

Recommendations: “Presenting a New Vision for Japan-Africa Relations at TICAD7: Enabling Greater Private-sector Contributions to Sustainable Growth in Africa”

[Introduction]

Keizai Doyukai (Chiyoda-ku, Tokyo; Yoshimitsu Kobayashi, Chairman; hereinafter, “DOYUKAI”) has released its set of recommendations entitled “Presenting a New Vision for Japan-Africa Relations at TICAD7: Enabling Greater Private-sector Contributions to Sustainable Growth in Africa” through its Africa-Japan Relations Committee (Chairman: Yasuhiko Yokoi, Executive Advisor, Toyota Tsusho Corporation).

In 2013 the member states of the African Union unanimously adopted “Agenda 2063” and, having identified industrial promotion and job creation in their own countries as their highest priorities, they have taken up the challenge of developing and transforming Africa. Accordingly, the attention of African countries has shifted from aid to trade and investment, and expectations toward the private sector, especially business expansion by companies, are on the rise. At the same time, Western countries, China and ASEAN countries and other emerging nations have expressed the desire to make inroads into Africa. Interviews conducted independently by DOYUKAI revealed that most of the Japanese companies moving into Africa find that taking on the challenges of the African market offers great rewards despite the inherent difficulties and feel the venture to be very worthwhile. Given the circumstances, DOYUKAI believes the time has come for Japanese companies to pick up the pace of their expansion into Africa.

Japan has been supporting Africa’s development and growth, not least by founding the Tokyo International Conference on African Development (TICAD) in 1993. With the change in Africa’s priorities over recent years, TICAD is beginning to transform from a dialogue primarily between heads of state into a forum that embraces the private sector. To involve the private sector, especially corporations, in committing even more deeply to be a driving force for African development, urgent steps must be taken to evolve the TICAD process as a whole with the aim of making a “model change.”

TICAD7 will be held in Japan next summer, and DOYUKAI has compiled a set of recommendations calling on Japan to put forth a new approach to African development.

This set of recommendations proposes two broad Africa strategies for Japan from the perspective of deepening public-private partnerships. One is to construct a system that materially and continually draws the private sector into TICAD, which has been led by the Japanese government for the past 25 years. The other is for the Japanese government to set forth and implement a focused strategy for Africa oriented around the needs and priorities of the private sector, as a means to encourage companies wishing to set up operations in Africa.

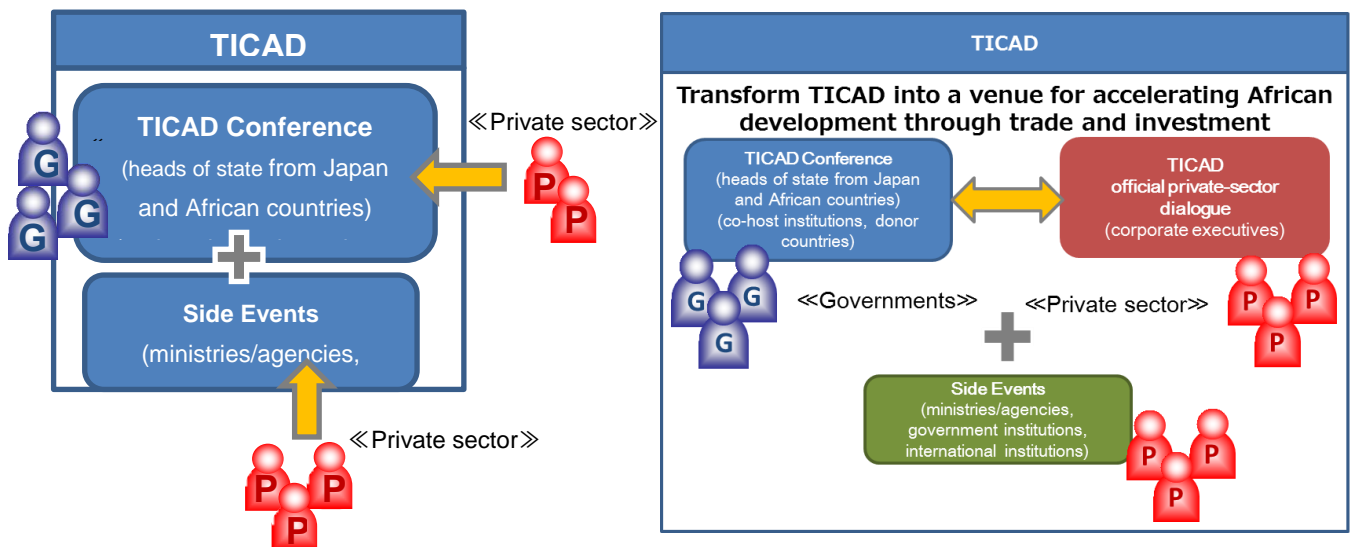
*TICAD: The Tokyo International Conference on African Development is a multilateral international conference established in 1993 at the initiative of Japan to promote high-level policy dialogue between the heads of African states and international development partners.

[Key Recommendations]

■ Incorporate a mechanism for official private-sector dialogue into the TICAD process

- TICAD has traditionally focused on dialogue between heads of governments, with only limited place for private-sector players to take on a proactive role. With TICAD seeing a new trend toward public-private partnership and a shift in emphasis from aid to trade and investment, there is a growing need to tie trade/investment and business expansion by companies to Africa's development and growth.
- First, it is proposed that an official framework for private-sector dialogue be established that constitutes a parallel structure with the summit-level meetings that have characterized TICAD heretofore. This will allow the opinions and requests of business leaders to be systematically and continually presented to heads of state so that policies and actions are considered in overcoming Africa's issues (see Figure 1).

[Figure 1: Private-sector participation in TICAD]



Private-sector representatives participate in TICAD as ad hoc observers

An official framework is established for private-sector dialogue to present private-sector views systematically and continually to heads of state

- DOYUKAI proposes that an “Africa Business Public-Private Council (name tentative)” centered on corporate executives be created as a venue allowing the public and private sectors in Japan to continually propose and pursue African strategies oriented around private-sector needs. Run jointly by the public and private sectors, this Council would serve as a standing institution for discussions that effectively contribute to African development. Working groups would be organized under this Council to apply the wisdom of working-level officials when examining specific topics in depth.

■ Pursue public-private partnerships to encourage private-sector companies

(1) Concentrate support on willing small and medium-sized enterprises and startup companies

Prioritize government assistance aimed at the private sector. DOYUKAI proposes that Japan break free of its please-everyone policy and step up its support to willing and flexible small and medium-sized enterprises and startup companies that lack resources. This approach aims to increase the number of front runners and expand Japan's presence in Africa.

(2) Make government institutions hubs for Japanese companies to access information and discover potential partners

Japanese companies who are latecomers to the African market find it difficult to accumulate know-

how and build networks on their own from scratch. Accordingly, dialogue and cooperation with third-countries and local companies, international institutions, and local institutions will be extremely important. This should lead to (1) Japanese companies accessing information and discovering potential partners through overseas embassies/consulates and Japanese government-affiliated institutions such as JETRO and JICA, and (2) efforts for expanding opportunities for dialogue between international/local institutions and Japanese companies.

(3) Strive to resolve specific issues in areas in which public-private collaboration can be leveraged

Problems in securing/developing human resources and the level of governance that requires improvement in African countries are among the barriers on the continent that individual companies have difficulty in overcoming on their own. The Japanese government needs to utilize all available bilateral and multilateral frameworks to resolutely urge African countries to make improvements, encouraging the governments of these countries to offer incentives to private-sector companies dealing with issues of basic education and other local human resource development issues, and to address governance issues such as regulatory/systemic changes connected to industrial policy and economic activities and undeveloped administrative capabilities.

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