

KEYNOTE ADDRESS BY H.E. BENJAMIN WILLIAM MKAPA, FORMER PRESIDENT OF THE UNITED REPUBLIC OF TANZANIA AT THE PUBLIC LECTURE ON DEEPENING INTEGRATION IN SADC: ACHIEVEMENTS, CHALLENGES AND OPPORTUNITIES, HELD ON 15TH AUGUST, 2019 AT THE UNIVERSITY OF DAR ES SALAAM, TANZANIA

- Hon Netumo Nandi-Ndaitwah;
Deputy Prime Minister and Minister for International Relations and Cooperation, Namibia,
- Hon. Harrison George Mwakyembe; Minister for Information, Sports, Arts and Culture,
- H.E. Dr. Stergomena Lawrence Tax; Executive Secretary of SADC,
- Prof. William Andey Anangisye; Vice Chancellor of the University of Dar es Salaam
- Distinguished Guests;
- Ladies and Gentlemen:

I want to thank you, Hon. Minister for Information, Sports, Arts and Culture for Standing in for East African Co-operation, and Chair of the SADC Council of Ministers, for your very kind introduction.

The accolades about me have been overwhelming and I can only hope I will not disappoint the audience. I nonetheless note, with encouragement, the distinguished panel that will be joining me on this imposing and newly constructed auditorium to further deliberate on the important subject at hand.

I want to commend the UONGOZI Institute, the SADC Secretariat and the University of Dar es salaam for organizing this event. For I believe, the Southern African Development Community (SADC) can contribute to developing a model for Africa on how to build and strengthen regional integration and cooperation as a vital building block for the realization of the African economic community envisaged in the African Agenda 2063.

In order to put our conversation in perspective it is best to start by reminding ourselves of the Mission and Vision of SADC. The Mission Statement is "to promote sustainable and equitable economic growth and socio-economic development through efficient, productive systems, deeper, deeper cooperation and integration, good governance, and durable peace and security, so that the region emerges as a competitive and effective player in international relations and the world economy"

The SADC Vision envisages the building of region in which there will be a high degree of harmonization and rationalization, to enable the pooling of resources to achieve collective self-reliance in order to improve the living standards of the people of the region. "The vision of SADC is one of a Common Future, a future within a regional community that will ensure economic well-being, improvement of the standards of living and quality of life, freedom and social justice and peace and security for the people of Southern Africa.

I can state boldly and proudly that in terms of peace and stability the region has done very well. Where together have emerged national crisis SADC leaders together, explicitly or implicitly, have hastened to come up and offer counsel and urged restoration of constitutional and political reconciliation. I am thinking of the Kingdom of Lesotho in the 1980s and of Madagascar and the Comoros in the new century. We can state unequivocally that of the regional groupings in Africa, the SADC is the most stable and peaceful, regionally and at national level.

On the economic front SADC has agreed on projects and program for transformation. This has led to adoption of a Regional Indicative Strategic Development, a Regional Infrastructure Master Plan, for all infrastructure projects, a Renewable Energy and Energy Efficiency Strategy and Action Plan, and an Industrialization Strategy and Roadmap. But these are mainly blueprints and objectives calling for implementation, which in turn highlights the deficiency in

resource base. There is the English adage: If wishes were horses, everyone would ride!!

Ladies and Gentlemen;

I will not be the first person to admit that the challenges facing our countries and region are many and daunting. They include poorly integrated markets, widespread poverty, low levels of productivity, outdated or inefficient technologies, and insufficient infrastructure development. These constitute only a part of the obstacles we have to overcome. It is also true that our state of development characterized by small and medium size enterprises weakly linked to intra and extra-regional markets do not make for better opportunities for growth, employment and poverty eradication.

These constrains confront governments and support institutions that have to make fundamental changes in policies, strategies, workforce-skills and organizational linkages to respond to rapidly changing global dynamics. Consequently, support institutions such as SADC, universities, learning and training centers, as well as civil societies, are today challenged to redesign their in-house competencies if they are to remain relevant and credible to their development mission and objectives.

In addition, against this backdrop, the regional landscape makes for a very fluid operating environment: efforts toward deeper integration, notably toward forming a custom union, and emerging international trade and development relationships are increasingly introducing intricate dynamics that continuously challenge intra regional relationships. We must continue working harder and remain ever watchful.

However there is hope. Our mutual experiences should provide vital lessons for SADC itself, for the region and for Africa. Our solidarity during the political liberation can serve as a strong anchor of economic transformation.

Let me reiterate that as a region, SADC has a lot of successes to be proud about. We must not shy away from celebrating our collective achievements inspired by our common history. The remarkable foundation of our identity is in itself a testament to the common struggles of our past. It also speaks to the relentless commitment of our leaders toward a shared future of peace, security and prosperity for our region and people. It therefore should not come as a surprise that within SADC there would be such strong political common sense for social and economic integration.

It is this sense of commitment that permitted us to overcome initial limitations bearing on our overlapping regional groupings with different trade regimes and their associated complexities. The dedication has given the region a face and a voice that has gained international recognition and respect. It has also availed us a credible platform for the deliberation of continuing or rising issues of common concern to the peace, security and development of our people.

But our destiny and pride must not be driven by history alone. For the small size of our individual economies demands that we stand better opportunities to fulfilling our aspirations by exploiting the synergies amongst us. As we look into the future our combined strengths is a leverage we can only underutilize at our own disadvantage and peril.

With a few exceptions, perhaps there is no single area that SADC and the region can rightful boast about than the peace and security it has been able to render for our people. As a result, the region has made great strides in raising life expectancy in our countries through robust health intervention strategies. That said, much more needs to be done to broaden the scope of the peace dividends in social and economic terms that our people expect and deserve.

Ladies and Gentlemen,

A segment of our bitter history was a clear illustration of how much conflicts caused social and economic dislocations and diminished the productive capacities of economies and people. Without doubt the consolidation of peace and security has invigorated the regions capabilities to tackle the underlying causes for our underdevelopment: in education, science, technology, trade, agriculture, industrial development and investments.

Not surprising, SADC people expect a community that is robust, relevant and effective. Regrettably, the conventional response to the expanding hopes of our people has often been to call for more and stronger policy and legal frameworks to address perceived gaps. While these approaches are useful and indeed necessary what matters most are concrete outcomes that people and countries can relate to and identify as tangible benefits stemming from the collectivity of our efforts.

The transition toward this future, toward sustainable and inclusive economic growth and development will necessitate changes. These will not only be limited to the manner we do business as a community and as a region. They must embrace a range of policy aspects that impact and spurs innovation, technology, growth, production and trade.

Ladies and Gentleman,

At some point all of us had to make a choice. When the forces of globalization were whirling around, our countries had to decide. We either had to embrace integration to withstand the new dynamics that challenged the very existence of our fragmented, fragile and vulnerable economic structures or risk being marginalized. We chose to strengthen our unity and to make consequential changes.

Today we are at another crossroad that compounds our challenges.

The late Andrews Grove, co-founder of the Intel Corporation, in his book "Only the Paranoid Survive" (1999), cautioning against laxity, stated: "*We live in an age in which the pace of technological change is pulsating ever faster, causing waves that spread outward toward all industries. This increased rate of change will have an impact on you, no matter what you do for a living. It will bring new competition from new ways of doing things, from corners that you don't expect.*"

Unfortunately, this rapid pace of global economic change is also intensifying inequalities, within and among countries. We therefore cannot escape ensuring that our strategies for sustained growth also ensure an industrialization approach offering tangible economic benefits to the citizens of our region.

So as SADC seeks to deepen its integration we cannot afford delaying incorporating practical solutions to the productivity challenges we face. At a time of rapidly changing global economic scenario such delays or inability only undermines the development potential of our productive capacities, in industries, manufacturing and trade and thus widening the income inequalities amongst our people and communities.

Ladies and Gentlemen,

The advantages of regional efforts in contrast to solo national efforts, are numerous and would help overcome several of the current limitations we encounter. As I have indicated SADC's economic relations have been bolstered by a number of legal frameworks. These can spur and facilitate trade and investments across the region in different sectors – in goods, services, industry, and finance, among others.

The SADC vision looks towards a common future. In the midst of a rise of anti-trade and protectionist sentiments around the world, it would serve us well to not lose sight of our pursuit toward our collective destiny. We are endowed with vast natural resources that offer vast potential for unleashing growth and

development for our region. We must distinguish ourselves through learning and adopting new and innovative strategies that truly add value and bring tangible benefit to our people and countries; they remain our primary stakeholders and to whom we are solely responsible.

In this regard that the SADC Industrialization Strategy and Roadmap (2015–2063), as operationally sequenced through the Indicative Strategic Development Plan (RISDP), lays a firm foundation for industrialization as a framework for the regions integration. Quite properly its programmatic focus seeks to promote industrial development for poverty eradication. The success of its central mission will rest on the extent that it promotes and accelerates inclusive and sustainable industrial development in keeping with Goal 9 of the Agenda for Sustainable Development Goals (SDG's).

The SDG 9 calls on us to “Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation”. In reality the relevance of this goal transcends all the SDG's. These endeavors must rest on strengthening industry partnerships across the region to encourage innovation and their competitiveness. The envisioned public – private partnership can only help our manufactures, including nascent ones to address familiar hurdles for example costs, access to finance and technology.

The single largest opportunity for SADC is its geography and population. It offers a huge market and a ready consumer base. Combating poverty initiatives will unleash enormous potential for further growth, prosperity and stability in the region. Given the challenges facing the region it is imperative to work even harder, and strive even with greater tenacity, greater creativity and effectiveness.

The regions productivity must increase, in industry, in manufacturing and in labour, especially in the agro-industry and processing sector. We must seek smart partnerships in these sectors. With the right policies and incentives we can establish our countries as an attractive destinations for win–win investment alliances.

Opening new horizons for business and growth cannot be confined to the exploitation of new technologies alone. In my view it will immensely help if industry partners were to be supported in establishing a network of shared facilities to augment the pursuit of innovation. This could even include established businesses opening up some segments of their production facilities to start-ups; such as in testing the latter's product quality, so as to reduce their costs and enhance their entry into new markets.

Ladies and Gentlemen,

With a burgeoning population in SADC, the majority of whom are youths, we have to harness their potential in an age dominated by digital technologies. We must build capabilities that grant us insights into the employability of our young people. Consequently, our education systems must be designed to offer the kind of skills that will not only allow them to survive but to thrive. Governments, organizations, businesses as well as civil society groups are, just as much, equal partners in empowering our youths with skills that would enable them to exploit opportunities offered by the digital economy. Left unresolved, this is a real threat to the attainment of the regions aspirations and goals.

Such transformational empowerment will not happen spontaneously. Currently, you have Governments that point to the private sector to generate the necessary jobs. On its part, the private sector appeals to governments to establish the primary policy and legal framework to enable it create the required jobs. Needless to say, at the center of this discourse lie important questions: What kind of jobs do we need for our youths and who bears the obligation to create them and how? Surely, these are societal challenges which all of us, government and the private sector, must strive in partnership to address.

Like most of you here who see how new technologies have affected all our lives, I believe the solution is also in developing appropriate digital tools that are

relevant to our daily lives. These are the skills we need to instill in our youths to render them not only employable but also useful in solving daily productivity problems. Furthermore, this will grant us the resilience to become more adaptive to the learned experiences of our youths as they assist in developing the practical tools for mitigating unemployment and un-productivity. The prosperity of our region, our people and, indeed, our future, to a large extent rests on our ability to address this challenge, purposefully.

Ladies and Gentlemen,

With time circumstances change. This can have a profound impact on an organization or a business. And as circumstances change so must our ways of doing business. The conversation must change between the government, business community and the private sector.

As global corporations transform their business models, so must all of us. And for us, no country can undertake these challenges on its own. We would be better off being ahead of the curve particularly in industries and manufacturing sectors where we have the greatest interest. Digital linkages are increasingly disrupting the production and distribution chains for numerous products.

A few years back the idea of a global car or taxi service, with no car – that is Uber today - would have been preposterous. The mushrooming of Air Bed and Breakfasts (AirBnB) in our cities and countryside that are challenging our revenue authorities would have been fiction during my time in office. Retail services by entities that link millions of customers on the click of your cell phone or computer – the likes of Amazon and Alibaba – have become significant game changers.

Clearly, these advances can be harnessed to aid and expand opportunities for our producers, including farmers in rural areas. These advances present both threats but also windows of hope. It is in this regard we have to be prepared to protect our national and regional infrastructures and capabilities.

In their totality such disruptive forces have a remarkable impact on all aspects of our lives. They will affect our means of production, distribution and consumption. They bear considerable pressure on our enterprises as they strive to maintain sustainability, growth and provide jobs and economic expansion. Our policies and efforts must seek to create an effective framework that cushions our producers for the purpose of promoting their productivity and competitiveness in this new environment. This will require support within countries, in the region and from our development partners.

As a result, to be effective and relevant, our regional integration strategies whether in agriculture, industry, commerce, health etc., need to encompass strategies that will not only integrate regional markets but also improve the competitiveness of the product suppliers. Today, a Tanzanian cashewnut producer lacks the potential that could be unleashed by improved technological inputs to the value chain and an access to a digital platform that opens a wider national or regional market. Our agro-industrial sector, which employs most of our people across the region, is especially vulnerable to current global forces of change.

To be sure, there are numerous benefits that these technological forces have allowed all of us to access, especially in the financing sector. Access to finance and related services is today more readily available to our people in remote rural areas without the need for brick and mortar financial intermediaries. This has enormously proven to be of beneficial consequence. This is the wave to be ridden by all our productive sectors for expansion and wider outreach.

Many have rightly noted that SADC's integration, as well as that of the continent, is no longer a matter of choice. Against a backdrop of changing global production structures and distribution systems, in the face, of developed states economic nationalism, the compulsion for adaptation and evolution is obviously long past due.

Two major obstacles stand on the way to integration. The first is available resources for investment and project implementation. Development partners have been helpful. But we tend to depend too much on them. We must proactively drop the bucket where we are. Governments can raise more revenue for development by strict collection of taxes and pursuing tax evaders, and corrupt people engaging in illicit money transfers across borders and continents. Additionally, national financial institutions such as pension funds should be encouraged to partner across borders. Not enough attention is given to this prospectus.

The second obstacle is ignorance about the mission. There is little knowledge by ordinary citizens about the impact of the SADC mission and vision upon their lives. Like the OAU it is perceived as being owned by the political elites and the national bureaucrats who hold annual talk shops. More effort needs to explain the goings on in the SADC and to elicit the people's sense of ownership of their organization.

Ladies and Gentlemen,

I want to conclude by noting that as we face these challenges we must resist the temptation to build walls and not bridges. The adage that "good fences make good neighbors" is antithetical to the common destiny and common route we have chosen for ourselves.

Unfortunately, over the recent years the reemergence of nationalism seem to be a global force we have to contend with. In spite of shared dynamics and integration furnished by globalization, the throes of protectionism, isolationism and xenophobia are still with us, sadly even within the region. We cannot resign to these regressive forces. It would only be counterproductive to the vision and mission driving SADC.

Nationalism does not emerge by itself but has to be promoted. It has its drivers, in disparities and lack of opportunities. To thrive it requires media, political, social, economic and cultural advocacy. These same actors can make a difference to censor and suppress it.

But it is only by turning around and improving the social economic fortunes of the people that we can make a real difference. The lesson for our countries and SADC is that our diversities and fragilities will only be exacerbated by the small size and weaknesses of our markets. What we need is to tear down our walls. Our strengths lie in our unity. And the choice is ours to make.

Ladies and Gentlemen, I thank you.