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Towards the post 2015 development agenda?



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In order to trace Africa's progress and potential it is important to look at the issue through the eyes of various African and global leaders from business, civil society, government and economists. It is only after such intense interrogation that one can truly determine where Africa is going and how it is getting there

With an expected annual growth of 5 per cent in 2012-2013, sub-Saharan Africa continues its transformative journey from a developing continent to a hub of global growth. According to the World Bank, almost half of Africa's countries have attained middle-income status. At the same time, the continent's positive outlook is threatened by fluctuating commodity prices, rising inequality and youth unemployment. To build on its achievements Africa's leaders need to strengthen the continent's competitiveness, foster inclusive growth and build resilience in a volatile global environment. Accelerating economic diversification, boosting strategic infrastructure and unlocking talent are critical success factors in this new leadership context.

In line with the various suggestions as well as preceding global and continental economic development initiatives, the 23rd World Economic Forum on Africa provided an important platform for regional and global leaders from business, government and civil society to deepen the continent's integration agenda and renew commitment to a sustainable path of growth and development by addressing the following themes:

- Accelerating Economic Diversification
- Boosting Strategic Infrastructure
- Unlocking Africa's Talent [1]

REFLECTIONS ON GROWING ECONOMIES AND HUMAN DEVELOPMENT

Africa's growth has never received so much attention or speculation as it has at this point in time. Consequently there has been rising international attention focused on Africa as a key investment destination. The fact that Africa managed to rise out of the recent global economic crisis unscathed verifies the argument that Africa indeed has possessed some form of tenacity economically. This position has been confirmed by the observation that the geopolitics of our time are changing indeed. These changing dynamics and the transformation of a large number of developing countries into dynamic major economies with increasing political influence, has had an impact on human development progress. But this progress it seems has not been observed evenly in all developing countries experiencing robust economic growth. [2]

Within Africa the fanfares have been hushed for failing to take into account the fact that growth remains unevenly distributed across the region and there has been observed failure of such growth translating into living standards comparable to those observed in other rapidly growing developing regions.[3"> For instance, the combined output from economies of Brazil, China and India are expected by 2020 to have surpassed the aggregate production of Canada, France, Germany, Italy, the United Kingdom and the United States. [4] It has been noted that much of this growth will and has been highly influenced by the south-south trading, technology and investment which has risen immensely over the past few years. But as already indicated, large prospects, especially in terms of human development have also been observed within these regions. Such development dynamics still lack even distribution in Africa. Since it has already been noted that economic growth alone does not translate into human development progress, more has to be done. [5]

There is still a need for pro-poor policies and high investments in human capacity. This can be achieved by focusing on education, nutrition, health and employment especially for the youth in Africa who constitute a majority of the population and the unemployed. Four areas of thematic focus to sustain development have

been identified as enhancing equity, including mainstreaming the gender dimension; enabling a greater voice and participation of citizens, especially in processes that affect them; confronting the environmental and climate change matter; and managing demographic change in Africa a continent whose population is rising drastically. [6]A recurring theme in the process of addressing all the above has been cooperation. This makes a lot of sense seeing that development challenges have become more complex and trans-boundary.

Addressing such challenges calls for concerted efforts whether it is in dealing with poverty, climate change or peace and security. For Africa whose borders are porous and in this era when countries are becoming increasingly interconnected through trade, migration and technology, policy decisions in one place have substantial effects on the other side. [7]

Thus to harness the wealth of knowledge, expertise and development thinking in Africa, regional integration has been re-emphasized as an important ingredient for Africa's development. A special call has been made for specific focus on regional integration to be a stepping stone for building economies of scale, increasing competition, and fostering economic diversification. Regional integration within Africa and the continent's integration with developed economies are essential to its growth and development. [8]Regional integration would allow countries to be united in their dealings with international partners and small and medium-sized companies to flourish. [9]

NATURAL RESOURCES AND FDI ATTRACTION

The 2013 Report of the Africa Progress Panel indicates that people in most of Africa's resource rich countries are often the poorest. Few countries have actually used the increased revenues generated by resource exports to counteract rising inequality, build better healthcare and education systems or strengthen small holder agriculture. [10]Natural resources have the potential of fuelling Africa's transformation. But for sustainable development to be achieved through this transformation, diversification and investment in human capital will be necessary. [11] Foreign direct investment into Africa has been soaring as a result of the increasing demand for commodities from developing nations. This has created an opportunity for Africa to better utilise its wealth from its non-renewable resources to eradicate poverty.

Sectors that are particularly booming across the continent include: Mineral, oil and gas, property and agriculture. Sectors mentioned as being important for Africa's future growth include agriculture, financial services, natural resource extraction, investment in IT infrastructure, housing, power supply and regional trading of electricity. Tourism and healthcare have also been suggested as important sectors for Africa's development and job creation.

Africa's agricultural, mining and energy resources could boost the continent's economic growth and pave the way for a breakthrough in human development. The continent's outlook for 2013/14 is promising, confirming its healthy resilience to internal and external shocks and its role as a pillar in a recovering global economy. Africa's economy is projected to grow by 4.8 percent in 2013 and accelerate further to 5.3 percent in 2014. [12] Yet once again this growth has been accompanied by insufficient poverty reduction, persisting unemployment, increased income inequalities and in some countries, deteriorating levels of health and education. 13">

THE MDGS AND SOCIO-ECONOMIC DEVELOPMENT

With fewer than 1000 days until the 2015 target for the MDGs, overall performance on the MDGs has not been so bad, neither has it been great. But the good news is that 15 of the 20 countries which made great strides were from Africa. [14] Countries such as Benin, Ethiopia, Gambia, Malawi and Rwanda have made and are still making impressive progress related to a number of MDGs goals and targets. Out of the African countries that are doing well in terms of achieving some of the set goals, most happen to be countries that have sustained equitable growth, political stability and human development oriented policies.

The most success in terms of MDGs achievements has been observed in MDG 2 which relates to achieving universal primary education as well as MDG 3 which deals with the promotion of gender equality and empowerment of women. MDG 6 on combating HIV/AIDS, TB, malaria and other diseases as well as MDG 8 responsible for Global partnerships for development have also maintained a good momentum. Goals that are off track include MDG 1 on the eradication of poverty and hunger, MDG4 on the reduction of child mortality, MDG 5 on the improvement of maternal health as well as MDG 7 on ensuring environmental sustainability. Nevertheless, the above standards should have taken into account the fact that there have been some countries that have done well within the off track areas. Regardless of the track set by the MDGs, suggestions have been made and steps have been initiated to put in place structures to sustain Africa's development well beyond the MDG timeline.

The post 2015 development agenda must consider the initial condition of nation-states and recognize countries' efforts towards the goals, as opposed to measuring how far they have fallen short. [15] Africa must commit to inclusive, diversified, transformative development that among other things reduces income poverty, creates decent jobs, enhances access to social services and reduces inequality. Such development path should in addition promote resilience to climate change related hazards, promote education especially maths and science, forge a new model of growth based on inclusivity, urge companies that are investing in their own continent to do so more and rely on and promote exports, not only within hydrocarbon industries, but also within other industries to avoid the Dutch disease. It should be the kind of inclusive development that translates mineral wealth into socio-economic development, promotes public private relationships that are capable of making Africa competitive, promotes trading within Africa itself, regards infrastructure development as a crucial component and promotes economic diversification as a buffer for Africa within the uncertain global environment.

Economic diversification is essential for African economies to build buffers against vulnerability in a volatile world. Creating a savings culture and increased tax base to help fund intra-African trade and investment and reduce African countries' dependence on customs revenues is another factor that could provide buffers against volatility and improve trade flows by lessening the incentive for countries to impose non-tariff barriers. [16]

Africa's growth rates are not a flash-in-the-pan as shown by the fact that, even within the uncertain global economic climate, Africa continues to grow. [17] But it is important to find ways to step up the growth and make it inclusive. [18] It is not only the measurement of gross domestic product that is important, but the quality of that GDP. Africa needs to produce a new model of growth based on inclusivity and create new economic institutions both within and between countries to support it. The flow of capital out of the continent has to be stemmed to increase the availability of investible capital within Africa. Although foreign direct investment in Africa is growing, much of it is still going into the resources sector. [19] The challenge of the next five years is to lay the basis for greater diversification based on countries' comparative advantage. The time has certainly come for Africa to start talking about what it is going to do for itself. Africans should take advantage of the increased confidence and interest in the continent by negotiating better terms of trade. [20]

CONCLUSION OR BEGINNING? AFRICA'S POST 2015 DEVELOPMENT AGENDA

As far as post 2015 is concerned a more involved private sector is necessary. In addition, technology which could be Africa's greatest key should be promoted. In line with this, ways of financing access to this technology have to be boosted. Mobile technology has already revolutionised the way business, financial transactions and social development is taking place in Africa. [21] Such innovative technological explorations should be supported by African policy and regulatory mechanisms and African governments should venture into promoting other technological tools. For instance, social media is going to become more important as a tool not just for communication, but also for improving governance and breaking hierarchies that place themselves above citizens, thus it should be fostered as an emerging communication tool. [22]

The empowerment of women should also be placed high on the agenda including the promotion of innovative business and their participation in the private sector. It is important for the African continent to invest in people who happen to be its key resources. Investment in people is not just about investing in the youth, but also in women, who make up more than half of Africa's population. Although 80 percent of Africa's farmers are women, they still lack title to land in most of the continent. Women and the youth need to be placed at the centre of transformation in Africa. [23]

High numbers of young people are a challenge for future policy-makers, but also a major opportunity as they provide innovation and creativity that can drive the creation of successful businesses across the continent. Finding jobs and creating opportunities for young people including the promotion of entrepreneurship is important for the growth of the continent. [24]

Promotion of greater mobility could spur Africa's development. Connecting the continent through infrastructural development and removing bottlenecks to greater mobility of people will allow Africans to work together towards the common goal of developing their continent. So far the difficulty of moving goods and people around the continent is stagnating growth. [25]

An Africa that is at peace with itself is a key ingredient for success over the next 50 years. This does not mean that differences between peoples and countries should be swept aside, but rather that they should be respected and managed. Good governance underpinned by robust and resilient political systems is also important for building the continent. The same goes for the encouragement of private-sector enterprise, particularly at the level of small and medium-sized industries, which are the true engines of inclusive growth. [26]

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ENDNOTES:

1. The World Economic Forum is an independent international organization committed to improving the state of the world by engaging business, political, academic and other leaders of society to shape global, regional and industry agendas. The 23rd World Economic Forum on Africa took place in Cape Town between the 8th and 10th May under the theme "Delivering on Africa's Promise". The three-day event drew over 1000 regional and global leaders from business, government and civil society from over 50 countries; See <http://www.weforum.org/> (<http://www.weforum.org/>) Accessed on 8-May-2013
2. UNDP 'Human Development Report' 2013
3. World Bank 'The Africa Competitiveness Report' 2013 at 11
4. UNDP 2013 Report above at iv
5. UNDP 2013 Report above at iv
6. UNDP 2013 Report above at iv
7. UNDP 2013 Report above at iv
8. Carl Bildt, Minister of Foreign Affairs of Sweden, told a Bloomberg televised session on Africa's Global Partnerships at the World Economic Forum on Africa 2013
9. Mario Machungo, Chairman, Millennium BIM, Mozambique at the World Economic Forum on Africa 2013
10. Africa Progress Panel 'Equity in extractives: sharing Africa's natural resources for all' Africa progress panel report 2013; See World Bank 'Africa's economic growth to outpace average' at <http://www.bbc.co.uk/news/business-22156755> (<http://www.bbc.co.uk/news/business-22156755>) Accessed on 8-May-2013; See also <http://www.worldbank.org/en/news/press-release/2012/10/04/despite-global-slowdown-african-economies-growing-strongly-world-bank-urges-countries-spend-new-oil-gas-mineral-wealth-wisely> (<http://www.worldbank.org/en/news/press-release/2012/10/04/despite-global-slowdown-african-economies-growing-strongly-world-bank-urges-countries-spend-new-oil-gas-mineral-wealth-wisely>) Accessed on 8-May- 2013
11. UNECA, AfDB, UNDP and OECD Development Centre 'African Economic Outlook' 2013 Report
12. African Economic outlook Report 2013
13. African economic outlook report 2013
14. African economic outlook report 2013
15. African economic outlook report 2013
16. World Economic Forum on Africa- session on Africa's economic outlook
17. See McKinsey Report 'What is driving Africa's growth' at http://www.mckinsey.com/insights/economic_studies/whats_driving_africas_growth (http://www.mckinsey.com/insights/economic_studies/whats_driving_africas_growth) Accessed on 8-May-2013
18. Ngozi Okonjo-Iweala, Coordinating Minister for the Economy and Minister of Finance of Nigeria at World on Economic Forum on Africa- session on economic outlook
19. Ngozi Okonjo-Lweale above
20. Pravin Gordhan, Minister of Finance of South Africa at World Economic Forum on Africa-session on economic outlook
21. Fengler W, Joseph M and Mugenyi P 'Mobile Money: A Game Changer for Financial Inclusion' What Matters McKinsey and Company 2011
22. Arif M. Naqvi, Founder and Group Chief Executive, The Abraaj Group, United Arab Emirates at the World Economic Forum on Africa 2013; See the story of 'Ushahidi', an open source platform which allows users to crowd source crisis information to be sent via mobile. In the aftermath of Kenya's disputed 2007 presidential election the platform collected eyewitness reports of violence sent in by email and text-message and placed them on a Google maps. The organization uses the concept of crowd-sourcing for social activism and public accountability, serving as an initial model for what has been coined as 'activist mapping' – a combination of

social activism, citizen journalism and geospatial information. 'Ushahidi' offers products that enable local observers to submit reports using their mobile phones or the internet, while simultaneously creating a temporal and geospatial archive of events.

23. Bineta Diop, Chair of the Executive Board, Femmes Africa Solidarité, Switzerland at the Africa World Economic Forum 2013- session on Africa 2063 - From Fragility to Stability

24. Bineta Diop, Chair of the Executive Board, Femmes Africa Solidarité, Switzerland at the Africa World Economic Forum 2013- session on Africa 2063 - From Fragility to Stability

25. Bineta Diop, Chair of the Executive Board, Femmes Africa Solidarité, Switzerland at the Africa World Economic Forum 2013- session on Africa 2063 - From Fragility to Stability

26. World Economic Forum on Africa 2013- session on Africa 2063 - From Fragility to Stability

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