Challenges for European Development Cooperation Toward 2030: Identifying and Assessing Drivers of Change in the African Development Landscape

Workshop Summary

On February 12 and 13, the German Development Institute/Deutsches Institut für Entwicklungspolitik (DIE) hosted a workshop designed to identify and assess the key forces that could shape the future direction of African development as an input to a scenario-building process that will unfold over the coming year. The workshop, organized in collaboration with EADI, brought together some 20 development researchers for an intensive but informal exchange of ideas. The workshop served as an entry point for tying the DIE project "Development Policy: Questions for the Future" and the European Development Cooperation to 2020 (EDC 2020) research programme more closely together.

In their introductory remarks, Dirk Messner and Erik Lundsgaarde of DIE outlined the *rationale behind the research project* the workshop contributed to. The research project takes as one main starting point the idea that the environment that development policy is reacting to is in many ways an unstable one, and this requires reflection not simply on how to improve the efficiency of aid delivery but also on the emerging challenges that development policymakers will confront in the long-term. Several forces potentially contribute to heightened uncertainty, including turmoil in the international economic system, changing global power dynamics due to the rise of large developing countries, and changes in natural systems provoked by rising global temperatures. Scenario analysis methods present one tool for preparing for a range of outcomes related to these issues and to think about how such uncertain forces interrelate.

In order to prepare participants for the working sessions, workshop facilitators Aidan Eyakuze and Arthur Muliro from the Society for International Development provided an introduction to the scenario approach, drawing on their own extensive work applying scenario methods in East Africa. *Scenarios were defined* as rigorous stories about the future which seek to stimulate thinking about what could happen in the external environment that decision makers will have to respond to. Importantly, scenarios are not considered to be predictions of the future, and they can be distinguished from forecasts based on historical trends. Scenario building initiatives ideally integrate a diverse variety of perspectives both in generating scenarios themselves and in evaluating the results of the scenario building effort.

As an approach, scenario analysis can be characterized as a process that involves relatively simple steps, yet one which is difficult to execute well. This process usually begins with the articulation of key questions or pending decisions that will orient the exercise and an identification of the main existing assumptions about the nature of these problems. An important step that follows is the creation of a picture of the present to offer a common point of departure for multiple alternative futures. The standard approach to scenario development proceeds with an identification of inescapable forces that will determine how the future will evolve and forces that are considered important but uncertain in the direction they could take. *Completed scenarios are often viewed as tools for evaluating priorities and strategies* and for developing new understandings of outcomes that might be possible in the future.

For workshop participants, the general overview of the scenario approach raised a number of critical questions. In example, there was concern that scenarios would follow a strong path-dependent logic even if the goal of a scenario exercise was to break free from the assumption that the future will mirror the past. This potential problem of path dependency can be addressed in the scenario process through the integration of imagined discontinuities, which may themselves be grounded in the observation of present-day realities. Workshop participants also highlighted the difficulty in establishing an uncontested picture of the present at the initial stage of a scenario building effort. While the personal and disciplinary backgrounds of individuals participating in a scenario exercise can offer a variety of starting points for scenario construction, the detailed analysis of current trends as well as the articulation of a clear objective of the scenario project can help to provide a strong starting point for scenario development.

As a first group exercise, workshop participants were asked to *list assumptions about the state of African development and about European development cooperation*. With respect to Africa, several responses pointed to the difficulty in presenting a singular picture of a diverse continent, where islands of democracy, wealth, and regional cooperation are for example present. Other responses highlighted current trends, including increasing state fragility, rising internal and outward migration, and the growing interest of China on the continent. Still others hinted at mechanisms that would have a transformative effect: information technology could lead to greater empowerment, while generational shifts could open up the political landscape. On the topic of European development cooperation, the list of assumptions presented a critical picture of development aid, with participants emphasizing continuing difficulties in achieving better donor coordination, formulating strategies for problems such as weak states, and reducing aid dependency. Pressures on traditional development assistance systems from new actors, the changing quality of donor-recipient relations, and the growing place of policy fields such as security on the international development agenda could provide an impetus for thinking about the rationale of development assistance in the future.

The second group session was oriented around a discussion of *what development research problems remained mysterious or intractable* in the eyes of participants. Some contributors highlighted puzzles related to the nature of the development aid system (Who sets the agenda? Does the promotion of ownership by donors contradict the principle? How can true partnerships be created given the basic inequality of the partners?), while others focused on more general puzzles in development research. One of these problems relates to the difficulty in accounting for variations in economic outcomes across developing countries. As an example, many Asian countries had growth rates no more robust than the growth rates of particular African countries several decades ago, yet many African countries have not experienced development gains comparable to those witnessed in Asia in the last decades. A final example of a conundrum in thinking about African development challenges in particular relates to differing visions of Africa that may emerge when the focus shifts away from questions that development researchers tend to focus on. How does one reconcile the image of Africa as a culturally vibrant region with the continent's image as home to a disproportionate share of the 'bottom billion'?

In working sessions in small groups, workshop participants focused on *identifying the key drivers* that would influence the future of development cooperation with Africa and outlining open questions related to individual drivers. The lists of drivers that each working group prepared in isolation from one another were largely complementary. The first group emphasized the role of *new types of aid actors* including private actors could play in diversifying the sources of development finance and supporting the commercialization of

external development assistance. This group also drew attention to the importance of *climate change* and its impact on migration, security, food security, and resource scarcity. *Demographic forces* such as the age structure in African societies and the prevalence of HIV-AIDS, *the global governance structure and global financial system, the development of information and alternative energy technologies*, and *the process of European integration* itself were also identified as important drivers. With respect to the role of Europe, the main question that remained open was the question about the extent to which the EU would act as a coherent global actor in the future and how it would unify its foreign policy and global development objectives.

The second group focused their attention on five key drivers of change: *climate change, land use, new actors in international development, population growth,* and *the role of the African Diaspora*. In addition to underlining the uncertain effects of climate change in degrading natural assets and contributing to changing patterns of energy production, this group signalled that demand for land around the world could place pressures on food availability, increase rural to urban migration, and contribute to the qualification of export-oriented agriculture as a new kind of extractive industry. Key questions that were raised in relation to the rise of new actors in development cooperation included whether the enlargement of choice for African leaders that the diversification of sources of development finance could provide would reduce pressure for reform and whether this shift would lead to an expansion of the role of the state in development promotion. In assessing the importance of demographic forces, this group questioned whether a youth bulge could lead to either increased tensions (and even outright revolt) or represent an engine for social change more generally. The demographic issue was also considered to be a key theme linking Europe and Africa in the future, given the greying of the European population and migratory pressures within Africa. Finally, the contributors to this group discussion emphasized that the African Diaspora could play an important role in shaping the future of the continent, depending, for example, on the extent to which there is a return of human capital to the region in the future.

Demographic change again emerged as an important driver in the third group's discussions. While this group emphasized many familiar themes, such as the challenge posed by youth unemployment, it also suggested that the role of national governments in promoting particular population policies was a potentially overlooked question in this category. This group placed special emphasis on how *global economic forces and political developments within Africa* could influence the future development landscape. With respect to the global economy, the duration of the economic crisis was identified as a key uncertainty with important ramifications for African development given the link between the contraction in global demand and declining commodities prices as well as more unpredictable access to development finance. In terms of political development within African states, a host of questions were raised regarding what conditions would lead to increases in political cohesion within states and across the region. For instance, what factors could contribute to the emergence of a more effective system of multi-level governance where regional organizations and local-level government would enhance the accountability of African rulers? Identifying mechanisms that would provide for a transition from single-party rule to multi-party democracy and expanded political participation and access to rights as part of a model of substantive democracy was an additional avenue for further exploration raised in this context.

In presenting the results of their group work, participants were asked to **imagine news headlines from the year 2030** as a means of encapsulating assumptions about the direction the future could take and what mechanisms would produce possible changes. One headline ("Cape Town-Tunis Railway Completed"), envisaged the construction of a North-South

transcontinental railroad. This headline underscored the potential role that the diversification of sources of development financing could play in 'de-politicizing' aid, with a renewed emphasis on infrastructure projects possible. Other participants noted that a regionalization of development efforts could contribute to this outcome. Another headline ("ANC in Opposition!") imagined the transition of South Africa's ANC into an opposition party, driven by greater internal competition and also international influences on electoral processes. The diffusion of communication technologies as important instruments of political mobilization (acknowledged as an important factor in the recent presidential election in the United States) was identified as an additional force that could contribute to an outcome of this nature. In presenting a final example of a headline from the future ("Sahara Sun-Power Biggest Supplier to European Industry"), another group stressed the potential for expanded investment in the development of alternative energy technologies in Africa due to increasing demand in Europe for clean energy, yet also opened a debate about whether these kinds of investments would have empowering or disempowering effects within African economies.

On the basis of the driving forces that were emphasized in the course of the group discussions, participants were next asked to *vote for the most important drivers of change* that had been identified. The voting largely reflected the predominant themes that had been articulated during the group discussions, with the reform of the global governance architecture and the influence of 'new' development actors occupying the top two positions on the ranked list of drivers. Climate change, demographic change, and technological evolution received an equal number of votes to round out the list of top five drivers, with internal political transformation in African states representing the sixth most important driver of change in the collective judgment of participants. This prioritization of drivers provides a research agenda for the project, which will organize future work around the description of current trends across these thematic areas and an exploration of their impact toward 2030 in order to background a scenario-building exercise.

In the *evaluation round of this final list of drivers*, it was noted that the group had overwhelmingly selected key forces of change that related to *external influences on African development prospects* rather than drivers reflecting internal dynamics within Africa. This criticism was challenged with the suggestion that when one discusses the global governance architecture, for example, it is the opportunities available to African states to influence global governance processes that is a key concern. As a general response to the weight attached to global governance reforms, this issue was identified as a theme that researchers and policymakers alike may have the most difficulty sorting out. At the same time, it is a theme that contains ample ground for reflection, in that the quality of African engagement with development partners in the context of global governance may shape the nature of future solutions to key global challenges. Another point for debate related to the low priority assigned to the EU as a force for change in its own right. One reason that was advanced to account for this omission was the tendency to view the EU as a development actor in narrow terms that focus on its role as a provider of aid, while development cooperation can be interpreted as a complex of policies (for example encompassing trade and security policies) that are more influential in their totality.

The final task of the workshop participants was the common preparation of an *inventory of so-called inescapable forces* influencing how the African development landscape could evolve in the future *alongside an inventory of uncertainties*. These lists were not entirely mutually exclusive, reflecting the view among some participants that even if it is clear that a particular force will continue to represent an important determinant of the constraints and opportunities that African economies and societies face, there is still uncertainty regarding the

scale and quality of the impact that such drivers will have. Climate change represents a case in point, in that there is broad agreement that rising global temperatures will generate ecological pressures in many developing countries, yet both the political consequences of climate change and the nature of the political response to it remain difficult to predict. The final list of uncertainties that the workshop produced underlined that the evolution of interests among key actors that have an ability to influence the future development landscape, whether in the EU, the United States, or among the group of so-called 'new' donors is also hard to anticipate.