

The Exponential Cycle of Abundance: four vectors of future activating Africa's youth

Lala Deheinzelin, November 2013

This text is based on my presentation for the closing and conclusions of the High Level Interministerial Meeting with eight participating countries, and the theme: "A multisectoral approach to promote the employment of African Youth in Creative Economy".

At Praia, Cabo Verde, November 27 to 29, 2013

Introduction

The global challenge of achieving prosperity with sustainability is even more pressing in Africa, where 70 % of the population is constituted by youths and there is a prevalence of informality.

Soon, the continent's workforce will be of a billion people¹. How can we solve the problems of a billion young people? The answer is simple: we cannot. Also, if the solutions are not reached by the young people themselves, we will once again generate dependence and assistencialism. There will not be jobs for all of them. But there will be no shortage of work, and the answer might be in entrepreneurship, in new models of business and organization. If the youth is the greatest challenge of the African continent, it is also its greatest asset, therefore the first priority must be to create a propitious environment where they can develop².

What kind of work? For what kind of results?

The 20th century has made it clear that merely monetary results do not mean an improvement in quality of life. The need for sustainability forces us to act in a systemic, multidimensional perspective, taking into consideration financial, environmental, social and cultural dimensions simultaneously. We refer to these, in a more simplified manner, as **4D Prosperity**, because a systemic and simplified perspective perceives the economy as the **flow of resources in these four dimensions**. In order to achieve real quality of life, we need **4D results**: to optimize the use of tecno-natural resources (environmental dimension); create more joint actions, political participation, harmony (social dimension); more knowledge, culture, human values (cultural dimension) and, of course, a better use of time and income distribution (financial dimension).

How can we reach the goals of Sustainability in 4D ?

Challenges of today's world multiply in exponential scale, just as the demographic growth in Africa. *"The prosperity on the continent depends on acceleration: Africa must run, where others may walk."*³ Therefore, our solutions have to progress tuned to the rhythm of our times and also have an exponential character. We have to search for elements able to exponentially boost pre-existing resources, and the best way to find them is by systematizing the best practices⁴.

Examining these practices, we have noticed a recurrent pattern, a kind of cycle which we have called **Exponential Cycle of Abundance**, constituted by **four vectors that are shaping our future**. The key aspect is that each one of these vectors has an abundant nature and exponential dynamics. They may, therefore, be used as a steppingstone for us to framework our priorities.

Vector 1: Centrality of Intangible Assets.

¹ African Observatory for Policy Practice and Youth Studies presentation, Praia

² Charter for African Cultural Renaissance, African Youth Charter.

³ MKandawire T,(2009) Running while other walk: knowledge and the challenge of Africa development, LSE, London

⁴ Presentation of UNIDO, Praia

Culture, knowledge, creativity, experience, human values, shared causes and dreams are the intangible assets from which creative economy generates wealth. The traditional economy generates wealth from tangible resources, finite and scarce, as they are consumed by use. Yet creative economy can be a strategy for sustainable prosperity, because all people have their own culture and their own knowledge⁵ and intangible assets are infinite: they do not deplete, but multiply with use. While wealth generated from tangible assets grows in a slow, linear fashion, creative economy and network society advance exponentially. In the linear dynamic, five and five are ten. In the exponential, five and five are three thousand one hundred twenty-five.

Considering that *"Every human community is undoubtedly governed by principles based on culture,"*⁶ as well the above mentioned, some of the priorities would be to:

- formulate policies and promote joint action of the State and Civil Society, converging towards the transformation of society and economy, which achieve exponential growth by activating latent local resources.
- invest in capacity building, research, branding, marketing, that is to say, everything that may capitalize the communities intangible assets.
- prioritize communication and information, because intangible assets can only generate wealth once they are known and accessible.
- integrate formal and informal knowledge, producing and innovating from traditional practices, crafts and capabilities they offer

Vector 2: Information and Communication Technologies

The second vector is the ICTs, Information and Communication Technologies. A precious mine can only generate wealth through a chain that generates value, and when it is accessible. The treasure of intangible assets can only be accessible and have value generating chains when information and communication technologies are available. If African youth and cultural diversity are treasures, to reach them we need the intersectoral action which establishes the value chains of creative economy. Only the participation of actors originating from other areas enables the cultural good or service to convert into economics. Moreover, if sustainability is the great global challenge, ICTs offer a key, as they allow an exponential use of pre-existing resources. Metaphorically, we could say that the same available infrastructure, the "hardware", may embody many different "software": ventures and creative processes sharing space, equipment and materials, and differing by their intangible attributes.

Considering that *"States must ensure the use of sustainable and renewable resources to improve the living conditions of young people"*, our path is to:

- prioritize investment in digital technologies for information and communication, since these are the way to scale up the existing knowledge and skills through entrepreneurship and research.
- use the mediums and cultural expressions available in the communities to create mechanisms through which the creative potential of young people can effectively become innovation, *i.e.*, can be applied in a practical way.
- promote a paradigm shift, realizing that in the XXI century, the priority is not in creating new infrastructure, but in developing processes that can best take advantage of the existing ones.
- create mechanisms and policies for young people to have access to available and often underutilized infrastructure, such as space, equipment and materials. Through

⁵ Presentation by The Cabo Verde Minister for Culture, Praia, November 2013.

⁶ Charter for African Cultural Renaissance

management and shared use of these, the youth will develop their entrepreneurial skills.

Vector 3: networked collaborative processes

The combination of the first and second vectors result in the emergence of a third one: networked collaborative processes. Note that each of these vectors is infinite, is not consumed but multiplied when used, and is able to activate the others exponentially. Collaboration is intrinsic to nature and part of our traditional cultures. The novelty here is the possibility to scale up through collaboration. Macro economic and social solutions can now originate from an articulated set of local micro solutions, allowing global reach and scale, without the damage caused by homogenization. The major bottlenecks in the creative industries are diffusion and commercialization, which can be solved by integrated circuits, originated in the connection and collaboration between communities and groups. Besides creating circuits that allow the flow of production and knowledge, collaborative processes extraordinarily optimize existing resources. Practices observed reveal that processes can be made possible with 15 to 30 % of funds in currency and the remainder through collaborative flows of goods and services⁷.

"*Recognizing that cooperation is essential for harmony and mutual enrichment*⁸" and that "*Youth is an unparalleled partner for sustainable development, peace and prosperity*⁹", some strategies for this vector are to:

- create instances of governance that prioritize integrated and collaborative action both among the administrative entities of the State and between them and organized civil society.
- ensure the participation and leadership of young people in planning and decision making.
- upgrade standards and legal and tax procedures which, once lined on trust relationships, can be extremely simplified. This exempts up both the State and the citizens of the high financial and social costs of bureaucracy and corruption and consequent legal and tax inefficiency.
- recognize new modalities of entrepreneurship and production of knowledge that have distinct dynamics from the existing ones and are currently marginalized under the label of "informal".
- recognize the characteristics of the network society, which is less institutionalized and more proactive, where learning occurs through practice and collective action.

Vector 4: expanding the concept and metrics of prosperity

The fourth vector is what makes the former ones possible: expanding the concept and metrics of prosperity. In line with the concept of sustainability, to recognize and operate with cultural, social and environmental assets, beyond the financial. **The current metrics and indicators are only capable of measuring and assigning value to the quantitative and monetary. They are not adequate to deal with our exponential vectors, because these have an intangible, qualitative nature.** The solution to poverty and youth entrepreneurship may be triggered by the possibility to measure, assign value and create flows between non-monetary assets, so abundant in Africa.

Considering that "*Creative economy generates values beyond money*" and that "*Culture is a driver of financial, social and environmental development*¹⁰", the fourth vector depends on:

⁷ Data from creative and collaborative networks such as Fora do Eixo, Brasil

⁸ Charter for African Cultural Renaissance, Article 30

⁹ African Youth Charter

- seeking evidence and mapping other results beyond quantitative and monetary terms.
- making an inventory of existing 4D resources (financial, environmental, social and cultural), so that their circulation may facilitate projects.
- expanding and innovating forms of funding, creating less dependence on monetary resources¹¹.
- working towards the development and adoption of new indicators of wealth, which are able to make tangible the values of environmental, cultural and social resources of each community and nation¹².

The new role of the State

The focus on youth may be the birthplace of a new relationship between the Civil Society and State, where the latter moves forward from its initial stage as a producer and shall activate its largest capital, the social one. Only the State has the necessary conditions for articulating and facilitating, to promote not only the integration of its administrative bodies, but particularly the integration and convergence of all segments of society. When this happens, the State creates favorable conditions for society to assume its role and for it to be the producer. Going from producer to facilitator, the State will finally break the cycle of dependency in which the African continent is immersed.

Considering that "*The essential mission of the States is to build an environment conducive to innovation and cultural development*" and that "*All states should have a systemic national politics, and policies of intersectoral nature*" we conclude with some short-term lines of action:

- to direct the resources and personnel of States and Civil Society towards creating both economic and sociocultural policies that are territorial, systemic and cross-sectional.
- to create above-sectoral governance mechanisms and integrated action between ministries, for issues related to youth, entrepreneurship and creative economy.
- to understand the value chain of creative economy, realizing that it is formed by various actors; it requires learning from practice; it depends on the quality of products and services and on specific forms of funding.
- to move from strategies focused on infrastructure, products and events towards strategies focused on knowledge, processes and continuity.

Conclusion

It is important to note that the four vectors of the Exponential Cycle of Abundance are completely in tune with the modus operandi of youth. While for many the paradigm shift requires a lot of effort, for them it is the opposite. These new paradigms are their nature. When youth encounters a propitious environment to operate under these new paradigms, exponential and networked, their power is channeled and the results are also exponential.

On the other hand, when they are forced to operate within the paradigms of competition, homogenization and isolation of the twentieth century, this power turns against itself and against the society that prevents its flowering, resulting in violence and stagnation. Through collaboration, this power can be revealed and connected. Where there is connection, it is possible to generate wealth through the flow of resources, not only monetary but also environmental, social and cultural. Creating a favorable environment for creation and entrepreneurship, our youth may reveal the picture of the new Africa, desired by all: the coveted combination of autonomy and attention to the common wealth.

¹⁰ United Nations Creative Economy Report 2013

¹¹ See the experience of Banco da Cultura, Cabo Verde

¹² See advances on this subject resulting from the Rio + 20 Conference.