

A Conversation with Dr. Ngozi Okonjo-Iweala, Angelopoulos Global Public Leaders Fellow

Given on February 6, 2020 by Dr. Ngozi Okonjo-Iweala, Chair of the Global Alliance for Vaccines and Immunizations and former Finance Minister of Nigeria, as part of the Mossavar-Rahmani Center for Business and Government at the Harvard Kennedy School's weekly Business and Government Seminar Series.

Speaker 1:

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John Haigh:

All right, let's get started.

Speaker 3:

[crosstalk 00:00:27].

John Haigh:

I'm John Haigh, and I am the co-director of the Mossavar-Rahmani Center for Business and Government. On behalf of the center and also the center for international development, I want to welcome everybody. I appreciate you all for being here very much. We are incredibly lucky to have Dr. Ngozi, and I hope I pronounced this correctly.

Dr. Ngozi Okonjo-Iweala:

Ngozi.

John Haigh:

Okonjo-Iweala.

Dr. Ngozi Okonjo-Iweala:

Yeah.

John Haigh:

Iweala.

Dr. Ngozi Okonjo-Iweala:

[inaudible 00:00:59].

John Haigh:

[inaudible 00:00:59]. She has one of the most unbelievable, I think resumes I've seen, and I've seen some pretty good resumes coming through Harvard and the Kennedy School. She is the Angelopoulos Fellow, which is the Angelopoulos Global Public Leaders Fellow, and that is a very unique position in Kennedy School. It's for people that are former heads of state or high ranking ministers or government officials. To give you an example of some of the prior Angelopoulos fellows, we've had one Manuel Santos, we have had former president of Columbia, Ban Ki-moon, former secretary general of the United Nations, Tarja Halonen, former president of Finland, Felipe Calderon, former president of Mexico. So you're in good company and they are in good company.

John Haigh:

I want to introduce Thoko Moyo who some of you may or may not know, but Thoko joined the Kennedy School actually in 2017. She's currently the director of Global Strategic Communication or I mean-

Thoko Moyo:

I left that job.

John Haigh:

... associate dean communications for the Kennedy School, but prior to that, she was head of a director of Global Strategic Communications at Ford Foundation of New York, and she was the communication head for the jobs group at the World Bank in Washington DC and she started her career as a journalist with the BCC. So we are also very fortunate to have Thoko here. We're going to let Thoko provide massive amounts of detail on all the fantastic accomplishments that of our guest, and then open it up to question, and let the moderation begin. So Thoko, thank you very much and thank you for being here.

Thoko Moyo:

Thank you very much John, and thanks to everyone that's joined us today. It's really lovely to see you, I think we're in for a real treat. I would be failing as a communication's person if I didn't start by just reframing the conversation with what it is that we do here at the Kennedy School. I just want to remind us of our mission here. I mean, the Kennedy School works to try and improve public policy and public leadership across the world. We do that through our research teaching and direct interaction with practitioners. We're really doing this to try and see if we can help improve the lives of peoples that they live in safer, freer, more just and more prosperous societies.

Thoko Moyo:

So it's really exciting when we have an opportunity to engage with people that are actually out there doing that work, and just really hearing from them practically what some of the challenges are, what some of the obstacles are and just the realities of it. So, I am so excited this afternoon to be able to introduce Dr. Ngozi Okonjo-Iweala, and may I call you Ngozi?

Dr. Ngozi Okonjo-Iweala:

Of course.

Thoko Moyo:

As John said, you'll be very hard pressed to find someone who has an outstanding resume bio experience as she does. Also, just someone who's really been at the coalface working on these

challenges that we're all grappling with daily here at the Kennedy School. She's also a trusted leader that people call on from the highest institutions around the world that are actually doing a lot of work to try and improve the lives of people across the world and having impact, so she's a very trusted leader there. But let me just give you a taste of some of her accomplishments and some of the work that she's done.

Thoko Moyo:

Ngozi was the longest serving finance minister in her native Nigeria, and the first woman to hold that position. She was also the first female foreign minister. In her time in office, she is credited for driving systemic financial reforms and strengthening fiscal transparency to fight corruption and also tripling the country's growth rate. She also spent 25 years at the World Bank and actually, our time, it crossed a little bit while she was there, and she rose to be the second in charge. She's the managing director for operations covering South Asia, African and central Asia. She's also magna cum laude graduate of Harvard University, and she earned her doctorate at MIT, I'm not done.

Thoko Moyo:

She was recognized as one of the 100 most powerful women in the world by Forbes Magazine for four years in a row, and by Time Magazine as one of the world's most influential people in the world. She was elected to the American Academy of Arts and Sciences in 2019. She is currently the chair of the board of Gavi, which some of you may know as the Vaccine Alliance, which has immunized 760 million children in the developing world against infectious diseases. She's also the chair of the Global Commission on the Economy and Climate. Some of you may have heard her lecture last October where she joined us at the forum. She gave a lecture on Warren Piece, the Robert McNamara Electron Warren Piece in the John F. Kennedy forum. Let me stop there and say, welcome and thank you for making the time to talk to us.

Dr. Ngozi Okonjo-Iweala:

Thank you so much Thoko, you're always make me sound so good. I have to add what I enjoy most, I'm the mother of four children. But Thoko has presented me two or three times now, and when I listen to, you know how you get those bios that look so good, and then when in reality you meet the person or they perform, it's not as good as they look, so I hope it's not going to turn out that way today.

Thoko Moyo:

Well, it was interesting as I was preparing for this I actually had to edit down, I didn't even talk about your book, which you wrote about fighting corruption, but I'm hoping that some of these things will come up in the conversation we have, so maybe let's just get into it. I think what would be very helpful given those profile of people here and the center of the national development focus on business and governance is, maybe just get a sense from you as you look back and forward in your career and work, what would you say are the things you know for sure that unnecessary for fostering sustained and inclusive growth in developing countries? Just give us a taste, and I know that's a very big question, but if you want to try and just sum it up, what are some of the things that you know for sure are unnecessary?

Dr. Ngozi Okonjo-Iweala:

Well, Thoko, that's a very big question that lots of clever minds like my close friends, Danny Roderick, other people have written books about, but I'll give it a shot from experience. I'm not going to cover the whole gamut, but from 30 years of experience in development, and actually trying to foster growth and development in a country. I mean, from the economic perspective, when you look at it on the ground,

there's absolutely no doubt in my mind, and I know to Orthodox people, this may sound, what is she saying? But what I found in experience is the number one thing is the macro. I'm sorry to say that, but when you let that go, you find so many other things, are difficult to manage because everything comes when your monetary policy framework, your fiscal framework, your exchange rate policy, all those things are not working, and there's no stability in the economy.

Dr. Ngozi Okonjo-Iweala:

It's pretty difficult to push micro economic reforms or sectoral growth or the structural reforms that you wish to undertake. So for me, I mean, if you look at the experience of my continent, for instance, just to use it as an example because I think that's where the action is in the next few years, you will see that for one and a half decades from the late '90s to the 2000s, Africa did well after being topped disaster in the '80s. Everybody knows those economies head lines that characterized the continent. We showed we could grow for a sustained period of one and a half decades.

Dr. Ngozi Okonjo-Iweala:

If you look back at what made that happen, short part of the story is commodity prices that were favorable because of demand from China, but it's not all of the story. If you unpack it, you see that the continental was following in almost every country, good macroeconomic policies and sustain them for a period of time. That was held by action on the debt when we had the Heavy Highly Indebted Poor Countries Initiative and that reduced the continents then to about 24% of GDP, and then we were able to sustain that. So we got our fiscal deficits in control, we got inflation to single digit rate. And that created the stability under which you could now use more wisely some of the revenues from the commodity boom under which you could make sensible investments that which the private sector could also come in to invest. So for me, that's a key plank.

Dr. Ngozi Okonjo-Iweala:

I think the mistake that may have been made, and this is where I think sustained growth you asked is very important is diversification of the economy. So you need to use those good times to really look at the structure of your economy, especially in these times when manufacturing as a percent of GDP or as a percent of value added in the economy, many places it's disappearing. You have to ask yourself, where do we go with this economy, how do we create quality jobs? That's the third plank because you're fostering growth. If you want it to be inclusive, it's all about jobs, really, whether it's America, Europe, Africa, it's the same thing. You have young people who want to work.

Dr. Ngozi Okonjo-Iweala:

On my continent, nobody is really pleased with receiving aid or with handouts. Our society is not built like that, is built for people to work and take care of themselves. So the biggest thing you could do for inclusivity is look at the quality of growth. So it's not just growth, but the quality. I think that's one of the areas we didn't do as well, let's say on the African continent because quality growth looks at what sectors, what are the sources of growth and what sectors can create the most jobs, did we do that? I use that as a means of diversifying, I don't think we got that quite right.

Thoko Moyo:

What do you think-

Dr. Ngozi Okonjo-Iweala:

So those are the elements for any economy, and reform is not a one time affair, adjustment is not a one time affair. We went through this era where you had structural adjustment, the World Bank where I worked, the IMF would come, and people got the idea is something you do and then you move on and you don't do it again. No, those economies that maintain sustain growth, are always adjusted, are always diversifying, are always looking for incentive systems to spur growth. If they are good, they are also looking at issues of balance within society. That brings me to my last point on sustain growth, you must look at the human development dimensions or if you look at the story of all societies that have ruined developed and sustained it, they paid tremendous attention to human development, to health, to education.

Dr. Ngozi Okonjo-Iweala:

For us, I would tell an African continent education and skills, first of all, need skills needed to survive in a digital economy because that's 40% of our people on the internet, that's where we are going. And then health, what is the big issue here in the U.S.? Is all about health, Medicare, Medicaid. What slice of the country's resources are going to health care and how is that going to be sustained in the future? In the UK, is the same, it's all about the National Health Service. So you must pay attention to human development issues. So I would say those are some of the planks that we need to look at.

Thoko Moyo:

I want to go back to the point you made about growth not being enough to be anything that you need, that you also need to think about jobs because that's where a lot of the young people, particularly in Africa, are going to find their way out of poverty. I think that brings us to the connection with the private sector, what role do they have to play? Because imagine all these jobs are going to come from the private sector. So can you talk a little bit about what you've seen the role of the private sector as being in the work that you've done?

Dr. Ngozi Okonjo-Iweala:

Well, I've seen it as being critically important in the sense that I did not believe from experience that government can and should create enough jobs, so I think that really belongs to the private sector. You've got to ask yourself, which private sector and what do you mean? Again, what I saw from my experience is, if you have unfamiliar populations like we do, you should be looking at the small and medium enterprise sector at fostering entrepreneurial skills and supporting small entrepreneurs within your population. Again, in our economies, that's where most of the jobs ...

Dr. Ngozi Okonjo-Iweala:

Unfortunately, now most of them fall into what we call the informal sector. But if you looked there, that's where women, young people actively creating jobs. So that's the big private sector you should look at. And your question should be, what do we do to create the kind of enabling environment to make the smaller, medium prizes thrive because they create the most jobs, how do we lift them to the next level, how do we get them the services, the infrastructure, the markets that they need? If you get that right, you'll also be getting a lot right for the big private sector.

Dr. Ngozi Okonjo-Iweala:

The big private sector has more bargaining power that the small ones don't have. So I would start from the bottom and say, what do they need? They don't need big obstacles in terms of licensing requirements or making it difficult for them to register and acquire the things they need to thrive. They

do need good infrastructure because you need to make all their unit costs down in production, they need markets, they need good logistics. So if you're getting that right for the small guys, it means the big guys also benefit from that. They are the ones that create the jobs, not government.

Thoko Moyo:

So I think that's an interesting place for us to talk a little bit about, the sort of public policies you think are important to foster the type of things that you're talking about, the [inaudible 00:15:58] supporting private sector.

Dr. Ngozi Okonjo-Iweala:

Well, I mean, everybody here is savvy. We have the doing business report of the World Bank, everybody knows that, all the things that I needed to take away regulation, so that the private sector can invest and try. But I'm also concerned about, what is the social contract within a country? Are you just creating enabling environment for the private sector to thrive without a commensurate attention to their responsibilities and the social contract in the country? I think that what has been happening in country after country is the lack of a social contract or the melting away of existing ones. That's where as economists, we also need to come back and look at that. This is-

Thoko Moyo:

What do you mean exactly by a social contract, which is the [crosstalk 00:16:55]?

Dr. Ngozi Okonjo-Iweala:

What I mean by a social contract is, what are those on deadline agreements and understandings within your values and cultures that neat a society together? You take this country, there is an on that line agreement of equal opportunity for all and that if things ... people should be able to rise and do better than their parents. I think that's true for every other country, but if you get to a situation in which some people are rising and others are stagnant as happened in the U.S. here, that's happened, and incomes, if you look at the numbers for a decade or two decades as stagnant for the middle class and the working class, the opportunities were not there, the children were not getting jobs.

Dr. Ngozi Okonjo-Iweala:

Theory has it that, when jobs die in one area, people migrate to where the jobs are. We found some of that does not really obtain, people in West Virginia we're not so willing to migrate. In other parts, so what happened, they were there, there were no jobs, their children didn't have jobs, there was the opioid epidemic. I'm using this country to illustrate that some of the things that happen now, so also happen in developed countries. It is that falling behind and not looking at, what is the social contract that people in America understand?

Dr. Ngozi Okonjo-Iweala:

Once you see your children are not able to get jobs, their lives are not being better than yours, that part of the social contract begins to fall away. You become disaffected, and therefore you are more sensitive to populous messages. You go to other countries, it's the same. In our countries, our social contract is that people take care of each other and that you share what you have. If you have a society and a government where you are modernizing, and enlarging and the private sector is doing well, but you're not paying attention to, how do you use fiscal instruments to channel more of those resources to create access to services for those who don't have? People are not asking for much, they want access to decent

health and education services, they want decent rural roads, and so on. If you're not doing that, then part of that social contract is disappearing, so that's what I mean.

Thoko Moyo:

My job is to just get us started and then hand over to the people that come here to get a chance to engage with you. So I'll ask maybe two more questions and then open up for Q&A. I want to try-

Dr. Ngozi Okonjo-Iweala:

You're asking very good questions, you're making [crosstalk 00:19:36].

Thoko Moyo:

But I'm jumping around a lot because you have such varied experience, I really want to try and link it to what we're doing here. You mentioned the word values and it made me think, what we're trying to do at the Kennedy School is train people who are going to go out and be public leaders, and hopefully make the change that we talk about that will improve people's lives. So in your experience, having worked in government, you've actually been in the public sector, what are some of the values that you think public leaders ... so someone leaving the Kennedy School wanting to go and make a positive impact and be effective, what are the type of values you think public leaders should hold, what are the things that actually would make these things work?

Dr. Ngozi Okonjo-Iweala:

I found that when you get into politics, it is so challenging, it is so challenging, it's not what you think. I'm not a politician in the sense that I never ran for public office, but when I was asked to come and be minister of finance, I found myself in the middle of politics. You cannot escape it, you have politics within the party that brought you in and your cabinet. You have politics of the opposition trying to seize on every little mistake that they can find to destabilize and get you out of office. You have the politics of vested interests, so there's so many interests, and that's what politics is about. So it becomes the issue of your negotiation skills and compromise. That happens, you cannot get into those things without compromise. That is why I step back and say, if you go into a post and into politics without knowing who you are and what your own values are, you must interrogate yourself.

Dr. Ngozi Okonjo-Iweala:

What are your values and your principles, what is your red line beyond which you would not go? Because when you get there, the pressure's on you to do the wrong thing, are so enormous. Not to do the right thing, to not do the right thing, the pressures are enormous. So for you to do the right thing, you've got to have a pretty solid idea. If you don't have strong principles and strong values, what do I mean? You're going in, I'll just share. I don't think I have the answers, but what I learned, I was brought up with this giving back to others, making your country work, doing your policies so it impacts the larger community, not for yourself or your own ethnic group or your own tribe.

Dr. Ngozi Okonjo-Iweala:

Now we have tribes in the developed countries as well, and I never knew the word tribe will apply here, but it does. So you have to ask yourself that, am I pushing this policy because it's for the greater good? After all, that's originally what politics was intended to be, to bring people who would see beyond themselves and their own interests and the interest of their group to the greater good of the group they

serve. What are my personal principles, where will I say no, where will I say yes, where do I think I can compromise about a margin?

Dr. Ngozi Okonjo-Iweala:

I can share this because it's in my book, *Fighting Corruption*, and I found when I came in I had to negotiate about the budget because it's the national assembly or version of the parliament, both the Senate and the lower house, the house of reps, they are the ones that have the power to pass the budget. So you can do the best budget that you have and if they don't agree to pass it, you're stuck. A country without a budget for a year, especially in a developing country, that's the principle instrument to drive a lot of economic policies, they're in trouble.

Dr. Ngozi Okonjo-Iweala:

So then I found myself having to negotiate with the legislators each time, and they had their views. They felt, first of all, they should be part of crafting the budget. Our constitution is not very clear, it's still one of the things I want to see my country more clarity constitutionally on the budget, who crafts the budget, who approves it. So they felt they should also have a hand in crafting, as well as in approving. So there was that tension, and you had to negotiate. And then when you came in they'll say, "Well, we were elected here to do things for people quote unquote." Why isn't there more budget here? But you have to explain that trade offs, we only have a limited amount to make trade offs. They'll say that she's talking Americana, what are these trade offs? So those were until I had to develop some skills and recognize that to have a place in the system constitutionally, how do I negotiate with them? So that's politics.

Dr. Ngozi Okonjo-Iweala:

But because I came in with very strong principles and beliefs, at the margin when things are rose that I felt, no, this is going too far, I was clear. You need clarity, if you have no clarity when you're going to politics, you will make a lot of mistakes you'll really regret.

Thoko Moyo:

Your book is called, *Fighting Corruption*, is dangerous. So I mean, you're making decisions that could actually be dangerous for you personally and for your immediate family. I mean, your mother was kidnapped because of the work that you are doing and the transparency that you are trying to institute. Can you just talk a little bit more about that? Because there's a personal cost to having values and to be standing for something.

Dr. Ngozi Okonjo-Iweala:

Yeah. I feel so shy because I feel like I've talked about this so many times. So often now say to audience is just read the book, it's also a good way of selling the book. I'll tell you have a copy here, it looks nice. It's MIT Press, MIT Press is just down the road. But I know it has a cost. I mean, when you go in, the thing is to let people know what you stand for and you stand for integrity, you stand for looking for the greater good and the greater value. I'm not trying to start this some gradues, it's just so inbuilt in you that you're not there for yourself. So when you try to maintain those principles, they're stuck examples.

Dr. Ngozi Okonjo-Iweala:

The one in my book that I start out with, so I tell a story and then I put the economics and the numbers behind it, so it's a public policy book. The first story is about coming in, this was my second time as

finance minister, my first time I wrote a book called Reforming the Unreformable, which I found in the coup. By the way, I'm very exciting, but that was looking at all the reforms that we did. And then, when I was there the first time, we have these subsidies. We subsidize the consumption of petroleum of oil like in every country in one way or the other. Of course, it becomes an ingrained part of what people feel. This is the only thing we are benefiting from this government, we don't get anything else, this subsidy. But it was \$2 billion when I left government the last time, we had done some reforms.

Dr. Ngozi Okonjo-Iweala:

When I came back the second time in 2011, the first thing people said to me was that something is going on. They had already paid out \$11.7 billion in subsidy. I said between 2006 and 2011, did we triple, quadruple our middle class, did we ... I mean, what happened, who is consuming this oil? So it was clear something was wrong. I remember the director of the budget, a wonderful fellow, Dr. Bright Tokugu who had come from the fund to help, that was his biggest preoccupation. So they briefed me on this, and to cut a long story short, after we looked at it, and lots of Nigerians were say, "No, there's something wrong. There is fraud, there is that," I went to the president and said, "Look, I think the best thing for us is to audit the payments both prospective and the payments being demanded."

Dr. Ngozi Okonjo-Iweala:

So we put together a group headed by a very brave young man, we hired 15 forensic auditors and they went to audit this very, very carefully, physical audit, looking at where the oil is supposed to be kept, looking at when the ships arrived. There was a clever thing, Lloyd's Register in London has the position of every ship in the world at any one time, I don't know if you know that. So some people said they shipped oil by certain ship to the country on a certain date, some of the marketers who were going to be paid, we found for example, that one ship was in China when it was supposed to have been discharging oil in Nigeria. So of course, he knew that that was wrong. Long story short, we found that out of \$8.5 billion audited, 2.4 billion was fraudulent, that's huge.

Thoko Moyo:

It's huge.

Dr. Ngozi Okonjo-Iweala:

I mean, subsidies were 5% of GDP, and I knew that that was not sustainable. There was no way we could do that and be able to meet the other payments needed to run the economy and run the country. So this was what we found, and when we found it, I went to the president and he backed us fully in terms of not paying. So it was that nonpayment that led to my mother being kidnapped, and how did I know? Because she was kidnapped, my mother is an 83 year old retired professor of sociology, and she was kidnapped on a sunny day outside of the house. It's a funny story because this car drove into the driveway and the young man jumped out and said, "Are you the mother of the finance minister?" My mother very happily and proud, beaming said, "Yes, yes." She thought they were coming to thank her as people do, some would come and say, "Thank you, your daughter is doing it." So she beamed and the next thing she knew was a huge slap and she was pushed into the car and they sped away. And then they kept her for five days with no food, just water in the middle of the forest.

Dr. Ngozi Okonjo-Iweala:

She had just had watched ... and she asked them that, "Why did you kidnap me?" They told her that, "Your daughter refused to pay the marketers the money." She's still alive, I had to tell this story while

she's alive, so that anyone who wants to dispute it, she's still alive. So that was what they told her, and she heard them discussing how to dispose off her body. So she was tied up in the middle of the forest, her hands behind her for five days, so we were waiting. When she was kidnapped, my father was just amazing, he just died a few months ago. If not for him, I don't think I could have gotten through it because he came and he said, "Look, we thought it was an ordinary kidnap, they are going to demand lots of money because you're the finance minister. We sometimes have these kidnappings occur."

Dr. Ngozi Okonjo-Iweala:

But when they actually phoned, and this was the second part that people didn't know, what they demanded was I should go to the radio and television and resigned, announce my resignation, I leave the country. This is recorded, so the president at that time knew there was a secret service person whose name is in the book that was detailed to monitor the phone when they finally phoned in. My mother left her cell phone upstairs and she knew her number, so that's how they contacted by calling that cell phone. And then my brother picked up, I was negotiating with them. So this is what happened in the story, eventually there was a big man on, she was ... I think they got scared and left her in the middle of the forest by herself one night, and she was able to run out.

Thoko Moyo:

Okay. I think we should open up for questions, but I think that's a really powerful illustration of that there can be huge personal cost and you didn't succumb to their demands. I mean, you stood for [crosstalk 00:33:12]

Dr. Ngozi Okonjo-Iweala:

Not because I was brave, I can tell you, at that point in time, let me not lie. I felt so bad, can you imagine if my mother had died because I was trying to do some public policy. But my father ... can I just tell this? He said, "Look, statistically without Linda usefulness, life expectancy at all is 50 and we are in our 80s. So if she doesn't come back, it's okay. You have to intern." My father is a retired professor of mathematical statistics. This was his way of digesting and handling the problem, he tried to get me in the mood. It was him, he is the one that got us through, not me, I wasn't brave at all.

Thoko Moyo:

I can imagine.

Dr. Ngozi Okonjo-Iweala:

Yeah.

Thoko Moyo:

Okay. Let's take some questions, I think we'll do ... I see a number of hands up, we'll take maybe two, three at a time?

Dr. Ngozi Okonjo-Iweala:

Okay.

Thoko Moyo:

Okay, let's do three at a time. If you could introduce yourself, where you're from within the Kennedy School. And then as we always have at the Kennedy School, your question should end with a question Mark. There'll be a chance for discussion maybe later after we end formally, but if you could just ask questions for now. I see the gentleman in front, and maybe let me take the lady behind and then we'll go to that end. Please do give us your name and who you are.

Justin Hefter:

Dr. Ngozi, thank you so much. My name is Justin Hefter, I'm a first year masters graduate student at the Harvard Kennedy School doing a master's in public policy. That was an incredibly powerful and touching story. My question, I heard you talk about economic diversity, but I'm curious about diversity in the workforce itself and diverse participation in both the private sector and also the public sector. If you have any examples of places, countries that you've seen diversity initiatives succeed, and any examples of where there needs to be improvement.

Thoko Moyo:

Okay. It sounds like a success in diversification workforce. I think we're going to go to the center.

Valeria Mendiola:

Hi, well, thank you so much. My name is Valeria Mendiola, I'm a student here at the international development program. My question is, I come from Mexico and so the new president has been trying to destroy everything that previous administrations have done.

Dr. Ngozi Okonjo-Iweala:

Sounds familiar.

Valeria Mendiola:

I was wondering if you could give us any advice on how to make sure that the good policies that you fight and you sacrificed so much, [inaudible 00:36:05] even though you have this political genius across time.

Thoko Moyo:

Young man there.

Speaker 8:

[inaudible 00:36:20]. My question, particularly special contracts, it seems that when there are traces of economics and politics, somehow these values get lost. So looking at the social contract, how to manifest that through your constitutions. The biggest predictor of what constitutional will have is time and place, there are certain global principles that are in vogue at all times, but I'm wondering if you want the constitution to embody the social contract, must it be more context specific? In a moment constitutional review for Nigeria, what are some of those potential contextual points that we should consider in constitution?

Speaker 8:

And then looking at a social contract, there are some that binds people who elect the leaders appoints by the people, how do you design whether it's government or policy to have leaders in mind to come back to work?

Thoko Moyo:

Okay. So three questions about diversity in the workplace, advice you might give people in Mexico who are worried about eroding of some of the progress or efforts that were made in the past. And then there is a question about incorporating social contract in constitutional review.

Dr. Ngozi Okonjo-Iweala:

Thank you. Diversity in the workplace in a country is such a big issue, is huge. I know of individual companies that have succeeded or are succeeding in diversity. I know of countries that may be doing the best they can through laws, rules and regulations, but I'm not sure I can just jump, maybe if you go to Norway, Sweden and the Scandinavian countries where there is a lot of homogeneity, but they've managed in terms of gender diversity to achieve so much, so those ones are known, I gave it. But in many developing countries, and I'll talk to, we have ethnic groups and we struggle with how to make sure that there's representation in our workforce. So we're talking diversity, let me just talk that for a minute. It's not the diversity you're talking, but that's a huge issue of diversity in a country that is so much more beyond the diversity in gender also that we are talking about, we have that.

Dr. Ngozi Okonjo-Iweala:

So imagine situations where you have gender diversity issues where women in the workforce also experienced the glass ceilings, the glass cliffs and everything else we talk about, and you layer ethnic diversity in men because we're having so many of our countries, I will just say a session this morning where Cameroonians said they have 250 ethnic groups. We have 350 in a population of about 200 million and as many languages, not dialects, languages. They are not mutually intelligible. Meaning, if you know one, you can't understand the other. So how do you ensure that your workforce, and your civil service and all that mirrors this?

Dr. Ngozi Okonjo-Iweala:

So countries have come up with some formula. In my country, we have what we call federal character where each government is supposed to make sure that each part of the country is represented, but it's become a weapon. When your group is in power, the other groups accuse it of not observing federal characters when they themselves come, you have to use them. So it has become something that is not working very well, but at least we have a notion of striving to include everyone. I'm a believer that we should try to do that, that we have talent in every population in our countries and we should draw on it, but I don't know who has done it very well. So if you find out, let me know.

Dr. Ngozi Okonjo-Iweala:

In the workplace, I can use my organization, Gavi as an example. Sometimes it involves making rules in your charter. We determined that we want to be a gender sensitive and equal organization. So in the Gavi charter, we have that no more than 60%, the workforce force should not be more than 60% of any gender, and the same with the board, that's our guide. So you can't have more than 60% men or women. Right now we have 51% women and 49% men, in senior management that we have 60% women. So we have a guide, we set a guide that we've tried to strive towards that. So I am not shy because we have all these issues of trying to use incentives to diversify our workforce be in a company,

and also ... Sometimes it's not working because they also cultural issues that come in. So it may come to a time when you put in place some guidelines, if not hardcore, I'm not a hardcore person, but I'm for guidelines that you push towards. Sorry, there's no perfect answer, but I'd to hear if anybody knows a country that has a mandate to achieve diversity in countrywide as a policy, I'd love to hear.

Dr. Ngozi Okonjo-Iweala:

Now, how do you ensure good policies are not destroyed? This is a huge problem. It's a huge problem, not only in Mexico, but everywhere. I think over time, we've just seen trust lost in populations, not just in the U.S., but all over the world in our countries. You've seen polarization, you've seen politics become bitter, so that when people come in, the first thing they focused on is not what type of good policies we sustain, but how do we get rid of everything that was done [inaudible 00:42:38], and that's not good for the country. That is where the social contract issue comes in. I think that's part of it, but before I come to the social contract, I've come to believe that when you have certain policies, you should enshrine them in legislature.

Dr. Ngozi Okonjo-Iweala:

During my time in office, I believe we didn't do that enough because some of the fiscal policies that we run, like when we had this fiscal policy, this fiscal rule, whereby we were budgeting at a price below the market price of oil and saving the excess, we created an excess through the counter under president Obasanjo, but we did not lock it in in legislation like the Ghanians have now done, learning from my example. So when new people came, they were raiding their account. So you need to, if you do a good policy, look at how can that be locked in in legislation. It does not mean that legislation cannot be overturned, but it's so costly to do it, you have to build a coalition. So make it difficult for them to overturn any good policy. See how you institutionalize it, create a strong institution around that policy, so that, again, it becomes costly if it's a good policy to undo.

Dr. Ngozi Okonjo-Iweala:

And then lastly, if there's some understandings within the country that, yes, things can change, but there are just certain things that you don't tamper with. That's part of the social contract, that's what I also mean. Like in England, you can do anything, but don't tamper with the National Health Service or you're in trouble. There is some social contract that we have a right to this and anyone who comes near it, is in trouble. So those are some of the instruments I would deploy.

Dr. Ngozi Okonjo-Iweala:

How do constitutions embody this social contract and how can leaders? I have to think very carefully because there are certain things you want to make sure you don't enshrine things that will cause you trouble over time. So the issue is ... but I believe in locking things in legislation or the constitution, so that people don't tamper with it. So I think it's a piece of work if you can sort out, what are those things we should do? For example, if the big problem is inclusion and making sure that you generate the resources needed to be able to provide services to those who don't have it, how does that translate into specific policies that you can then either put in a financial law? It doesn't always have to be the constitution, a financial piece of legislation or even in the constitution. So you can think through that, is it those who should not be taxed, so that if people are earning below a certain amount, they don't even enter the tax net, or is it those who should be taxed more, do you want to legislate a certain amount of percentage of the budget going towards certain sectors at some stage in your development because it's so crucial?

Dr. Ngozi Okonjo-Iweala:

In our country, we have a tax that is dedicated to education, but is that the right thing? I'm not transferring your question, I'm telling you questions you should examine and things you have to think about. But I believe there are things you can lock into legislation itself, and some things you can import into the constitution that will ensure that the basic balancing society where people have access to certain services, that that is respected. It is very contextual like you said. There's no recipe here, you have to look at the country you're in, what the elements of that social contract are, and then how do you instrumentalize it?

Thoko Moyo:

Okay. Let's come back to this side. We'll take question from you, and then we'll get to this gentleman here, and the young lady at the back over there.

Collin:

Hi, thank you. My name is Collin from China and I'm visiting [inaudible 00:47:37] student [inaudible 00:47:38]. We know that China and Africa have very strong relation [inaudible 00:47:46]. So from your perspective, what do you think China has done to Africa economic growth, especially after [inaudible 00:47:59] initiated a big initiative, done road initiative, and what are things that can be improved in the future?

Thoko Moyo:

I think, [inaudible 00:48:11]

Speaker 13:

I would actually say my question to [crosstalk 00:48:14] if it's okay.

Thoko Moyo:

Sure, okay.

Speaker 11:

I'm from Haiti originally, and I am interested in health. For the past, actually never, my government has not been able to invest in health as it should. I'm just wondering for a developing country with this modern economy like Haiti, if there is a potential of the government to make cover [inaudible 00:48:35], as a mechanism for development, what are they interested by product of a spillover effects?

Dr. Ngozi Okonjo-Iweala:

So you're that if it possible for the government to have?

Speaker 11:

To invest more in health and make health a priority rather than waiting for the economy to get better in order for more investments [inaudible 00:48:58]?

Thoko Moyo:

Okay. The lady at the back.

Ryan Albert:

First of all, thank you for everything you've shared. My name is Ryan Albert, and I'm a second year masters in public policies student. My questions to you is about how to convince both in mind, governance and African developed countries that corruption is issue there as well, and not just in the developing world in Africa. The time I hear that the war around corruption focusing on developing countries despite the fact we have things like impeachment trial going on right now. Also, Senegal which is struggle with corruption, so I'm interested in hearing your thoughts in these.

Thoko Moyo:

Okay.

Dr. Ngozi Okonjo-Iweala:

Okay, thank you. China, Africa, I think this is such a big topic of interest around the globe. There are various narratives and stories around it, not always positive. But the way the African see it, the narrative with China is a positive one. It's not all positive, but largely in terms of trade and investment, it has helped to drive growth within the continent. The demand for a lot of the commodities that we sell has come from China, the investment in infrastructure, I think I looked at some numbers, was it in 2016 or so? 2015 a particular year, I saw that investment in infrastructure in Africa, China had done about 21 billion and the U.S., Europe and others were 2 billion or less. There's a huge infrastructure gap on the continent. We need about 95 to 120 billion a year, and 60% of that should come from our budgets and the balance is expected from outside, that's a huge number. The multilateral alone cannot do it, China alone cannot do, but China is bringing in considerable resources.

Dr. Ngozi Okonjo-Iweala:

In terms of trade, it's narrowly 200 billion, though it's stripping. So China is bringing something that we need, but is it all positive? I will say no. China has to be careful and the countries have to be careful on two fronts, the first front is waste transparency. I gave a talk to the Chinese Mining Association years ago where there were 4,000 people in the room. I was at the World Bank then and I said one thing to them, which I will repeat, that is that you're investing in infrastructure, you cannot take it away. It's there in the country, it is to your benefit to be very transparent, whether you're in the mining sector, your energy sector, your ruined infrastructure, but what are you putting in, how is it being disbursed and how is it being used? Because you cannot take this investment away. If a new government comes in and decides that something did not go right, we are not going to pay you, what are you going to do?

Dr. Ngozi Okonjo-Iweala:

If the community in which you're working does not know what you're doing and rises up against you, what are you going to do? So the first is transparency from the Chinese side on what they're lending, what they invest is, so that everybody knows. It's a good thing, so why do you have to hide it. From the side of the Africans, the same. Don't think that China is going to be a pushover, and if you take on all these debts and you can't pay, they're suddenly going to forgive it. No, they're not in the business, they have their grant portion, but they also have their more commercial portion, and they're not just going to wake up and forgive all of this. So you have to do the same hard homework that you would do with any other loan you're taking, which is, what's my revenue debt service to revenue ratio because we focus on debt to GDP? That's important, but even more important for countries is debt service to revenue, are you generating enough revenue to be able to service this, is the investment being made productive

enough to give returns that can justify this to your population, to your own population? So from our side, we need to do that homework, and we need to ask these questions.

Dr. Ngozi Okonjo-Iweala:

On the debt side, we should remember that it's not just Chinese that is swelling the rising debt to GDP ratios on the continent. A lot of countries have gone in for Euro Bonds at fairly commercial rates. So if you unpack the debt, because people everybody thinks it's Chinese debts, there's a lot of Euro Bonds. So we are going from 25% of GDP in the early 2000s and we are rising now moving towards 60, which is not good according to IMF figures. So that's what I would say on the relationship, we need a healthy, open, transparent relationship so that people will not infares divines that may not be there.

Dr. Ngozi Okonjo-Iweala:

On the Haiti health, absolutely. Can of government prioritize health? Absolutely. I think it's one of those sectors, it's very difficult in a country to just focus on one thing, but you can certainly make it a top priority. If your population is not healthy, the costs to the economy are pretty heavy. That's why as a finance minister, I also moved to the health sector to being governor because I realized that many finance ministers began to realize the heavy cost to the economy when Ebola crisis came, the countries that were involved lost two or 3% of their GDP. So if you don't pay attention to health, the rest of the economy can suffer. The last thing I'll say is, even on the area of vaccines, \$1 invested in vaccines returns \$54 in avoided health costs over the lifetime of the individual. If you have any other investment that has this kind of retail return show it to me. So there are very strong reasons why government should invest in health, but you have to show the hard numbers.

Dr. Ngozi Okonjo-Iweala:

Health ministers and finance ministers, do not have a very good dialogue because health, for those of you going into public policy, if you become a minister of health or education, they tend to come with a bleeding heart kind of approach. It's a right, this finance minister is clueless, that's the way the health ministers look at the finance and the dialogue is not good. One of the things I've done in Govi in the health sector is to try and bring the two together, so that they can speak the language by using the economic terms that finance ministers are used to.

Dr. Ngozi Okonjo-Iweala:

And then last one-

Thoko Moyo:

Ngozi, before you leave the idea of public health, I'm just going to jump in here because I'm hoping it will come up, but let me just interject it here. Everybody is focused on the coronavirus right now, and I was actually reading this morning that in Nigeria specifically authorities are preparing emergency measures, everybody's on alert. As you look at it and you think about it, what are some of the things that you think developing nations should be thinking about at a time this?

Dr. Ngozi Okonjo-Iweala:

Well, I'm hoping that so far, they have not found it on the African continent, so far. Our health systems are quite weak and maybe that they're not founded because the direct testing has not been done, not because no one has it, I don't know because a lot of the symptoms also resembles symptoms for malaria or this or that. But I think that we've learned from some of the epidemics we've had, the Ebola virus, we

learned a lot. In Nigeria, we're able to contain it. Could you imagine if we had not acted? Because during my time in government, and we have to give tremendous credit to president Jonathan at the time, and the way that we use the platform, we use the polio platform. We were trying to fight polio, we had built with the help of the Gates foundation, a strong platform for tracing people and contacts. That was what we mobilized, we moved fast. It's a dramatic moment, so let me just show you that even though we have weak health systems, I think that government should be looking now to see what platforms do they have, and we all have vaccination platforms.

Dr. Ngozi Okonjo-Iweala:

So I would say to governments, the ability to trace, many of you already have that capacity through polio, through a routine immunization, through other types of primary healthcare platforms, look at that immediately and make sure you have things in place, so you can kick that in and be able to do this. I remember when the Ebola first entered Nigeria from Liberia, was about to board a flight somewhere. I was literally on the tarmac when they called me and said, "The president said you cannot travel and you need to come back immediately," it was on a Saturday. So I turned around and just come to the presidential villa right away there's a meeting. So I turned around, luckily, I didn't check any luggage in, so I was able to just turn around, cancel my flight and go straight to this meeting. He had called a meeting because he had this sense of urgency about this Ebola. So about five or six of us cabinet members and he said, "We'll need money, we need face mask, we need this, we need that, we don't have them."

Dr. Ngozi Okonjo-Iweala:

Guess what we did, we didn't go through government, we called, there's a company called Julius Berger in Nigeria, Ndindi will know, and all the Nigerians. They have quite a strong logistical system, and so we called them and we said, "Can you help us buy these face masks and things and bring it in quickly because if we use our own government system, it ain't going to work." They did, and they were able to bring us supplies within a short time and we were able ... There were some wrangling between Lagos State where the case was and the federal government, and people tried to claim credit for who did what, it doesn't matter. We mobilized as a country using the polio platform, so that's a good example of what African governments and developing country governments can do. Weak as we are in health systems and primary healthcare, we all have some modicum of a system, which if we start getting ready now, we can use.

Thoko Moyo:

Almost sounds as if there's something that Africa can teach the world as well about handling crisis like this as well from what you're saying, the success that Nigeria had.

Dr. Ngozi Okonjo-Iweala:

We had that success and the world was grateful at that time because it's a large country, had it spread, I mean, it would have been catastrophic. Also vaccines, you've seen the Ebola now in DRC has been contained, although we've lost a couple of thousands. But it could have been worse because Gavi, and I'm so proud of this, we didn't have an Ebola vaccine, but we had an experimental vaccine approved by WHO. We decided at the Gavi board, and it was a heated argument, pre-negotiated and stockpile 300,000 doses of experimented Ebola vaccine with muck. I chaired that board, and I'm very proud and we did it, and that's the vaccine being used in DRC.

Dr. Ngozi Okonjo-Iweala:

The Americans have just recently come up with another vaccine, but you need two doses compared to the one we stockpile. The one we stockpile is the one that they used. So look at that, so we can do things. I'm sure we coronavirus, I'm not an epidemiologist, I'm not a physician, but I'm sure that the race to develop a vaccine for that is on, yeah.

Thoko Moyo:

I think there was a question about how reminding the world-

Dr. Ngozi Okonjo-Iweala:

About the corruption?

Thoko Moyo:

... corruption, yeah.

Dr. Ngozi Okonjo-Iweala:

Sorry, yeah. You're absolutely right. I mean, corruption is not domiciled in developing countries. I've often said to people that I reject that notion when you talk of Nigeria or Africa or any African country, the next word is corruption. No, we have to get away from that teenage because if you see what has been happening around the world, it's everywhere. Emerging market, just think of all the emerging markets that have been battling from Brazil to South Korea. There's a president in jail right now, Madam Park in South Korea because of that. People have forgotten, that's an advanced country. In Venezuela, of course, we know what's the issues, everywhere. Malaysia, the 1MDB corruption scandal, and who was involved in that? I wouldn't name names, but there were certain developed country companies that made a lot of money out of it. So there's nobody who is going to claim to me that corruption ...

Dr. Ngozi Okonjo-Iweala:

As a matter of fact, for those of us who've been in this field for a long time, we had been saying that even there's a supply and demand equation in corrupt. Some of the money that leaves the developing countries and goes to developed, are part of that equation. Some emerging markets and developing countries are supplying, and the developed countries are demanding because that money doesn't leave and there's a price where the two curves cross. When you have money domiciled ... and I have some experience, so I can speak to this. President Obasanjo and every Nigerian president has gone after the corrupt money that left the country. So we're not blaming everyone, we start with ourselves, why did they leave the country in the first place? So that corruption, we have to fight. That's why I went to home, to take personal responsibility.

Dr. Ngozi Okonjo-Iweala:

But having said that, that money migrated somewhere and has been sitting in banks in the developed countries, and they've been very unwilling to return this money. There's this sense of the UN, UNCAC, the UN convention Against Corruption clearly spells out how countries should return this money, but you are given every excuse under the sun about the legal issues and this, and that money is sitting in banks and earning interests and being used here. So even from that perspective alone, it's only recently that improvements have been made and only CD has done a lot of hard work, but it didn't just happen

over night, it's been evolving over time. So there's that side. But there's also the side of what happens in the developed countries and emerging markets themselves, and you can see it.

Dr. Ngozi Okonjo-Iweala:

I mean, my point though, to developing countries is, we can't afford it. Maybe they can, we just don't have the resources to handle corruption, we just don't. Maybe they do, they can still have basic services provided to their people and so on. But for us, every dollar that goes in corrupt endeavor, means somebody doesn't have access to water, access to light, access to roads, is existential in developing countries, but that's not to say that there's anyone who should come and preach. Corruption is not only about money as you write, you note it, some have power.

Dr. Ngozi Okonjo-Iweala:

What is happening in the world these days, it's just unbelievable. So we shall see, but it's up to you young people to know what is right and what is wrong, and to be able to fight in your own little way. So don't give in and don't become disillusioned. I'm an optimist, this too shall pass.

Thoko Moyo:

Well, I'm afraid we have to stop there. I think it's nice to stop off to someone who said optimism. So, let me just say thank you again for your time, for your insights, for your wisdom, and just the generosity that you show in sharing your experiences. Thank you so, so much, and thank you all for being a very engaged audience and for the fantastic questions that you asked. Thank you so much.

Dr. Ngozi Okonjo-Iweala:

Thank you.