

**Inauguration of the Workshop on
“Dynamics of Risk Management in International Trade:
“Focus Africa”
Centre for African Studies, University of Mumbai
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Empowering 3 Billion through Sustainable Development

*“I have created the human being
with a brain and thinking faculties.
I command all my creations that
they use their faculties with reasoning
to reach my image.”*

I am delighted to participate in the Workshop on “Dynamics of Risk Management in International Trade: Focus Africa” organised by Centre for African Studies, University of Mumbai. My greetings to the Organizers, Vice Chancellor, Pro Vice Chancellor, Professors, Faculty members of Centre for African Studies, Academicians, Faculty members, researchers, students, special invitees and distinguished guests. The CAS is specializing in Risk Management in International Trade focusing Africa. Africa is the region with the highest concentration of fastest growing economies in the world. The continent boasts of youngest working population and a steadily rising middle class. By 2020, Africa’s collective GDP would reach \$2.6 Trillion and its cumulative consumer spending would be \$1.4 trillion.

India is in the forefront to have win-win business opportunities between India and Africa. India’s trade with

African countries has grown by many folds in the last decade. Some of the largest offshore investment from India has been made in Africa. India has set a new target of \$ 100 billion of trade with Africa by 2015. However, during the normal course of business, an enterprise is exposed to a number of risks, key of which are market risk, counterparty risk, political risk. Hence it is essential to evolve the risk management strategies which will strengthen the bilateral trade and relationship with Africa. Furthermore, in the post-recession business climate and fluctuating fiscal trend, an exporter is more critical about recovery of payment and credit risks. One has to look beyond commercial terms and risk mitigation and visualize risk management in totality as a 'way of business'. Expectations from Indian stakeholders are mounting as the changed scenarios add to the competition in the international market. In order to ensure a win-win situation, participants from India and Africa are to handle management with skill and positive approach. I am confident that this workshop can update and address the emerging challenges with concepts, policies and tools. Hence I would like to share my thoughts on the topic **“Empowering 3 Billion through Sustainable Development”**.

Let us look at the dynamics of these manifestations.
Dynamics of Global manifestations

The world today is integrally connected through four rapid connectivities. They are environment, people, economy

and ideas. We all know that global warming and climate change are no longer problems of individual nations, they are planetary problems. In the present time, a single product may be made out of components sourced from multiple continents and provide services to markets far off from their place of origin. We also saw, how the economic turbulence originating in one part of the globe shook the whole world. The world today is concerned about the growing inflationary pressures, recessions and potential fall in growth rates, affecting valuable efforts on development. We witnessed how a volcanic eruption in an island country brought the entire airline industry and more than 5000 commercial flights to a halt and the recent earthquake followed by tsunami has changed the concept of safety and security of an island nation. At the same time, advances in transportation have progressively made movement of people across nations and regions more feasible. This has led to the globalization of expertise and talents which can flow seamlessly from one nation to another. This also has led to the globalization of human diseases, the most recent instance being of different kinds of flu which rapidly spread across the globe and threatened the entire human kind. When we saw a nuclear accident in island nation, the effect of which was a matter of concern for the entire globe and the international community collected reinforced their nuclear safety measures. Similarly, ideas and innovations are no longer geographically

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or politically confined. An invention made today somewhere takes no time to find its market thousand of miles away. The expansion of information and communication technology and the convergence of technological tools are structuring new world knowledge, where problems of one part of the world can be solved by multiple experts based at different points of the globe. Seamless flow of information and people also means that local or regional issues will invariably gain global prominence and unaddressed problems including poverty can mutate rapidly into global terrorism which we are already witnessing. All these challenges needs to be tackled properly with the identification of risks, risk management and mitigation strategies for converting the challenges into opportunities.

Based on Indian experience of Developed India Vision 2020 and detailed discussions in many educational institutions across the world and with many citizens in India and abroad from multiple organizations, and disciplines, I am happy to present to you on distinctive profile for the Nations of the World in 2030. I am confident that it will help the Centre for African Studies, University of Mumbai to study the each pillars of the distinctive profile with respect to Africa, and evolve the risk management and mitigation strategies which will help to evolve win-win business and trade relationship

between India and Africa. Let me present to you these visualizations.

Distinctive profile for the Nations of the World in 2030

1. A world of nations where the divide between rural and urban, rich and the poor, developed and developing has narrowed down.
2. A world of nations where there is an equitable distribution and adequate access to energy and quality water.
3. A world where core competencies of each nation are identified. Missions synergizing the core competencies of different nations lead to economic advantage and faster development for all the societies.
4. A world of nations where all the students of all societies are imparted education with value system.
5. A world of nations where affordable quality health care is available to all.
6. A world of nations where the governance is responsive, transparent and corruption free.
7. A world of nations where crimes against women and children are absent and none in the society feels alienated.
8. A world in which every nation is able to give a clean green environment to all its citizens.

9. A world that is prosperous, healthy, secure, devoid of terrorism, peaceful and happy and continues with a sustainable growth path.
10. A world of nations with creative leadership who ensure effective mechanisms to resolve conflicts between nations and societies in a timely manner keeping overall peace and prosperity of the world as a goal.

Two possible solutions

There are two possible solutions for achieving this vision. The first solution seems to be the conventional approach which has been followed so far across the world. It starts with working for national prosperity and peace within the local boundaries and perspectives, hoping that over a long run it would percolate into regional prosperity and peace, ultimately may lead to prosperity and peace at the global level. The collective experience across the world highlights that this solution has not yielded the desired results in the past, and with a globalizing world, its efficacy in bringing global prosperity and peace in the future is uncertain.

The second solution would be, looking from the global prosperity and peace as the overall objective of the world, thereby percolating to achieve regional prosperity and peace which will ultimately ensure the national prosperity and peace of the participating nations. It is all about making a study

with reference to global context and finding, how every nation can align towards the global missions. It has also to be remembered that national missions inspire the citizens; this spirit has to be directed towards globally important missions.

Let me share India's experience in bringing regional prosperity between Africa and India through the International corporate Social responsibility.

Pan African e-Network

I would like to touch upon India's experience in regional cooperation in fulfilling the millennium developments goals set by United Nations for developing nations. As the President of India, I visited African countries such as Sudan, Tanzania, Zanzibar and South Africa in the year 2003-04. Based on the suggestions by the then President of South Africa (His Excellency Mr Thabo Mbeki) I addressed the Pan African Parliament in 2004, at Johannesburg (South Africa) which was attended by 53 member countries of the African Union. India proposed to establish the Pan-African e-network, between India and 53 African nations for providing seamless and integrated satellite, fibre optics and wireless network. This Indian initiative was accepted by the African Parliament as a right project at the right time to fulfil the MDG (Millennium Development Goals) of Africa. As part of the project, 12 universities (7 from India and 5 from Africa), 17 Super

Specialty Hospitals (12 from India and 5 from Africa), 53 tele-medicine centers and 53 tele-education centres in Africa were to be connected. The Pan African e-Network will primarily provide Tele-Education, Tele-Medicine, Internet, video-conferencing and VOIP services. It also supports e-Governance, e-Commerce, infotainment, resource mapping and meteorological services.

The programme is successfully running for the last 4 years. So far 48 countries are connected. The unique feature of this programme is to provide Graduate, Post Graduate education in Arts, Science, Engineering and Management to more than 10,000 students initially and the programme is completely implemented in a paper-less environment from entry to exit the entire education programme is completely digital. Also through Pan African e-Network, more 5000 doctors from Africa are getting Continuing Medical Education services to improve their skills in super specialty disciplines. So far more than 3500 CME sessions were conducted through this network and also providing tele-medicine services to all the 53 nations. Apart from this to bring an improved coordination among the President's Office of each African Nations, their offices are also connected to have a direct interaction through e-governance.

PAN African E-network is an example of international social responsibility emanating from the regional cooperation and act as an enabler for realizing the Millennium Development Goals of Africa set by United Nations. This programme will have a cascading effect on the socio-economic development of many developing nations and their societies. Global communities may like to facilitate execution of such international social responsibility programs which will enrich the regional development.

Let me now focus on how to bring sustainable development to the 3 billion people of the world which includes Africa and India.

Out of box ideas needed to meet the distinctive profile of nations of the world 2030

Friends, more than 3 Billion people live in the rural regions, and empowerment of these 3 Billion which is my topic today and will be the basis of our discussion further. The empowerment of rural regions of the world is critically important from the perspective of inclusive development, sustained peace and shared prosperity of the world. The untapped potential rural population and talent will be great treasure. Even the most developed nations in the world witness the rural urban divide. During my visit to African nations, like Sudan, Tanzania-Zanzibar, South Africa, and Mauritius, I felt the necessity of creating employment

potential, healthcare and education and bridge the rural-urban divide in African nations. I find for instance, when I was in Kentucky USA last year, I witnessed how the rural Eastern Kentucky is still in need for societal and economic development. When I visited Australia, I came across many cases where the government and other institutions were working towards the welfare of the native population of the region who are still backward. Of course, when it comes to the developing and underdeveloped world the majority of the population lives in these rural areas, which necessitates a special focus on them.

Bridging of the rural-urban divide is closely linked with the mission of overcoming poverty and inequity. About 70% of the world's extreme poor live in the villages and rural areas. But that is not the complete picture.

Driven by the need of education, healthcare and better income, the rural population is migrating to urban areas with a hope to get a better chance to opportunities, often meeting with despair. This further contributes to urban poverty as well leading to stresses and societal turbulence.

The rural areas of the world, occupy a position where there are unharnessed resources and potential, they have youth and traditional skills. They have to be nurtured into value adding enterprises leading to an environment of empowerment. How can such a mission of Empowering 3

Billion be realized? It would indeed require out of the box thinking and ideas previously un-conceived. We would need to evolve sustainable development systems which bring in sustainability and empowerment together and deliver in an entrepreneurial manner.

PURA and PURA Activated

The need of the hour is the evolution of sustainable systems which act as “enablers” and bring inclusive growth and integrated development to the nations of the world.

One such sustainable development system is the mission of Provision of Urban Amenities in Rural Areas (PURA) through creation of three connectivities namely physical, electronic, knowledge leading to economic connectivity.

The number of PURA for the whole of India is estimated to be 7000 covering 600,000 villages where 750 million people live. Similarly, about 30,000 PURA Complexes would be required to convert the 3 billion rural population of the world into a vibrant economic zone and bringing Sustainable Development to rural areas. There are operational PURAs in India initiated by many educational, healthcare institutions, industry and other institutions. Government of India is already moving ahead with the implementation of PURA on the national scale across several districts of India. Now all these examples of rural development through PURA along with

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international experience have taken the form of a book, titled Target 3 Billion.

Now let me present a platform which is a unique enterprise driven model of sustainable welfare model through the idea of a PURA Activated. The essence of PURA Activated is the belief that PURA enterprises of next generation, need to think of its relationship workforce as beyond being the provider of mere livelihood.

The PURA Activated envisages in the overall, integrated development of the rural population in the PURA Complex. Moreover, it has the vision of sustainable socio-business models which are as a vertically integrated network of multiple entrepreneurs, who share synergies and provide for value addition to each other, leading to overall benefit of all the stakeholders.

The PURA Activated has two kinds of entrepreneurs –

- 1) **Resource Entrepreneurs:** They will focus on the economic realization of the natural, traditional and human resources with the help of customized technology and modern management for enhancing the income level for every household. They would be achieving the critical role of moving resources up the value chain, by application of best practices and matching product to market. Their performance will be reflected in the overall growth of the GDP of the rural complex.

2) **Social Entrepreneurs:** The next category of entrepreneurs, will work closely with the resource entrepreneurs. They would focus on improving the human development index, in terms of education, healthcare and improvement of standards of living by provision of amenities and equity across various diversities. These entrepreneurs will hence promote the realization purchasing power into better life and hence more skilled workforce in the area. Their performance will be objectively reflected in the enhanced literacy levels, reduced IMR/MMR/sickness, enhanced nutrition, access to good habitation, sanitation, clean drinking water and quality energy. It will also lead to environmental consciousness and reduction and in societal conflicts.

The entrepreneurs of PURA Activated would work in close synchronization and integration with the help of local PURA champions – who may be institutions or organizations of repute. They will be partners with the government, local administration and Panchayati Raj (village governance institutions). The enterprise network of PURA Activated has to be evolved with the technical collaboration from a multi-dimensional array of technological and managerial institutions. Similarly, enterprises from different parts of the world can be partners to the PURA Activated by acting as

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equity investors, exploring and facilitating market linkages and providing a technological platform the best practices and innovative solutions to production challenges can strengthen the socio-economic rural complexes. In this way, enterprises, academic institutions and business units from across the world can share their core-competencies to harness the resources of untapped rural and sub-urban regions and also lead to human development. Such collaborative platforms for 600,000 villages covering 750 million citizens in India alone have over \$ 200 billion market in India, which can harness an agrarian economy leading to mutual benefits. With about the 3 billion people living in rural areas this global development system can be expanded in all the countries. I am putting forward this model to Centre for African Studies, University of Mumbai who share a global concern and endowed with the proven world class knowledge, so that you all can evolve this idea and be a partner to empower people of Africa, realize the global vision 2030 and bring global prosperity, happiness and peace in Africa and India.

Conclusion

Finally, I would like to ask you, what would you like to be remembered for? You have to evolve yourself and shape your life. You should write it on a page. That page may be a very important page in the book of human history. And you will be

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remembered for creating that one page in the history of the nation – whether that page is the page of invention, the page of innovation or the page of discovery or the page of creating societal change or a page of removing the poverty or the page of fighting injustice or planning and executing mission of Sustainable Development through the PURA mission in Africa.

With these words, let me greet all the participants of the workshop on “Dynamics of Risk Management in International Trade: Focus Africa” organised by Centre for African Studies, University of Mumbai for meaningful discussions and evolve strategies, policies, plan of action to empower both the nations and enrich the bilateral trade in a risk free environment so that Bilateral relationship between India and Africa will become a model for sustainable Global peace and prosperity of the world.

May God bless you