

Prof. Dr. Hartmut Ihne, President, Opening remarks at the Conference: "Universities, Entrepreneurship and Enterprise Development in Africa", 14 November 2014, Rheinbach

(Welcome)

Conference history

Two years ago, I was also standing here, reflecting on how companies can leverage university partnerships with Africa. I was (and I am still – more than ever) convinced that strategic cooperation between universities and the business sector are of crucial and fundamental importance for the wealth of our societies. And I am also convinced (by facts) that this kind of cooperation was and is seriously underestimated.

Done properly, universities-business cooperation could become a key in our efforts to overcome poverty and to improve the living conditions for the majority of the people in the global south (and - in the end - in the global north as well).

There are some encouraging examples for the fruitfulness of this type of cooperation. Our successful showcase cooperation project is one of it.

I still remember when we in 2011, together with professor Bode and a delegation from our university, met the State Secretary in the Federal Ministry of Development Cooperation, to convince him that development cooperation could do much more than in the past in supporting entrepreneurship in Africa, based on an innovative concept of universities-business cooperation.

Our idea was (1) to bring together students from our universities to jointly learn about how to start with a company, (2) to identify regional demanded

topics and business models, and (3) to identify partners from the private sector - including finance.

Mind meets mind, and hand meets hand.

So what about the State Secretary? As you see, we convinced him. Since 2012, via the DAAD, the BMZ supports this unique project. In addition, DEG came in with further funding. Many thanks to Prof. Polte, the former CEO of DEG, and Mr Wenn the recent CEO, that you recognised the potential of this project.

Conference topic

So it is along our basic idea of the project that this year's conference topic "Universities, Entrepreneurship and Enterprise Development in Africa" focuses on the important role which universities can play in entrepreneurship and enterprise development – both by engaging in public-private-partnerships and by promoting and teaching entrepreneurship.

Small and medium enterprises

Nevertheless, some structural aspects need to be focused upon. If you take a look at the world map drawn in the reports of the World Bank, OECD, and UNDP, you can state that most of the high ranked countries share one joint element: They have a strong and well organized SME sector. It is not the big multinational companies which stabilize the wealth of these countries, it is the SMEs.

These SMEs are embedded in well functioning, supportive structures like legal systems, business friendly policies, good working business networks

and associations, can access excellent experts, and have international competing power.

At least we saw countries like Germany, Switzerland, Canada, New Zealand, the Netherlands or the Scandinavian countries performing best in resisting the financial crisis since 2008. Why?

To make a case, I assert that it's all due to the strong and resilient structures of SMEs within those countries. Let me give you some figures: 99.6 % of enterprises in Germany are SMEs, 80% of vocational apprentices are trained in SME's, 60% of employees work within the SME landscape, and SMEs account for 57% of the German Gross Domestic Product in 2012.

Our SMEs are (1) highly innovative, (2) often committed to the well-being of the region they are situated in and (3) characterized by quite firm bonds between management and employees. This leads them to responsible behaviour even in difficult times.

I also think that we underestimate the importance and the impact which SMEs should have within Africa and with regard to African-German university–enterprise cooperation.

This is the key idea of our project and today's conference: we need to foster development via brains, via the exchange of knowledge and experience. And we urgently need to closely involve small and medium sized regional businesses and enterprises into our project and link them to the African-German cooperation.

What has to be done in the future? I think we should concentrate on four things:

- (1) to foster our running cooperation,
- (2) to extend our regional and transregional activities,
- (3) to integrate more partners (more companies, chambers and -apart from BMZ, DAAD, DEG - more institutions like the World Bank, the EU, the African Development Bank),
- (4) to improve the financial basis of our projects.

Words of gratitude

I'd like to use this opportunity to thank Professor Bode and the organizing committee for their excellent preparation of this event.

Wishing great success to our project and notably to this conference, I hope that you will all have good and inspiring discussions, and that they might lead to new projects and concrete results.

Thank you very much.