacking, but now we have it all around us,” says Dauda Ali, a Tamale resident.

But even without crime, the roads in and around Tamale would still be treacherous. A combination of road congestion and impatient, aggressive drivers makes the roads chaotic. Pedestrians often cross streets without checking for oncoming cars. Stray animals obstruct the roadways.

The lesson is clear: small but strategically located cities like Tamale can be key players in boosting regional economies only if their infrastructure keeps pace with their growth. This holds true for other fast-growing small cities across Africa and in South Asia, Southeast Asia and Latin America as well.

THE DAILY GRIND

Abdul Ganiyu Mahama drives his motorised tricycle carefully and slowly, trying unsuccessfully to avoid potholes on the road between Kpalsi, outside Tamale, and the centre of town. The tricycle – the main asset of his delivery business – breaks down regularly. “Every week I go for repairs about four times. You have to always drive with caution. It slows down the business. There

are places I will not go to because the roads are not safe,” he says.

He is not alone. “Getting farm produce to the market from farmers in remote areas on roads that are rarely maintained is not easy,” says Mariama Abubakari, a grain trader.

“The problem gets worst in the rainy seasons because no truck can move on such roads,” she adds. “Most drivers won’t use such roads because of their defects, and those that do use them will charge high prices because of the high probability of breakdowns. At the end of the day you will have spent almost all your revenue on transport.”

Ghana’s Ministry of Highways agrees that improvements are needed. According to the ministry, up to 61% of roads in Ghana are in bad shape. The country will need up to 10 billion Ghanaian cedis (approximately €1.6 billion) to repair its roads.

It doesn’t help that responsibility for Ghana’s roads is divided between three agencies: the Department of Urban Roads for city streets, another agency that deals with feeder roads and a third, the Ghana Highways Authority, which deals with inter-city arteries. As is typical of many developing countries, municipal and metropolitan authorities hardly have a say in local in-

frastructure matters. That is a destructive legacy of colonialism. Under foreign rule, all important decisions were taken in the capital city.

It also doesn’t help that the Tamale region lacks a modern international airport capable of handling large volumes of goods, nor that many structures were built in the region without permits, thereby hindering land-use planning.

The essence of the transport problem, however, is that many of Tamale’s roads – both those in the city and those linking it to other cities – were built several decades ago to suit the population’s needs at the time. As the population and traffic increased, the road network remained static.

Moving people and goods on congested roads is part of the challenge. Another problem is the crime that breeds when conditions are chaotic and police supervision is inadequate. “There is poor security here,” says Mohammed Kande Ruth, a garment seller in central Tamale.



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PAKISTAN

Ex-dictator sentenced to death

The recent conviction for high treason of Pervez Musharraf – former military chief and president of Pakistan – has been rightly hailed as a historic judicial verdict. A law scholar from Lahore assesses the matter.

By Maryam S. Khan

In 1999, General Musharraf deposed then Prime Minister Nawaz Sharif in a military coup and ruled the country for almost a decade. His conviction last year for high treason relates not to the initial coup but to a series of unconstitutional actions towards the end of his rule. These actions included the declaration of an illegal emergency, an unpar-

alleled purge of almost 60 judges from the higher courts and various damaging amendments to the constitution, which were then rubberstamped by a handpicked judiciary. Musharraf’s primary motive was to prevent the courts from ruling against him serving as top military leader and head of state at the same time.

Musharraf was later tried by a special court set up in 2013 by the erstwhile Chief Justice, Iftikhar Chaudhry, on the directions of Nawaz Sharif, who became prime minister again after winning a general election earlier that year.

The special court delivered its verdict in December 2019. It is based on article 6 of

the constitution which creates the offence and defines who is guilty of “high treason”. The offence applies to “any person who abrogates or subverts or suspends or holds in abeyance” the constitution or conspires to do so “by use of force or show of force or by any other unconstitutional means”. Article 6 carries the gravest penalties of death or life imprisonment.

Musharraf’s conviction is the first ever enforcement of article 6 since the making of the constitution in 1973. The first dictator to suspend this constitution was General Zia-ul-Haq in 1977, but he died in a plane crash a decade later. Hence, article 6 remained dormant.

Chief Justice Chaudhry, who created the special court to try Musharraf, had been the central figure in the conflict between the Musharraf regime and the judiciary. Musharraf had removed him arbitrarily from the post in 2007, sparking what has come to be known as the “Lawyers’ Movement”. Members of the

legal community came out on the streets to demand that the decision be reversed. They found broad support in political parties and civil society. Indeed, protests became so forceful that they led to a general election, followed by Musharraf's resignation, in 2008. For the next five years, Pakistan was governed through a coalition led by the Pakistan People's Party, which then lost the 2013 general election to Sharif's Muslim League.

In December 2019, after a long-drawn trial that was deliberately obstructed and delayed by Musharraf's defence team, the special court convicted him in a 2:1 split verdict. The court sentenced Musharraf to death.

However, the death sentence is not likely to be implemented as Musharraf fled the country in 2016 on the pretext of medical issues. Even if he were in Pakistan, the sentence would almost certainly be overruled because of the politically sensitive nature of the case. Moreover, Prime Minister Imran Khan, who won the most recent 2018 election, is closely aligned with the military establishment. His government's influence can be seen in the latest High Court judgement that has swiftly declared that the special court was illegally constituted.

This back and forth is not surprising. Pakistan's history shows that democratisation is not a linear process, and that judicial contestations do not always deliver unequivocal results. Nonetheless, the conviction for treason is undoubtedly of very high political significance, and not least because the country has witnessed direct military rule for roughly half its existence.

THREE POINTS OF SIGNIFICANCE

The most obvious significance of the verdict is that it sets a high precedent for the accountability of coup-makers. So far, only military strongmen have perpetrated actions that constitute treason – namely, abrogation, subversion or suspension of the constitution. Therefore, the verdict is a strong signal against the military's political adventurism. Regardless of whether the judgement is ultimately upheld, it raises the stakes for would-be dictators in the future. Moreover, it also raises the stakes for other "aiders", "abettors" and "collaborators" of coup-makers under article 6. In this sense, legitimising coups has also become risky business for judges, as well as other actors,

who collaborate with military dictators. Hence, the verdict is self-limiting for the judiciary in a positive way.

The verdict is also important for reasserting the supremacy of the constitution, which the military has often denigrated in the past. It is deeply ironic that Musharraf's legal team is now demanding a fair trial, due process and personal civil rights on the basis of the very constitution the ex-dictator himself once trivialised as "a piece of paper to be thrown into the dustbin". This shows a gradual shift in constitutional norms, particularly towards compelling the military to act within the formal process of the law.

Another point of institutional significance relates to the judiciary's relationship with the military. Historically, Pakistani courts have tended to collaborate with military dictators, but their capacity to fight back has grown over the past decade, espe-

cially since the above-mentioned Lawyers' Movement. By resisting military authoritarianism, the movement allowed Pakistan's Supreme Court to insulate itself from external interference in crucial decisions, including the appointment of higher court judges. The courts can potentially draw on the support of the legal community again in any future conflict between the judiciary and the military. Musharraf's conviction shows that, in moments of institutional strength, the judiciary indeed has a growing appetite to assert itself against the military top brass.



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Pervez Musharraf, the head of state in uniform in 2005.

NEGLECTED AND UNDERUTILISED SPECIES

Important for a sustainable diet

The world's diet is far less balanced than it could be. On more than half of all agricultural land worldwide, a mere six edible crops are growing: wheat, soy, maize, rice, barley and canola. Yet there is a huge variety of edible plants that are rich in vitamins and micronutrients. They could play a major role in reducing malnutrition.

By Silke Stöber

Apart from the above mentioned six crops only a few more play a role for human consumption: in fact, the world population gets its energy from just 20 edible plants. By contrast, more than 31,000 plants are documented worldwide. They are cultivated for human consumption, animal feed, construction materials, fuel or pharmaceutical, toxin or textile production. More than 5,500 of them are edible.

Edible plants with strange-sounding names such as bitter melon, spiderplant or Jew's mallow still play an important role in parts of sub-Saharan Africa and Asia (see box next page). Elsewhere, however, such plants belong to the group of neglected and underutilised species (NUS). They receive little attention from – or are completely ignored by – agricultural researchers, plant breeders and policymakers.

NUS are wild or semi-domesticated species. They are normally not traded commercially. Their variants are thus not used to develop marketable varieties. If plant breeders consider them at all, it is only as a source of genetic traits. There is thus little documented experience about productive cultivation methods, and even less about how the species could be profitably marketed. They do not appear in agricultural production or trade statistics, nor do they figure in regional or global value chains.

NUS are described as “underutilised” because they have considerable, generally untapped nutritional potential. As nutrient-dense food, particularly in regard to important micronutrients, they could significantly help reduce the kind of micronutrient deficiencies that are called “hidden hunger”. Around two billion people worldwide are affected by micronutrient deficiencies. This phenomenon is most widespread among the poor rural communities in developing countries. The most common forms of hidden hunger are deficiencies of iodine, iron and vitamin A, which can seriously affect physical or mental development and cause long-term health problems.

In some regions, however, underutilised species play a very significant role. In the Middle East, for instance, Jew's mallow (*Corchorus olitorius*) is the basis of a very popular dish called molokhia. Flavoured with garlic, lemon and coriander, the plant's earthy spinach-like leaves make a hearty vegetable accompaniment for rice. Properly prepared, the leafy greens not only contain lots of protein (4.5%) but are also rich in iron and vitamins B6, A and C. The indigenous leafy vegetable is also known in Ken-



Jew's mallow is unknown in many parts of the world but is very popular in the Middle East, here in the Gaza Strip in Palestine.

ya, where it is cooked in milk with cowpea leaves and goes by the name murenda.

In a research programme funded by Germany's Federal Ministry of Education and Research – the HORTINLEA programme (Horticultural Innovation and Learning for Improved Nutrition and Livelihood in East Africa) and implemented by Berlin's Humboldt University in collaboration with the Centre for Rural Development – West Kenyan smallholder farmers were asked which indigenous leafy vegetables were the most robust in extreme weather conditions. Compared to other leafy greens, Jew's mallow was reckoned to be a very resilient plant – and one that grows well even on marginal land. This stress-tolerant plant can withstand weather shocks that are intensifying because of the climate crisis. The plant is resistant to drought thanks to its long taproot. Excessively wet conditions also seem to cause the plant little discomfort.

Even so, Jew's mallow is grown only on a very small scale by a few smallholders. It is hardly ever grown as a cash crop. Consumers complain that the leaves, when cooked, have a slimy texture like okra, which makes for a thick sticky sauce. That is evidently not to everyone's taste. However, the problem could be solved by breeding programmes and improved cooking recipes.

But some neglected species have emerged from their shadow existence. Quinoa is a prime example. In health-conscious circles in Europe, demand for the gluten-free protein- and vitamin-rich cereal from the Andes has rocketed since the 1990s. But it also has some downsides when underutilised plant species become “superfoods”. Importing quinoa from Bolivia and Peru requires long-distant transport with a negative impact on our climate.

NEW DOWNSIDES

The “mother grain” of the Incas was long regarded as a “poor man's food” in the Andean region. It grew particularly well in marginal soils. As a result of the recent hype, more and more land is being used for growing quinoa. Andean smallholder farmers now sell their harvests rather than eat the crop themselves. A growing number of families have thus switched to less nutritious staple foods like pasta and maize.

Nevertheless, they do not make much money from quinoa because exporters rake in the largest profits. Political interventions are needed here to help smallholder farmers take over more functions in the quinoa value chain and thus benefit more from the boom. Anyone buying quinoa in Europe should look out for “fair trade” and “organic” labels.

Alternatively, they can switch to locally produced buckwheat, which contains almost as much protein and, being a pseudo cereal, is likewise gluten-free.

A great deal still needs to be done to help nutrient-dense NUS gain acceptance. At the same time poor smallholder farmers deserve support so they can improve their incomes and their own food security. Instead of encouraging further shifts towards a Western diet high in salt, sugar, fat and processed foods, research and agriculture policy should pay more attention to forgotten edible plants. In the long term, that could help reduce the high costs of non-communicable diet-related diseases such as diabetes, obesity, cardio-vascular diseases and certain types of cancer.



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Bitter melon and spiderplant

Bitter melon (*Momordica charantia*) is widely used in Asian cooking, which is probably why it is not on Biodiversity International's list of neglected and underutilised species. The vegetable is a key ingredient of gado gado, one of Indonesia's five national dishes. Cooked with other vegetables, fermented tofu and peanut sauce the vegetarian classic (with egg) is a very healthy and nutritious meal.

In China, bitter melon is used in traditional Chinese medicine to help lower blood sugar, aid digestion and pro-

vide antioxidants and vitamin A for cell renewal. Because the plant is not used much in sub-Saharan Africa, however, it appears on the African Orphan Crops Consortium's list of 100 forgotten crops. Bitter melon is an example of an underutilised crop plant that is not overlooked everywhere to the same degree.

Spiderplant (*Cleome gynandra*) is highly sensitive to extreme weather. Smallholder farmers need a green thumb to grow this popular leafy vegetable, which is very popular in



Bitter melon (front) at a market in Kerala in India.

East Africa, in particular Kenya. However, while generally rich in iron (five to 10 %) and vitamins A, C and E, spiderplant can contain differing nutrient levels due to its high genetic diversity. Kenyan spiderplant varieties show a higher vitamin A content than variants in West Africa and Asia. The latter uses water more efficiently, and that is an increasingly important trait in the face of climate change and its resulting water shortages. sst

LINKS

African Orphan Crops Consortium: <http://africanorphancrops.org/>
Biodiversity International: www.biodiversityinternational.org

CHRONIC DISEASE

Silent epidemic

Diabetes is one of the ten leading causes of death worldwide and has an enormous impact on the Global South. Nonetheless, it has received little attention in international development debate so far. Policymakers and agencies are not meeting the massive need for prevention and treatment in poor countries. Civil-society organisations must raise awareness and put pressure on policymakers and private-sector corporations.

By Max Klein

Not long ago, diabetes was considered a disease of prosperous nations that only affected the Global North. Nowadays, millions of people around the world suffer from this chronic condition. According to estimates by the International Diabetes Federation (IDF), almost 80 % of adult diabetics now live in low- and middle-income countries.

It's true that awareness of the growing impact of non-communicable diseases

has increased in development policy circles. That progress is due in part to greater efforts by the World Health Organization (WHO) and the United Nations. While the need for treatment keeps growing, many policymakers still focus on infectious diseases in particular, as a few key facts show:

- It is estimated that about half of all diabetes cases are never medically diagnosed. This is why experts speak of a "silent epidemic".
- Diabetes affects every world region. Experts estimate that in the future the largest percentage increase will occur in sub-Saharan Africa.
- Millions of patients do not get the insulin they need. They lack access not only by logistical hurdles, but above all by the high price. Just three large pharma corporations control over 95 % of the global insulin market.

If the situation remains unchanged, an enormous gap will emerge between the glaring need for sustainable anti-diabetes

measures and the limited scope of funding as well as implementation.

MORE THAN A MEDICAL PROBLEM

Diabetes is a complex disease, which, left untreated, can lead to serious and sometimes even deadly complications (see box next page). Poor patients particularly struggle to get the help that they need. The disease typically exacerbates their economic plight, for example when an adult loses his or her eyesight to diabetes and can no longer work.

The fight against diabetes requires a multifaceted, coherent approach. What is needed is not only better diagnosis, treatment and counselling of patients, but above all prevention. However, prevention should not just address individual behaviour and risk factors. Changing unhealthy lifestyles, for instance through legal regulations, is the most promising way to reduce diabetes rates. Development projects should take this into account in fields like economics, nutrition, education and urban planning.

A few Latin American countries are setting good examples. They have undertaken meaningful efforts to combat the dramatic increase in obesity in children and young people. Along with Ecuador and Mexico, Chile has come up with measures that have attracted attention. The country introduced mandatory warning labels, for instance on products that are high in salt or sugar, as well as stricter requirements regarding the advertisement and sale of such products. Furthermore, Chile's government raises a considerable tax on drinks with high levels of sugar, but has lowered the tax on products with low levels of sugar. Since the 1970s, some cities in Colombia have also occasionally made more public spaces available to citizens for athletic exercising, for example by temporarily blocking major roads for that purpose.

GREATER TRANSPARENCY, GREATER ACCOUNTABILITY

Generally speaking, civil-society actors should try to make politicians, donors, foundations and ministries aware of the issue and reach out to the affected groups of people. Both government agencies and private-sector companies must be held accountable for practices that harm health. In poorer communities, for example, food



Diabetes-awareness campaign in 2016 in Bangladesh.

corporations like Nestlé purposefully build networks to sell their products to customers door-to-door. What's more, tobacco companies are increasingly forcing their way into new markets in countries of the Global South. According to the WHO, almost 80% of all smokers worldwide now live in low- or middle-income countries. Smoking increases the diabetes risk. Moreover, it contributes to vascular problems, which are typical, dangerous complications of this chronic disease. Civil society organisations must raise awareness for these problems and demand political action.

Fighting for accountability can be quite challenging. That is true even in Germany, where the Federal Ministry of Food and Agriculture is still opposing sensible proposals for a sugar tax.

Civil-society initiatives cannot tackle the causes of diabetes on their own. What is needed is government action – and that may include government protection. In Colombia, for instance, some activists who have challenged powerful economic groups face threats and have reason to fear for their lives.

In both public-sector health care and civil-society health projects, diabetes should be viewed as a cross-cutting issue. It affects everything, from mother-child health to the fight against infectious diseases. Existing structures could be used. In Malawi, for example, measures to treat TB served as a model for similar action to tackle diabetes. Local health-care staff can play important roles. Nurses already lead programmes on mother-child health. They should be trained to spread information about diabetes.

Changes need to be made with regard to research and access to medication as well. Many diagnostic methods and medications were designed to meet the needs of wealthy countries. Not all of them suit developing and newly industrialising countries. For instance, keeping insulin at the appropriate storage temperature can be a serious challenge. Furthermore, high drug prices have led to inadequate supplies worldwide – sometimes resulting in death.

Governments and international organisations must take action to end the multinationals' insulin monopoly. Insulin

prices must drop. On World Diabetes Day 2019 (14 December), the WHO finally published plans to push for that.

The plain truth is that the current market situation should never have arisen in the first place. Insulin is actually a historical example of just how important public research is. This drug was originally developed at the University of Toronto, which decided to forgo patent revenues to ensure all patients got access. In the case of this life-saving drug, price problems are only a very recent phenomenon, which proves that multinational corporations are enjoying excessive market power.

LINK

Online course by BUKO Pharma-Kampagne on diabetes in the Global South (2018) (only in German):

<http://www.bukopharma-online-lernbox.de/diabetes/>



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Causes and complications

Diabetes results from the interaction of genetic predispositions with lifestyle issues and environmental factors. According to the WHO, this disease killed more people worldwide in 2015 than HIV/AIDS, tuberculosis (TB) and malaria combined.

Ninety percent of diabetics suffer from type 2 diabetes mellitus, which is frequently linked to excessive body weight, unhealthy diets and a lack of physical activity. Smoking is another important risk factor. But scientists are also paying increasing attention to the relevance of heavy environmental pollution, for instance in the form of persistent organic pollut-

ants like dioxins or some insecticides.

Genetic predispositions put many people at a particularly high risk. That applies to many indigenous groups. According to recent studies, for example, Aboriginal Australians are more than twice as likely to develop diabetes than the general population. Compounding the problems, indigenous people often have poorer access to health care.

In addition to type 2 diabetes mellitus, people can also suffer from the congenital type 1 diabetes, as well as a variety of rarer forms. Gestational diabetes is one of the most common pregnancy complications worldwide. Another problem


are the numerous interactions between diabetes and widespread infectious diseases like HIV/AIDS, malaria or tuberculosis.

If treatment sets in too late or not at all, the consequences of the metabolic disease are devastating. Developing countries and emerging markets are affected in particular. Sustained high blood sugar levels damage the blood vessels and nerves, for example. That can lead to reduced blood flow to the extremities and make amputations necessary. The optic nerve is also frequently affected. In South Africa, diabetes is one of the three most common causes of blindness, with over 8,000 new cases a year. On the other hand, Bangladesh, Tanzania and other countries conducted a pilot project 15 years ago to



Sugary drinks increase the risk of diabetes: Coca-Cola advertisement in Morocco.

reduce the incidence of what is known as a diabetic foot. They managed to reduce the number of amputations. **mk**



A Kenyan artisan who is benefiting from the digitised SOKO supply chain (see box, page 22).

Employment and innovation

As millions of young people reach adulthood in developing countries, masses of new jobs are needed. That is especially true in sub-Saharan Africa, though the employment scenario is similarly dismal in many other countries with huge informal sectors such as India, for example. Innovative companies can make a difference, and the emergence of tech start-ups in many metropolitan centres is encouraging. Other sectors, especially manufacturing and commodity processing must grow too, however.

For that to happen, the general business environment must improve in many places. Institutional innovations of the kind that have long marked more advanced economies must be introduced too.



This focus section directly relates to the UN's 8th Sustainable Development Goal (SDG): decent work and economic growth. It also has a bearing on the entire SDG agenda.

AVOIDING PLASTIC

Growing awareness

Bio-Lutions is a manufacturer of biodegradable packaging and disposable tableware made from agricultural residues. The company is headquartered in Hamburg, and opened its first factory in Bangalore in the Indian state of Karnataka in 2008. Kurian Mathew, the managing director in India, elaborated what his work is about in an interview with D+C/E+Z. Bio-Lutions' innovative technology is geared to sustainability because its products are eco-friendly replacements for plastic items. Bio-Lutions is currently building its second production facility in Germany.

Kurian Mathew interviewed by Sabine Balk

Why did you and Bio-Lutions founder Eduardo Gordillo choose India as a place to set up a factory?

In India, the conditions were perfect. In 2015, the Karnataka state government banned the use of all plastics below a certain thickness. The ban included most disposable items. We had the idea to set up a production of disposable materials for packaging and other purposes on the basis of natural, biodegradable resources. So we decided to jump into the business in Karnataka and opened the factory in Bangalore. We thought it was the right thing. Our business is of ecological and social relevance. Moreover, India is a huge market. We have a lot of festivals, weddings or other events where people use items that need to be disposed of later.

How did you meet Eduardo who is an entrepreneur from Germany?

We have a similar background. We are both architects and industrial designers. I did a lot of package and display design, and I used to get these products made in a factory in China. Eduardo was cooperating with the same factory. So about a decade ago, we met in China and became acquaintances. We realised that we think along the same lines. When he started Bio-Lutions, he asked me if I was interested to set up the factory in India. The timing was perfect because of the plastics ban. Implementing the project was

tough though, because the scale of operation is huge compared with what we were doing before. But now we are operating successfully. In the end, it was a very good decision and I am extremely happy that we did it.

What was the biggest challenge?

Initially the funding was the biggest problem. We were not supported by a big corporation in the background. So at the start, it was all our personal money. When we decided to build a large facility, however, it was clear that we needed additional funding. Luckily, the KfW subsidiary DEG gave us a loan worth €500,000, so we could move ahead in Bangalore. By now, other stakeholders have invested money in our business. Today, DEG and Delivery Hero SE are among the key investors. We are fine now, but as the business grows, we will have to keep investing.

You produce disposables and packaging that are completely made out of plant residues (see box next page). Can you compete with the plastic disposables, that are still on the market in spite of the ban?

The plastic ban has not yet been fully implemented in Karnataka. But it will become compulsory. The big retail outlets and restaurants do not use plastic tableware anymore, but masses of small bistros, coffee shops and street-food stands still do. That said, our products are competitive. Virgin plastic products are not cheaper. But we do have a problem with recycled plastic that is cheap and of poor quality. It cost half the price of what we offer, and is still used a lot. The plain truth is that you cannot change everything within a short time. It takes years and decades to change the market and people's attitudes. The full implementation of the plastic ban will certainly help us.

Are attitudes to plastic changing in India?

It is not easy to convince people, because a lot of them still struggle to survive and get enough food to eat. But the world is changing and people are realising that there is too much plastic everywhere. They are slowly realising that clean air, safe water and healthy soils are essential for survival. They understand that getting sick because of bad food or water can be quite costly, especially if they have to go to a hospital. One challenge we face, moreover, is that our products are not made for long-time use. You'd probably use one of our plates for 20 minutes or so, and afterwards it is waste. Nonetheless, our approach is sustainable and I am sure our success will prove sustainable too.



Production of biodegradable kidney dishes at the Bio-Lutions plant in Bangalore.

Who are your customers?

We have a couple of distributors, and they sell our products to wholesalers. Supermarkets, restaurants et cetera then procure them from the wholesalers. We have started to export to Europe, especially Germany. We have three customers in Germany, including a nationwide supermarket chain.

You use sugar cane leaves, banana stems and similar organic waste as raw materials.

Where do you get them from?

We partner with a non-governmental organisation in our region and they work with farmers. The NGO is called Vikasana and its head office is about 50 kilometres away from our factory. They focus on organic agriculture, watershed management, bio-diversity conservation, child education and women's empowerment. We get all the raw materials from their farms. In cooperation with Vikasana, we established a collection centre in their region where the farmers take their materials. We also collect it from the farmers directly.

How many jobs did you create in India?

We created about a hundred jobs in our factory in Bangalore as well as 15 jobs in our collection centre. Our team works year-round with equal opportunities for men and women. We want to create job opportunities and economic value in the region, because we see ourselves as a part of the local community. We can directly hire from the local people as we do not require special qualifications from our factory employees. We train them on site for their respective positions.

Do you have plans to expand your business?

Yes, we are in the process of expanding our factory in Bangalore. We will put in more machines and increase the production. And we also want to expand to other regions in India. There are negotiations to set up two new plants, and we think that will happen within six to 12 months. This is challenging. We're looking at completely new plants, new farmers and different raw materials. We



are rising to similar challenges in Germany, where we are currently building a new production facility near the capital Berlin. It will become operational this year. We also plan to open a factory in Thailand in the near future.



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Sustainable, biodegradable and chemical-free

Bio-Lutions is a German company specialising in biodegradable packaging and disposable tableware made of agricultural residues. It opened its first factory in 2018 in India. The idea is to avoid plastic and use agricultural residues such as sugar-cane leaves, tomato or banana plants to make sustainable products.

The company developed a patented technology to use agricultural residues without the application of chemicals and additional binding agents. The research centre is in Schwedt in north-eastern Germany. Special machines convert raw materials into self-binding natural fibres in mechanical processing. The company can thus

avoid the massive use of chemicals and water that makes the production of both paper and

bio-plastics environmentally unsustainable.

The concept can be applied almost everywhere, according to Bio-Lutions. It is possible to use the fibres from most agricultural residues found worldwide. Bio-Lutions intends to create an interna-

tional, but decentralised production network with local factories and regionalised distribution. The idea is to meet local demand and create local jobs, whilst limiting carbon emissions and transportation requirements at the same time.

D+C/E+C



Sugar-cane harvest in the Indian state of Karnataka. Bio-Lutions produces disposable tableware from the plant residues.

PRIVATE-SECTOR DEVELOPMENT

“The right balance”

Innovative start-ups make a difference in Africa, but more needs to happen to create jobs for millions of young people. In our interview, Christiane Laibach of DEG – Deutsche Investitions- und Entwicklungsgesellschaft, the German development finance institution, elaborates the core challenges of private-sector development.

Christiane Laibach interviewed by Hans Dembowski

Can we be sure that every potential entrepreneur with a good idea gets access to loans in Africa?

It is difficult to answer your question in general. The less a country is developed, the more difficult it is for entrepreneurs to get access to financial services. There are other bottlenecks as well, because the investment environment must improve fundamentally in many African countries. Challenges range from bad roads and unreliable electric-power supply to lacking rule of law

and a shortage of skilled workers. In such settings, it is very difficult to start an innovative business.

DEG supports small and medium-sized enterprises (SMEs) in the formal sector of African countries with credit and shareholdings. How do you find those companies?

We use several approaches:

- We run offices in important African markets, and have just established a new one in Lagos. We are also present in Accra, Abidjan, Nairobi and Johannesburg, from where we reach out to partners. We mostly rely on local staff who have a solid understanding of their world region and its business community.
- Moreover, we cooperate closely with African banks, and support their efforts to modernise and expand their activities. We have even established what we call German Desks in some branch offices of our partner banks in order to be more easily accessible to SMEs.

- Finally, we cooperate with other European and international development finance institutions that share our mission of facilitating private sector development. Our work is geared to allowing promising SMEs, once they have reached a certain size, to grow further and support sustainable development. Start-ups and the persons who establish them are not our primary target group – not least because they would like to get, and indeed deserve, more detailed attention on site than we can offer.

So you are not involved in technology hubs and other kinds of special institutions for entrepreneurs?

No, that requires too much specialisation, but we do appreciate initiatives of that kind. Experience shows that entrepreneurs benefit from an appropriate environment. Tech hubs typically offer good digital infrastructure, facilitate creative exchange with like-minded people and provide links to financial institutions. Moreover, they are often nodes in important international networks.

What kind of growth does Africa need to generate enough jobs for millions of young people? Innovative websites will probably not suffice.

Well, we do observe that the many new online platforms and apps that are emerging in Africa indeed only create a limited number of jobs, but at the same time, they are increasing local people's opportunities and standards of life. Thanks to them, consumers have more choice and better access to information in general. That matters. Moreover, the relatively small number of jobs they create attract comparatively well-trained people, and that matters too. They are offering prospects in Africa. Obviously, however, many more jobs are needed for less skilled people, and that means that manufacturing and the processing of agricultural and other commodities must increase and that supply chains must improve.

DEG helps German and European enterprises to invest in developing countries. If we consider economic policy in general and employment promotion in particular – does it make a difference whether domestic or foreign companies create jobs?

In terms of employment promotion, the important thing is to generate as many jobs



Garment workers in a DEG-supported Nigerian production facility.

as possible, and not so much who exactly is hiring people. However, an advantage of foreign direct investors is that they normally bring along additional know-how and expertise. Foreign companies rely on up-to-date management methods and technology. That said, these companies will certainly not generate enough employment, so local industries will be decisive. For obvious reasons, the investment climate must be suitable for both foreign and domestic investors, and that raises issues we've already touched upon earlier. The private sector needs infrastructure, good governance and a trustworthy formalised framework.

If one reads the business press of rich countries, one can get the impression that

a good business environment basically means low taxes. Formalising the informal sector, however, means to tax the large number of informal businesses.

Well, in Europe we take things for granted that actually result from government action. A modern economy needs strong infrastructure, and that includes strong systems for education and health care. It also includes the rule of law. Clear rules support entrepreneurship. Consider food processing for example. If there is legislation concerning use-by-dates and the disclosure of ingredients, companies have to comply with it, but they don't have to decide for themselves what standards make sense or are even indispensable. Tech entrepreneurs, moreover, obviously want intellectual property to be

protected. Everybody must trust that the rules will be enforced. By contrast, corruption indicates dysfunctional governance. It is misleading to argue that market dynamism simply results from governments not intervening in markets. What really matters is to get the balance right.



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Innovative drivers of sustainable development

DEG – Deutsche Investitions- und Entwicklungsgesellschaft does not only support companies with long-term financing. For example, it also runs an up-scaling programme, designed to support young and innovative small and medium-sized enterprises (SMEs) in developing countries. The businesses concerned have grown too big to make use of typical micro-finance systems, but they are still too small to attract funding from commercial banks.

The programme was started in December 2013 and has since supported almost 50 different companies in 16 nations. To qualify for the programme, applicants must not only be innovative. They must also contribute to sustainable development. DEG belongs to KfW Banking Group and has the mission to support sustainable development.

SOKO from Kenya is a good example for up-scaling

impacts. SOKO runs an online platform that gives small-scale jewellery makers in rural areas access to the world market. The artisans receive orders by app, and then produce the goods according to the designs de-

manded. They use locally available materials such as recycled brass, the horn of Ankole cows, wood and bones. The items are then upgraded at the SOKO headquarters in Nairobi and distributed internationally. This “virtual factory” has dramatically increased the artisans’ marketing opportunities. Some of them now earn five times more than they previously did.



Kenyan artisan using SOKO.

To enhance its business model, SOKO is currently investing €3 million, of which the DEG has contributed €749,000 from the up-scaling programme with funds from Germany's Federal Ministry for Economic Cooperation and Development (BMZ). Among other things, SOKO is investing in an automated gold-plating system.

Many of the companies that have benefited from the Up-Scaling programme become well established and are so successful, that they are in a position to pay back the funding.

Another example is the German green-technology start-up Bio-Lutions (see interview on p. 19). Thanks to the Up-Scaling programme it was able to set up an Indian pilot scheme for producing biodegradable packaging and disposable tableware from plant residues. Last year, DEG became a stakeholder in this Hamburg-based company in order to support its next phase of growth: Bio-Lutions is expanding production in additional countries.

DEG



The survey team in Monrovia with our co-authors (Sala-Martu Stephanie Duncan left and Michael Konow kneeling in front) plus another supporter from Hamburg, Torsten König.

EMPLOYERS

Advocating for the private sector

Liberia has a great but largely untapped potential for economic development. The long civil war of the 1980s and 1990s severely disrupted the once thriving economy. Recovery after the 2003 peace agreement was again halted by the Ebola outbreak in 2014. A recent business survey shows what problems the government should tackle to improve the investment climate and help the private sector to create more jobs.

By SalaMartu Stephanie Duncan and Michael Konow

In Liberia in recent months, anti-government sentiment has been rising because of a worsening economic and societal crisis. Against this background, the Liberia Chamber of Commerce (LCC) wanted to assess the country's current situation. It conducted the country's very first business-condition survey with support of Hamburg's Chamber of Commerce.

The survey was carried out among 126 companies in Monrovia in December 2019. They belonged to different sectors. Half of them rated the current economic situation as bad. Only nine percent considered it good. Negative factors included

- the high cost of – and unreliable access to – electric power, safe drinking water and fuel,

- high interest rates,
- inadequate access to financial services,
- the volatile exchange rate and
- poor infrastructure, especially roads.

For businesses to grow and hire more people, these things must improve. Many companies currently rely on diesel generators, and piped-water services are yet to be fully restored.

There were also complaints about government agencies. They related to taxes, lack of coordination among different agencies as well as difficulties in obtaining or renewing licenses, permits and registrations.

Liberia was once called the “Pepper Coast” because of the wide availability of malagueta pepper. The country exports rubber, timber, iron ore, gold, diamonds and oil. But even though the economy is based on commodity exports, foreign-trade regulations are not clear in this sector. Business leaders complain that they

- have to present too many documents,
- rules are non-transparent, and
- national tariffs are not aligned with those of ECOWAS (Economic Community of West African States), the regional organisation Liberia belongs to.

There is good news too. For this year, 43% of respondents expected things to improve for their business, though 31% expected

the situation to worsen. A sense of hope was evident. Many interviewees said that their companies needed the government to set an appropriate framework. The list of complaints indicated defines priorities for Liberia's government.

The result of the survey was presented to the business community at a meeting at the Liberia Chamber of Commerce. Business leaders welcomed the publication of the business condition report. Media coverage was good. However, one manager was disappointed because the government did not send anyone to the report launch.

Torsten König, head of statistics at Hamburg Chamber of Commerce, supported LCC in setting up the new investment-climate assessment. He says it is essential to “ask the right questions, collect and collate data accurately and draw relevant conclusions” (see article by Michael Konow in Tribune section of D+C/E+Z e-Paper 2018/05). In his eyes, business-condition surveys are the most powerful tool a chamber has at its disposal. König emphasises that the ultimate purpose is to advise the government.

Business membership organisations (BMO) such as LCC play a key role in monitoring government action. They speak out for the business community. A majority of three-quarters of respondents said they wanted a BMO to advocate on their behalf. The LCC thus has a very strong mandate. It was established in 1951 and today represents over 350 companies and business associations, including multinational companies such as Firestone. The LCC also represents Liberia's employers in tripartite arrangements with the government and trade unions.

LINK

Liberia Chamber of Commerce (LCC):
<http://www.liberiachamber.org>



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START-UPS

“Talent is everywhere, but opportunity is not”

MEST Africa is an entrepreneurial training programme, seed fund and tech incubator headquartered in Accra, Ghana, with hubs across the continent. The acronym originally stood for “Meltwater Entrepreneurial School of Technology”, but the initiative was rebranded to MEST Africa for reasons of simplicity. Veronica Mulhall told D+C/E+Z about the MEST approach.

Veronica Mulhall interviewed by Sabine Balk

What does MEST Africa do exactly?

MEST’s work can be broken down into three pillars:

- The MEST Training Program is a one-year, fully sponsored, graduate-level programme in tech entrepreneurship in Accra. MEST Africa was built on the idea that talent is everywhere, but opportunity is not. We call our participants entrepreneurs-in-training and grant them a full scholarship for an MBA-type education (Master of Busi-

ness Administration) with a focus on software development. It is an intensive hands-on programme led by a Pan-African staff with input provided by guest lecturers who are experts in their fields. A group of the continent’s most promising entrepreneurs is selected. The current cohort represents 14 countries across Africa. The programme focuses on the kinds of skills entrepreneurs need. The core topics are communications, business and technology.

- MEST Seed Funding: Graduates of the Training Program and winners of the annual MEST Africa Challenge competition are invited to pitch proposals to our board of experienced investors. The winners receive funding worth \$50,000 to \$250,000 to help them launch and scale their companies in one of our Pan-African incubators.

- We run MEST Hubs in four cities: Accra, Lagos, Nairobi, and Cape Town. They serve as ecosystem centres for entrepreneurship. Currently, they provide services to more than

50 start-ups. This includes on-the-ground support, mentorship and a global network.

How many men and women are enrolled?

About one-third of the current 56-person cohort is female. MEST plans to run a female-targeted Bootcamp to apply for MEST and we are aiming for parity for the next MEST Training Program cohort.

How does one join your training programme?

Our target group is aspiring entrepreneurs from across Africa. First, they submit an application through our online portal. Successful applicants move to take a skills assessment test to evaluate their strengths and further filter down the pool. After qualified applicants pass the skills assessment there are rounds of phone and group interviews until we narrow down to one-on-one interviews. Typically about 50 to 100 applicants get to this final stage. During the one-on-one interview, applicants spend between 30 to 45 minutes with the judging panel. The panel asks questions about the applicant’s CV, profile and experience. Every year in August, MEST admits up to 60 new entrepreneurs-in-training.

What happens after graduation?

Entrepreneurs-in-training join MEST with a drive to create a tech start-up. Whether in

Successful businesses

The goal of MEST is to launch and support globally successful companies that create wealth and jobs in Africa. To date, the MEST portfolio boasts over 60 tech start-ups with founders that have graduated from the MEST Training Program. Here are a few you might have heard of.

MeQasa, founded by Kelvin Nyame, Kofi Amuasi and Rashad Seini from the MEST Class of 2013, is Ghana’s leading online marketplace for real estate. The company cooperates

with brokers, owners and tenants to provide reliable information for housing as well as commercial properties. MeQasa acquired JumiaHouse Ghana in 2017, which established the real estate platform as Ghana’s largest and most trusted.

<https://meqasa.com/about-us>

Asoriba, a church administration and community platform, was founded in 2015 and operates in Ghana, Nigeria, Kenya and South Africa. The four co-founders, Saviour Enyam Dzage,

Nana Opoku W. O. Agyeman-Prempeh, Patrick Ohemeng Tutu and Jesse Johnson, found common ground during the MEST Training Program. The app allows members to receive devotionals and information on events, as well as send prayer requests or donate money.

<https://www.asoriba.com/about-us/index.html>

Leti Arts is a company founded by Eyram Tawia from Ghana and Wesley Kirinya from Kenya in 2009. As game studio with offices in Accra and Nairobi, Leti Arts aims to leverage African talent to develop high-quality media games, comics

and mobile apps. The core themes in Leti’s products are stories of African superheroes. The company strives to build games that can compete on the world market like the recently created interactive quiz game MTN Ghana’s Hottseat.

<http://www.letiarts.com>

Amplify, a company founded by MEST Class of 2015’s Segun Adeyemi and Maxwell Obi, is a payment solution. Its flagship product, Amplifypay, offers an automated way for businesses to collect recurring payments. Amplify was acquired by a Nigerian fintech company in 2019.

<https://amplifypay.com>



Successful MEST graduate (right).

social or traditional sectors, the companies they create address particular needs. They strive to create productive disruption. Graduates have launched companies all over Africa. We want to support globally successful

companies that can create wealth and generate jobs in Africa. Not all graduates get seed funding, but those who do not often go on to make a difference as managers and leaders in their various sectors nonetheless. We

consider all alumni part of the MEST family and regularly encourage them to come back and pitch any ideas for funding in the future. One of our mottos is: “Once a MESTer, always a MESTer”. All alumni have access to our vast network of mentors, alumni and partners.

How did MEST come about – and why is it based in Ghana?

MEST was launched in 2008 by Meltwater founder and CEO Jorn Lyseggen as a Pan-African training programme, seed fund and tech hub. MEST is funded by the Meltwater Foundation, the non-profit arm of Meltwater, a global leader in media intelligence. The idea was that, with the right support and guidance, people can achieve great things, and that young Africans, in particular, must be offered more and better opportunities. We have shown that a new generation of young, successful, globally-minded software entrepreneurs can originate in Africa.



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RURAL YOUTH

Clearing the jobs hurdle

Young people in Africa's remote regions face serious hurdles to finding productive work. Development partners are identifying the factors that help them reach their goals.

By Claudia Knobloch and Christian Pirzer

Development experts are taking aim at a major problem in Africa: finding meaningful jobs for the estimated 25 million young people who enter the labour market each year. By 2030, an eye-popping 320 million new jobs need to be created.

Nearly half of the new labour-market entrants live in rural areas and about 70 % of them are under 30 years of age. The scale of the need for jobs and the impact of employment on economic growth make it

crucial to design employment-promotion programmes that are efficient and effective.

Youths seeking work in Africa's rural areas face a range of daunting problems: their access to land, markets, credit, skills training and job-placement services is very limited. Therefore, they tend to be unemployed, underemployed or engaged in subsistence-level self-employment.

To find out how to improve matters, the GIZ on behalf of the Germany's Federal Ministry for Economic Cooperation and Development (BMZ) commissioned a study to evaluate 11 employment-promotion programmes that are implemented by GIZ.

The study, titled “What works in rural youth employment promotion?” identified

good practices that should guide rural youth employment promotion:

CONSIDER INSTITUTIONAL SCENARIO

Programmes to promote youth employment must align with national or continental development agendas. They must foster a sense of stakeholder ownership.

A good example is the Agricultural Technical Vocational Education and Training (ATVET) programme. ATVET is part of the Comprehensive Africa Agriculture Development Programme for agricultural transformation in Africa which, in turn, is a flagship initiative of the African Union (AU). ATVET promotes agricultural technical training in 12 AU member states. Its training materials match national certification requirements, so governmental training centres can use them easily. The positioning under the AU gives the ATVET programme considerable weight among national partners, who see it as a continent-wide, government-led initiative.

In general, programmes should rely on local structures. It makes sense to link training elements or other support activities to national policies and employment promotion. Embedding programmes in national frameworks may add to their complexity, but it certainly contributes to efficacy.

Another good example is the “Pro-Poor Growth and Promotion of Employment in Nigeria Programme”. It involves various public institutions and promotes financial literacy. Its curricula can be integrated into the national education system, so over 60,000 young people are reached across the country.

GIVE YOUNG PEOPLE A SAY

Rural youths often believe that policymakers do not take their interests into account. The GIZ’s “Food Security Through Improved Agricultural Productivity” is designed to change that perception. The programme advises national and local officials in Kenya on promoting sustainable agriculture.

Moreover, the programme involves youth associations in consultations on national strategies that affect rural youth, especially in agriculture. By giving youth people a channel to speak directly with their national and subnational governments, the programme earns trust and helps governments to draft better-targeted policies.

UPDATE REPUTATION OF AGRICULTURE

Rural youth often see agriculture as a low-opportunity occupation with outmoded working practices. Employment-promotion programmes can change this perception by highlighting promising opportunities, good working conditions and modern practices.

For example, programmes can promote the development of modern agri-food networks. Food processing and food delivery are important components of feeding a population. Agri-food systems include parties who grow, harvest, process, package, transport and market agricultural products. Consumers, restaurants and waste disposal matter too.

Offering youth a broader view of agriculture and related industries can help to spark their interest. They should be told about the economic opportunities afforded by coordinating agri-food networks. Throughout the value chain, there are at-

tractive on-farm and off-farm employment opportunities.

BROADEN EMPLOYMENT PROMOTION

Employment promotion involves a range of activities, including skills-training, enterprise development and matchmaking services. Better coordination and integration can increase impact.

committees to initiate a multi-actor process of dialogue. These committees are led by the local provincial governor and consist of representatives from the public and private sector, as well as from civil society.

PROMOTE GROWTH

Multi-component approaches are especially useful in rural areas with limited support



Farm work does not have a good reputation: Tanzanian youngster.

A good example is offered by Morocco’s “Promoting Youth Employment in Rural Areas” programme. Commissioned by the BMZ and carried out by the GIZ in cooperation with agencies of the Moroccan government, this programme has developed an integrated approach to employment promotion in rural areas.

It focuses on establishing local job centres in rural areas in collaboration with grass-roots organisations. The centres provide job-matching services, and offer short-term skills training adapted to local needs. Beyond that, the programme is spawning a support ecosystem for young entrepreneurs by establishing local employment

structures. They allow individuals who have completed entrepreneurship training sessions to access financial services or follow-up support such as mentoring. The idea is to offer interconnected support.

A good example is GIZ’s “Employment Promotion Programme” in Sierra Leone. Successful graduates of its basic skills-training sessions have an opportunity to participate in a coaching programme delivered by the GIZ. It is called “SME Loop”. SME stands for small and mid-size enterprises. The SME Loop trains young entrepreneurs in business skills, product/market positioning, entrepreneurial attitude, negotiating skills, customer relations and financial literacy.

SME Loop graduates can apply for funding for their companies from the GIZ-managed programme “Facility for Innovation”.

HELP IDENTIFY MARKET NICHES

New entrepreneurs often do not know where to start. A good way to help them is to identify potential opportunities by means of a “business opportunity study”. The Tunisian “Sustainable Agriculture and Rural Development” programme, for example, uses such studies to identify business opportunities within agriculture value chains. It has helped young rural entrepreneurs to

evaluation framework. In the case of Agricultural Technical Vocational Education and Training for Women (ATVET4Women), for example, the current performance indicators largely fail to reflect the programme’s gender-transformative approach. In its upcoming second phase, ATVET4Women will introduce a new theory of change with more relevant indicators.

SHARE BEST PRACTICES

As youth employment promotion in rural areas is a relatively new topic, the exchange of experiences among programmes can help

government officers and scholars assess results and lessons learnt with E4D team members.

COORDINATE AMONG PARTNERS

Youth employment is a subject that involves many actors and cuts across several government departments. So-called “silo-thinking” often blocks progress. One way to overcome it is strong coordination among all parties involved. Steering committees can ensure that all parties align their actions and take into account perspectives they did not consider in the past.

For example, both the “Eco-Emploi” programme in Rwanda and the “Agricultural Value Chains for Sustainable Development” (A4SD) programme have established steering committees to set priorities and coordinate interventions. The committees include representatives from relevant ministries, private-sector companies and vocational training schools as well as technical experts. Their meetings help to build trust, foster cooperation and coordinate action.

SEEK CO-FUNDING

Co-funding can increase programme flexibility as partners strive to achieve complementary goals. Some programmes thus have multiple financing partners, including the EU, philanthropic foundations and private sector entities.

For example, co-funding from the Bill and Melinda Gates Foundation helped the A4SD programme to expand its scale. At the same time, it encouraged other private sector partners to participate.



Delivery and processing matter too: South African workers sorting potatoes.

develop business ideas that respond to real market needs.

USE RELEVANT CRITERIA

Monitoring and evaluating programme success is crucial. The yardsticks used should be specific to rural youth. In the past, indicators showing the degree of success in promoting rural youth employment were often added belatedly to a previously defined

turn a successful innovation into mainstream practice.

There are many good examples of sharing best practices. Continental or global GIZ programmes like “Employment for Sustainable Development in Africa” (E4D) or “Green Innovation Centres for the Agriculture and Food Sector” have strong peer-learning elements that help them replicate good practices. E4D, for example, conducts regular conferences at which financiers,

LINK

More information about GIZ work on rural youth employment promotion:

<https://www.giz.de/en/worldwide/67975.html>



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LABOUR MARKET

Why small-business owners find formalisation unattractive

Creating jobs and formalising employment relations are generally considered to be important steps. They contribute to building a well-functioning market economy and providing social security. Formal employment is essential for the state to generate revenues, which in turn are essential for the provision of vital services to citizens. Mozambique, however, lacks the preconditions for modernising the labour market.

By Friedrich Kaufmann and Winfried Borowczak

According to official data, Mozambique's formal sector employs almost 1.1 million people. At least in theory, they have employment contracts, receive at least the statutory minimum wage, are protected against unfair dismissal and enjoy social protection through governmental health, unemployment and pension schemes.

It is doubtful, however, whether that is always the case in reality and whether companies actually pay all the taxes and social security contributions they are supposed to. It is even more problematic that the formally employed work alongside around 11 million people who are employed in the informal sector. For every employee in the formal sector, there are now ten in the informal one. The latter are busy in in low-productivity subsistence farming, small coastal fishing operations, small-scale production and sale of handicrafts as well as in service industries like security or domestic work.

Mozambique's population is growing fast. Its economy has been expanding fast as well – on average by about seven percent per year since the end of the 1990s. However, up to 500,000 young people enter the labour market every year, and the small formal sector cannot absorb them. It has only created 18,200 jobs a year over the past two decades (Balchin, 2017). Today, the capacities of the informal sector also seem to be largely exhausted. It is a bad sign that around 80 % of

the people it employs earn less than two dollars a day (Balchin, 2017). Generally speaking, the informal sector is a “survival economy”. It neither provides adequate incomes nor social protection.

In Mozambique there are three labour-market segments. They differ in terms of importance, the constraints they face and their levels of formalisation. The first is the public service, the second includes private- and public-sector companies and the third is made up of private households and other entities not geared to generating revenues.

PUBLIC ADMINISTRATION

The public service has traditionally been an important employer with formalised employment relations. It is relatively secure and often comes with certain privileges. Therefore, it is preferred by many Mozambicans, whether in state administration

(ministerial, provincial, district or municipal) or associated services (police, customs, education, health care and so on).

Unfortunately, the public service is closely intertwined with Frelimo, the ruling party, and adheres to its clientelist logic. It would be helpful to disentangle state and party. Public officers must have the skills their office demands. Employment should depend on competence, not nepotism.

Related reforms would not lead to additional jobs, however. Due to tight budgets, funding for new hires is limited. In view of the financial crisis, the state has been forced to severely cut spending since 2016.

FORMAL COMPANIES

Companies should be the main drivers of formal-employment growth. Unfortunately, they have only served this function to a rather



Factory worker employed in copra production in Quelimane, Mozambique. Copra is dried coconut flesh that is used to make coconut oil.

er limited degree in recent years. There are several reasons:

- While the number of companies has been growing, many small firms remain informal because that means lower costs. Formalisation improves their access to financial services, but it also means greater visibility, resulting in bureaucratic hurdles, tax liabilities, demands for bribes and other burdens. There are always costs to formalisation, but many small-business owners do not see any benefits. There is no return from the state. Many companies lack access to efficient public services and essential infrastructure like electricity, water and security.

- In Mozambique there is a statutory minimum wage that formalised companies must pay. In many sectors, however, the equilibrium wage in the labour market is lower. This is another reason to keep a business informal. Many enterprises simply cannot afford the minimum wage. That is true of subsistence farms and other “companies of necessity”, which survive thanks to family labour, illegal employees and even owners performing odd jobs sometimes. Such enterprises cannot hire additional staff in large numbers. They are often only competitive precisely because of being informal, which means fewer constraints and no tax burden.

- The greatest potential for formalised employment relations lies in establishing new formal companies. That often happens with help from foreign capital. On paper, there are about 60,000 formal companies in Mozambique at the moment (INE, 2017). Most of them, however, are micro-enterprises that employ maybe one or two persons apart from the owner. In contrast to other countries, a spirit of entrepreneurship has not really taken hold in Mozambique. The culture was shaped in decades of colonial rule, socialism and war.

The conditions for entrepreneurship remain bad. Foreign companies prefer to invest in other countries. If they invest in Mozambique, they keep their value chains short (see our contribution in D+C/E+Z e-Paper 2019/12, Focus section). The reasons include widespread corruption, crime, poor infrastructure, inflexible labour laws and the poorly trained workforce. In the World Bank's Doing Business Index, Mozambique has for years hovered around 130th place among 180 countries reviewed. Mozam-

bique is seen more as a sales market. Only commodities, commercial agriculture and tourism are “place-bound” and generate jobs in the country.

Employment policy is not up to task. Critics point out that some industries, for instance in the commodities sector, oper-



Fishermen in Mozambique.

ate in comparatively capital-intensive ways. Managers want to limit companies' dependence on workers, so they improve productivity by investing more capital. Mozambique's labour laws are considered to be very employee-friendly, so companies shy away from formally hiring workers, especially long-term ones. All of these issues block the growth of formal employment.

PRIVATE HOUSEHOLDS

There are no official statistics concerning this segment of the labour market. The practice has always been to employ domestic

workers informally. Employers want to avoid the obligations, taxes and social security contributions required by law. Very many households employ housecleaners, nannies, security guards, gardeners, drivers or cooks. Not all of these households are wealthy. This labour-market segment provides livelihoods to masses of poor people, particularly in urban areas. The state tolerates this practice. Large-scale formal employment cannot be expected in this segment.

OUTLOOK

Companies must invest and formalise if they are to create more formal jobs and pay taxes. For that to happen, the state has to create the right conditions and incentives. It must offer companies security, ensure administrative efficiency, enforce the rule of law and build the necessary infrastructure. These things are of vital relevance, particularly for small and medium-sized businesses. In Mozambique, however, some parts of the country are still plagued by crime, corruption and constant resurgences of “little wars”. In such settings, many enterprises remain informal, and many do not invest at all. These problems will only be solved if Mozambique becomes a developing country governed according to the rule of law. The question is whether the governing elite is willing and able to introduce such changes.

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SOCIAL ENTREPRENEUR

Enlightening the young generation

Frank Masanta grew up in difficult circumstances in Zambia. He is now a social entrepreneur who promotes education. In 2011, he founded the Sun-spring Charity School in the Ng'ombe Township in the Lusaka agglomeration. To date, he has provided several hundred children with pre-school and primary-school opportunities. In this contribution, he spells out what he is doing and what is driving him.

By Frank Masanta Jr.

I was born in Ndola in 1981, and my parents had 12 children. I grew up in Lusaka, but my father got a divorce when I was still a baby. He raised me, but hardly took care of me and did not invest in my education. I did not do well in school and left school with a General Grade 12 Certificate. My father is a car mechanic, but I was never interested in that line of work even though he often fixed cars at home and I would help. I left home after completing grade 12 because I wanted to be independent. I married in 2002.

I had the idea to start a school when, due to financial hardship, I could not send my own kids to school. Moreover, I wanted to help other kids who shared my kids' fate (also note my contribution in the focus section of D+C/E+Z e-Paper 2019/08). I decided to start a school in which my wife and I teach ourselves. We charge a small tuition fee to pay the rent and procure books, furniture and all sorts of supplies. The teachers are volunteers with stipends which cover daily expenses but do not add up to a full income. In the long run, we plan to hire fully trained teachers who will take the project forward. Hopefully, private-sector businesses will support us.

I chose the location Ng'ombe because we used to live there and because I found an appropriate building. This neighbourhood is densely populated and poor. Small ideas can make a big difference here. There are two government-run schools in Ng'ombe, and though they don't charge tuition fees, poor families cannot afford to send their children there because books and school uniforms cost too much.

After a while, I understood that one needs to be an entrepreneur to run a school. Unfortunately, the Sun-spring Charity School does not provide us with a livelihood. We are struggling merely to cover the costs. I generate my own income with a small busi-



Frank Masanta founded the Sun-spring Charity School in the Ng'ombe Township in Lusaka.

ness called Think Global Services. We print visiting cards, for example, and provide other services. I keep trying to raise more funds for the Sun-spring Charity School.

I have organised marches in Zambia, walking more than 1,000 kilometres in or-



der to raise funds and awareness. We promote the right to education and sustainable development. During and after those walks, I met with business leaders and government ministers, insisting that more investment in education and more partnerships for education are necessary.

Moreover, I am involved in several projects that are designed to boost young people's prospects through entrepreneurship. I am currently organising another 915 kilometre march. "The SDG&Climate Action Walk" will take place in March this year. The idea is to make people aware of the UN Sustainable Development Goals (SDGs). Moreover, I hope to raise money for building another school as well as planting 1 million trees up to 2030 to mitigate climate change.

I am simply a humanitarian, a Christian, and what I do is out of love. I believe what Muhamad Ali said: "Service to others is the rent you pay for your room here on earth." I believe in education because it is the light one needs to make sense of the world.

I hope to be a successful entrepreneur and an active global citizen. I strive to raise funds in order to build partnerships for education. My ambition is to build more schools, especially for children in neglected rural areas. I also want to contribute to protecting the environment. Humanity is facing unprecedented challenges, and we must rise to them together.



FRANK MASANTA JR.
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YOUTH UNEMPLOYMENT

South Africa's time bomb

Youth unemployment is a ticking time bomb in South Africa: around half of the country's 18- to 34-year-olds have no job. Without work they have no income, without income they have no chance to build a future. Five interventions in the labour-market policy could make a difference.

By Maximilian Matschke

The Arab Spring showed clearly what can happen when masses of young people suffer political and economic distress. It also taught us that the future is unpredictable. If South Africa's government wants to keep the time bomb of the many desperate, unemployed and barely educated young people from exploding, it must implement structural reforms in the labour market.

Forty-eight percent of the age group under 34 have no job. The subgroup worst affected are the 18- to 24-year-olds who are entering the labour market. Three-quarters of unemployed young people have never had a job. Women are particularly often out of work (their jobless rate is 59%). For both sexes, the situation is particularly bad in rural areas. Black South Africans are more likely to be unemployed than any other ethnic group. Education is an important factor for success in the labour market: a university degree raises the chances of finding a job to 95%.

Though the situation looks bleak for the average young person, it is not immutable. The following five proposals could be implemented in South Africa without the government having to change the political system, administrative structures or its political goals.

PROMOTE ECONOMIC ACTIVITY IN SELECTED PLACES AND SECTORS

Stimulating economic growth at local levels has helped many regions around the world to progress. Pudong, which is part of Shanghai, was transformed from an agricultural area into a modern business hub with some of the world's tallest skyscrapers in

the past 20 years. Such vertiginous growth was driven by two factors: policymakers' focus on one place and the focus on a specific economic sector, fostering the growth of an investment environment that includes suppliers and logistics as well as training and education opportunities.

Most of South Africa's special economic zones are not or not sufficiently focused on specific industries. Furthermore, they

Tourism is important too. It already accounts for 10% of GDP and offers lots of job opportunities. The tourism potential is huge and far from exhausted. Strong points include fine summer weather during the northern hemisphere's winter, prices that are low by international standards, cultural diversity, top museums, good food and, last but not least, natural attractions such as the Kruger National Park and the Garden Route. South Africa is an alluring destination for international tourists.

There is also potential for developing the film industry. Comparatively low costs make the country an interesting option for international productions. Other industries, including agricultural processing and re-



BMW plant in Pretoria.

are not always located in medium-sized, high-potential cities. They tend to be in places with no infrastructure, tiny labour forces and few links to value chains. At that same time, the country does have industrial clusters that could be further developed. The automotive industry is an example. Multinational car manufacturers such as BMW, Ford, Mercedes and Toyota have run plants, mainly in the north of Gauteng Province and in the suburbs of Port Elizabeth and East London.

newable energy, should also be considered for government support.

TURN YOUNG PEOPLE INTO ENTREPRENEURS

Many young people in the townships have ideas for their own business, but they do not act on them. A pilot project that I initiated as part of my field research addressed to what extent it makes sense to promote entrepreneurship among young men and women. Doing so actually creates prospects.

Participants were selected based on three criteria:

- they had to be unemployed South Africans,
- have a business idea that was not too complex and
- show great motivation.

The three-day training course included inviting feedback from outsiders. Participants had to surmount the hurdle of approaching strangers, present their business idea and then accept unbiased feedback. At the end of the three days, each participant was assigned a mentor for further support.

Of the 11 business ideas presented, five generated turnover immediately after the workshop. They included a fitness studio, a family counselling practice, a fruit delivery service and an interior design business.

HELP SMALL AND MEDIUM-SIZED ENTERPRISES GROW

When small and medium-sized enterprises (SMEs) grow, new jobs are generated. As companies expand, they become better able to become involved in international value chains, which, in turn, drives economic growth at the local level.

To create jobs that are genuinely new and not cannibalise employment elsewhere in South Africa, growth needs to result either from exports or from substituting imports. To get there, SMEs typically need support for rolling out marketing strategies, streamlining operations or optimising cash flows. Such support can take the form of targeted advice. Specific training programmes for SME owners and managers would make sense too.

CLOSE THE INTERCONTINENTAL EMPLOYMENT GAP

Labour markets around the world differ very much in regard to supply and demand. Ageing societies lack young people who could fill vacancies, while other countries suffer high unemployment. In Germany, for example, skilled labour is in short supply. Nursing is one of the areas affected, with 300,000 vacancies forecast in the next 10 years.

South Africa, on the other hand, has lots of unemployed or underemployed care workers. Sending them to Germany will benefit both countries. But there are challenges – concerning, for example, immigration rules, language acquisition and intercultural skills on both sides.



The uNowanga programme is run by the Order of St. John. It offers an opportunity for disadvantaged young South Africans to become nursing professionals with certified skills recognised in Germany. Those qualifying to participate in the programme embark on four years of training in South Africa and Germany. In the first year, they learn German at the Goethe Institute and work at a German nursing home in South Africa. The Order of St. John is involved in running this nursing home. Once their German is good enough, the young men and women join a training programme in nursing or geriatric care in Germany. Afterwards, they can either work in Germany and support their



Supporters of the opposition Democratic Alliance in Johannesburg demonstrate for more jobs in 2016.

families in South Africa financially or return to South Africa with enhanced skills.

TAILOR TRAINING PROGRAMMES TO DEMAND

Despite South Africa's very high youth unemployment, managers in almost all sectors find it difficult to fill vacancies. In particular, there is a lack of well-trained specialists. Education systems are not geared to market demand. That is true of both government and private-sector schools. Many companies thus run their own skills-training programmes. One side effect is high personnel expenses which reduce South African companies' international competitiveness. The situation is particularly tense in the tech sector.

The root of the problem lies in the lack of interaction between employers, the education sector and young people. The latter do not understand the value of vocational training, they are unaware of what training options are available, and

they do not know what kind of occupations offer good prospects. Employers neither cooperate sufficiently with training institutions, nor do they understand well what challenges young people face. Skills trainers, on the other hand, find it difficult to recruit young people, to tailor their curricula to the employers' needs and to help graduates find work. They typically also lack funding.

The solution is to gear training programmes to labour market demand. Employers, schools and youths must interact. First, employers should identify their needs. Then they should communicate detailed training requirements to the educational institutions and cooperate on drafting curricula that include both theoretical lessons and shop-floor training. Through on-the-job training, employers and potential employees get to know each other, which helps to secure employment after graduation. Companies and training institutions should then together address young people, explaining the advantages of vocational training. They

include no tuition and good job opportunities in the future.

These five proposals could defuse the time bomb of youth unemployment. There is thus hope for South Africa's future. However, the road ahead is long and rocky, and it will take considerable effort and perseverance to negotiate it.

LINK

uNowanga training programme:
www.uNowanga.com



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The German-Indian company Bio-Lutions produces disposable tableware and packaging from sugar cane plant residues.

Page 19



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