Equatorial Guinea: Development, Growth and Governance

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Transcript

Good afternoon, ladies and gentlemen.

It is a great honour to be here today to discuss economic development and governance in Equatorial Guinea. Before fully entering the topic, let me tell you about my first encounter with Chatham House. It was in 2007, at the Real Instituto Elcano in Madrid, during a roundtable celebrated after a conference presented by a general of the United States Army. At that time, I was a PhD student in international relations and African studies. Before the debate, the moderator said that the discussion would follow Chatham House’s rules. That was the first time I heard such rules, and I learned that they were used to facilitate a frank and honest debate on controversial subjects. The subject of that discussion in 2007 was the war in Iraq. It is therefore, ladies and gentlemen, a privilege to speak about governance and economic development in Equatorial Guinea. Indeed, the concepts of development and governance are itself controversial, as we all know, both concepts are strongly challenged within the Academy, for allegedly containing several fallacies (read for example Kicking Away the Ladder, by the South Korean economist Ha-Joon Chang). Adding Equatorial Guinea to this combination, the controversy triggers even more, very often the discussions go beyond controversy and become a contentious issue.

The accumulated stereotypes about Africa in general, and Equatorial Guinea in particular, do not help; it is generally difficult to maintain a frank and honest dialogue about development and governance in Equatorial Guinea. I therefore think, ladies and gentlemen, that if there are places in the world where you can hold an honest dialogue on Equatorial Guinea, one of them is here, at Chatham House.

I have been informed by the organizers that I only have 20 minutes to speak and English is not my mother tongue (George Bernard Shaw would cover his ears to prevent hearing my pronunciation), so I will get to the point. I’m going to ask, however, to be given the benefit of the doubt and obtain your agreement on two points:

That development and good governance are global concerns that transcend immediate interests and ideologies. Development and good governance are, in short, political and moral challenges that concern all of us.

That you are in accordance with the poet Maya Angelou, with whom I completely agree, she wrote: ‘We can learn from each other and see ourselves in each other and recognize that human beings are more alike than we are unalike.’

In effect, ladies and gentlemen, Equatorial Guinea is a small country that emerged from the collapse of the colonial command which governed the destiny of all human beings for centuries. It was in 1968 when the inhabitants of Equatorial Guinea were able to free themselves from the colonial burden, more specifically, of the Spanish colonial empire, and since then, with successes and errors, with smiles and tears, we have pursued the goal of economic development, meaning the ability to create wealth to promote and maintain prosperity in a country. Since the collapse of the bipolar order, in the early ’90s, we have also made good governance a goal to pursue. It is not an easy job, we are in 2015 and the starting point for countries in today’s world is not the same for everyone and that has practical consequences in their insertion in the international system and the ability to achieve projected goals.

After freeing ourselves from the grip of colonization in 1968, due to lack of experience and resources, we entered a path that led to the economic and political quasi-collapse of our country by the end of the ’70s.
Early in the decade of the ’80s, the institutions and the people of Equatorial Guinea initiated the patient and arduous task of reconstructing the country politically and economically. In the mid ’90s, as a result of the exploitation of hydrocarbons, the government of Equatorial Guinea had, for the first time in its hands, an occasion to promote economic reconstruction and deepen political restoration, which automatically led to the celebration of the first National Economic Conference, in 1997. In the year 2000, Equatorial Guinea ratified the Declaration of Millennium Development Goals [the UN Millennium Declaration], committing to promote and achieve the eight goals identified by the world leaders by 2015. With the bases of the first National Economic Conference and the Declaration of Millennium Development Goals, Equatorial Guinea later organized the second National Economic Conference in 2007, when oil revenues already dominated the economy of our country which then grew at double-digit rates.

From the second National Economic Conference raised a National Plan for Economic and Social Development, Equatorial Guinea Horizon 2020, which aims to make our country an emerging economy by 2020, namely, a scenario in which our country’s economy has diversified and we have achieved high rates of standard living conditions for our people. This programme is divided into two major terms:

The first term (2008–12), focuses on the foundations of economic development (infrastructure, good governance, social welfare and human capital), which, once established, may allow the generation of wealth and prosperity, driven by the private sector, in the industries of energy and mining, fisheries and aquaculture, agriculture and livestock, tourism and financial services).

The second term (2013–20), focuses on the development and consolidation of these economic sectors.

Since 2012, when we concluded the first part of our Horizon 2020 programme, our government has been touring the world and organizing promotional forums, within and outside Equatorial Guinea, to explain to investors and the international community the progress made by our country.

From the economic point of view, according to several sources, including the World Bank, when Equatorial Guinea began its oil exploitation in 1995, our GDP was of $165 million. From 1995 to 2012, Equatorial Guinea’s GDP experienced an enormous and constant growth, up to more than $17 billion in 2012. This growth was due almost exclusively to oil production, the other sectors together failed to reach 15 per cent of GDP in 2012. From 2000, when we adopted the Millennium Development Goals, to 2012, when we concluded the first phase of our development plan, Equatorial Guinea’s GDP has multiplied by 14 – the most significant growth around the world. Note, ladies and gentlemen, that in the same period, China has increased its GDP by seven; Chad, Ghana and Russia have multiplied their national wealth creation by eight. Only Angola and Azerbaijan, which have multiplied by 13 their GDP in the same period, come close to Equatorial Guinea.

Equatorial Guinea has spent an average of 80 per cent of its budget in investment; therefore, it is the African country that has made the greatest investment efforts between 2007 and 2012. No other African country exceeds the figure of 50 per cent spent on public investment during the same period. Generally, the rest of African countries’ investment expenses rounds between 26 per cent and 46 per cent.

Investments in infrastructure leads to the development and modernization of the road national network, production and transport infrastructure, electricity, port and airport infrastructure throughout the country, a telecommunication network in the whole nation, as well as cultural, touristic, sports and health infrastructure, schools, social housing, etc.; all of these, developed with careful balance between all regions of Equatorial Guinea. At the same time, new cities have raised and the main cities of the country have entered into an ambitious phase of transformation and modernization. At the present time, thanks
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to the transformation and modernization of the infrastructure, Equatorial Guinea is assuming the organization and holding major political, economic and cultural events. As a result, in the period that goes from 2011 to 2015, Equatorial Guinea has held twice the African Union Summit, twice the African Cup of Nations, the African and South American Countries Summit, Africa–Turkey Summit, next year we will host the Africa–Arab World Summit, which was last celebrated in Kuwait in 2013.

The government of Equatorial Guinea is aware that advances in infrastructure are the most noticeable, and since 2013 it has undertaken a series of actions to further promote social welfare and human capital. In this regard, we work closely with the United Nations System and have reimbursable technical assistance from the World Bank to enhance our statistics collection system and strengthen the programme of public investment. In addition, it is important to note that voluntarily, without being under an adjustment program, we undergo a yearly review of the IMF in the context of the Article IV of the constitutive treaty of the mentioned organization.

It is significant to point out that of the eight Millennium Development Goals, committed [to] by Equatorial Guinea in 2000, two were achieved before the planned date: universal primary education and maternal mortality. At this precise moment, Equatorial Guinea, with the support of the United Nations System, is preparing the global report of the Millennium Development Goals for the United Nations Summit that will be held in September this year. We hope that this report will demonstrate clearly the progress made in the remaining six goals. However, with regard to the eighth Millennium Goal, the promotion of a global partnership for development, the contribution of Equatorial Guinea is well known. Equatorial Guinea has been the first African country that has contributed to the FAO fund for food security in Africa, with the largest donation to date; Equatorial Guinea has contributed and actively contributes to the eradication of malaria in Africa; Equatorial Guinea has established funds to encourage scientific research; Equatorial Guinea was one of the first African countries that mobilized resources to fight Ebola; Equatorial Guinea has always contributed to alleviate humanitarian and natural disasters that plague African and other latitudes' populations; etc. Our government makes all that because we think that development is a moral and political challenge that concerns all of us and goes beyond ideology and interests.

As far as governance is concerned, it is important to emphasize that our country, for the effective performance of our development plan Horizon 2020, is implementing a strategy aiming at good governance under the conditions that our citizens and the international community demand. This strategy is based on the present constitution in Equatorial Guinea, approved by referendum in 2012. In our new constitution, Article 8 declares the commitment of the state of Equatorial Guinea to comply with the principles of international law, reaffirming this way our adhesion to the rights and obligations arising from the agencies and international bodies of which we are part. That same constitution also reflects the limitation of the presidential mandate, only two consecutive terms, the creation of a bicameral parliament, and new authorities of control and consultation of the state’s administration have been introduced, such as: the Council of the Republic, the Court of Auditors, the Ombudsman and the National Economic and Social Development Council.

Ladies and gentleman, Equatorial Guinea, frankly speaking, has been able to avoid economic collapse and political disasters that unfortunately have suffered other brother countries that arises from the colonial order; since 1979, the country has known a period of peace and political stability that has made possible the reconstruction of the country at all levels; with the hydrocarbons revenues, we have committed ourselves to a global agenda for development and we are nowadays implementing a programme to
promote good governance and diversify the economy, ensuring better life standards for present and future generations.

In the end, ladies and gentlemen, we could think as the poet William Blake, that the world is contained in a grain of sand and one hour covers eternity, and conclude that Equatorial Guinea has had almost 5 million hours (or eternities) to achieve economic development and good governance, but for these things belonging to the realm of reality it is fair to recognize that Equatorial Guinea, with its 46 years, is still a newborn baby in the international system and it is really amazing that it has made the progress I am relating. I hope you can visit Equatorial Guinea and witness the situation in our country today. The path we have gone across deserve more honest, serious and frank debates.

Having said that, I would like to express my deepest gratitude for your attention and I am keen to answer any questions you may have.

Thank you very much.