By advocating an integrated and multi-sectoral approach, capable of promoting development strategies and planned and inclusive changes, the present work – published with the support of the United Nations Development Programme (UNDP) – highlights the challenges, but also the potential of the African continent as well as the best practices required to succeed on the road towards emergence.

Indeed, Africa has the human, economic and environmental resources which, when combined, ought to enable the virtuous process of emergence to be initiated. However, the fact remains that many countries are still confronted to major challenges, such as the fight against poverty and inequality, the achievement of growth which creates wealth and productive and decent jobs, the structural transformation of modes of production and consumption, technological mastery and the modernisation of public administration.

Through the analysis and guidelines it offers, this book – which was co-written by high-ranking officials of African public administrations and experienced United Nations System practitioners – constitutes a work of reference to support African countries, international institutions and development partners. It aims to promote a better understanding of the challenges and issues of emergence.
The Emergence of Africa:
Issues and Opportunities
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The Emergence of Africa: Issues and Opportunities

Nialé Kaba  Babacar Cissé  Idrissa Diagne  Luc-Joël Grégoire

Preface
Alassane Ouattara
President of the Republic of Côte d’Ivoire
Preface

Many African countries have the ambition of attaining the status of “emerging nation” and have made this their major development objective, in order to catch up with the living standards and competitiveness which can be found in other regions of the world, and to ensure inclusive and sustainable human development can be achieved. Twenty countries have, therefore, developed plans and programmes in order to meet this objective and are working to implement them.

Over the last ten years, our Continent has experienced economic growth of over 5%, one of the highest performances worldwide. Six out of ten of the countries with the highest growth rates worldwide are in Africa. Among these, Côte d’Ivoire is high on the list, with an average annual rate of 9% over the last four years.

Strong and sustainable economic growth does not happen by chance. It is the result of sound, persistent work over time, of the establishment of a series of far-reaching, coherent structural and sectoral reforms and well-targeted public and private investments, within a stable and planned macro-economic framework.
As I stated at the first International Conference on the Emergence of Africa, held in Abidjan in March 2015, emergence is a wager on the future. It is built and nurtured in a climate of peace, security, dialogue and social cohesion. Winning this bet on emergence also depends on ambitious measures being taken to promote high rates of investment and savings, to give the agricultural sector and rural world all the attention it requires and to accelerate industrialisation and the processing of raw materials, whilst also attaching the utmost importance to the need to ensure development is sustainable.

This transformation is founded on the valorisation of human capital (health, nutrition, education and professional training) and on changes in mentalities that open up unique prospects to enhance the cultural dimension of development. The mobilisation of domestic resources, the vitality and competitiveness of the banking and financial system, and the efficiency of development cooperation – starting with South-South cooperation – must be the building blocks of democratic and institutional governance and they must help strengthen key partnerships for inclusive and sustainable development.

The present work, published with the support of the United Nations Development Programme (UNDP), highlights the challenges, potentialities and best practices required to win our wager and progress towards the emergence of African countries.
This book advocates an integrated and multi-sectoral approach capable of promoting planned and mobilising transformation strategies to work towards the emergence of Africa.

Through the analysis and guidelines it offers, this book also constitutes a work of reference to support African countries, international institutions and development partners. It aims to promote a better understanding of the challenges of emergence and to share experiences which are essential to development policies and strategies.

We are convinced that the process that will lead to the emergence of Africa is truly underway. It is indeed possible to fundamentally improve human development, to generate accelerated and beneficial growth for all, and to better manage globalisation and the dynamics of regional development, in order to put these to the service of as many people as possible, and the poor in particular.

Our country, Côte d’Ivoire, is committed to taking the road to emergence, with the strong conviction that it will rise to the challenge, like many other nations on the African continent, and build a better future for the people of Africa.

H.E. Mr Alassane Ouattara
President of the Republic of Côte d’Ivoire
Foreword

Abdoulaye Mar Dieye
Deputy Administrator and Director
of the United Nations Development Programme (UNDP)
Regional Bureau for Africa

Emergence is a promise for the future, which must be planned and forged in a stable environment, one of peace, security and of respect of human rights. The African continent has unequivocally subscribed to the 2030 global agenda for Sustainable Development Goals (SDGs). For a decade now, our Continent has seen economic growth of over 5%: one of its highest performances on record.

The 2063 Agenda of the African Union also undoubtedly constitutes a major and ambitious objective for an emerging and prosperous Africa. With the SDGs and the 2063 Agenda, Africa has a unique window of opportunity to accelerate its progress towards emergence.

African countries will only fulfil this legitimate ambition for development if they work on promoting an emergence founded on democratic governance which is mobilising because it is enlightened, consensual and inclusive. A great majority of African governments today believe that the state has a central role to play in this process.

The key role of the state was brought to the fore through the analysis of recent experiences in countries that succeeded in achieving a rapid transformation in their political, economic and social systems, thus giving rise to the notion of a developmental state. Indeed, beyond its usual governing powers, the “African developmental state” wants to acquire a shared vision, clearly translated into development actions, driven by beneficial structural reforms which are consistent with the general interest.
Such a state must come together through national institutions which have the means and capacities to function in an enduring way. This state must be capable of planning for mid- and long-term development within a climate of justice, equality and peace. It must be able to channel investments towards sectors, programmes and projects which must help achieve the key global and sectoral goals to ensure the emergence agenda can be delivered. It also has to provide the basic social and economic services, enable private initiatives to flourish, and ensure markets operate efficiently.

The strategic planning systems which ensure there is a degree of coherence between the central and local levels and which are focused on Sustainable Development Goals (SDGs) are essential and must be fully supported. Similarly, territorial planning issues as a central factor of geographic inclusiveness and balance between the rural world and the major expanding cities are crucial for emergence. Needless to say, a state’s action must be based on transparency and accountability, those essential conditions for the good governance of institutions. The latter must be driven by a sense of responsibility and an increased participation of the private sector, of civil society and local and regional authorities.

We also know how essential it is to come up with concrete and operational policies to ensure the structural transformation and inclusive development of Africa and to promote the tools and methods of analysis, planning and evaluation of emergence.

There can be no emergence without strong, sustainable and inclusive growth, and the latter cannot be determined by market forces alone. Emergence is the result of the implementation of a series of far-reaching coherent structural reforms and of well-targeted public and private investments, as was indicated by the heads of state present in Abidjan, at the first International Conference on the Emergence of Africa, held in March 2015.

This ambition must be supported by a macro-economic and financial framework that is both robust and sustainable in the long term.

For over a decade, Africa has experienced remarkable growth, yet, this has not led to its emergence. In most countries, economic growth is still based on the export of natural resources and an improvement in the terms of trade, which leaves many countries vulnerable to external shocks.
Yet, the experience of emerging countries shows that the most successful among them have seen a huge accumulation of physical capital and natural capital as well as an improvement in the human capital accompanied by a massive transfer in qualified skilled labour towards the commercial and industrial sectors.

In this context, the acceleration of industrialisation and the transformation of raw materials are essential factors for the consolidation and stability of strong and sustainable growth in Africa.

However, this growth must be founded on an improvement in the productivity of production factors, based on the harnessing of technological progress, the development of competences and the promotion of a business climate conducive to investments as well as full accountability in terms of corporate social responsibility.

The experiences of emerging countries also show us that these nations have been able to take the necessary measures to significantly increase their investment and savings rates, in both the public and the private sectors. An effective and competitive financial and banking system, offering a range of varied products, providing good financial intermediation – particularly between investors and savers – is vital, in this respect. Potentially, Africa has the means to finance its development. Besides having internal savings, now seeking to be invested locally, African financing has developed and become more professionalised with the advent of truly integrated banking networks and the flow of sovereign and private investment. We must be daring and creative, in order to forge strategic partnerships working towards energy, access to water, sanitation or waste management, and do so whilst mobilising both public and private resources.

Mobilising internal resources is key in this context. This will involve the opening up of the fiscal space of countries, the implementation of tax incentives and making full use of fiscal capacity as well as taking resolute action against illicit capital flows.

Involvement in the financial system of the more vulnerable populations, including women and young people, must be encouraged in order to strengthen their participation in the economy and to guarantee social protection for as many people as possible. Access to loans is particularly important.
Furthermore, the countries which have chosen the path that leads to emergence have chosen to fully and strategically integrate into a globalisation of trade, whilst fighting against unfair competition.

Embarking on the road towards emergence means the countries of the Continent must show strong and sustainable, lasting, diversified economic growth, with strong added value; they must be centred on people and make good use of technology and innovation. In order to do so, these countries must promote modes of production and consumption which are aligned with the demands of a transition towards a green economy, whilst strengthening the capacity for resilience of their production system, as well as that of their organisational and energy infrastructures.

In order to promote a more inclusive and accelerated growth, countries will have to target the sectors and places where the poor are concentrated, thus enabling the latter to contribute more directly and significantly to growth. In this context, one of the keys to success – other than increased agricultural performance – is the diversification of rural revenue through non-agricultural rural activities. In order to be sustainable, the achievement of such growth, will, on the one hand, rely on the improvement of social safety nets and monetary transfers in order to efficiently redistribute the benefits of growth and, on the other hand, integrate the preservation of the environment and include human security and resilience issues.

Regional integration – through the creation of regional blocs which might ultimately lead to the improvement of intra-regional trade and to effective access to global markets and an improvement in value chains – is just as important.

The social dimension of development is a condition for emergence. Therefore, the countries of the African continent must renew their education systems and redirect them by focussing on changes in behaviours and mentalities, the development of competences and jobs for young people, as well as the empowerment of women. They must improve health systems, paying particular attention to accessibility, availability and the cost of services. Finally, they must promote appropriate population policies to make the best of rapid urbanisation and to successfully manage the migration flows which significantly contribute to this process.
This work, which was compiled by the Government of Côte d’Ivoire and the UNDP, seeks to bring about a better understanding and a shared appreciation of the conditions and opportunities which are necessary for emergence in Africa. It aims to stimulate debate and an exchange of experiences regarding the problems and conditions of emergence, in light of the dynamics which have enabled economic and social transformations to take place in emerging countries like China, Brazil, India, Turkey or Malaysia. It also helps to highlight the nature of this process for Africa as well as to outline ongoing experiences at national or at regional level.

Africa is resolutely committed to embarking upon this complex and delicate road towards emergence. It needs the mobilisation of vital forces and the support of its development partners.

The United Nations Development Programme is firmly convinced that Africa will rise to the challenge and will, as such, continue to support the Continent in its ambitious but legitimate progress towards sustainable human development.
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Luc-Joël Grégoire, UNDP Country Director, Côte d’Ivoire

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Acronyms
Acknowledgements
Book coordinators
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Emergence and Public Governance

With contributions from:
Babacar Cissé - Nialé Kaba - Alioune Sall
El Hadj Fall - Tano Joseph N’Grouman
Pascal Abinan Kouakou - Tertius Zongo
Prof. Tiékoura Koné - Luc Gnonlonfoun
Idrissa Diagne - Yao Koffi
Why Peace and Security are Key to Economic Emergence

Babacar Cissé
Deputy Special Representative of the Secretary-General of the United Nations and UN Resident Coordinator in Côte d’Ivoire

Introduction

Over the past decade Africa has made remarkable strides in terms of promoting democracy and cooperation whilst enjoying high levels of economic growth. West Africa was affected by civil wars, political instability and issues around governance during the 1980s and 1990s but since the 2000s, the sub-region has reconnected with its identity and moved forward again. Moreover, economic growth has been healthy since 2005. Paradoxically, this rapid development has led to tensions which pose a threat to the emergence of Africa. This state of affairs is an illustration of why it is necessary to engage with peace and security when defining development policies. This chapter argues that a number of interventions are necessary in order to guarantee lasting peace and security, thus bringing about a context in which African countries can emerge. It is however important, before coming to this, to outline the security challenges that Africa faces and to review some of the work that has been done on the importance of peace and security to development.

There are therefore four strands to the argument presented here. The first section discusses security challenges in Africa. The second offers an overview of research on the relationship between peace and security and development. The third part of this chapter looks at what is needed to bring about lasting peace and security in Africa. This contribution concludes with recommendations aimed at ensuring that peace and security become an ongoing reality of everyday life on the African continent.
The security challenges facing Africa

The main security threats in Africa are political crises that lead to armed conflicts, radicalisation leading to terrorism, arms and drug trafficking, maritime piracy and money laundering.

The persistence of armed conflicts.

Numerous armed conflicts have erupted in Africa since the 1960s and the 1990s marked a turn for the worse. Between 1990 and 2014, 29 of the 54 countries of the African continent (9 in West Africa, 9 in East Africa, 6 in Central Africa, 3 in North Africa and 2 in Southern Africa) experienced at least one armed conflict. The proportion of the world's conflicts that were attributable to Africa rose from 28% between 1990 and 1994, to 45% from 2000 to 2004, before rapidly declining in 2005-2009. In 2010-2014, although the average annual number of conflicts in Africa rose (from 4 to 5), the percentage of global conflicts occurring on the Continent dropped very slightly (from 6.46% to 6.43%). However, 2015 saw a rise in Africa's contribution to global conflict with 14 armed conflicts out of 120. As of 15 June 2016, 12 conflicts were ongoing in Africa: 3 in West Africa (2 in Nigeria and 1 in Mali), 3 in East Africa (Somalia, South Sudan and Ethiopia), 4 in North Africa (2 in Sudan, 1 in Libya, one in Egypt) and 2 in Central Africa (Central African Republic and Angola). The conflicts are all internal and often involve governments fighting jihadi groups such as Boko Haram in Nigeria and MUJAO (Mouvement pour l'Unicité et le Jihad en Afrique de l'Ouest, Movement for Oneness and Jihad in West Africa) and AQIM (Al-Qaeda in the Islamic Maghreb) in Mali.

Marc et al. (2015) have drawn attention to the fact that over the past ten years, the principal forms of violence affecting West Africa have evolved. Civil wars and large-scale conflicts between states are less common and less intense. They do nevertheless have deleterious consequences for African economies. They result in the destruction or deterioration of physical, social and human capital. International comparisons show that wars result in a 15% drop in average incomes and lead to a capital flight that affects on average 20% of the working-age population (Hugon, 2006). As a result, the risk of war is higher in countries

1. This figure was calculated using the Uppsala Conflict Database 2015.
2. This is a reference to the uprising in the Ogaden.
that have already experienced a civil war: we must be aware of the existence of vicious circles that keep countries trapped in a cycle of conflict and under-development.

In order to break these vicious circles and move towards economic emergence, African states must therefore tackle the causes of armed conflicts. They are numerous⁴ and include, amongst others, political and economic factors. Poverty, inequalities between ethnic groups or regions, dependency on natural resources and youth unemployment are some of the economic factors at play (Collier and Hoeffler, 2002). As for the political factors, they are connected to the struggle for power that is seen as the main factor behind conflicts in Africa. According to Degni-Ségui, civil wars are motivated by the desire to retain power or to acquire it. In Africa, power is obtained through the ballot box and the use of weapons. Recourse to force, with support from overseas, is even seen as the standard way of transferring power in Africa. It is telling that whereas it was thought that the military had been confined to their barracks following the emergence of multi-party politics in 1990, soldiers have regularly intervened in the democratisation process to put a stop to developments. Moreover, armed groups (factions within the regular army, militias, etc.) have sought to take power in different parts of Africa.

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The desire to hold on to power, on the other hand, is apparent in the pre-1990 rejection of pluralism by authoritarian regimes and the subsequent resistance to any notion of political change. The latter phenomenon has resulted in elections being marred by massive fraud which has led to armed violence and civil wars. Carbone (2013) adds that whilst multi-party elections have made it possible to transfer power peacefully, thus reducing the number of coups and armed conflicts, the increase in their number since the 1990s and the advent of the multi-party era has coincided with a rise in electoral violence. Several theories

⁴ According to Hugon (2006), these factors are cultural, social, political, military and geopolitical.
have been put forward to explain this violence. Souaré (2010) for
example emphasises the stakes that are involved: access to executive
power equates to close control of the economy which provides clear
incentives. Leonard (2010) claims that elections enable political actors to
strengthen their position and mobilise members of their ethnic or
religious groups by inflaming tensions and pandering to extremism.

As a result, in order to tackle these factors that contribute to conflicts, a
number of initiatives have been taken by regional bodies responsible for
resolving disputes and preventing and managing conflicts, with the
support of local stakeholders and of the international community. For
example, in 1999, in West Africa, the Economic Community of West
African States (ECOWAS), adopted a protocol governing mechanisms for
the prevention, management and resolution of conflicts, the consolidation
of security and peacebuilding. Agreement on this protocol led to the
establishment of six organisations including the ECOWAS Early Warning
and Response Network (ECOWARN). The adoption in 2008 of the
ECOWAS Conflict Prevention Framework (ECPF) was a key turning
point. There are 14 dimensions to this framework with particular
attention being paid to governance, empowering young people, early
warning systems, cross-border initiatives and the ECOWAS Standby
Force. The framework made it possible to involve civil society in work on
conflict resolution and restoring peace and it promoted greater efficiency
in the prevention and resolution of conflicts. Actions undertaken include
the appointment of observers in the sub-region who represent civil
society, drawing up a practical guide to solving electoral disputes under
the auspices of the West African Network for Peacebuilding (WANEP),
and the adoption in 2001 of the Praia Declaration on Elections and
Stability in West Africa.

Drug trafficking, maritime piracy and organised crime: worrying threats
to African security

Drug trafficking has become increasingly prevalent over the past decade
and constitutes a serious threat to security. The scale of trafficking in West
Africa was revealed between 2005 and 2007 by the seizure of a number
of consignments containing several tonnes of cocaine from South
America that were destined for the European market (UNODC, 2013, p.9).
In 2011, 21 tonnes of cocaine, equivalent to 17% of the total amount
consumed in Europe, transited through West Africa, generating 1.7 billion
US dollars of revenue.5 This is due to the fact that South American drug

5. See Marc et al., 2015, p.16.
cartels find that countries with a coastline and with porous borders, weak and corrupt states and sparsely populated islands all provide an attractive environment in which they can move their products destined for the European market.

As well as being a transit zone, West Africa also runs the risk of seeing a local market in drugs develop and could witness the formation of criminal gangs connected to this trade: it is easy to acquire light weapons, unemployment is high and purchasing power is weak. Young people are particularly vulnerable to this trade as they account for 60% of unemployed people in Africa.

Drug trafficking has a number of negative consequences. It helps finance rebel groups and extremist movements. It can also serve to corrupt officials and members of the security forces, destabilise governments and weaken states, erode the social fabric and affect economic development (Marc et al., 2015).

In parallel, according to the International Maritime Organization (IMO), maritime piracy in the Gulf of Guinea has increased in scale over the last ten years. According to the Armed Conflict Location and Event Data Project (ACLED), initial attacks on fishing boats and Nigerian vessels subsequently spread to the coastlines of Togo, Côte d’Ivoire and Benin and now affect oil tankers.

Weaknesses in the management of maritime space and the lack of cooperation between states are behind the rise in piracy. The consequences for the African countries that are affected are significant. First, the income from these activities generally serves to arm rebel groups and extremist movements such as those active in the Niger Delta and Somalia. Second, piracy has an indirect impact on political stability, the economy, and activities such as fishing that populations rely on to survive. Finally, it affects the level of direct foreign investment and commerce. In order to combat piracy, the IMO has therefore set up the West and Central Africa Maritime Security Trust Fund.

International criminal networks have also exploited the lack of border controls and the absence of mechanisms to properly enforce the rule of law in certain countries of West Africa. This context has contributed to an increase in banditry, human trafficking, cigarette smuggling and gunrunning.
The growing threat of terrorism

The threat of terrorism looms ever larger in Africa. ACLED reports that violence connected to Islamist militias has considerably increased across the Continent. It accounted for 13.54% of all political violence in 2012 as opposed to 4.96% in 1997.

This threat has spread from three main sites of confrontation, namely:

- The Sahel-Sahara region where jihadi groups remain active despite suffering losses and having been weakened in the course of Operation Serval and its successor mission, Operation Barkhane;
- West Africa, and in particular Nigeria and Mali where groups such as Boko Haram, Ansar Dine, the Movement for Oneness and Jihad in West Africa (MUJAO) and Al-Qaeda in the Islamic Maghreb (AQIM) are active;
- Somalia and neighbouring East African states where the Al-Shabaab movement remains active in spite of the achievements of the African Union Mission to Somalia (AMISOM).

Terrorist organisations take advantage of the weaknesses of local police forces and of porous borders to carry out attacks targeting westerners and locals in more than one country (Carson, 2010). Straus (2012) notes that in West Africa, extremist groups now find it easy to move from one state to another. They bear a greater resemblance to ‘armed mobile gangs’ with bases in several locations than to armies organised in a more traditional way – as the recent attacks in Ouagadougou and Grand-Bassam showed. These groups benefit from the financial support of international terrorist networks and are the product of a range of factors including poor governance, corruption, lack of accountability, under-development and an inter-generational crisis (Marc et al, 2015).

In addition to its direct human and material cost, terrorism is viewed as causing countless economic problems. Bandyopadhyay et al. (2015) highlight its role in causing a loss of revenue and slowing growth at a national level, its impact on direct foreign investment and the effect it has on global commerce. With respect to the first point, the authors note that small developing countries, whose economy is reliant on a handful of sectors, are not as resilient as large rich countries when it comes tocountering the effects of terrorism. In developing countries, resources such as labour or capital can be transferred from a sector that is affected towards less productive activities; they can even end up being relocated overseas. Moreover, these countries are behind when it comes to the...
latest specialised counter-terrorism approaches (surveillance equipment, police or armed forces with advanced technological expertise). The terrorist threat can therefore persist and result in macroeconomic costs that are higher and have a more lasting effect than elsewhere. This was confirmed by Gaibulloev and Sandler (2009) who looked at a sample of 42 Asian countries (7 were classed as developed and 35 as developing). They found that terrorism had not had a major impact on growth in developed countries, whereas in developing countries, each additional terrorist attack resulted in a drop in the economic growth rate of approximately 1.4%.

As far as the impact on investment is concerned, it has been shown that the intensification of terrorist activity in a particular region tends to affect expectations regarding returns on invested capital and to lead to said investment being moved elsewhere. Bandyopadhyay et al (2015) have demonstrated that in the majority of countries where the number of terrorist acts was above the average for the period from 1970 to 2011, the level of Foreign Direct Investment (FDI) and of overseas aid is lower. Terrorism also results in savings rates going down and it therefore has a deleterious effect on the overall level of investment (Frey et al, 2005).

When it comes to trade, it is widely recognised that terrorism increases the costs associated with economic transactions, which in turn has a negative impact on economic activity. This claim has been tested by a number of studies, for instance those conducted by Nitsch & Schumacher (2004) and Egger & Gassebner (2015). The former reported that a doubling of the number of acts of terrorism perpetrated in one year in two given countries with commercial links led to a 4% drop in trade that year. Moreover, if one of the two countries in this partnership suffers at least one terrorist attack, their trading activity ends up representing only 91% of what it would otherwise have been. Egger & Gassebner (2015) on the other hand argue that, in the short term, terrorism has a limited, or even non-existent, effect on trade but that it has a greater impact over the medium term.

The varying security challenges that have been discussed therefore have negative consequences that can act as impediments to the emergence of developing economies. Peace and security can thus be considered to be prerequisites for development. The following section offers a discussion of the importance of peace and security in the context of development.
Peace and security: prerequisites for emergence

The importance of peace and security to development was underscored at the 2005 World Summit when global leaders agreed that: ‘We will not enjoy development without security, we will not enjoy security without development’. This section discusses security as a contributor to development and outlines the challenges that need to be met when undertaking reform in the field of security.

Security as a contributor to development

According to Tschirgi (2006), this call from the international community is a response to the multidimensional (humanitarian, human rights, security and development) nature of the crisis that policy makers faced when the cold war came to an end. In the early 1990s, the United Nations published two important reports (An Agenda for Peace and An Agenda for Development) which influenced political debates around the relationships between conflicts, security and development. The publication of these documents was followed by that of other texts produced by governments or international institutions and as a result, the notion of ‘security and development’ has become central to strategies adopted by the European Union but also by a significant number of countries (e.g. the UK and Germany) and international organisations (Leboeuf, 2006). The United Nations sees security as a prerequisite for development because conflicts damage infrastructure, encourage criminal activity, act as a disincentive to investment and render normal economic activity impossible (Goerens, 2007). Security must therefore be taken into consideration; it fundamentally shapes development (Leboeuf, 2006).

The importance of security to development has led to an increasing involvement of development agencies in the management of crises since the 1990s. This trend was accentuated following the attacks of 11 September 2001 which brought to the fore the link between security and development. Following the attacks, the case was made that underdevelopment undermined the state and consequently its capacity to maintain law and order. Weak states were seen as a threat to the international community because they allowed terrorists and criminal networks to thrive, taking advantage of their porous borders. They also offered fertile ground where other destabilising processes could take root. State-building emerged as the most logical approach to promote stability around the world and meet the development needs of the weakest states (Tschirgi, 2006). This is why development co-operation was placed at the heart of plans to combat terrorism and stabilise fragile
countries. Thus, states central to the anti-terrorism effort such as Iraq, Afghanistan, Pakistan and Sudan benefited from a marked increase in the development aid they received during the period from 2005 to 2010. Moreover, the OECD’s Development Assistance Committee (DAC) now considers that contributions count as being targeted at development when they are aimed at improving the functioning of bodies responsible for security, ensuring better oversight of the distribution of small arms and light weapons or at peacebuilding in civil society (Center for Security Studies, 2008).

The establishment of closer links between development and co-operation was facilitated by a fundamental rethinking of the notion of security in the post-cold war period. During the cold war, security was associated with the military. The notion implied providing protection against an external threat from regimes friendly with one of the two superpowers or their allies. As a result, Western programmes providing aid in the field of security principally sought to ensure development partners had a well-trained and well-equipped army rather than attempting to build their capacity to run institutions that could maintain law and order (OECD, 2001). The end of the cold war made it possible to bring an end to conflicts between states but it also coincided with the emergence of numerous internal conflicts. This presented a challenge to understandings of security that were focused on states. As a result, definitions of security were broadened to include the security of individuals or human security. Security is therefore now defined as ‘the combination of a number of factors resulting in individuals and communities being able to live in a climate of freedom, peace and security; play a full part in the management of public affairs; have their fundamental rights respected; satisfy their basic needs and live in an environment that does not have a negative impact on their health and wellbeing.’ (OECD, 2001). This has led to a widening of debates around reforming the field of security and the challenges that must be met in development co-operation.

Security system reform and challenges for development co-operation

Once security had acquired a broader meaning, greater attention was paid, in particular by the OECD, to the need to reform the structures responsible for security and the challenges involved. The organisation noted that recent activities that donors have undertaken to promote security system reforms did not pay enough attention to the need to bring about a context favourable to their ongoing success. For instance, for fear of making a long-term commitment, donors frequently chose to
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frame policy reform simply in terms of training needs, neglecting the importance of a number of key factors such as the need for a well-run judicial system, the effectiveness of the police's leadership and organisational structures, and the role of continuing political support which is vital to a successful police force. In order to address this state of affairs, the OECD has suggested adopting an approach to reforming the delivery of security that places it in the context of development. This involves adopting a perspective in which ‘the ultimate aim of security system reform is to create an appropriate institutional framework with adequate human resources to manage security issues in a way that is consistent with democratic norms and good practice in public administration. This implies that organisations responsible for security should respect human rights, be placed under civilian control and be subject to legal oversight.’ Implementing this agenda requires changes to national legislation, to civil institutions and to social values.

Security system reform involves a number of challenges, one of which is the need to overcome political sensitivities. Activities which affect the field of security have the potential to be politically sensitive in donor countries and in developing countries, which can hamper donors’ ability to offer effective support. It is also important to be aware of national realities when reforming security systems. This is particularly crucial as case studies on the prevention of conflicts and maintaining and consolidating peace show that attitudes towards security and development vary from one country to the next. There does not appear to be a universal relationship between conditions that promote security and conditions that promote development (Tschirgi, 2006).

Creating the conditions for lasting peace and security

This section, outlining the conditions necessary to bring about lasting peace and security in Africa, draws on the recommendations of the Integrated Strategy for the Sahel formulated by the Secretary-General of the United Nations, a study conducted by Marc et al. (2015) and on the Rwandan experience.

Lessons drawn from the experiences of West African states

In their report Relever les défis de la stabilité et de la sécurité en Afrique de l'Ouest (The challenge of stability and security in West Africa), Marc et al. (2015) make two suggestions with a view to ensuring that development policies reduce the risks of conflict and of fragility in West Africa, namely:
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- Rethinking the interventions of funders and development agencies when it comes to addressing fragility;
- Tackling the causes of conflicts.

When it comes to reducing fragility, bodies involved in development cooperation are of the view that stability must be one of the priorities of development policy. Strategies need to include interventions in a range of areas, including security, justice, employment and economic investment. Moreover, there can be no stability without legitimate public institutions which have the capacity to act. This means that funders and development agencies should reconsider their approaches to the building of institutional capacity. Rather than seeking to import ready-made solutions, they should empower West African populations to seek out the solutions that will enable them to strengthen their own institutions.

When it comes to conflicts and violence, international development organisations identify a range of factors that lead to tensions in Africa:
- drug trafficking, piracy and religious extremism;
- young people’s feelings of exclusion;
- the increase in migratory flows;
- regional inequalities, etc.

A number of solutions have been put forward with a view to addressing these issues. They include (i) facing challenges head on and integrating considerations around security into development policies; (ii) strengthening regional co-operation and programmes in order to promote stability and addressing cross-border issues by devoting significant resources to the development of peripheral and under-developed regions and (iii) enhancing local governance by improving access to land and addressing issues around tenure as well as combatting unemployment and underemployment particularly amongst young people. International bodies working on development issues have also advocated the establishment of conflict management mechanisms founded on an inclusive and multidimensional approach involving local authorities, civil society and communities.

The Rwandan experience and peacebuilding through national reconciliation

The 1994 Rwandan genocide led to the death of nearly a million people. A further two million Rwandans became refugees or were internally displaced. The genocide also destroyed social cohesion, the country’s fragile economic base and a significant part of its human capital as well as leaving Rwanda unable to attract private investment. Poverty
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increased dramatically, especially amongst women, affecting 78% of the population in 1994. The genocide which targeted the Tutsi population came to an end when the Rwandan Patriotic Front (RPF) took power and a government was formed in July 1994 in accordance with the provisions of the Arusha Peace Agreement. However, the country continued to deal with internal violence as well as being involved in a war that extended beyond its borders. The new government’s task was therefore to restore the authority of the state and rebuild the country. The following approaches were adopted:

- guaranteeing internal and external security;
- promoting national reconciliation and justice;
- championing responsible governance and the rule of law;
- drawing on international aid to invigorate society and stimulate the economy;
- mobilising all available resources;
- boosting women’s economic and social power.

Implementing a national reconciliation policy

The government made national reconciliation its key priority in the period following the genocide. This approach was illustrated by the establishment of the National Unity and Reconciliation Commission (NURC) whose inception was formally approved by Parliament through the adoption of a law on 12 March 1999. Its status was enhanced when the constitution of the Republic of Rwanda was adopted in June 2003: its preamble emphasises the need to promote lasting unity and reconciliation. The commission is principally tasked with:

- preparing and coordinating the national programme for the consolidation of the Unity and Reconciliation Process;
- establishing and developing mechanisms that promote and consolidate unity and national reconciliation;
- enhancing Rwandans’ awareness and understanding of the Unity and Reconciliation Process;
- carrying out research, organising conferences, debates, disseminating ideas and producing publications on the subject of peace;
- offering expert opinion on the actions to undertake to put an end to segregation amongst Rwandans and consolidating unity and reconciliation;

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- voicing concerns and taking action to counter actions, publications and speech that have the potential to lead to divisions, intolerance and xenophobia;
- producing a report on an annual basis and as many times as necessary on the Unity and Reconciliation Process.

The NURC, under the guidance of the State, has many achievements to its name. They include for instance the reestablishment of mutual trust between Rwandans as illustrated in particular by the return of approximately 2 million refugees; the organisation of a number of debates on key post-genocide issues; the removal of the mention of ethnicity on identity cards, the banning of nepotism and exclusion in the education system and in other public sector bodies; actions to promote tolerance and pride in Rwandan citizenship; the development of a programme urging Rwandans to live in peace (Maud, 2007).

Moreover, the State has emphasised the importance of remembrance work, including memorials, commemorations and educational initiatives. It is seeking to highlight the importance of this chapter of the country’s history, to ensure denial or indifference do not gain ground, to remember how the country spiralled out of control, without making people feel guilty or causing emotional strain (Nadjaldongar, 2008).

Taking steps to ensure justice is done

Convinced that justice is a prerequisite for reconciliation, the Rwandan authorities have taken steps to promote restorative justice and combat impunity. Three complementary judicial approaches have been used to deal with legal proceedings connected to the genocide. They involve the International Criminal Tribunal for Rwanda (ICTR), going through the usual Rwandan courts, and the involvement of traditional justice-dispensing structures.

The ICTR was established by United Nations Security Council resolution 955 which was adopted on 8 November 1994. It officially started to function in 1995 in Arusha in Tanzania and indicted 93 people. Of these 93 cases, 85 have been tried, including 5 which were transferred to other jurisdictions in Rwanda and in France. 61 individuals have been sentenced, 10 of them initially to life sentences which were later reduced on appeal. It closed permanently on 31 December 2015. It should however be noted that the ICTR has been subject to a range of criticisms, particularly with reference to its cost and the slow progress it made. In 2011, the cost
of running the ICTR was estimated to be of around 2 billion euros and the number of suspects who faced justice was deemed low.\textsuperscript{7}

Rwanda’s courts, badly affected by the genocide, were in the process of being reorganised because the 20 officials still working in the judicial system were not able to deal with the 120,000 suspects held in prisons while they awaited trial. An additional complication was that genocide was not a crime under Rwandan law. An Organic Law was therefore adopted by the National Assembly on 30 August 1996 "on the organisation of criminal proceedings related to crimes of genocide or crimes against humanity…". This law established Specialised Chambers within the Tribunals of First Instance and the military courts, with responsibility for alleged acts of genocide and killings.

Despite the changes brought about by the law and the important work carried out by the Specialised Chambers, the Rwandan courts were not able to process, within an acceptable timeframe, all of the cases associated with such a major event.\textsuperscript{8}

In order to address this state of affairs, the Rwandan authorities decided to reform traditional justice-dispensing bodies in order to equip them to deliver an efficient response to the Rwandan people’s need for justice. This resulted in the adoption by the National Assembly of Organic Law n° 40/2000 of 26 January 2001 governing the creation of “Gacaca courts” and organising the prosecution of genocide crimes and crimes against humanity. This law also introduced a “procedure of guilty plea, confession, repentance and apology”, which, when accepted, resulted in half of the sentences pronounced being commuted to community service. In cases involving property, an approach based on the provision of compensation was taken. The law sought to speed up the process of dealing with cases connected to the genocide and to encourage the population to take more ownership of the delivery of justice in connection with the genocide and killings.

The Gacaca courts worked by bringing together all of the people connected to the case (accused, witnesses, survivors) in the location where the crimes and/or killings took place. A debate ensued amongst

\textsuperscript{7} See the article ‘Le Tribunal pénal international pour le Rwanda ferme ses portes ce 31 décembre, quel bilan?’ published in Jeune Afrique and available at: http://www.jeuneafrique.com/290697/societe/tribunal-penal-international-rwanda-ferme-portes-31-decembre-bilan/

\textsuperscript{8} According to Penal Reform International, in the aftermath of the genocide, over 120,000 suspects were held in Rwandan jails whereas the judicial system could only deal with a few thousand cases a year.
them aimed at establishing the truth, drawing up a list of victims and identifying the guilty parties. The discussions were overseen by non-professional “Inyangamugayo” judges, chosen from those members of local communities who were perceived as particularly honest. They were given responsibility for pronouncing sentences when defendants were found guilty. These Gacaca courts, which officially started to operate on 18 June 2002, dealt with the majority of cases connected to the genocide before they were shut down at the beginning of 2010 (PRI, 2010).

However, Penal Reform International (PRI) has highlighted two types of limitations with respect to the Gacaca process: they view it as problematic both from a theoretical and a practical standpoint. As far as the former is concerned, not only is it difficult to expect the Gacaca courts to be able to simultaneously punish and promote reconciliation, but questions remain as to the extent to which forgiveness is possible, given the social realities the different parties have lived through. With respect to the latter, questions have been asked concerning the day-to-day functioning of the Gacaca courts, and in particular when it comes to the failures of the trials to meet fundamental norms of equitable justice and the range of pressures they were subject to, either from the parties themselves or from the political and administrative authorities.

To summarise, the Government’s policy on reconciliation and the reforms undertaken to promote restorative justice offer a way forward towards peace, security and especially Rwanda’s economic development.

**Promoting responsible governance and broad-based participation**

The successful quelling of unrest inside the country and the different initiatives undertaken to promote justice and national reconciliation made it possible to establish bodies responsible for promoting good governance and more specifically to organise a series of votes in 2003 (adoption of the Constitution in a referendum in May; presidential election by direct universal suffrage in August; parliamentary elections by direct universal suffrage in October). The key elements of a credible state, governed by the rule of law, are therefore in place (civil society, a media with a degree of independence, etc.).

**Drawing on international aid to support social and economic development**

Dealing with refugees, displaced persons, victims of trauma, prison inmates, people living with HIV/AIDS, widows, orphans and the reintegration of demobilised combatants represented a huge task. With a
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view to addressing these issues and promoting economic and social
development, Rwanda was provided with aid from a number of countries
and Technical and Financial Partners including the World Bank, the African
Development Bank, the International Fund for Agricultural Development,
the European Union and USAID. The State was responsible for
implementing measures to ensure that local bodies would gradually take
over from humanitarian organisations.

Mobilising resources for reconstruction

Responding to the difficulties it faced, the country opted for an
opportunistic approach to partnerships. In order to make itself more
attractive to private finance, Rwanda decided to project an image of a
stable, well-run and business-friendly country.

Giving women more socio-economic and political power

The government strongly encouraged women to become involved in
the country's reconstruction. They are represented at all levels in
initiatives aimed at promoting development, from the collection of refuse,
maintenance of public spaces and buildings, to childminding and
involvement in the management of companies, etc. In the Rwandan
parliament, 49% of members of the Chamber of Deputies are women, as
are a significant proportion of senators and ministers. Rwanda is ahead of
all other countries in the world when it comes to the involvement of
women in politics.

This approach to post-conflict reconstruction helped Rwanda to
achieve high growth rates in the immediate aftermath of the genocide.
Real GDP which had dropped by 50% in 1994 rose sharply by 35% in
1995 and 13% in 1996. It continued to rise subsequently by 14% in 1997,
9% in 1998 and 8% in 1999. By then, Rwanda had emerged from the
immediate post-genocide period with the pressures it brought. The
government was in a position to put together a long-term project named
Vision 2020, the pillars of which are:

• building the nation and developing its social capital;
• the development of a credible and efficient state that promotes the
  rule of law;
• the development of human resources in accordance with the aim
  to make the Rwandan economy prosper due to the knowledge and
  skills of its citizens;
• the development of the private sector and entrepreneurship;
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- the development of basic infrastructure and urban planning;
- the modernisation of agriculture and livestock farming.

Conclusions and recommendations

It is clear that Africa faces a number of challenges when it comes to security. It is essential to address them in order to bring about economic emergence. There are lessons that can be learned from the experiences of West African countries and of Rwanda. This involves in particular:

- the integration of considerations around security and social cohesion into development policies, as the factors that cause conflicts are similar to those that impede development and have a significant impact on public expenditure and the business environment;
- strengthening regional programmes in order to promote sub-regional stability by addressing cross-border issues and new risks connected to violent extremism;
- devoting significant resources to the development of peripheral and under-developed regions whilst improving local governance and promoting decentralisation;
- improving access to land and addressing issues around tenure;
- addressing youth unemployment, extreme poverty and its associated problems as well as the challenges presented by migration;
- the creation of conflict management mechanisms that involve local authorities, civil society and local communities.

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Planning Emergence in Africa: Challenges and Issues

Nialé Kaba
Minister of Planning and Development of Côte d’Ivoire

Introduction

African countries have been motivated over the past few years by the goal of emergence and the desire to establish development processes that are not dictated from the outside. Strategic planning is back, in accordance with the actions of emerging countries, to promote structural changes likely to ensure sustainable human development.

With the return of planning and its revival, the hope is to build “developmental” states that are in a position to lead the emergence process. This new role for planning has been hailed by the World Bank, in particular for the part it has played in the Southeast Asia miracle, and by UNDP in its 2013 report on human development which highlights the role played by the state in the boom enjoyed by countries in the Global South which have become emerging nations.

Creating the conditions for the transformation of African economies which are facing many challenges to do with the development of economic and social infrastructures, social rehabilitation and multifaceted governance, necessitates planning that puts the state back at the centre of economic and social development leadership.

Currently, the focus is on the need for African states to set up a viable reference framework to steer emergence where public policies aiming to correct development deficiencies will be required. Following on from an investigation into the connection between the state and planning, this chapter contributes to the debate that is ongoing in Africa around the three following questions: What has been achieved, and what is the point of going back to planned development in this emergence race? What part has planning played in the transformation of emerging countries to explain this renewed interest? What lessons can African countries learn from recent development systems in the light of their initial experiences?

The state and development planning: A historical perspective

The issue of development planning should be analysed in the light of the doctrinal approaches of the liberal and socialist systems as well as the role assigned to the state in development leadership. The strength of these analyses is that they offer lessons from failed economic planning in these two systems which have dominated some of the major global economies. The first time that planning – imperative planning – was implemented was in Russia, in 1921. Such imperative planning required the establishment of a state planning institution called the State Planning Committee, which was responsible for designing and implementing the plans (Ellman, 1999). Thereafter, planning administrations spread out across the world under the influence of the Soviet example, of the socialist states of Eastern Europe and some OECD countries (including France, the Netherlands and Japan). Planning was also promised in developing countries such as China, India, Vietnam, Cuba and in post-colonial Africa. “Indicative” planning was disseminated in most western economies.

In Africa in particular, despite the powerful influences of imported imperative and incentive systems, planning had distinctive characteristics. Forry and Requier-Desjardins give Algeria and Côte d’Ivoire as examples. The former used Soviet tools and the latter state liberalism with

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2. The philosophy of these indicative plans, in contrast with imperative plans, has a dual significance in development planning: planning that is not obligatory and, if necessary, the introduction of incentives rather than coercive economic policies.

3. This strategy has involved nationalising private industries and channeling private and public investments towards national industries in an attempt to create a driving force for the country’s other production sectors. Algeria also launched industrialisation strategies from 1967.
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incentives and liberal measures as well as state companies. Yet, economic planning has moved on a lot. In this regard, countries such as China, South Korea, India and Malaysia are inspirational models for many other developing countries where, according to Streeten and Lipton (1968) and Faber and Seers (1972) the high hopes once pinned on planning have, on the whole, been dashed. Many in this group of countries are in Africa.

Development planning in Africa

The failure of initial plans and the main factors involved

The main objective of the plans was to “take Africa out of its underdevelopment” (Leroueil 2015). However, as illustrated by the following examples, this objective fell far short of the hopes raised by planned development. In a report released in 1977, the United Nations pointed out that only 13 developing countries out of the 34 surveyed had managed to meet their planned objectives during the first part of the 1970-1979 decade (Savane, 1985). In Africa, Leroueil’s analysis concludes that, in countries such as Ghana and Côte d’Ivoire, the main strategic priority was to reallocate capital gain from the agricultural sector — cocoa and coffee in particular — towards massive investment in infrastructures and factories in an attempt to industrialise them. However, although the Ivorian economy benefited a bit more from the extension of cocoa crops and the international prices of products as early as the first two decades compared with Ghana, investments were unproductive in those two countries and the states were badly affected by the deterioration of the terms of trade. In Ghana in particular, these investments faced insolvent and inaccessible demand that was unable to absorb production. In Algeria, efforts in industrial and transport infrastructures in the 1970s suffered a very costly setback because gigantic investments were made that were often not suitable for the local market, among other factors. In Tanzania, the top-down rural planning strategy launched in 1967 was a disaster from an economic point of view because of the fall in agricultural production and in farmers’ income, which was accompanied by a rural exodus. Hopes were dashed in most African countries, as they were in those few cases. Some authors such as Razafindrakoto and Roubaud even spoke in 2001 of the “ultimate example of development failure in Africa”. A glance at GDP growth shows that it remained low after the 1960s.

4. The author quotes the first president of Ghana, Kwame Nkrumah, as saying that “The vicious circle of poverty (...) can only be broken by a massively planned industrial undertaking”.

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(2.61% on average)\(^5\) in sub-Saharan Africa between 1965 and 1992. Moreover, income per person fell from 525 US dollars in 1970 to 336 US dollars in 1997, i.e. a fall of 36% on average (Razafindrakoto and Roubaud, 2001).

Many structural factors behind the failure of development planning in Africa have been highlighted. Among them, two external factors have mostly been cited: the two oil shocks of 1973 and 1979, which led to a curtailment of export demand and a fall in the prices of basic commodities. Moreover, a rise in interest rates caused an increase in the foreign debt of African countries. Beside these external factors, internal failures and structural obstacles to African economies have made it difficult to steer plans which were often under-financed: systems were unsuited to the real needs of people, in particular the social and cultural dimensions of these needs (Pourdanay, 1987); the deficiencies of planning documents; the very ambitious nature of the plans which brought about prestige expenses, so-called “white elephants”; a lack of human resources capable of programming newly emerged needs and ensuring optimal implementation of political strategies; institutional and bureaucratic flaws inherent to governance and to other political factors; armed conflicts.

From “structural adjustment” to “humane adjustment”

The failure of initial development plans forced African states to abandon their development model. A second planning wave was launched in the 1980s and 1990s in the framework of structural programmes promoted by the World Bank and the IMF as early as the late 1990s. This turning point in development planning, in Africa in particular, took place after the World Bank released the Berg report\(^6\) in 1981, which was critical of the interventionism of African governments and import substitution policies. Yet the disastrous social impact of their implementation, gave rise to fierce criticism\(^7\) given the sharp decline of living standards and the worsening poverty due to a reduced role of the state in the social sector, brought about in part by structural reforms. Analytical research points to the high incidence of poverty (from 25% to more than 60%) in some African capitals in the mid-1990s (Razafindrakoto and Roubaud, 2001) and reduced life expectancy at birth in 12 of the 34 African countries surveyed between 1980 and 1997 (Demery, 1999).

\(^{5}\) Worked out by the author from 2016 World Bank data available on the following site visited on 09/09/2016 (in French): http://donnees.banquemondiale.org/indicator/NY.GDP.MKTP.KD.ZG.


In response to these criticisms, a third planning generation aiming to reduce the social cost of adjustment plans through the development of Poverty Reduction Strategy Papers (PRSPs) came about in the early 2000s in the framework of the Heavily Indebted Poor Countries (HIPC) Initiative. These initiatives are proof of renewed interest for planning in Africa which puts the state back at the heart of economic and social development. Such a state, which was expected to play a role in this new phase, was meant to be a state which, according to Kayizzi-Mugerwa in 2015, “has a vision,” “creates wealth, promotes good governance and mobilises resources for self-determination” whilst regulating “a market which has no vision and cannot plan”.

**Shortcomings in the revival of planned development in Africa**

The plans and strategies developed until then had many shortcomings. The United Nations Conference on Trade and Development (UNCTAD, 2014), Bakoup in 2015 and Savane in 1985 once again blamed the structural demand deficit, which limits the growth of African economies. This is compounded by weak devolution policies in development plans. There is also chronic underinvestment in towns which seriously hampers the productivity of economies (Paulais, 2012; Yatta, 2015). It has been observed that the combination of state, market and territory in Africa leaves a lot of room for action in national development plans, restricting the establishment of special economic areas, limiting local funding opportunities, the direction of foreign direct investment (FDI) and the achievement of public-private partnerships (PPPs) (Tsassa C., 2015).

Other shortcomings in national development plans still remain linked with education and training policies. Literature points to insufficient investments in education and vocational training in Africa compared with efforts in Asian countries from 1960-1970. More than 65% of the working population in Africa have had no education, a situation which is alarming, especially in French-speaking Africa (Derreumaux, 2015). As for development funding, the mobilisation of national resources is often below target, and foreign aid still contributes to a large part of expenses, while the natural resources exploitation sector is still characterised by capital flight. Even a country such as Cabo Verde, which is a middle-income country, still faces a funding shortfall to continue with its development (Miranda, 2015).

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9. Mr Ferdinand Bakoup, chief economist, African Development Bank, speaking at the ICAD.

10. Ms Maria Jesus Miranda, Cabo Verde Secretary of State for Foreign Affairs, speaking at ICAD, 2015.
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Considerable challenges remain on the path to emergence, and Derreumaux believes African states have a responsibility in this regard, in four areas at the very least. First, states should develop planning that is capable of prioritising and facilitating the implementation of priorities. Second, states should mobilise investment resources to fund development. Third, states should establish a general framework that promotes the functioning and development of businesses and activities. Finally, states are responsible for developing regional cooperation in an effort to create a setting conducive to joint projects and where economic policies may converge satisfactorily. In light of such challenges, the role of the state in African countries should be inspired by the experience of emerging countries (in Asia, among other places) which planned their development successfully.

The advent of pan-African appropriation of planned development

In the context of this fresh impetus, many African countries have adopted long-term development visions and planning frameworks, together with much more ambitious growth objectives. Although such an impetus may be explained by planning successes in East Asia (mainly in South Korea, India, Malaysia and China) when it comes to reducing inequalities and poverty, as well as launching robust urbanisation programmes, it should be noted that this momentum was given at a national level by pan-African institutions which have been calling for a return to planning. They are, among others, the West African Economic and Monetary Union (WAEMU) and its Regional Economic Programme (PER),\(^{11}\) the African Union which launched “Agenda 2063 for a global strategy with a view to optimising the use of Africa's resources for the benefit of all Africans” and the African Institute for Economic Development and Planning (IDEP)\(^ {12}\) through \textit{50 Years of Development Planning in Africa: retrospective and prospects}.

In this regard, it should be noted that, although there are now aspects of African societies that are much more conducive to planning (high-level human resources and knowledge, demographic transition phase etc.) and which may help it to avoid the pitfalls of in its initial experiences, a number

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11. WAEMU's Regional Economic Programme (PER), which was endorsed in 2004 and implemented, makes provision for development planning actions to be undertaken within the Union. The first phase of the PER (2006-2010, PER I) included 63 integration projects spread over 5 strategic axes. The second phase of the PER (2012-2016, PER II) focused on two priorities: improved access to energy and continued development and modernisation of infrastructures.

12. The former director of IDEP, the economist Samir Amin, called for planning to be used as the only alternative for African peoples in a globalised world.
of structural factors are at play. Indeed the new development plans face enduring challenges. They are, in particular, institutional malfunction and governance problems (Acemoglu et al., 2001); the issue of development funding (Gnanguenon, 2010; Savane, 1985); the curse of natural resources (Mayer and Wood, 2001); the fragmentation of states along ethnic lines (Easterly and Levine, 1997) and armed conflict (Cilliers, 2015).

New national plans for emergence

Since the early 2000s, the stormy and controversial history of development planning in Africa has given way to a more promising outlook. Indeed, according to Leroueil, the accelerated debt relief of African states through the Multilateral Debt Relief Initiative (MDRI) adopted at the G8 Summit in Gleneagles in 2005, enabled them to once again be ambitious when it comes to the strategic direction of their economies and societies. Some countries are developing strategies to move rapidly from the status of Heavily Indebted Poor Country (HIPC) to that of Middle Income Country (MIC).

The 2010s have therefore been marked by renewed interest in planning, and very ambitious new national plans have been developed in the overwhelming majority of African countries. In order to meet peoples’ urgent expectations, an increasing number of countries including Egypt, Tanzania and Côte d’Ivoire have set out to develop medium-term strategic development plans (Derreumaux, 2015). Moreover, African countries such as Ethiopia, Nigeria and Uganda have adopted long-term visions and planning frameworks together with much more ambitious growth and social development objectives as well as policy strategies that are more detailed than those laid out in the Poverty Reduction Strategy Papers (PRSPs). This excitement has given rise everywhere in Africa to slogans reflecting determination and awareness of the work to be done over the long term, for instance: “Côte d’Ivoire, an emerging country by 2020,” “Vision 2020” for Rwanda or “Strategic plan for an emerging Gabon 2025”.

“Botswana Vision 2016” is one of the oldest initiatives which have had real success in sub-Saharan Africa. Although this enthusiasm is shared by most countries, the strategies on which these plans and their targeted timeframes are based are very different (see Box).
Prosperity for all is a reflection of the country's development as outlined in 1996 after in-depth national consultations to design the Botswana Vision 2026 project in an attempt to achieve a prosperous nation for every Botswanan national. Botswana Vision 2016 is based on 7 pillars: 1) access for all citizens to quality education and reliable information and technology; 2) diversification of the economy, the establishment of equal opportunities for men and women, and environmental protection; 3) justice through “a compassionate, just and caring nation” to eradicate poverty and the negative impact of the HIV/AIDS epidemic; 4) security by building “a nation living in safety and security”; 5) democracy through “an open, democratic and responsible nation”; 6) “a nation with a moral sense”; 7) “a united and proud nation”. These pillars are developed into concrete policies and actions in national development plans including the ninth (NDP-9) and tenth (NDP-10) which are the latest instruments for the implementation of Botswana’s emergence programmes.

In Senegal, planning priority is given to public investment (Ba, 2015)13 in an attempt to make up by 2035 for the structural weaknesses of the economy and of growth. The “Emerging Senegal Plan 2035”, therefore, revolves around three strands:

- structural transformation of the economy by consolidating current drivers of growth and by developing new sectors;
- significant improvement in living standards;
- reinforcing governance for peace and security.

The development of strategic sectors becomes a top priority. Funding of the economy now ranges from energy to information and communication technologies (ICTs), infrastructures and human capital with a logic of diversification. This is coupled with improvement of human capital and the business environment, as well as institutional governance reforms. All this should contribute to the transformation of economic fundamentals through the implementation of this plan which is coordinated by a national monitoring bureau set up by the state as a matter of urgency.

In Côte d’Ivoire, planning takes place within a vision for emergence by 2020. This new vision, which includes a forward-looking approach up to 2040, now highlights the fundamentals of its development (industry, infrastructure, energy and water, agriculture and human capital) with which the state intends to meet structural challenges, including the “ten-year economic, social and cultural development prospects of the 1960s

13. Mr Amadou Ba, Senegal’s Minister of Economy, Finance and Planning, speaking at ICEA 2015.
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and 1970s", the establishment of its Structural Adjustment Programme (SAP) and its initial five-year plans.\textsuperscript{14} In order to achieve this objective, the state intends to deliver all its political actions through two structured plans: a four-year plan (2012-2015 National Development Plan, NDP) and a five-year plan (2016-2020 NDP). The 2012-2015 NDP, the first planning revival plan, laid out four challenges:

- export raw materials;
- contribute to the international exchange of manufactured products;
- export capital;
- export know-how (Tsassa, 2015).

This first plan was designed with advanced features and it had satisfying results as far as reaching set targets was concerned (including in terms of infrastructures and GDP growth). However, shortcomings and significant dysfunctions were noted. Indeed, shortcomings in the planning framework, including the lack of autonomy of the planning committee and a non-integrated approach between planning at a national level and at a local level, are enduring (Ballo and Kimou, 2015). Also, shortcomings in results at a social level have been noted with a Human Development Index (HDI) which has barely risen, from 0.427 in 2008 to 0.452 in 2013, and a poverty rate which has also decreased slightly from 48.9% in 2008 to 46.3% in 2015.

According to Mangiti,\textsuperscript{15} the “Kenya Vision 2030” programme gave a boost to planning projects in Kenya around three areas: the economy, social affairs and the political arena. At the start of its implementation, when the 2008-2012 and 2012-2014 plans were applied, 6 growth-promoting sectors were identified and targeted: tourism, infrastructures, ICTs, industry, trade and financial services. These initial plans achieved remarkable results, in particular in infrastructures, services and social affairs. Indeed, in terms of infrastructures, the country has ports and airports which operate 24 hours a day and it has experienced a revolution in services, ICTs and transfers. At a social level, social policies have made it possible for school enrolment rates to reach 100% and promoted remarkable equal access to the secondary sector. Also, the health sector recorded a significant drop in infant mortality (from 57.86‰ in 2009 to 39.38‰ in 2015). Yet, some challenges remain. They will be addressed in the context of planning for the 2017-2030 period through the establishment of an action matrix and an articulated monitoring system.


\textsuperscript{15} Mr Peter O. Mangiti, principal secretary in Kenya’s Ministry of Devolution and Planning, speaking at ICAD 2015.
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In Rwanda, the aim of the new economic development strategy, “Vision 2020”, is to turn Rwanda into a middle-income country with a diversified economy. The state has based its emergence strategy on 6 pillars: 1) transform agriculture into a productive and trade sector with strong added value, with a knock-on effect for other sectors downstream; 2) develop an efficient, competitive and dynamic private sector; 3) boost human resources globally; 4) develop infrastructures; 5) rebuild the nation and its social capital on the basis of good governance; 6) promote regional economic integration and cooperation (UNCTAD, 2014). Impressive progress has been made since the 1994 genocide, with middle-income country status being attained. Three factors have contributed to this qualitative leap, namely: vision; far-sighted leadership (from the Head of State); innovation and the implementation of structural reforms. Indeed, according to Musahara, some of the reforms developed in Rwanda were based on Singapore’s Development Board model. For instance, the so-called one-stop shop reform, the performance contract initiative and many others enabled Rwanda to successfully improve its business environment.

Bostwana, Cabo Verde, Ghana, Mauritius and Zambia are also success stories. They used to be low-income countries and have become middle-income countries by relying on strategic planning initiatives.

The role of planning in the transformation of economies

This section looks at the planning models and their effects (economic and social results, among others) regarding the role of the state in India and Malaysia, which were both chosen among the models analysed by Ballo and Kimou to light the way for the planning of African economies. These countries were selected according to the following three criteria. They were colonised and went through an unstable period in the 1960s; they came up with imperative plans very early on, India in particular; they are countries with physical and human characteristics not unlike those of African countries in terms of size, natural resources, multi-ethnic societies, poverty and income inequality.

India’s experience: Lift-off thanks to imperative planning and emergence through indicative planning

After it gained independence, India established its development planning on the imperative model over forty years. This model did not have the expected results in terms of poverty reduction and growth acceleration because of the state’s bureaucratic pervasiveness, beyond the traditional scope of action, in particular in production control, investment and the public sector.

Indicative development planning (eighth five-year plan) was introduced in India following the 1990-1991 economic crisis, granting more initiatives to the market through the New Economic Policy (NEP). During this transitional period, reforms and targeted policies promoting good governance and improving the business environment were undertaken, in particular in the industrial sector and the tax sector (Ballo and Kimou, 2015). However, the role played by the state in the planning process was not acknowledged until the tenth five-year plan, and it is now in a position to ensure equitable regional development, to create conditions for good governance and to reach growth and social development targets.

Malaysia’s planning experience

Malaysia is one of the most successful countries in the world which have been able to transform their economies qualitatively over the past two decades.

Like many emerging economies in Asia, Malaysia’s feat is the result of successful and effective planning and bureaucratic structures established by a developmental state with progressive institutional capabilities (Evans and Rauch, 1999; Rauch and Evans, 2000). This resulted in Malaysia making a smooth transition from an agricultural economy based on scarcely processed primary produce to an industrial economy thanks to its Heavy Industries Corporation Act (Ballo and Kimou, 2015).

The new 2020 vision has been designed to turn Malaysia into a developed country. To that end, the eighth five-year plan gives a leading role to the private sector and aims to increase private investment, to

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18. The eighth plan coincided with a crisis marked by a balance-of-payments deficit, excessive indebtedness, a large budget deficit, recession in the industrial sector and high inflation; and this set up was in many ways conducive to the market playing a major role in the economy.

19. Indeed, the Malaysian economy depended heavily on primary product exports (rubber, tin, wood and foodstuffs) at the outset.
develop small and medium-sized enterprises (SMEs) and to increase public-private partnerships. This programme included the successful implementation of structural reforms to liberalise the economy with disengagement of the state while giving priority to reducing inequality and developing human capital.

The 11th five-year plan (11th Malaysia Plan) which has been implemented since 2016 focuses on streamlining public expenditure.

In short, planning in India and Malaysia, just like in other emerging economies in Asia, has managed to transform the structure of their economies, which has enabled them to become some of the most competitive new economies right now. These policies have also played a part in raising living standards: better quality of life, poverty reduction, falling unemployment etc.

**Structural transformation for the planned emergence of Africa**

A number of lessons can be learned from efforts made for the structural transformation of production modes in Southeast Asia, including:

- agriculture can be an effective way to guarantee self-sufficiency and support industry by introducing innovative agricultural techniques and a credit policy that is favourable to rural communities;
- policy guidelines can allow the establishment of protected infant industries benefiting from tax allowances on equipment and imported commodities among others;
- industry directed towards exports can take over from import-substitution industry. Overhauling the financial system with incentives for exporters (credit facilities; export subsidies, etc.) and free-trade industrial parks may assist transition;
- overhauling the investment code to include incentives for productive sectors (manufacturing sector; agriculture and services) may promote a competitive industrial sector;
- national plans may help to modernise transport infrastructure in urban areas and basic infrastructure in rural areas.
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Regarding social targets, national plans implemented in Southeast Asia have made progress in terms of human capital development through:

- a decrease in the cost of living and improved access to quality education, housing, healthcare and public services for the poor;
- positive discrimination in favour of the underprivileged (ethnic groups, women, farmers).

As for transforming institutions, it has become apparent from the Malaysian and Indian experiences that planning is efficient if reforms promoting good governance and the business environment are implemented:

- improve efficiency and effectiveness in the provision of public services with fewer procedures, deadlines and intermediaries;
- develop SMEs by increasing public-private partnerships;
- combat corruption and clientelism by setting up special institutions;
- adopt a law on corruption prevention and on the creation of anti-corruption agencies;
- promote the private sector through an enhanced role for private investments, an adequate business environment, reforms of the financial sector, and by promoting domestic and foreign competition.

Conclusion and recommendations

The debate on emergence planning and the developmental role of the state are essential. It is instructive to examine the ways in which plans have been implemented on the Continent and in the countries that have recently managed to transform the economic, social and institutional structure of their economies. Three main lessons about development planning practice can be learned from these.

The first applies to the majority of African countries which, after the failure of their initial experiences, are back with shared determination at a regional and continental level to promote planned development. In order to meet structural challenges, these states should take into account the fact that failed planning is caused partly by:

- deficiencies in the design of initial plans which reproduced imported realities that differed from the social and cultural needs of African peoples;
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- the absence of real implementation and monitoring mechanisms for the medium and long-term plan as well as robust institutions to impose accountability and transparency on leaders;
- the absence of a real diversification and industrialisation policy to move away from dependence on primary products and ensure resilience to internal and external shocks;
- an imposing public sector which will need to be contained henceforth, and a private sector which will gradually have to take on a more significant economic and social role;
- the scarcity of national resources to fund development plans.

The second lesson is that avoiding the above-mentioned failings has in actual fact been the key to the success of Asian experiences if India’s models and Malaysia’s are anything to go by.

The third lesson is that successful planning in Africa can become economic reality judging by efforts in Botswana which have helped it become an upper-middle-income country. Botswana, Rwanda and Mauritius are shining African examples of remarkable qualitative progress achieved by adopting international standards of good governance in their development plans.

On the strength of the lessons learned from planning experiences in Africa and the models established by a number of emerging countries, African states should:

- design integrated development plans that take into account the national, regional and local levels and that have a participatory approach involving all the social strata of the country in order to grasp the diversity of needs;
- set up a short, medium and long-term reference development framework and design programmes in a bid to stimulate both offer and demand in driver sectors;
- design development models that are strategically targeted on one or several sectors;
- make devolution and regional development a reality to take account of spatial disparities and allocate resources to decentralised territories for their funding;
- implement policies that promote good governance with a focus on stability of the political climate and the fight against corruption;
- promote industries and create special economic areas for the development of export-led industries (manufacturing industries) with incentives and facilities for export businesses;
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- increase mobilisation of internal resources by adopting a law on public-private partnerships, promoting financial authorities and improving the business environment;
- integrate mechanisms of resilience to external shocks into development plans and plans to improve public finance;
- set up a monitoring and evaluation system for implemented programmes and projects, and a system to improve the performance of those in charge of planning.

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Introduction

The African Union’s Agenda 2063 has become a key reference point for all those who, for one reason or another, have a stake in what is commonly known as the emergence of the African continent. Arguably, never since the Lagos Plan of Action have policy documents had as much political and media impact. The ambitious nature of Agenda 2063 may be undisputed – it paves the way for the Continent’s development over the next 50 years and acts as a kind of companion for Africans who are keen to conquer the future – and it has boosted the institution which devised it and the leaders who launched it, yet the document has some methodological flaws.

The first section of this chapter highlights some of these flaws, especially those relating to the development of the Agenda’s underlying scenario. The second section establishes that, as a long-term strategic framework, the Agenda draws from the same axiomatic and hypothetical sources as the Poverty Reduction Strategy Papers (PRSPs) of old and the national emergence plans that are currently so popular. It shares with the latter the preconceptions which lead them to favour, for the development of the Continent, an approach where economic considerations take precedence over all others, with neo-liberal ideology at its heart.
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These ideological preconceptions account for some of the shortcuts used in the development of the regulatory scenario which is ultimately what Agenda 2063 is.

Following the critical analysis of the underlying assumptions of the Agenda 2063 family of scenarios, the third section suggests some possible directions to devise alternative scenarios for Africa’s long-term development on the basis of a different strategic diagnosis for Africa and different assumptions when it comes to the inclusion of the Continent in a different kind of globalisation.

An incomplete document in terms of form

Flaws in the methodology

Forecasting specialists usually identify two types of scenarios:

• exploratory scenarios, based on the current situation as well as past and current trends. By making hypotheses on uncertainties related to the environment and drivers of change, pictures of possible, likely futures are built. These scenarios are also called neutral scenarios in that no value judgement is made on the future they describe as they are being put together.

• regulatory scenarios, which are put together from various pictures resulting from the synthesis of a number of objectives or future characteristics set at the start, from pictures of futures which may be desired or, conversely, dreaded. The object of the exercise is then to pave the way from the current situation to this preset future.

The Agenda 2063 (A 2063) approach is clearly a regulatory scenario as opposed to an exploratory one. However, it is important to highlight two critical remarks about the preferred methodology for A 2063.

First of all, the general objectives of A 2063 and their breakdown into strategic objectives are not explicitly justified. We are just being told – and I am barely exaggerating – that by 2063 African countries will be Middle Income Countries (MICs). Moreover, a range of performance indicators supposed to give a detailed description of a MIC and act as a planning tool are suggested on an ad hoc basis. Before making any pronouncement on what is desirable, future-oriented studies usually involve reflecting on alternative futures, i.e. possible futures, through the development of scenarios. If different sets of possible scenarios are not explored, if instead
one chooses to put together one scenario, a single scenario that one
deems desirable, there is no way of finding out if the preferred scenario is
one of a range of possibilities. In future-oriented studies, the situation
analysis and the strategic diagnosis of the system being examined
determine how realistic the suggested future objectives may be. This
analytical stage was not conducted thoroughly enough in Agenda 2063
because the authors of the document merely provide a sketch of Africa in
2013 which lacks depth.

Secondly, the Agenda 2063 scenario is incomplete because it has nothing
to say about the way to move from the current situation towards the
future situation. Any scenario worth its salt should not merely describe a
future situation or provide a picture – all African countries will have MIC
status in 2063, having achieved a list of indicators – without explaining how
such a picture emerged. A scenario is the combination of a picture and
the description of the process which leads to that picture. The conjunction
is important in this classical definition. Since Agenda 2063 does not describe
the process through which the Continent will be transformed – especially
factors promoting change, agents of change and the strategies used by
such actors – it cannot claim to be a scenario, strictly speaking. At this stage,
it is, at most, the expression of an aspiration. It may be desirable to have
an aspiration, an ambition even, since nothing great can be achieved
without aspiration or ambition, yet aspiration, however legitimate, is not
enough to ground a strategic approach.

Therefore, there is a danger that the Agenda 2063 scenario may be
passed off as wishful thinking or as a mantra, which can only be detrimental
to the credibility of the exercise. It is important to avoid putting Agenda
2063 at such risk by showing that it is a scenario that has been put together
with all due rigour, in accordance with state-of-the-art standards, that it is
one among other possible scenarios and that, in addition to the fact that
it is possible – as well as plausible in some circumstances – it is desirable
and desired.

Beyond practical or other considerations which may account for the
decision of the authors of Agenda 2063 to ignore the crucial stages
outlined above, the fact that they forwent them and that they placed
particular emphasis on the economic dimension seems to betray a number
of ideological assumptions which are more or less explicit.
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A one-dimensional scenario

Indeed, the standard that has been chosen to measure success, the main feature of countries, is national income. A “middle income status” for all, at least, would be the main feature of countries by a given year. Besides the fact that such a status lacks ambition, a good scenario should be multidimensional. This is all the more true for Africa because when a structural analysis is conducted, as has been the case on several occasions, one finds out that development processes in Africa are economic as well as social, political, environmental, cultural and technological.

Admittedly, the structural analysis method, which was first implemented in the 1960s, is not used by all experts in the field of future-oriented studies during the base construction phase, another name for situation analysis. Admittedly, again, the scenarios method is not the only one available when it comes to exploring possible futures as some schools have devised other methods – including those based on the construction of models which formalise the behaviour of actors, methods based on *histoire raisonnée* (i.e. a conjectural history that explores the context in which events occur), methods based on “the golden thread of a driving force” but there is nothing in the Agenda 2063 document that says what method has been used.

In fact, nothing is known about the methodology that has been chosen to develop the 2063 scenario. And even if the authors of Agenda 2063 had chosen the method of untangling the complex knot of the African context by using the golden thread method, nothing would authorise them to give such a status to the economy. Indeed, according to many experts, and even as a rule of thumb, economic variables in an African context are much less of a driving force than political variables. This is the unequivocal and proven result of many “structural analyses” conducted in countries as varied as Mauritania, Mali, Liberia and Gabon. There is a simple reason for this: in Africa, the economy is embedded in society whereas in industrialised countries, society is embedded in the economy, and the market economy has produced market societies.

The decision of A 2063 to grant primacy to the economy would therefore appear to be the result of an unsubstantiated preconceived idea and extremely arbitrary. In any case, it stems from a kind of economic reductionism, which, at best, relegates to the level of a dependent variable anything that does not fall directly within the economic sphere, including the political dimension. Such reductionism, alas, is widespread, so widespread in fact that the conclusions it comes to, albeit superficial and, to say
the least, questionable, have become common currency, the implication being that they are self-evident.

**A relatively insular scenario**

By focusing solely on the policy documents emanating from African institutions – Lagos Plan of Action, Abuja Treaty, NEPAD, etc. – the Agenda 2063 scenario ignores the fact that Africa, far from being a unit, is a vast and fragmented continent which has been fashioned, in part, by outside intervention and which is still very vulnerable to extraneous influences as shown in the starkest manner by Structural Adjustment Programmes (SAPs) and the infamous “lost decade”.

Far from reducing its vulnerability to external impacts, the “second scramble” for Africa means that the Continent is more involved in the world’s affairs, for better and worse. Many countries now have specific programmes of cooperation with Africa as well as a multitude of multilateral programmes. Moreover, Africa attracts foreign investors, including from China, India and the new emerging countries (Turkey, Malaysia, Singapore, etc.).

In addition to these state actors, there are non-state actors who are just as different. All play a significant role already, even if it is quite ambiguous at times when it comes to development finance.

We also need to mention the African diaspora. It has become more diverse and more complex, with the emergence of an “Afropolitan” class, among others, and we can reasonably expect that they will play a significant role in some scenarios.

Now these external players have their own reading of Africa and its possible futures, as well as programmes to translate their reading which affect Africa. The strategies of these players, whose significance is growing, are subject to uncertainties about which development scenarios would have been useful in a future-oriented study. In other words, an analysis of the involvement of these external players is missing in A 2063, and this is a major flaw.

The three methodological flaws mentioned above can be addressed if the initiators of the Agenda 2063 exercise are prepared to give it the features of a genuine future-oriented study. Indeed, it has never been easy to answer the question as to what possible futures are. It is even more difficult now because of the growing number of factors which contribute
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to shaping the future, their increasingly entangled nature and the fact that
their impact is less and less restricted to their immediate environment. As
a result, a future-oriented study is all the more necessary and more difficult
than ever. Therefore, a sound methodology is needed so that scenarios
have features which differentiate them from speculative exercises.

The typology and critical analysis of Agenda 2063

Despite the gaps outlined above, it is possible to link Agenda 2063 to a
family of scenarios arrived at in the framework of future-oriented studies
conducted over the previous two decades, usually within a generation, i.e.
in 2030 or 2040. For the sake of brevity and at the risk of over-simplifying,
it is emergence driven by a developmental state.

Agenda 2063 suggests a reading of Africa in which the Continent could
emerge, like the others, on the basis of a number of comparative
advantages. The latter would be substantial in such a reading. They range
from its endowment of natural resources to its environment and include
its youth and its openness to new technologies. According to this reading,
the Continent would transmute and, from being a marginalised continent,
would become a continent to be reckoned with. Africa’s time would have
come. Early signs would include the new African billionaires and the new
middle class which the AfDB currently estimates at 313 million people, i.e.
34% of the Continent’s population.

Such a reading – an optimistic one, arguably – is that of aid agencies
always on the lookout for success stories and always quick to champion
them. As a matter of fact, this scenario, and the discourse associated with
it, has attracted a great deal of interest in Africa – AfDB, ECA and AU in
particular – and outside the Continent, understandably. Indeed, this scenario
is also favoured by international private investment actors for whom the
economic crisis has turned Africa – whose resilience to the shock might
for a while have led them to expect a miracle – into a destination where
they could, at the very least, diversify their portfolios and, at best, obtain
returns on capital which no region in the world can offer any longer. Finally,
international consulting firms such as McKinsey and Ernst & Young have
also opted for such a scenario. In this respect, it is significant that the word
“emergence” was disseminated at the start by international finance players
in connection with some particularly profitable investment destinations in
Asia.
In order to give credence to such a scenario, and despite the major economic difficulties experienced by many countries considered until recently as new eldorados, all these groups make every effort to market it. The reason why so many countries and social groups have adopted emergence as their credo and its achievement as the standard against which they would like their efforts to be measured, and why most countries in Africa dream of emerging, is that an increasing number of international institutions have espoused the “Africa is rising” slogan which has become almost a cliché because it has been repeated over and over in every language spoken at international conferences.

More formally, there are two variations for such a scenario and Agenda 2063 is halfway between the two.

**Cheetahs as well as lions**

In this scenario, the issue for African countries is to develop the means to join the group of emerging economies, which has been quite small so far. For the time being, only South Africa seems to have managed to do so, on the African continent. It has been a BRICS (formerly BRIC) country since 2011 with China’s sponsorship. Although some have questioned the rationale behind this, South Africa is indeed considered as an emerging economy, it describes itself as such and is treated as such by the international community. Its inclusion in the G20 may have been dictated by political calculations rather than its economic performance but it is an encouraging exception. Will it be joined by other African countries considered as successful and which score well in the World Bank’s “Doing Business” project, including Botswana, Mauritius, etc.? Of the fifty or so countries dreaming of the day it will happen, a few may well succeed within the next five years. Ethiopia, Tanzania and Kenya feature among them, if current predictions are anything to go by, but they would have to be faster than the current “African lions” and become “cheetahs”, to borrow the expression used by Carlos Lopes. It is not impossible but it must be acknowledged that each needs to overcome major hurdles.

In any event, if the scenario is plausible, it is valid for a small number of countries only. In addition, if such a plausible scenario is to become a reality for more than a handful of states, two conditions need to be met:

- Coordination with emerging economies and/or industrialised countries should take place without being followed by a phenomenon which can already be seen looming: countries being dragged back into debt after many of them had their debt renegotiated or cancelled. The increasingly widespread use of innovative financial
products to incur debt such as issuing sovereign bonds, together with the fast-paced diversification of capital providers who no longer restrict their activities to specific geographical areas or actors with direct or indirect links to national and international public institutions which are readily identifiable, makes this all the more worrying as it is becoming difficult to keep the true debt level of economies under control.

• Coordination with globalisation as a result of the “second scramble” should be accompanied by a diversification of African economies and their structural transformation. Failing that, there is a danger that this second scramble might be a boost, might introduce new capital and might perpetuate the specialisation of African countries in the provision of commodities, in other words the consolidation of a resource-based economy. Africa would widen its circle of friends and partners but its dependence would basically remain the same because capitalism, whether Brazilian, Chinese, Indian or Korean, whether French, English or American, will remain essentially what it is, i.e. a production mode that works only by creating disparities, inequalities, asymmetries. Should the current situation result in mere coordination with emerging economies, without a real shift of African economies towards increased diversification for “softer” products to be brought on the market, Africa will miss yet another opportunity and it may be some time before another arises. According to some, including the above-mentioned Ernst & Young report, which is becoming a reality, this is what is at stake: services which accounted for 45% of Foreign Direct Investment (FDI) flows in 2007 reached 70% five years later while manufacturing and processing activities were believed to account for 43% of FDI flows compared with 22% in 2007.

Attempt at collective emergence in a neo-liberal paradigm of integration through markets

The notion that has prevailed among many experts over the past few years that the economic crisis that has raged since 2008 has demonstrated the resilience of Africa, especially the so-called sub-Saharan part, needs to be challenged. With hindsight, it has been possible to provide an update about the grim reality: growth rates after 2010 were, to a large extent, boosted by favourable conditions on commodities markets. The end of the commodity supercycle brought about a drastic fall in the price of oil, gas, metal and ore. As in Nigeria, Angola, South Africa, Zambia and the DRC, to mention just a few of the hardest-hit countries, average growth rates on the Continent have dropped sharply and reached 3.5% in 2015, the
lowest rate since 2009, with many countries in recession or about to go into recession. In retrospect, calls for growth figures as absolute indicators of a strong trend to be taken with a pinch of salt, and for people to realise that the African exception may have been partial, have been fully justified.

But yet again, disparities between countries in this area are significant and many, in the North and in the South, still see the new way African economies have been perceived since 2010 as an encouraging sign of a possible emergence. Many more believe that this emergence would be faster if regional integration efforts were more sustained. Against this background, a kind of updated “Lagos Plan of Action” (May 1980) or “Abuja Treaty” is an attractive proposition, especially if such a scenario, inspired by Asia and Latin America, is supported by financial muscle. In this respect, Donald Kaberuka’s suggestion that “African countries pool a proportion of reserves and invest them in African-issued sovereign bonds and pool the proceeds for long-term regional integration initiatives” would be a significant step forward. But there’s many a slip ‘twixt the cup and the lip.

In the meantime, and to conclude on those two Agenda 2063 variations, it should be noted that in the two variations the emergence of the Continent will not be without obstacles. There are five reasons why the current mood of triumphalism should be dampened:

• progress made over the past ten years is not irreversible. Africa’s recent economic achievements which seem to account for the prevailing Afro-enthusiasm and, in some respects, the relatively optimistic tone of Agenda 2063, are not quite firsts in the recent history of the Continent’s development. To start with, returning to growth means that growth was once enjoyed. But just as strong growth in the 1960s came to a sudden halt, we cannot rule out that the slowdown of recent achievements in many countries may spread or last for a long time, as was the case in the 1970s after the strong growth of the 1960s. Changes of direction towards other scenarios are possible because recent negative trends may continue, especially since growth is still driven by external demand and, as such, is vulnerable. But these dangers are not mentioned or they are only touched on, as if there was reluctance to turn this into an issue;

• despite this reluctance, this is what it comes down to. If the negative trends of the past few years are only temporary and growth rates bounce back to an acceptable level, it will be necessary to wait until 2050 for demographic expansion, coupled with higher GDP figures, to be able to propel the Continent to the levels of absolute economic worth China currently enjoys. The fact is that despite the success achieved since 2010, Africa’s performance when it comes to
MDGs, for instance, is a reminder that all is not well for most Africans at a time when optimistic pronouncements prevail;

• we also need to bear in mind that there are on the Continent countries with striking levels of inequality: South Africa, Namibia, the Central African Republic and Zambia stand out like a sore thumb on the Gini coefficient index. Even if one chooses to ignore those matters of inequality that have an ethical and political dimension, in order to focus only on economic aspects, the truth is that strong and sustained growth is rare in history and that double-digit figures are even rarer;

• we need to add to this the fact that being a MIC country does not mean that poverty has been eradicated. Conversely, it is noticeable that there is a concentration of poverty in MIC countries. Therefore, the issue of poverty – and this is even truer for sustainable development – will not be solved automatically by an increase in national revenue. More will be needed, namely the political will to couple growth and the fight against poverty, which would be the starting point of another paradigm;

• the scenario suggested in Agenda 2063 is, rather, that of a continent where a few economies have emerged but where progress has been slower for others which, at most, have reached MIC status. The scenario is that of a continent where all countries have become MICs. It so happens that if one refers to national or regional future-oriented studies conducted over the past few years, all African countries, without exception, including post-conflict countries such as Liberia or Sierra Leone, see a MIC status as possible as early as 2030, i.e. much earlier than 2063. Not only do they all dream of becoming MICs by 2025-2030 but all hope to make it thanks to a raft of clearly identified measures which are mostly a selection of well-known neo-liberal recipes more or less mixed with humanist considerations about the fight against poverty or inequality: improved economic, social and political governance, more social harmony, more democracy, greater openness to the private sector, an environment that is favourable to FDI, improved infrastructure, a digital revolution, etc. As there is no reason to change a winning team, Africa would have no choice but go down the road to liberalisation, integration into the world market, privatisation – all approaches which seem to bring with them evidence of their efficiency. And then “African lions” may well roar and even come out of their den much earlier than 2063. At the end of the day African countries may have been more ambitious when it comes to the timescale than Agenda 2063, which makes provision for MIC status for all at a much later date.
When all is said and done, being content with a scenario based on the trends of the past ten years would be tantamount to a lack of ambition. One may therefore ask whether the Agenda 2063 scenario, despite appearances and its good or bad reputation, is not simply a traditional scenario which requires traditional adjustment policies.

The major underlying assumption is that globalisation is positive in itself and that free-market policies would be conducive to emergence. Yet this is far from proven according to some social scientists who argue that, contrary to the theses of “market fundamentalists”, integration through markets scenario is not the method followed by countries which have emerged. They may have benefited from the opening of Western markets but they have been very careful not to fully open theirs.

Moreover, as long as African countries are confined to the production of raw materials and are deprived of industries to enhance these raw materials, regional integration on the basis of trade liberalisation will be no more than a blind leap of faith. That will be the case because, quite simply, there will be nothing to exchange because of a lack of complementarity between countries. The neo-classical economic theory on which regional integration is currently based will prove inadequate for development as long as there is no dynamic production basis and no private sector capable of producing goods and services for countries to trade.

An alternative scenario: Africa in negotiated globalisation

Reconsidering this assumption enables us to consider an alternative type of scenario. In positive terms, this scenario would reflect a rejection of the market society, of slavish devotion to liberal ideology, not of the market economy. The ideas set out in “What if Africa Refused the Market?” come to mind, as well as, perhaps, Deng Xiaoping’s socialist market economy which, at the time, was seen as a contradiction in terms. The relationship between the state and the market would be different and old concerns about “greater equity, inclusiveness, preservation of natural capital and decent jobs” would be taken into account. It would mean being more ambitious than the productivist typology scenarios which have inspired Agenda 2063. Rather than manage poverty, it would aim to eradicate the mechanisms that generate poverty and turn it, therefore, into an inherent growth factor. Two distinctive traits would characterise such a paradigm:
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A new, strategic state

This goes undoubtedly beyond the comments of varying erudition made by some cooperation agencies and their associates about the developmentalist state. Generally speaking, this would first and foremost have to be a state that is convinced that emergence needs to be planned and does not only stem from markets. Japan is a case in point, as is Deng Xiaoping’s China with his Four Modernisations. We are talking about more than a state of accountants, engineers and so-called technocrats.

Beyond this broad characterisation, it will be necessary to give a satisfactory answer to the following question: what are a strategic state and a political class analysis? What class does the state belong to? Which interests does it serve? What are its duties and what are the duties it delegates, and to whom? Naturally, this chapter does not seek to answer these questions but they need to be asked if we believe that the state has a key role to play in development. A strategic state cannot, indeed, be neutral, and South Africa is a good example of this.

The mobilisation of people for an alternative project

Many future-oriented study experts believe that the project, underpinned by a vision of the future, is one of the three components of any societal change, the other two being the initial situation of a given community and the external environment. As we know, “there is no fair wind for one who knows not whither he is bound”. Seneca’s aphorism, which justifies the idea of a joint project, whether national or continental, is even more fundamental in post-crisis countries because one of the features of the crisis is that it undermines the foundations of a common project, the fundamentals of a society: “the joint desire for life together”. In these countries, more than in others, rebuilding a collective dream is just as important as rebuilding infrastructures. Besides, it is recommended that this project should be underpinned by an alternative growth model which does not result in an increase in inequalities/disparities present in current models. An alternative approach is, therefore, common sense. Also, in the present globalisation context, an alternative paradigm is only likely to materialise if it is shared, backed by people in the South but also in the North, victims of the crisis or supporters of another type of development. In other words, if Africa attempts to impose an alternative paradigm on its own, its chances of success are minimal. If it does so with others, the chances of success are significantly higher.
Conclusion and recommendations

The “deconstruction” exercise of Agenda 2063 that has been conducted here has made it possible to expose not only methodological flaws but also ideological preconceptions which give it an incomplete and unfinished character. Firstly, because it is one-dimensional and struggles to free itself from a liberal yoke which is too systematically taken for granted despite the genuine queries it gives rise to with regard to experience over the past decades. Secondly, because it is only plausible, if we are realistic, for a limited number of applicant countries, most of them being far from meeting the conditions of the scenario backed by Agenda 2063. And finally, because the type of development it suggests does not make a clean break with the strategic frameworks which prevail today and which failed to reduce inequalities – quite the contrary – although they might have been able to bring about growth.

Agenda 2063 in its current form lacks imagination and ambition. Its hits and misses may be most striking in the glaring absence of reflection on the role played by the state in development, the latter having been relegated to being merely the passive receptor of structural reforms aiming for good “governance”. But good governance for what? Indeed, institutional architecture and administration cannot be decoupled from the project they are supposed to be backing.

Therefore, it is necessary to show some grit in order to go further. If it is to become the reference document it purports to be, it is imperative that a critical discussion should take place on the vision of society backed by Agenda 2063 in order to go beyond it and to form a picture of the future, a joint project that is not only possible and plausible, but also desirable for the many. The possibility of a paradigm offering an alternative to the liberal option should be acknowledged, not so much by necessity but because it has a highly symbolic value which would rehabilitate the right to creativity in the face of development stakes and which would restore the legitimacy of the fundamental triad: to think, to speak and to take action in order to prepare the future.
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From a Developmental State to an Emerging State

El Hadj Fall
United Nations Development Programme
Economic Advisor in Benin

Tano Joseph N’Grouman
Deputy Chief of Staff of the Ministry of Planning and Development of Côte d’Ivoire

Introduction

Emergence can be measured, on the one hand, in terms of global processes transcending the national sphere which mark the birth of the concept of an emerging economy and, on the other hand, the economic development which characterises the countries described as emerging.

The expression “emerging country” or “emerging economy” is often used to refer to a country or a group of countries displaying impressive economic dynamism in the new global economy of the late 20th Century and early 21st Century.

The concept of an emerging economy has come to replace other well-established concepts precisely defined by international institutions, such as the middle-income countries and the Least Developed Countries (LDCs). The World Bank thus distinguishes between the developing economies, the LDCs, where the annual income per capita is up to and including 995 US dollars, the middle-income countries, where the annual income per capita is 996 to 3,945 US dollars, and those in the highest bracket (3,946 to 12,195 US dollars).

In the 1970s and 1980s, the terms used made reference to semi-industrialised economies or newly industrialised countries. Today, South Korea, Taiwan, Hong Kong and Singapore, the ones referred to at the time, are wealthy economies which have progressed beyond the stage of emergence.
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These concepts allow countries to be ordered in categories in a way that enables their future path to be contemplated. The concept of an emerging economy should also be formed on the basis of criteria enabling the stylised facts of the countries covered by this term to be identified. The Organisation for Economic Cooperation and Development (OECD) thus identifies around 20 emerging economies, whose main characteristics are: a strong contribution to world economic growth, improvements in the living conditions of their population – reflected in a rise in certain indicators such as Gross Domestic Product (GDP) per capita or the Human Development Index (HDI) – and active involvement in international trade. The emerging economies identified by the OECD are Argentina, Brazil, Chile, Colombia, the Czech Republic, Hungary, India, Indonesia, Iran, Malaysia, Mexico, Peru, the Philippines, Poland, South Africa, Thailand and Turkey.

However, to begin with the international finance sector, from which the concept of emerging countries and emerging markets originally came, only thought in terms of the countries referred to as the BRICS – Brazil, Russia, India, China and South Africa – using mainly economic or financial criteria to identify the emerging economies. These countries, however, displayed quite a diversity in terms of the structure of their economies.

Two clear markers from the 1980s are identified as being the starting point for the appearance of the emerging economies: the Washington Consensus (1985) and the deregulation of the financial markets (1989):

- the Washington Consensus specifically defines an approach to economic development based on a free-market economy, applying particular economic policy precepts, in other words: free trade, privatisation, market deregulation, deregulation of the banking system and a flexible labour market. From the starting point of becoming an effective component in the international division of labour, new systems of growth can be built on a basis of private initiative and competition;
- the deregulation of financial markets in two stages, beginning with a transition to market finance and then the integration of international capital (currency) markets within domestic financial systems, has very rapidly helped to create very big, highly liquid, very active capital markets, which new operators – investment funds, insurance companies, pension funds, etc. – have entered ‘en masse’ (Sgard, 2011).
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The opening up of international markets and financial globalisation are two vital components of the third globalisation movement, from which the emerging countries have benefited. Financial globalisation enables international investors to enter domestic markets (stock exchange, public debt, banks), thus promoting easier access to international savings for emerging countries in return for a far greater exposure to the market risks and therefore the monetary policies of the dominant countries (United States).

This integration into the system of international finance and the learning process created by it are also strong markers of the emerging economies. In fact, between 1990 and 1994 the emerging countries experienced an influx of capital, rising stock markets, banks providing more credit, businesses investing, households consuming and the state taking on unrestricted low-cost debt. This process led to the Asian financial crisis of 1995-1999, following the abrupt withdrawal of investors anticipating unproductiveness of investments (hundreds of office blocks without any takers, factories without markets, half-empty shopping centres, unfinished motorways) promoted by the abundance of capital. Consequently, the boom was followed by a stock market crash, with the collapse of the markets, a squeeze on the banks and a drop in exchange rates. The financial crisis revealed the inefficiency of the financial systems, with a confusion of the roles of private interests and public regulators.

The lessons learnt by the emerging countries from this experience of the 1990s financial crisis underpin one of their characteristics. In fact, since the Asian crisis, the emerging economies have been marked by increased “resilience”, with a huge accumulation of currency reserves during the past few years, to deal with the vicissitudes of the market and the rejection of fixed exchange rate policies. The emerging economies have furthermore reacted to the crises of the 1990s by setting a strict set of standards for the banking sector, raising capital requirements, increasing risk monitoring, applying tough measures for non-performing loans and creating strong oversight authorities, etc. The international economic and financial crisis of 2008 threatened the so-called rich countries (United States and European Union) above all, while the emerging countries, such as China, came to guarantee the stability of the international financial system with their currency reserves.

1. The first followed the great discoveries of the late 15th century and marked the birth of mercantile capitalism. The second went hand in hand with the Industrial Revolution in the 19th century.
The emerging countries have therefore become countries with economies that are much more stable from a macroeconomic perspective, with strong institutions, and thus, better placed to absorb the market risks locally. This means that the impact of speculative bubbles is corrected more rapidly, with fewer negative collateral effects; internal problems (banking crises, double-figure inflation, etc.) are much less prevalent and the corrective stages more effectively differentiate the countries presenting a greater or lesser risk (Sgard, 2011).

This evolution sheds light on the experience of the emerging economies since the 1980s, which have managed to combine deregulation, an opening up to international markets, growth and the construction of strong state institutions.

The characteristics of the emerging countries

Several criteria help to define an emerging economy. According to economic theory, economic emergence combines several aspects: economic dynamism, macroeconomic stability, the transformational structure of the economy, opening up to globalisation, etc. Every aspect can be measured in terms of a set of economic variables.

According to these criteria, the emerging countries are characterised by Lafargue (2011):

A regular increase in their GDP and income per capita

In 1990, Brazil, China, India, Russia and South Africa represented 8.4% of the world’s wealth. By 2011, the great emerging economies (South Africa, Brazil, China, Russia, India and Indonesia) accounted for 30% of global wealth according to the OECD, whereas they only represented 20% of global GDP in 2005. China, which in 2011 represented 14.9% of the world economy, led the emerging countries, followed by India (6.4%), Russia (3.5%), Brazil (3.1%), Indonesia (2.3%) and South Africa (0.7%). At the same time, the OECD countries accounted for no more than around 50% of world GDP in 2011, compared to 60% in 2005.

Growth of their external trade higher than that of international trade

Growth in exports of goods was 4.5% higher in the BRIC countries (Brazil, Russia, India, China) than those of the North American Free Trade
Agreement (NAFTA) or the European Union. In 2013, China displaced the United States as the world’s top importer and exporter of goods, with an increase in total volume of external trade of 7.6% in 2013, to 3,061 billion euros.

The trade surplus thus increased by 12.8% in 2013, to 191 billion euros, after a leap of almost 50% the previous year. China’s share of international trade rose from 3.65% in 2000 to 11% in 2012, considerably higher than that of the other BRICs (Russia 3%, India 2% and Brazil, 1%), while during this same period, international trade doubled (IMF, 2013). This trading impetus enabled these states to build up the currency reserves crucial to acquiring technologies and consumer goods from abroad. In June 2010, China, Russia, Taiwan, India and Brazil were among the leading holders of currency reserves. The sum of Russia’s and Brazil’s reserves is comparable to that of all of the countries of the eurozone. In India, growth is essentially driven by the increase in exports of services – India is the top world exporter of software, software packages and data processing services – and the increase in incomes in the countryside, thanks to economic progress (Lafargue, 2011).

**Very significant and stable direct foreign investment**

According to the United Nations Conference on Trade and Development (UNCTAD, 2013), foreign direct investment (FDI) in the BRICS countries more than tripled in 2012, reaching a total of 263 billion dollars. This figure represents 20% of the global injection of FDI and a significant rise compared to the 6% recorded in 2000. The FDI of the BRICS countries likewise increased from 7 billion dollars in 2000 to 145 billion in 2012, growing from 1% to 10% of the world total, with China and Russia accounting for the major part of these investments. The top investors in both China and India come from Asia. Thus, Hong Kong, Taiwan and Singapore account for 60% of FDI in China, compared to 9% for the United States. The FDI is mainly placed in productive investments.

The low production costs in China, India and Brazil are one of the main driving forces in attracting FDIs to these countries. Thus, the international capital invested in China has quadrupled since the 2000s (implantation of foreign companies and acquisition of local companies).

**Emergence of BRIC multinationals**

The top 500 global companies ranked according to their capitalisation already include many Chinese companies (such as Petrochina and the
China National Petroleum Corporation), Indian companies (Reliance, Oil and Natural Gas Corporation) and Brazilian companies (Petrobras, Vale). These companies are developing their business operations abroad. Thus, in 2008, for the first time, Brazilian capital invested abroad outstripped capital coming in from abroad and invested in the country (Lafargue, 2011). In 2009, China was the world’s fifth biggest investor, with two-thirds of its investments being concentrated in Asia. Between 2000 and 2009, the level of direct overseas investment held by Brazil, China, India and Russia multiplied sevenfold. The weight of the market capitalisation of the emerging countries in the world increased from 15% in 1995 to 35% in 2012. In October 2012, this represented 60% of their national wealth, compared to around 80% for the developed economies.

Diversified economies which are not just based on the export of raw materials

This criterion could in principle eliminate Russia, 70% of whose exports are made up of hydrocarbons and mining products. Since the end of the 1990s, however, the Russian economy has undergone profound change, with an expansion of tertiary sector activities (making up 60.5% of GDP), which has promoted the appearance of a middle class.

Demographic dynamism offering promising prospects due to the size of their market

With more than 3 billion inhabitants in 2013, the BRIC countries represent more than 42% of the world population. In 2009, China became the world’s leading motor vehicle market ahead of the United States, with the sale of 13 million new private vehicles. A large population does not on its own equate to an emerging economy, however. Nigeria and Ethiopia, which will no doubt be ranked the sixth and ninth most populated countries in the world by 2050, cannot be placed in this category at the present time (Lafargue, 2011).

The developmental state: A concept with variable outcomes

The concept of the developmental state was created to define the development of certain Asian countries which achieved an extraordinary level of development in a very short space of time during the course of the 20th Century – notably Japan, followed by the four Asian tigers.
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(South Korea, Hong Kong, Singapore and Taiwan), and then Indonesia, Malaysia, the Philippines and Thailand.

The developmental state is defined by certain specific characteristics (Leftwich, 1995): an elite linked to development, relative independence of the state from society, a competent rational and bureaucratic economy, a weak and pliable civil society, management of the economy in private hands and repression justified in the name of performance and efficiency.

This process has been forged within the heart of nationalist movements which have attempted to create nation states founded on policies of national modernisation via the construction of a uniform political unit; the state as the principal institution for macroeconomic regulation; the implementation of capital-intensive industrial projects to make up any technological shortfall; mechanisms for the redistribution of resources by means of clientelist, hegemonic networks; national monetary and financial systems geared towards supporting foreign trade.

Development theoreticians once used this concept to identify the dominant ideologies of post-independence countries in both Asia and Africa. The experiences of the developmental state met with varying degrees of success in these two different regions.

**Successes of the developmental state in Asia**

The 20th Century crowned the success of the Asian countries, beginning with Japan, followed by South Korea, Hong Kong, Singapore and Taiwan to start with, and then Indonesia, Malaysia, the Philippines and Thailand, in catching up with the developed countries in the economic and technological spheres. The processes of development in these countries have been identified as bearing the hallmarks of the developmental state.

These countries have managed to succeed in the path to convergence² by means of different methods.

In Japan, the state was first of all a major stakeholder in the economic sphere through central institutions, such as the public financial institutions. The peculiarities of the Japanese State and its influence in the post-World War II era, notably in terms of industrial policy, are distinguished by its

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targeting of favoured branches and technologies and the specific responsibility it takes in terms of its social role. The policy of employment as a substitute for social protection made provision for safeguarding employment in disadvantaged areas and in business sectors ill-adapted to competition, by means of agricultural subsidies, public works subsidies and subsidised loans for small businesses. The development of specific methods of management\(^3\) helped to build the efficiency of the big Japanese companies, with examples including lifelong employment, wage progression with job seniority and vertical and horizontal ties forged between companies by means of interlocked ownership structures. Management of the economy, right down to methods of pay negotiations between employers and staff, has helped create moderating effects on wages, unemployment and inflation. “In contrast to the liberal state, the Japanese developmental state defines its main goal not in terms of regulation but of development, based on the premise that a powerful and autonomous state pursuing development objectives and working in close cooperation with big private companies within the framework of a heavily regulated market could achieve better economic results by means of an active industrial policy than through a ‘laissez-faire’ policy” (Suzuki, 2014). Households’ savings were channelled towards the private sector, with redistribution by means of the budget programme of investment and credit, which was one of the keystones of the industrial policy of the Ministry of International Trade and Industry, MITI.

In South Korea, as in many other Asian countries, the state retained an active role in the economy, with the implementation of big national plans in the area of heavy industries, with a particular emphasis on the export and innovation sectors.

Thus, the developmental state in Asia is characterised by a political vision of the economy which leads to a mobilisation of society (bureaucratic and economic elites) around a common development project, through strategic state intervention set within a long-term perspective.

The Asian countries which have embarked upon this economic catch-up process are characterised by state intervention, distorting prices and regulating the market, to pave the way, ultimately, for better integration into the global market. The key characteristics of the developmental state are a political commitment to development, a bureaucracy that is

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autonomous but intertwined with the social domain, and a privileged relationship between the state and business circles.

The countries that emerged as winners during the 1960-2000 period, such as South Korea, Botswana, Malaysia, China and Mauritius, implemented heterodox strategies to achieve performances that combined attracting foreign investments, actively promoting exports (including by means of manipulating rates of exchange and maintaining several internal currency exchange markets), protection (by means of tariffs and non-tariff components), subsidising of local industries and encouraging small and medium-sized companies and big businesses (conglomerates in Japan), etc.

**The developmental state’s failure in sub-Saharan Africa**

In Africa, the theory of the developmental state, in the sense of the commitment of the political elites to managing economic development, was conceptualised in the aftermath of countries gaining independence. It places the state at the heart of the process of development. In sub-Saharan Africa, it is an authoritarian form of developmental state which is the key stakeholder responsible for driving development.

On the economic front, the prosperity of the developmental states in Africa is artificial. “The continuation of forms of economic dependency inherited from colonial times will not promote the diversification and productivity of national economic structures. The economies of the countries of sub-Saharan Africa will remain largely rentier-based and outward-looking thereby increasing their external dependency” (Amougou, 2006). The division of labour between the colonial powers and their local facilitators during the colonial period was reproduced in the aftermath of independence and preserves an additional form of subordination between the suppliers of raw materials and producers of manufactured products.

Economic policy is subject to a development rationale applied by the state through budgetary policy and the financial – mainly banking – system. In other words, it is not the market forces that will influence the supply and demand of the institutions and the financial services, but the state, which, by determining the priority needs and sectors in which to invest, is developing a system of redistribution.

In consequence, whereas the goal was to balance development and the distribution of resources between the different sectors in order to correct “the social myopia of the impersonal forces of the market”, the
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result was the creation of a 'bloated state', combining administrative and political dysfunction (corruption and clientelism), with hampering private initiative and repressing the financial system by means of the authoritarian fixing of interest rates and minimum reserve limits, interest rate subsidies and the orientation of investments, without taking into account their productivity in relation to the cost of resources (McKinnon, 1973).

The failure of the developmental state in sub-Saharan Africa has been entrenched by the profound crisis of indebtedness and the economic crisis (high unemployment, a high rate of inflation, a high level of bad debts in the banking systems, an increase in international indebtedness and domestic and foreign imbalance).

The Washington Consensus and the structural adjustment policies of the 1980s put an end to this approach to development adopted by the state.

The revival of the developmental state as globalisation fosters emergence

The first movement, in the 1980s, was about rethinking the role of the state. The Washington paradigm redefined the profile and the role of the state in the economy. The state must now pursue the four golden principles of economic policy (low inflation, full employment, high growth and external balance) by means of a free-market approach, combining the deregulation of markets, opening up of the economy to foreign markets, privatisations, etc. The foundations of economic policy are the consolidation of the economy by restoring the great macroeconomic equilibria and opening up to foreign markets, guided by the principle of comparative advantage, financial deregulation and a solid currency.

The developmental state has been replaced by economic and political institutions favouring the play of market forces. Action by the state must promote the deregulation of the economy, with prices and market competition becoming mechanisms for the effective allocation of resources. “The state is no longer considered to be a sound strategist able to bring about collective wellbeing by making intertemporal choices. It must now pull back and allow itself to be scrutinised by international economic institutions and local and international civil society. Democracy and human rights are no longer the long-term outcome of economic development, but factors which must be in place to produce it. They are now socio-political parameters which
should no longer be established further down the line in a process, but ahead of development policies. Good governance develops and demands decentralisation as a precondition that must be honoured in order to gain access to international aid” (Peemans, 2004).

The revival of the developmental state must be examined as of the point where these free-market tenets were negated by emerging countries which adopted paths to development that gave the state a major strategic role once again.

**Reconsidering the politics**

In view of the globalisation of not just the economy and trade, but also political standards (democracy, human rights), the political aspect is being reconsidered (Bringing the Politics Back In)⁴ to take into account the processes underpinning a developmental state. The construction of national and international civil societies (NGOs) and the aspiration to freedom and democracy are leading to a reconsideration of the political dimensions, with a more open and transparent political arena. This opening up of politics has had differing effects depending on the types of political systems which have emerged as a result, ranging between true democracies and semi-controlled authoritarian systems. They nevertheless have a common ability to produce political and economic leadership capable of bringing about the economic and social transformation of their country.

**Reconsidering the role of institutions**

The effects of globalisation on institutional change lead to the reconsideration of the institutional arrangements (Bringing the Institutions Back In)⁵ which form the framework for the political processes and determine the transformation of the state into a developmental state. The decentralisation processes have, for example, resulted in a redistribution of roles and powers between the central state and local authorities, which in federal states has helped to shape new paths of economic transformation at local level by means of important economic levers (taxation, investment budgets, duty-free zones, etc.).

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The institutional changes in question require greater state involvement, notably in the social sphere, or better state involvement, notably with regard to public services, or a different kind of state involvement, particularly in the economic sphere (the markets have always required state involvement). This means switching from the concept of ownership to that of control which is not politically neutral. It involves a redistribution of capital (social, economic and political) by abandoning entire traditional spheres of state intervention to the play of market forces, or the emergence of new types of institutional arrangements between the state and the private sector (public-private partnership), central state and decentralised public bodies, or the creation of independent regulatory institutions in the most varied spheres (electricity, telecommunications, banking regulatory authorities, independence of central banks, etc.).

Rethinking state intervention

The globalisation of value chains and chains of production increases the competition between markets and between the emerging countries. The challenges facing the emerging countries are no longer concerned with modernising production facilities or supplying an industrial labour force. The economies of these countries have completed their process of industrialisation, with some already moving over to service-based economies. State action is now more concerned with tackling the concentration of jobs in sectors with low productivity and/or low added value, premature deindustrialisation and the increase in social inequalities.

The concept of the developmental state (Bringing the State back In) is thus employed to emphasise that the state authorities can be a fully-fledged stakeholder in the processes of innovation and that its action is focussed on maintaining the competitiveness of its economic environment in the global economy (Debanes & Lechevalier, 2014).

For example, in South Korea the state maintains an active role in the telecommunications sector, through standards and regulation, to influence corporate strategies. In Taiwan, the state has continued to pursue an industrial strategy to promote the information technologies sector, by meeting the requirements of around one-third of research and development spending and by supporting these innovative sectors in spite of the growing competition from China (Chu, 2014). In India, it’s the

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model of local clusters that now embodies the revival of the developmental state, which focuses on the export and innovation sectors.

State interventionism still has an impact beyond the traditional functions recognised by liberal theories, in other words in compensating for market deficiencies. The high-tech innovation sectors, which are vital to the developed economies in maintaining their position in the global production chains, are thus subject to strategic interventionism in both emerging and developed countries.

*Promoting a model of deregulated, financialised growth*

In addition to promoting a deregulated, financialised economy, the state is still an important financial operator through its holdings of financial assets. State financial institutions are created to guide the state’s strategic intervention on the one hand and, on the other hand, other institutions are created to ensure that the financial sector runs well. The emerging economies reacted to the crises of the 1990s by establishing a strict regulatory framework for the banking sector, raising capitalisation standards, stepping up monitoring of risks, increasing tough measures for poorly-performing loans and creating strong oversight authorities, etc.

The economic and financial crisis of 2008 put the emphasis back on the role of the state in regulating the economy and focused the debate on the need for greater state interventionism. From industrial policy to monetary and budgetary policy, interest has been created in an increased state role in updating the policies implemented, while retaining the momentum of the market economies.

*The state as a promoter of social inclusion*

Challenging the Washington Consensus, notably in Latin America, led to a reconsideration of the role of the state as a guarantor of social stability.

The political leadership emerging from the transition processes of the 2000s put in place so-called “conditional cash transfer” social policies (Bolsa familia, Chile solidario, Oportunidades, Juntos, etc.), which have a dual purpose: to meet the basic needs of the poorest people and to put an end to the processes that create poverty by investing in the human capital of the future (children). This cash transfer (which helps to reduce poverty, sometimes with quite spectacular results, as in Brazil) is paid subject to certain conditions, usually regular school attendance by pupils and the completion of preventative health programmes (Couffignal, 2012).
The discernible essence of this new model suggests that it is compatible with political democracy and the open-market economy. The positive performance by these countries in terms of economic growth and poverty reduction calls for a rethink of the relationship between the state and development and for an end to the perception that state intervention in economic and social policy is one of the main obstacles to growth, competitiveness, social justice and even the consolidation of democracy.

The state policy shift in Brazil in this regard, for example, may perhaps be viewed as a redeployment of the state’s capacity to respond to new challenges: investing in and supporting the market and investing in social policies (Arbix and Martin, 2010).

Instead of trying to compel companies to adopt specific competitiveness strategies, the post-2000 developmental state seeks to provide an environment favourable to business development by laying emphasis on innovation and technology and the regulation, control and development of an environment favourable to business.

What are the prospects for African countries?

In defining and implementing their development strategy, poor countries must take into account both the constraints and the opportunities that the new phase of globalisation brings with it, in order to create a strong, sustainable momentum for growth (Lô, 2013). They must position themselves within the international networks for the creation and exchange of knowledge and expertise, capital, goods and services – or else risk losing economic momentum – by establishing a favourable business environment and by implementing appropriate macroeconomic policies to reassure investors concerning their future prospects. Their economic growth must be supported by a structural transformation enabling added value to be created on their territory (CEA/CUA, 2013).

Reaching the stage of emergence depends on a country’s capacity to put the right conditions in place beforehand. As demonstrated by Haussmann, Pritchett & Rodrik (2005) a poor country’s ability to stimulate a virtuous momentum for strong, sustainable growth cannot be the result of chance or luck. A country may certainly create and experience growth surges for a certain period of time, but economic
growth cannot be increased sustainably and lead to development unless the country in question adopts the right economic policies and possesses high-calibre institutions (Lo, 2013).

To achieve emergence, a poor country must therefore institute in-depth structural reforms to correct its basic handicaps (including those linked to its social habitus and governance), adopt standards of competitiveness and align with best practices. Five lessons can be learnt from an analysis of the characteristics of the emerging economies and their chosen path, to serve as a guide for African would-be developmental states seeking to follow the path to emergence.

• Political and macroeconomic stability: Political and social stability and a good quality of life (security, adequate health infrastructures, etc.) are preconditions for envisioning emergence. In addition to this, there should be sound, dynamic management of public finances, moderate inflation and a realistic rate of exchange.

• The country must also be able to generate strong local savings and have a good local banking and financial system, regulated by effective oversight authorities which are capable of optimising the allocation of resources. The corollary to this is the transparency and reliability of economic data, enabling the right assessment to be made of the performance and potential of businesses and the establishment of a quality-driven incentives system (taxation, industrial sites and premises, agricultural policy, etc.).

• Economic dynamism and opening up to international trade: Sustained growth in GDP is essential to supporting the structural policies enabling the economy to make the transition to emergence. It must be supported by the deregulation of economic activities and prices, coupled with the establishment of an effective regulatory framework that operates to put an end to rentier-based positions and to ensure that competition is firmly established. The opening up of the economy to the outside world (outward-looking policy) must stem from deregulation of trade, from the creation of big markets integrated with those of neighbouring countries and from encouraging foreign investment by lifting the barriers to such investment. The state must become a strategic state, restricting its intervention to the areas in which its role is essential.

• A framework for regulating quality: Emergence calls for institutions with responsibility for regulation, information and legal matters, to ensure that market interaction is more predictable and more resilient when faced with the risks posed by threatening trends – speculative bubbles, adverse selection by banks or moral concerns.
Emergence requires the streamlining of administrative processes linked to business practice and fighting corruption; the fostering of a competent, honest, credible, predictable public administration, committed to supporting the private sector; the establishment of a sound legal and judiciary system, capable of ensuring the law is respected in a fair and transparent manner, and particularly enforcing compliance with property rights and contracts. This construction of a free-market economy should be seen as being in line with the Weber model of capitalism, which does not at all mean “less state involvement and a greater component of market forces”. It should be perceived as a reform and often a state construction project, the principle of which is to embed its relationship with civil society and the markets in a more assertive manner; in other words, citizens coming together and voting, and producers and traders manufacturing products and trading. This consequently involves considering questions of law as central to the governing principle in public-private relations and the extension of legal-rational-type administrations as a form of guarantee for this abstract form of social normalisation. It is therefore no longer a matter of just unilaterally protecting contracts and property rights, but of standardising practices to ensure that contractual interaction meets certain public welfare objectives. It is the capacity to predict behaviour that guarantees the efficiency of the market. So there will be less collective bargaining and more contracts; more competition law and less traditional industrial policy; fewer subsidised loans and more indirect regulation of banks.

- Tailored long-term foundations for development: The capacity to absorb and adapt new technologies – including new information and communications technologies – and the availability of a well-trained, qualified, productive local workforce are essential for developing businesses capable of penetrating the global market and working their way back up the value chains to create greater added value, distributed at a national level. Furthermore, the fair distribution of the benefits of growth, to enhance social cohesion, is essential. In fact, the emerging economies have succeeded in creating a high-calibre scientific elite. One third of foreign students in the United States originally came from India, China or Taiwan. In 2008, China became the world’s fifth biggest patent-holder after Japan, the United States, South Korea and Germany. In Russia, most of the adult population have followed a higher education course, compared to
around a quarter, on average, in the countries of the OECD (Lafargue, 2011).

• The capacity and the desire to attract investors: Successfully promoting the country, by means of promotional bodies and persuasive communications strategies.

Thus, rather than attempting to put everything right at the same time, a developmental state must identify the most serious obstacles hindering its international competitiveness by means of strategic diagnosis and must prioritise reforms that have the greatest impact on growth. For example, for India, in 1980, the main constraint lay in the fact that the state was perceived as being an operator acting against the private sector; for China, in 1978, the impediment lay in the lack of market-orientated incentives. Once a momentum for growth has been triggered, reforms can be accelerated and their cost spread over time.

**Conclusion and recommendations**

Economic emergence is complex and takes many forms. It goes beyond mere acceleration of growth (the traditional approach to convergence), to embrace profound economic and technological change (diversification and increasing the added value of products and exports). A country that is emerging is, at the same time, also taking a decisive step closer to the various boundaries which define the most developed countries. Consequently, the concept of emergence represents a powerful tool when it comes to shaping economic policy (and the political economy) for the developmental state of an under-developed country, by setting a medium-term goal for the whole of society to achieve over a relatively short period of time (ten years) on the path towards full development.

The countries that have overcome the challenge of emergence are those for which the current social standards and social values, the running of the public bodies, the regulatory framework, the public processes and policies and the quality of political leadership have become the fundamental endogenous basis of economic and social performances, as opposed to external factors such as geography or colonial history (Rodrik, Subramanian, Trebbi, 2002).

It is important to highlight this role clearly, using indicators linking together political leadership and economic emergence, and then, using
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the examples of several success stories (Singapore and Malaysia, notably) to explain how an effective political leadership can emerge in a country; how to achieve successful institutional change, relying on an effective public administration; how to put sound policies in place (improving the environment for business, developing human capital, encouraging the adoption of positive values, taking ownership of technology, fostering public-private partnership and developing export-orientated industrial clusters) that are suited to working towards economic emergence.

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Modernisation of the State and Changes in Behaviours

Pascal Abinan Kouakou
Minister of Public Service and Modernisation of the Administration of Côte d’Ivoire

Tertius Zongo
Former Prime Minister of Burkina Faso

Introduction

Reflecting on the “modernisation of the state and changes in behaviours”, drawing on highly instructive examples from Africa and across the world, basically leads to the following key question: what changes in behaviour are necessary in the process of modernisation of the state? In other words, to what extent do public sector workers need to change their behaviours in order to trigger the process of modernisation of the state and to attain emergence?

Asking this question allows us to address several aspects of modernisation of the state and of public services by referring to specific country cases. The present section summarises all these considerations around three points:

- the limits of policies and lessons learned from the past;
- the presentation and results of reforms undertaken;
- lessons to be learned from the experience of the countries examined.

These three points will be followed by general and specific recommendations, in order to inform political and administrative decision-makers about new initiatives or stronger options for the modernisation of the state and a change in behaviours among public service stakeholders in countries working towards emergence.
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The limits of policies and lessons learned from the past

The limits of previous policies

The section that follows revolves around the question of the role of the state, of changes in behaviour at the highest levels, but also of discipline and innovation which are essential to the process of development. A modern state must be capable of providing basic socio-economic services, of driving structural transformations and of facilitating behavioural changes at the level of human resources.

The low level of administrative modernisation in Africa has severely hampered the process of development. Indeed, in spite of the relatively respectable levels of economic growth in African countries (5.1% on average over the 2003-2004 period), this has not led to an eradication of poverty, due to the non-inclusive nature of growth.

The environment within public administrations

In general, underdeveloped states are characterised by the following dysfunctions:

- the hyper-centralisation of authority and administrative decision-making;
- the perception of public administrators that only they are in a position to know the public interest;
- citizens are in a position of dependence or tutelage in relation to the administration, powerless and with no ability to debate;
- the tendency for administration to hide behind the authority of the state.

In Africa, for a long time, it was clear that many states lacked social support (Ndi Zambo, 2014). This was due to the inability of these states to control society, because the state structure and its means of administrative action encountered a social structure that they failed to integrate.

One should also note a certain tension between the administration and civil society, which translates into conflicts, mutual suspicion, mistrust and sometimes rejection. This is reflected in the inability of governments to communicate regularly and effectively with members of civil society.
The poor relationships between civil servants and the users of public services also need to be underlined, for they manifest themselves in an environment where the lowliest public official demands an “incentive” for every “service rendered”. These observations, in terms of management of public administrations, can be summarised around the following points:

- a public administration that is corrupt, politicised and ineffective;
- tolerance of counter-models and counter-values such as impunity, corruption, fraud, misappropriation of public funds and clientelism;
- neo-patrimonial management of public sector jobs;
- opaque management of national resources considered by the rulers as the normal extension of their private wealth.

It should also be noted that appointments, postings, public procurement, recruitment, are all seen as ways of rewarding “electoral foot soldiers”. This logic of electoral handouts, which prevents people from climbing the “social ladder”, is in direct opposition to the principle of value creation, which leads to development.

Overall, it is clear that public administrations in most African countries “do not shine either in terms of the quality of services or in the quality of relations with their clients, much less in terms of moral integrity and efficiency of public officials” (Ndi Zambo, op. cit.).

What administrative reforms would then be needed to accompany the development and democratisation of the continent?

Reforms for the modernisation of the state

The challenges of implementing reforms

Modernisation of the state and its administrations is required in light of the failure of public administrations to successfully carry through the process of development undertaken since independence, given that the administrative models inherited from their colonial past are not adequate for the new demands of development.

This need for modernisation of the state applies across several dimensions, in particular institutional and behavioural. Institutional transformations must be accompanied by changes in behaviour in order to create a more efficient and transparent administration through actions
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and behaviours that comply with the regulations and objectives that have been set.

The general direction of reforms

In order to meet the challenges of development, and especially to reduce poverty, most African leaders have drawn up ambitious programmes to transform their economies through Poverty Reduction Strategy Papers (PRSPs). More recently, National Development Plans (NDPs) have been adopted in order to set these economies on “the course to emergence”.

The central role of the state in the design and direction of development policies: The experience of three West African countries

The central role of the state is undeniable in the process of emergence, a process associated with a set of public institutions that give primacy to socio-economic development and have the capacity to anticipate and formulate effective development policies and strategies (“developmental state”).

In Côte d’Ivoire, the government has decided to place planning at the centre of the development process, with the elaboration of the National Development Plan 2012-2015. This plan aims to give a new impetus to development and lay the groundwork for the country’s transformation into an “emerging country by 2020”. The challenges of state modernisation and governance have been fully considered during the meetings held in the context of the development of the strategic guidelines for the 2016-2020 development plan (Tsassa, 2015), but also in the conception of the national approach promoting the “New Ivorian” citizen.

In Benin, the government’s ambition is to put the country on “a trajectory of emergence marked by accelerated growth and sustainable human development”. To this end, the country has developed several national planning documents around a long-term vision of development namely “Prospective Analysis – Benin - Alafia 2025”. This vision sees Benin in 2025 as, “a flagship country, a well-governed, united and peaceful country with a prosperous and competitive economy, cultural influence and social wellbeing”. Following the definition of strategic development guidelines, the government set out to develop a strategy for the implementation and translation of the 2025 vision into sectoral investment projects known as “Agenda towards an emerging economy” (De Souza, 2015).
Mali defines “its path to emergence” through its vision of a national prospective study (ENP Mali 2025), which is that of an emerging country. It is divided into several strands, including a political and institutional organisation acting as guarantor of development and social peace (strand 2). In this vision, the Malian state of 2025 is sovereign, acting as a catalyst and stimulus for economic and social development. Moderating the relationships between the various actors, it stimulates economic and social development (Diallo, 2015).

**Administrative reforms and capacity building**

During the opening ceremony of the Conference on the Emergence of Africa (Proceedings ICEA 2015), Helen Clark, administrator of the United Nations Development Programme (UNDP), said that achieving emergence required leadership vision, sound analysis, planning and initiative. To consolidate emergence in the current, often unpredictable, context, countries must strengthen their resilience to shocks by opting for participative approaches to governance and development. Speaking at the same conference, Senegalese President Macky Sall underlined that good governance was a vital component of the path to emergence.

In order to achieve emergence, African states must therefore first reform their public administrations through:

- the consolidation of democratic governance;
- the establishment of a public administration truly at the service of its users;
- capacity building among agents of the state;
- improved organisation and functioning of the administration;
- improved performance of the public administration.

In terms of administrative reforms, certain experiments implemented in some countries are instructive.

In Côte d’Ivoire, specifically for the promotion of good governance, the government drew up a national plan for good governance and the fight against corruption for the period 2010-2014. In addition, it pursued reforms in the areas of public administration, justice and the economy. In terms of administrative governance, the government has undertaken several actions to modernise the administration and has reorganised local government, in particular to increase transparency and the capacities of the public administration with regard to users. These actions include:
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- a census of civil servants and public agents in 2010 and 2011 with a view to the monitoring and predictive management of the workforce;
- computer-assisted competitions for recruitment, which are now tailored to the needs of the administration (job profile);
- the drafting of a code of ethics and professional conduct for civil servants;
- the use of a call for applications procedure for the designation of the heads of certain public and parastatal structures;
- the elaboration and validation of a master plan for e-governance.

In terms of economic governance, a National Authority for the Regulation and Management of Public Procurement (ANRMP: l’Autorité nationale de régulation des marchés publics) was set up in 2009.

In Cabo Verde, it became apparent as the country developed that the state modernisation reforms of the 1990s had laid the foundations of a market economy with a liberal state. This led to the consolidation of democracy in the 2000s, with the advent of a regulatory state.

In Ethiopia, the economic and social performances achieved by the country over ten years are linked to the learning of past lessons (conflict cycles), to the central role of the state in the design and implementation of policies, to good governance and self-determination, and to community engagement.

For the authorities in Togo, the key success factor has been the implementation of extremely coherent strategies to achieve the objectives that the country has set itself, based on a strong administration. The conduct of an organisational audit with the delivery of mission statements to the various ministries, the introduction of results-based management (RBM), and the development of resources and skills have been at the centre of the modernisation of the administration.

Administrative reforms and changes in behaviour

Individual and collective behaviours in the dynamics of modernisation of public institutions depend on the level of qualification of public sector employees. In other words, in order for administrations to meet the requirements of modernisation, it is necessary to adapt staff training and development in administrations, particularly in the broader public sector.
On the other hand, the modernisation of public administration in Africa must concentrate on the promotion of social integration, the participation of citizens and civil society in public action, as well as the feeling of value and responsibility that reinforces their social inclusion.

The users of public services must be treated as partners who take part in the financing of public actions, and who expect a tailor-made service, adapted to their needs. Such a modernised administration is characterised, according to Ndi Zambo (op. cit.), by:

- consultation with citizens and dialogue with “partners”;
- acknowledgment by the state of disparate, even conflicting needs;
- participation of citizens in the definition of services;
- the introduction of monitoring of the effectiveness of services or expected impacts.

The Ivorian Budget Minister, talking about the transparency reforms that have been undertaken (Proceedings ICEA 2015), underlined the importance of dialogue with the private sector, reflected in the regular publication of public procurement plans, and the quarterly reports on the implementation of the budget that are available. At the same time, managers of public enterprises are encouraged, through roadmaps, to publish annual reports on governance.

The outcome of reforms

Clarification of the “path to emergence” and the modernisation of public administration

In February 2015, the Bamako Forum on the theme of “The African Emergence by 2035” offered an opportunity to collectively reflect on the advantages and strategies to be implemented within the framework of the emergence of Africa. The forum’s work highlighted a number of challenges that African countries will need to address if they are to emerge by 2035. These include effective administration and good governance, fostering good management of resources, transparency and the development of appropriate policies (Diallo, op. cit.).

Mali’s path towards emergence was developed during this forum: it involves sound management of public affairs and overcoming corruption, the consolidation of democracy, empowerment of the people in the conduct of their affairs, the rehabilitation of justice and the effectiveness of the state.
For all African countries, this path carries certain political challenges. Indeed, citizens are increasingly demanding and critical of the services they receive from public organisations. They have the power (through democracy and the principles of emerging governance in Africa) to express their dissatisfaction and exert pressure, as never before, right up to the political level of the various layers of government. Loss of confidence in the government can, when the time comes, lead to censorship (election) of the government (Ndi Zambo, *op. cit.*).

The difficulties of implementing reform: The experience of two African countries

In the majority of African countries, there are many weaknesses in the implementation of reforms. In Côte d’Ivoire, the state of governance, which had been mediocre over the period 1981-1999, went into steep decline over the period 1996-2000, with an average score for the quality of governance falling from -0.3 to -0.95 (WGI: Worldwide Governance Indicators, 2013). The various reforms carried out did not lead to a significant improvement in the governance indicators: the scores obtained for the World Bank’s six WGI indicators over the period 2009-2011 – while slightly up on the period 2000-2008 – remain negative (Ballo and Kimou, 2015).

These overall results can be explained by:
- the burden of administrative red tape in the public procurement process;
- the slow and late uptake of e-governance;
- a system of public sector promotions insufficiently based on merit.

In the planning of emergence in Côte d’Ivoire, Tsassa (2015) reveals that the country has some challenges to overcome, including the modernisation of the state in line with its missions and the principles of transparency, efficiency and responsibility. Lessons from the implementation of the NDP over the period 2012-2015 point to: a weak “coordination in the implementation of the NDP”, “a mixed alignment of sectoral policies and budgets with the NDP”, and “a weak local anchoring of the planned activities”.

In Mali, the situation is characterised by an administration with a shortage of quality human resources, often with significant institutional problems. For example, planning structures have generally been marked by the uncertainty surrounding the Ministry of Planning, which often
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disappears to reappear in other forms and then disappear again. It is as if the vital function of strategic planning was just treated as “an adjustment variable” in the formation of governments. (Diallo, op. cit.)

Lessons to be learned from benchmark countries

While taking into account the needs and specific situation of each country, it is important to draw inspiration from successful experiences in the development and implementation of reforms that have led to well-functioning institutions.

The experience of developed countries

The role of the state and public management

For the past 20 years and more, many OECD countries have undertaken major public sector reforms, with two main objectives: to tackle the imbalance in public finances through achieving greater efficiency and a clarification of tasks; and to improve the quality of administration in the service of the citizens. The overall picture is that of an essential transformation of the role of the public authority, which presupposes giving some thought to its organisation and to the improvement of public sector performances at a better cost (La Documentation française, 2000).

For Lionel Jospin, then Prime Minister of France, the creation of the Council for Economic Analysis responded “to the need for a government too often confronted with urgency, to be able to refer to a structure for reflection that would inform its choices in the economic field” (opening speech of the inaugural session of the Council for Economic Analysis, 24 July, 1997).

In a speech at a conference on “Good governance and the reform of the state” (Civil Service portal, 2011), the French Minister for Public Administration and Reform, Michel Sapin, insisted that the consultative process prior to decision-making had to be enhanced and extended to national parliaments, national administrations, associations, expert committees, and local authorities, in order to involve different authorities and approaches. The distribution of competences is valued and negotiated through the involvement of all stakeholders. This implies a change of behaviour on the part of the political and administrative authorities, in order to embrace a logic of partnership, in particular with the associations representing civil society.
Modernisation of the state and administrative reform

In order to adapt to the evolutions of the world and of society, the state constantly needs to modernise. This reform of the state must make the administration more efficient and improve the services offered to the public.

In France, successive modernisation projects have allowed the state to evolve in a very concrete fashion, whether in specific domains or across a broader area. This is the case, for example, with e-government, driven by the development of new technologies, or with fiscal reform, which creates a new public management framework. Several specific measures have also been put in place to organise and stimulate modernisation efforts: the ministerial reform strategies in 2003 and the modernisation audits in 2005. In the summer of 2007, the government launched a general review of public policies, which led to a series of actions, including:

• reform of the budget and of public management;
• evaluation of public policies;
• forecasting of jobs and skills;
• systematic audit of state administrations;
• ministerial reform strategies with the development of requests for “quality of service”.

Franco Bassanini, the former Italian Minister of Public Administration, responsible for reform of the state, summarised the challenge of modernising the administration and efficiency of public management as follows: “the organisation of the state, and the performance of its administrations are increasingly becoming competitive factors that are decisive for the prosperity of a nation”. (La Documentation française, 2009).

In general, the need for state modernisation was often driven by budget constraints or the need to control public spending. Australia has thus created local agencies that include several social ministries, where civil servants meet members of the public to determine the benefits to which they are entitled and to take appropriate measures.

The public service now has to face up to an accelerated renewal of the skills it needs, with the predictive management of jobs, staff and skills in the administration.
In order to ease relations between the public and its administration, administrative simplifications are now deployed in various directions: simpler procedures, the redrafting of administrative forms, the development of e-government, simplification of administrative language, simplification of administrative structures, codification of laws and regulations, etc. For example, e-government has opened up important prospects for reforms: simplifying procedures for users, for example through paper-free administrative procedures, but also through a more effective functioning of the administration, especially through better networking.

The experiences of emerging countries

Countries which a few decades ago shared the same economic characteristics as sub-Saharan Africa have managed sustainably to reduce social inequalities, and transform their economic structures to become engines of growth in the global economy. The path taken by these countries should be seen as a source of good practice for Africa.

During the opening ceremony of the Conference on the Emergence of Africa (Proceedings ICEA), Albert Toikeusse Mabri, the Ivorian Minister for Planning in his welcoming speech cited emerging countries as an example to be followed. “In reality, the experiences of countries that have succeeded in their structural transformation show that public policies have a significant influence on the nature and the outcomes of transformation programmes.” He added it would be necessary to draw inspiration from the paths taken by many countries, including the BRICS (Brazil, Russia, India, China and South Africa).

General approach

In analysing the role of planning and governance in the recent economic performance of India, China and Malaysia, what stands out is a high awareness of development through investment in human and technological capacities. In terms of governance in particular, these countries have undertaken major reforms aimed at improving the state management system.

For example, replying to a delegation of African heads of state from the Africa Leadership Forum who, in 1990, had asked him the “secrets of Singapore’s economic miracle”, Prime Minister Lee Kuan Yew simply replied: “An honest administration at the service of business.” (Kinzounza, 2012).
International organisations today consider a country’s administration to be one of the key elements of economic development. Having an efficient and modern civil service is thus a factor of success for emerging economies. This new perspective outlines seven pillars of public sector wisdom in emerging countries as a foundation for successful reform of the state and the administration (BearingPoint, 2013): (1) Build a unifying project for the long term. (2) Use information technology in the service of trades, agents, and users. (3) Combine a shared strategic vision and rigorous operational implementation. (4) Manage projects through results at national and local levels. (5) Develop a user-centric approach. (6) Identify and mobilise critical skills. (7) Imagine pragmatic implementation arrangements to sensitise and engage stakeholders.

Modernisation of the public administration in China, India and Malaysia

Ballo and Kimou (op. cit.) cite the example of China and India, two Asian countries among the main emerging nations.

Indeed, since the late 1970s, China has put the modernisation of its economy at the top of its priorities. Its strategy has been gradually to abandon the plan (planned economy) for the market, with the promotion of a modern and efficient public administration. The reduction in the number of civil servant posts, recruitment on the basis of competition, promotion through merit and decentralisation are the pillars of reform.

In India, the implementation of a national plan to promote e-governance has facilitated transparency and simplification of administrative procedures and services, reduced processing time and eliminated intermediaries. The role of the government in the New Economic Policy (NEP) is now reduced, and limited to the identification of targets to be achieved in the five-year plan, with implementation now being the responsibility of the private sector. The eighth plan therefore calls for “indicative planning” and the private sector takes the lead in economic growth, with the government working to reduce inequality and poverty.

In Malaysia, government authorities show the need to determine and implement a realistic vision and plan. However, these need to be accompanied by adequate resources and budget allocations. Based on the experience of their country, the authorities have developed five pillars to guide this vision and bring Malaysia to the status of a developed country by 2020, including: building the economy around a value chain; capacity
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building in knowledge and innovation, and promoting a “first-class mentality”; strengthening the institutional and implementation capacities of the country through the establishment of a more effective mechanism for implementation and monitoring.

The experience of some African countries

Morocco: the programme for modernisation of the administration

Considered an emerging country, Morocco gives us an instructive and clear summary of its new administrative modernisation programme. “The new concept of modernising the public sector requires laying the foundations for a modern, efficient, responsible and citizen administration that is close to the concerns of citizens and adopts a new approach to the modernisation of the administration” (Kingdom of Morocco, 2005). This is the main objective of the programme, defined around three main pillars.

Redefining the tasks of the administration in light of the new role of the state. This involves:

- reconsidering the tasks of the central administrations; promoting their missions of design, direction, evaluation, control, coordination and supervision;
- activating the role of devolved services responsible for the implementation of public policies and for meeting the expectations of citizens, businesses and local authorities.

Adopting and developing electronic management methods in order to facilitate citizens’ access to basic administrative services and to reduce administrative burdens. The current “e-administration” programme covers the entire public sphere, namely central and local administration and local authorities.

Capacity building of human resources in order to achieve a greater level of qualification and to consolidate the human element as an influential force in the dynamics of reform, through two main initiatives: the promotion of a new human resources management culture and improving the profile of the public service.

The new culture of human resources management involves the implementation of three approaches:

- the definition of new rules for the recruitment, secondment, supply and redeployment of civil servants;
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- the search for a closer match between the profile of public agents and the needs of the administration: development of job and competency benchmarks in all administrations;
- the adoption of principles of merit and competence as the basic criteria for promotion rather than the current criteria of seniority.

Rwanda: the main orientations in favour of public administration

Herman Musahara, Executive Director of the Organisation for Social Science Research in Eastern and Southern Africa insists, among other things, on innovation and the implementation of structural reforms, two elements that have favoured “the emergence of Rwanda” (Proceedings). He says that Rwanda has made impressive progress since the 1994 genocide and now wishes to consolidate the achievements of social development and accelerated growth, while ensuring that it is inclusive.

The Rwandan government in its “Policy Framework for Civil Service and Labour Reform” (Kigali, May 2002), recognised the role of the civil service as “the driving force behind the socio-economic development of the country”, for the following reasons (Kinzounza, op. cit.):

- it ensures the respect and application of the legislative, institutional and regulatory framework and ensures the effective functioning of the state apparatus;
- it initiates the management policies of the different public services of the state;
- it develops the standards and management procedures to be followed in state services;
- it ensures the supervision and control of the management of the state’s human resources, as well as the quality of services offered to the public;
- it ensures the supervision, education and information of the public in their development activities;
- it develops the policies and programmes in the various sectors of development of national life.

“In a broader sense, reform of the public administration […] consists in the adjustment of the administrative machinery to the new role of the state” (Kinzounza, op. cit.).

Some reforms have thus been implemented based on the model of the Singapore Development Board, and have been a real success, including
the “one-stop shop” which has improved the business environment. The 2020 vision for poverty reduction and economic development is also a component of Rwanda’s emergence.

Overall, what emerges from these reforms is that Rwanda has drawn from its own culture to enrich and adapt its development plans to the needs and the specific context of the country. The result of this policy direction is a set of local solutions translated into sustainable development programmes.

Summary of lessons learned for African countries

If African countries want to become true developmental states, they must, in the process of developing transformative institutions, train competent and professional public administration staff. Changes in political leadership must not affect the situation of public sector employees, and the administration has to be shielded from the political elite and from direct pressures from political groups and factions. In addition, African countries will need to re-establish or maintain the planning ministries responsible for overall development planning, policy alignment of sector ministries, and complementarities between economic and social development (CEA, 2011). Such genuine Ministries of Planning can be found in emerging countries, with the former Economic Planning Board (EPB) in South Korea, the Singapore Economic Development Board (EDB), and the Economic Planning Unit in Malaysia (EPU).

Reforms and measures for a development-friendly administration

Administrative reforms are a package of measures designed to make public administrations honest, republican and efficient. The path to economic emergence requires a number of factors to come together, including as a minimum:

• transformational political leadership, which sets a strategic direction, mobilises and channels the energies of cadres and populations;
• good governance, with a focus on the development of human resources and capacity building.

The expected outcome of such actions is essentially a “development-friendly administration” capable of accompanying the process that leads to economic emergence.
A new vision of administration

This vision is reflected in the necessary intervention of the state to achieve the development objectives for society as a whole. The new public administration in the service of the state will therefore have the following characteristics:

- a public administration that includes decentralised administrations emanating from a central administration, whose task is to oversee and to control policies, standards and procedures, respecting the general interest and the promotion of wellbeing of the general population;
- a public administration that is attentive to the needs of its citizens and prompt in delivering services that match their expectations;
- a public administration that is depoliticised.

In other words, it is a public administration in the service of the general interest and the rule of law. However, it is important to ensure overall coherence and the possibility of linking the different levels of administration. These areas must be real priorities for development (Kakdeu, 2015):

- the field of management of human resources in the public administration;
- the field of monitoring and systematic evaluation of public policies;
- the field of management of information and administrative documents including the digitisation and electronic management of administrative documents.

Changes in mentality as a major element in the transformation of behaviours

In order for these changes to be successful, there has to be a meritocratic bureaucracy, enjoying autonomy of action. This bureaucracy is a form of state or civil service institution in which workers are hired on merit instead of being recommended by government or political officials.

Thus, the first major field of administrative reform that Africa must undertake is the depoliticisation of administrations. This means separating the political (strategic) level from the administrative (operational) level, to enable public administrations to serve the public interest. This requires adapting the legal framework to the requirements of neutrality and the strengthening of institutional safeguards that act as a remedy for abuses of power (Kakdeu, op. cit.).
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In the words of Cameroonian writer Daniel Etounga-Manguelle, “we cannot emerge by decree” (Proceedings ICEA 2015); indeed, he points out that there can be no sustainable reforms in Africa without prior reflection on the appropriation of “our history”. We need to work for a “concerted will, and a coordinated approach to society”, a willingness to mobilise all the available talents of society in a real project bringing together human and financial resources in synergy. The advent of the “new African man”, who is self-confident, who understands his time and is capable of inventing; that is to say, a man who conquers and builds his own future, and is open to other cultures.

Togolese Minister Kako Kossivi Nubukpo has called on African countries to break free from the dictatorship of emergency (Proceedings ICEA 2015), if they want to walk the path of emergence.

SOUTH KOREA: THE PERFORMANCES OF AN EMERGING STATE

Political context, economic direction and global positioning

In 1953, South Korea emerged bled dry from the civil war that had ravaged its territory and destroyed its cities, especially Seoul. In the 1950s, South Korea was one of the poorest countries in the world, bristling with shantytowns and entirely dependent on aid from the United States, for whom the peninsula was of major geostrategic interest. Lacking experience and effective administration at the time, decision-makers governed mainly through emergency and short-term measures. However, while South Korea in the early 1960s ranked at the same level as most African countries in terms of GNP, it has hauled itself up to the point where by the end of the 1990s it had overtaken Greece, Taiwan, Spain, Hong Kong and Singapore and the countries of Eastern Europe.

In 2012, South Korea was ranked 15th on the global scale, with membership of the G20, following its accession to the OECD in 1996. It is currently estimated to have risen to 12th place, overtaking Australia.

South Korea’s performances bear witness, on the one hand, to the presence of a developmental state with a strong vision of national development, and, on the other hand, to its quality and efficiency in managing available resources.

Autonomy, primacy of the state and development

One of the particular features of the state in South Korea prior to 1980, is the establishment of a degree of autonomy in its relations with the main political and economic players, both national and international. This autonomy reached its apogee under the Park regime (1961-1979) with the implementation of the various five-year plans, and was accompanied by very good economic performances. Indeed, the South Korean state established itself as a “strong” state symbolised by a real autonomy from the private sector. In other words, a state set free from the private sector, capable of defining strategic choices and delivering...
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results, while resisting lobbies opposed to these changes or to the implementation of state decisions.
Park thus put in place an efficient and sovereign planning process. In July 1961, he created the Economic Planning Board (EPB), whose director was the Prime Minister. The functions relating to planning, budget preparation and execution, management of external assistance and debt, and the collection of national statistics, previously under various ministries, were henceforth entrusted to the EPB. Despite military domination in political circles, Park ensured that highly-qualified civilian experts were recruited to the EPB rather than politicians or high-ranking military personnel. Institutionally autonomous, the EPB was able to objectively assess economic and social situations and to suggest desirable directions in the best interests of the country.

Subsequent political and social changes sealed the primacy of the state over these different counter-powers, and this degree of autonomy resulted in a series of institutional mechanisms, including mainly: a meritocratic public service; an economic administration relatively isolated from political pressures that might compromise its ability to plan for the long term; institutionalised relations between the state and the business community, facilitating the development and proper implementation of development plans; the ability to ensure an adequate influx of resources to activities identified as strategic.

Cultural factors, education system and economic competitiveness

In South Korea, education is deeply rooted in its historical and social context. Before the modernisation of the education system, traditional standards of training existed for the social elite in Korea. Traditional education was devoted to the training of “loyal servants”; educated and devoted to the cause of the royal services in the country.

The influence of cultural factors, and currents of thought such as Confucianism, played an important role in education in Korea, as they did among most Asian populations.

Indeed, in South Korea, the education system is based on the traditional philosophy of hongik ingan, which enjoins each individual to work for the benefit of all.

The development of the country has certainly depended on a class of bold leaders, but it is undoubtedly the result of the quality of its people, with priority given to the education and work of individuals; this should enable each Korean to communicate with their environment and become an educated citizen capable of addressing economic and social issues with a spirit of leadership.

Training for service professions was provided by the Schools of Education. Meeting the country’s industrialisation targets meant having competent and well-qualified administrators. Accelerated training of administrators was thus provided by the Seoul National University.

In 1998, the Presidential Commission for the new Educational Community was created in order to bring about the reforms necessary for a better management of the education system in the face of the country’s structural and economic imbalances. This operational commission was responsible, in particular, for: including citizenship in the school curriculum; defining the priorities of an individual education, aimed at making people more creative and innovative, especially in the field of information technologies, and at orienting them towards social utility.
In the labour market, emphasis was placed on experience, competence and adapting to changes in work requirements.

At the same time, South Korea’s desire to be highly competitive on the international scene meant the country needed a highly-skilled workforce and guided the state’s policy of developing a high-quality human capital.

Overall, the products of the education system were strategically designed to promote and improve competitiveness across various markets and to ensure greater productivity in the productive sectors.

The quality of the institutions (administration, training) was one of the determining factors in the country’s structural transformation: the bureaucracy played an active role in the development and efficient implementation of the country’s rapid industrialisation strategy; the cultural environment and individual education were able to limit corruption and to have a positive impact on the returns of public and private investments.

**Conclusion and recommendations**

The analysis conducted in this chapter contains three major lessons.

The first relates to the dysfunctional nature of public administrations in many African countries, a situation partly due to the “casual” approach to managing public structures and human resources.

The second is linked to the commitment of states to take into account all those parameters favourable to reforms of public administrations that could lead to emergence, a vision that is more or less close according to the ambitions of each country aspiring to emergence.

The third lesson relates to the difficulties of delivering this vision via reforms whose implementation is poorly thought through, within the overall framework of administrative modernisation, marked by cumbersome management of public affairs, and the socio-political burden weighing down on public services.

Some African countries have now developed and put into practice interesting schemes for emergence, but it is other countries, mostly Asian, that admirably show the way to emergence. And changes in behaviour, at all levels within public administrations, are essential in the process of transforming the state to achieve sustainable economic and social development.
Consequently, some recommendations stemming from the work of the International Conference on the Emergence of Africa (2015) and supplemented by other sources of reflection on the subject could be retained to respond to the need to modernise the state (one of the elements of which still remains the change of behaviour among its stakeholders), in order to make public administration more efficient.

**General recommendation**

Provide countries with clearly shared visions and plan medium- and long-term development in a climate of justice, fairness and peace; direct investments to the sectors, programmes and projects that will contribute to the achievement of the priority global and sectoral objectives to deliver the vision of emergence.

**Recommendation based on the country case study**

The experience of South Korea can offer new approaches to governments in terms of defining and steering their strategies for emergence. This experience confirms the central role of the state in the rapid transformation of political, economic, and social systems. We will therefore underline the following strong recommendation:

- The establishment of an institution for the design, planning, monitoring and evaluation of development policies and programmes, such as South Korea’s Economic Planning Board. Totally different from the Ministry of Planning, such an institution will have sufficient authority, capacity and autonomy to formulate strategies for the development of global or sectoral policies, and is essential to the reorientation of institutional policies in African countries.

**More specific recommendations**

In order to respond to the questions about “changes of behaviour”, our analysis suggests that each country needs to place emphasis on:

- good leadership, enlightened and visionary, capable of creating strong institutions;
- the emergence of a clear vision, a determined leadership, coherent strategies and long-term planning frameworks;
- the adoption of a pragmatic development approach that takes account of the socio-cultural context and all stakeholders (including the private sector);
• the adoption of performance contracts at all levels through a participatory approach involving all stakeholders;
• the implementation of major structural reforms to improve the business environment and strengthen good governance;
• the establishment of strong, viable and responsible institutions;
• the establishment of a permanent strategic and intelligence monitoring system;
• the improvement of economic and financial governance through efficient and transparent public management;
• the promotion of meritocracy in the public administration;
• building the capacity of structures for promotion and good governance;
• coherent public policies.

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Decentralisation and Local Development to Promote Good Governance in Africa

Prof. Tiékoura Koné
Advisor to the Presidency of the Republic of Côte d'Ivoire

Luc Gnonlonfoun
Director of United Nations Development Programme operations in Côte d'Ivoire

Introduction

As a result of the democratisation process launched at the Franco-African La Baule summit, in France,¹ most of the countries of sub-Saharan Africa initiated a process to redefine the existing relationship between the administration and the citizens. To this effect, reforms undertaken on the African continent aim to establish a system of governance which would help to improve the management of public affairs by communities organised at a local level to reflect the populations’ particular concerns and aspirations.

Decentralisation is on the agenda everywhere, both at state level and within international organisations. This heightened interest stems from the acknowledgement of a certain lack of efficiency at centralised management level in meeting Sustainable Development Goals (SDGs) and the need for long-term consensual management of development. It also stems from the fact that the main stakeholders believe that a better understanding of the populations’ problems and social demands, and better-adapted and more flexible responses have been observed when

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¹. The « France Afrique » summit was held in the French coastal resort of la Baule on 20 June 1990 and marked a turning point in relations between France and the African Continent.
decisions were taken as close as possible to people and the environment in which they live.\textsuperscript{2}

Decentralisation thus emerges as one of the responses to the governance crisis in the African states, and a necessary condition to consolidate democracy and development.\textsuperscript{3}

Different African countries take different approaches to adopting and implementing decentralisation policies. In many African countries, the adoption of decentralisation policies has come about as a result of the wish expressed by local populations to be involved. In other countries, a solution had to be found in this quest for greater autonomy in the management of local affairs, which certain regions were pushing for, sometimes by violent means, occasionally going as far as raising the prospect of secession. In yet other countries, decentralisation came about as an opportunity to move beyond and even eliminate the stigma of a previous political and administrative organisation often marked by exacerbated centralisation.

\textit{Promoting decentralisation and local development initiatives in Africa}

The challenges of governance and institutional development play a major role in the fight against poverty on three levels: at a central level, at the level of decentralised structures and, finally, at community-based and grassroots stakeholder level.

Poverty eradication targets seem to be best addressed at a global level and yet the promotion of decentralised development processes and capacity building are weak links in the processes that are under way. The transfer of powers and basic-level processes of decision making and implementation are essential in tackling the challenges of fighting poverty and meeting the SDGs.

Promoting good governance at a local level, participative dynamics, social control and shared common standards may serve as a basis for an


endogenous appropriation and implementation of development actions and better management of resources. The empowerment of local authorities and local information sources tends to help identify the most cost-effective and appropriate means to implement priority services. Decentralisation provides the remotest regions with a more efficient channel for relaying threats and alerts, which enables them to react more rapidly to any risks and disasters. It may also help to implement more sustainable social insurance and collective lending and investment schemes.

In fact, the objective is essentially to find the right balance between two imperatives. On the one hand, it is necessary to achieve a degree of political coordination at a central level in order to promote strategic steering of reforms, mobilise resources, implement economies of scale, identify the most cost-effective levels of intervention and avoid conflicts of responsibility. On the other hand, it is essential to ensure that political and administrative involvement and responsibility can really be taken up at local level in order to offer more sustainable and autonomous development opportunities.

The challenges in this respect mainly stem from the decentralisation processes which are already in place and the local contexts, linked to the degree of cohesion within the population (absence of ethnic conflict in particular), the democratic responsibility – or lack of it – of institutions and locally-elected officials, as well as the degree of organisation and the means of leverage the poorer populations have at local level. In many cases, local authorities do not necessarily meet their expectations. On the other hand, delegating functions or powers to bodies (or structures) with institutional and technical capacities that are often weaker than those of the central authorities causes considerable uncertainty.

In order to meet these challenges as a whole, the reorganisation of the state is an absolute priority, to which insufficient attention has been given until now.4

Decentralisation and local development are two concepts which are at the core of state reforms today. Even though these two terms are often cited, they refer to a number of different concepts in relation to the classic dichotomy between representative democracy and direct democracy.

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It is generally recognised that decentralisation and local development are close yet distinct processes, which may certainly support each other but which are also of a different nature. Local development is first and foremost a dynamic economic, social and even cultural process, which is more or less coordinated, promoted by individual and collective stakeholders within a given territory. Local and regional authorities may promote these initiatives and provide a forum for consultation and arbitration, but they may also ignore them or even try to hold them back, while continuing to carry out their role in the management of a certain number of public services.

A preliminary analysis of the relationship between decentralisation and local development, which are therefore two complementary yet sometimes contradictory spheres of public policy, should indeed enable their respective contributions to the promotion of good local governance to be envisaged. All too often, the terms are used in an ambiguous, loose, or even idealised way. One may sometimes wonder if the term “decentralisation” is pertinent in that it assumes that there is something to be decentralised. Is this not more about simultaneously building decentralised institutions and a government? The “local” issue only makes sense from a historical point of view when it involves the state and the relationship between the state and the “local” element. Today, emphasis is placed on the latter; in the hope that operating at this scale will promote a more efficient provision of collective services to local people and more transparent and democratic governance. The question remains as to whether decentralisation and local development will enable citizens to be reconciled with public administration.5

Decentralisation, which is considered by many authors to be one of the forms of existence of a state, is a movement towards localisation which affects not only the administrative system’s operating principles but also aims to create new dynamics and a new approach to government. That is why today we speak of local governance. This is about envisioning a system for improving the management of public affairs which focuses on involving all the stakeholders in governance with a view to promoting proximity and empowerment. The state is no longer the sole agent of development. The emergence of autonomous local and regional authorities increases the number of decision-making centres. Civil society organisations reposition themselves at the heart of public services management and become the vectors of development; as a result of this

proximity, citizens have the opportunity to participate; development partners are redeployed at the level appropriate to the implementation of projects, that is to say, at a local level.6

In this situation, the current strategic positioning of the United Nations Capital Development Fund (UNCDF) in support of public policies is pertinent. It focuses on the promotion of decentralised financial transfer mechanisms from central government to local authorities to deliver and manage a form of local governance which is better geared to addressing local demands. With its comparative advantages, the UNCDF can provide answers to the changes and new challenges that developing countries face, as well as promoting synergy and complementarity with other development partners. Certain key partners support the decentralisation and local development processes, particularly Germany, Canada, France, Spain and Italy, as well as Luxembourg and the European Union.

Decentralisation dynamics and promoting democracy in Africa

If democracy is understood as being a mechanism for settling conflicts of interests within societies through a deliberative process and the choice of the majority expressed through free and fair elections, there is no reason to limit its exercise to the national level alone. Conducting a democratic process is not simple, of course, much less so at local level, where different institutional entities structure local people’s lives and seek their support. We find that three sources of legitimacy clash here:7 the legitimacy of traditional and customary power, the legitimacy of religious power and the legitimacy of the power of the modern state.

The current democratic processes favour the legitimacy of the state, although it is by no means certain that local populations automatically identify with it. Different conclusions can be drawn from these observations: the question of representation is one of the most difficult problems encountered by decentralisation, particularly in a rural setting. According to the rules of decentralisation the choice of local councillors must be made through a democratic “one person, one vote” electoral process. The local social reality is unfortunately far from being that simple. According to the different institutional entities which exist, people are not

all weighted equally. To some extent there are “electors” (hereditary chiefs, clan chiefs, heads of households, religious heads or heads of castes, etc.) who do not always understand why their vote should have the same weight as that of other community members, let alone that of “foreigners” whose vote or eligibility may be hard to accept. Many “alternative” strategies are employed to ensure that local elections do not excessively disrupt the pre-existing socio-political balance too much. But it can also be seen that in some places local elections are used by the younger generation to throw off the shackles of traditional clan structures. In these cases, local elections tend to introduce political rivalry between members of the community where, previously, the practice of systematically seeking consensus and social cohesion was the norm. This leads to a duplication of the political arena reflecting the rival sources of legitimacy (traditional and democratic), which seriously complicates any agreement on decisions regarding the community.

The fact that certain decentralisation laws stipulate that in order to be a candidate in local elections one must be put forward by a party is also a significant source of problems in terms of representation. Indeed, parties tend to follow the rules of internal power struggles, often shaped at the level of national headquarters. Any interest in dealing with the local political situation is often secondary to drawing in political friends. As a result, voters don’t identify with the candidates seeking their vote, which leads to the alienation of the electoral body in local consultations. In view of this risk to democracy, several countries have decided to accept independent candidates standing for election alongside candidates from political parties.

The modus operandi of local government bodies is also a source of concern in terms of democratic expression.

The whole issue here is the relationship between local authorities and civil society. If the election process no longer recognises the full weight and significance of a vote, then how can it be ensured that local authorities are indeed a forum of democratic expression? Many believe that representative democracy should be enhanced with greater participative democracy, with an increased contribution to local governance from the population. For this to happen, civil society needs to be able to organise itself freely, with the creation of sub-municipal autonomous forums for consultation and negotiation to deal with the problems the population may be facing, and by building bridges between the community’s consultation framework and the local council. Representative democracy places great demands on civil society and its ability to
organise itself and represent a credible counter-balance to the established local authority. It is not clear whether decentralisation policies have always appropriately integrated this need on the part of civil society for support in building their capacities, side by side with those of local institutions, when establishing truly democratic local governance.

Decentralisation may be a factor which will help renegotiate people’s support for government institutions and facilitate the emergence of citizenship based on the negotiation of a new social contract, as long as the organisation of local structures is improved, local authority practices are changed, the ability of local administration and elected officials to improve people’s lives is enhanced, and the focus is placed on the emergence of a new model of citizenship.

Improving the organisation of local structures involves:

• putting in place the right institutional arrangements to support economic development and employment across the different territories;
• giving citizens a sense of responsibility and increasing their ability to take initiatives and take charge of their lives and environment;
• redefining the relationship between the government and local authorities;
• modernising the way the central state and its local representatives operate.

Everywhere we see the emergence of a new form of relationship with authority, with the environment, economic production, a symbolic universe and values, etc. These new forms of relationship are a reflection of profound aspirations for change in the methods of governance, which have not enabled the promises of a better life made by the state to be achieved.

The urbanisation and globalisation processes pose new problems, demanding new responses. Meanwhile, the administration at a national level seems to be distant from the people and is not responding to their expectations very well in terms of participation in the management of matters which affect them. Participatory dynamics and efforts to include them must be promoted further.

The form of citizenship that is being shaped through decentralisation enables populations to achieve greater autonomy in relation to “nation states”. It also permits the restructuring of scales and standards for the production, consumption and management of common goods with which the population identify since they contributed to it.
These processes will lead to a new definition of the state, which is moving progressively away from the colonial legacy towards becoming an entity, the form of which is negotiated between different constitutive authorities, thus guaranteeing a certain re-legitimisation of the state. The kind of citizenship being forged here demands of all individuals that they take on a new role in order to participate in the democratic management of all. The primary rights of a citizen in the era of democratisation and decentralisation are:

- participating in choosing those who will represent him/her in a position of power: Through an informed use of the right to vote, the citizen thus takes part in the legitimisation of local power;
- greater monitoring by citizens, by keeping themselves informed about the actions taken by the elected governing bodies, namely by making use of local civil society organisations’ ability to raise questions and through forums that may be organised by local authorities;
- discharging his/her participatory duty by accepting the local authority’s requirement to contribute financially in the form of duties and taxes (there can be no representation without participatory duty through compliance with taxation).

When it comes to consolidating democracy, the local arena is where different sources of legitimacy compete to gain local people’s support and shape their lives. The form and realities of local democracy – be it representative or at population participatory level – are a direct consequence of the capacity to draw on a range of complementary sources of legitimacy to build compromises at local authority level.

In all cases, the decentralisation option is seen as a form of progress, from which the population expects:

- strong mobilisation of the core stakeholders in matters of sustainable human development;
- a means of enhancing and consolidating democracy at a local level;
- efforts to restructure the state and to renew the legitimacy of public institutions;
- a starting point for regional integration that is truly rooted in the realities of the local context and Africa generally.

In terms of development, the support of the population can only be achieved if the decentralised community framework helps to give a fresh boost to the local economy.
Decentralisation and local development: two complementary approaches

While decentralisation is about a relationship of autonomy between public entities, local development began in parallel to public policies and local administration operations. The decentralisation movement is initiated by the political authorities and therefore comes from “above”, transferring power to elected assemblies, while local development appears to be a “grassroots” movement working towards the emergence of self-promoting initiatives of social groups which are independent from the public authorities.

Decentralisation, a downward institutional movement

Decentralisation is first and foremost, indisputably, a political phenomenon engendered by both the birth of democratic processes and by the lack of means the state has at a central level to meet all the challenges it has to face. The current so-called decentralisation reforms aim to create new local bodies and to strengthen the autonomy of existing ones. They are working to establish a new distribution of power between themselves and the central state. This new distribution of powers must help to strengthen democracy, improve governance and bring decision-making centres closer to the citizens. The desired objectives generally include:

- ensuring a more balanced regional and local economic and social development;
- establishing an administration which is close to users;
- creating dynamic regions within a unitary state.

There are two cornerstones of decentralisation: politics and administration. It is a liberal institution which is associated with the form of political liberalism that the democratic system represents. The democratic principle, i.e. the principle of the participation of the population or of its representatives in public matters, fulfils its purpose both at national level through the election of members of parliament and at local authority level through local elections. Decentralisation therefore meets the need for “good administration” and presupposes leadership and commitment in favour of local governance entrusted to people or entities that are

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close to the local communities. By establishing the participation of community members in decisions which affect their direct collective interests, the central government creates a downward movement aimed at democratising public administration.

**Local development, an upward identity movement**

Linking the two terms, “development” and “local”, means articulating two essential characteristics: duration must be part of any developmental approach, and space, i.e., the local territory concerned, must be part of this approach. It has been defined as “a structured and organised intervention, with a global and ongoing scope, in the process of change of local societies which are facing destructuring and restructuring”. Local development is first and foremost a network of solidarity which holistically supports individuals in their development, strengthened by their cultural identity and sense of belonging to their land. It is essentially based on the mobilisation and optimisation of the potential of an environment which refuses to give in to fatalism when faced with hardship or shortage and which searches collectively for answers to its developmental concerns, prioritising the self-promotion of its land.

It is by focusing on potential, resources, skills, endogenous structures – both existing ones and those that have yet to be developed –, rather than on large transfers of external aid or public investment, that the stakeholders of local development really commit to the developmental dynamics of their community. Thus, the overall strategy is concerned with upholding the will and ability of the local population to be the main agent of its own process of development. The impetus must come from within, and to ensure that this is the case, a series of actions must be taken to promote regional planning, to develop areas of growth or the emergence of regional specialisation which might favour development, and in turn, generate innovative and motivational initiatives. Local development does not mean that there is no support from “above”. However, the community counts on the mobilisation of its own resources provided voluntarily. Thus, local development seems to be the meeting point between what comes up from grassroots level and what comes down from above. The originality of the local development approach is that it mobilises and stimulates the dynamic forces and resources of the

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community in order to generate new projects, to trigger and to support the individual and collective processes of change and development.

Local development therefore involves popular will and a collective approach within and in favour of a social group within a given space. This conscious or latent will represents the ability of all of the inhabitants – irrespective of their social position or their degree of responsibility – to plan and implement a collective project which directly meets their aspirations, their needs and of course the resources available locally.

Finally, decentralisation provides an interesting political and administrative framework for processes that are already under way in the field – driven by local development, based on a strong identity – with a scope which does not necessarily coincide with that of the local authority. However, this theoretical complementarity between decentralisation and local development is not always obvious. In practice, decentralisation and local development are often at odds with each other.

Historically, the ideas behind local development came about beyond the confines of standard development practices and policies. Since the start of the colonial era, traditional indigenous forms of local autonomy have repeatedly been suppressed. This process continued when the countries gained independence and became unitary.12

The localisation of power

The answers to the question of localisation of power in the decentralisation process in Africa have not always taken traditional forms of local participation into account. Some authors have addressed the problem of the difference in nature and the possible conflict between decentralisation (as a political project – and at times a political practice) and local development (as a social practice – and, at least implicitly, as a social project). A central dimension of this argument is the double “alienation” that decentralisation would involve, on the one hand, between the state and the local and regional authorities holding legal

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status and financial autonomy and, on the other hand, between the elected local representatives and voting citizens who “focus” on productive tasks and paying taxes. Decentralisation would, by definition, be at odds with local development methods based on participation and consensus rather than on the legitimate right to express one’s opposition. This contradiction is founded on the age-old debate in political philosophy between representative democracy and direct democracy – of which the colonial and postcolonial forms of non-representative or non-democratic participation are a historically-based distorted version. Decentralisation is not necessarily tied to local democracy; it may simply serve the purposes of the state in terms of debottlenecking, or it may have the goal of achieving a certain degree of political balance. In conclusion, decentralisation can only effectively bring about local democracy if the political will that underpins it gives it such an objective.

Moreover, the territory in which the stakeholders of local development voice their opinions does not generally coincide with the political and administrative regional breakdown. The public area covered by local development may be different from the local authority’s jurisdictional territory. The local development area is a geographic space defined through the kind of relationship the local inhabitants have with it. The term of reference most often used is “terroir” (a locality and all its specificities) when the determining factor in this relationship is the collective identity of the people who live there or who come from there. This space is a significant point of reference in their history. The terroir provides a structure for their economic activities, their social practices, their power games, etc.

It is certainly in this sense that a Senegalese legislator may, for instance, refer to a rural community as being “a certain number of villages belonging to the same terroir, united through a solidarity that stems from a sense of belonging to a particular neighbourhood, sharing the same interests and being capable of finding, together, the necessary resources for their own development”.13 The definition of a rural community, in its Senegalese specificity, demonstrates the desire to reconcile local development and decentralisation. Grassroots community organisations, which are the agents of development, often function on the basis of a sense of identity or belonging which tends to give rise to collective processes producing consensus or compromise, maintaining solidarity between residents and local “institutions” that may in fact have differing or even competing interests.

Finally, it is rare to find a social group that identifies with one single territory that shapes all of its activities and its “worldview”. We all live across several territories that “overlap” one another; each contributing to our “activities” and our identity: our country, our cultural region, administrative divisions, local authorities, villages or town districts. Decentralisation can also be explained as the proliferation of urban centres, which are centres of local power seeking to express themselves and take control of their own destiny. The question which arises is how far to go and at what pace, to promote and support this local need for expression and self-promotion? Mali has decided to play the ultimate and “immediate” decentralisation card. The residents themselves decide to form a local body for each village or town, or else to band together as a group of villages. There are several hundred local bodies today which respond “closely” to popular demands, but which evidently cause concern in terms of financial viability and support programmes (how to reach out to all of the bodies in terms of developing the capacity and funding of their infrastructures?). At the other end of the scale, Burkino Faso has opted for a far more gradual approach, giving autonomy to the bigger and more important local authorities first.

**Determining priorities**

In the process of setting priorities and allocating public investment, differences between the various local powers often arise both within and outside the framework of the local authorities. A village may be both the next village’s rival and at the same time supportive of it when they are standing together to defend their shared interests against the closest town.

The persistent chronic budgetary needs of local authorities amplify the distortions between traditional community thinking and municipal management. Local investment planning is characterised by a marked tendency to favour immediate local interest, to the detriment of a more general debate about mid to long-term development. The kind of action that appeals to grassroots community organisations is still the disjointed, ad hoc variety rather than debate on the broader priorities for the entire community. This results in the fragmentation of the meagre resources available as well as the exclusion of investments intended to structure the local economy which would have a real impact on the living standards of local people.

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This situation leads to a refusal to free up taxes and duties, on the grounds that the local authority is an unnecessary institution and a step backwards towards an associative form of movement. This tendency to return to the roots of one’s identity does not help to promote citizens’ participation and control, but instead leads to the rejection and circumvention of local public action.

The diversity of stakeholders in local development inevitably leads to disagreements and tensions, sometimes resulting in the marginalisation or even the exclusion of certain sectors of the population (the young, the elderly, the poor, etc.).

Since the early 2000s, African governments – with the support of elected officials, communities, civil society and their development partners – have been designing decentralisation and local development policies which are supported by large-scale national plans. These plans enable local authorities and the populations they represent to better assimilate proximity-based public action. As a result, decentralisation and local development appear increasingly often in poverty reduction strategy documents as major strategic principles. The government’s objective is to forge a global framework intended to optimise local development and financial and administrative management of local authorities, whilst improving human resources, the programming and financing of infrastructures and equipment and ensuring grassroots involvement with a view to strengthening democracy.

Innovations and lessons in decentralisation and local development in Africa

Developments in terms of planning and budgeting

a) In the sphere of participatory planning

One of the main lessons learned is that local and regional authorities are in a position to avoid planning errors that may limit the population’s access to infrastructures and services, particularly the poorer or more marginal groups of society, and therefore satisfy local priorities.

This assumes that:

• elected officials are able to react positively to basic demands;
• planning and budgeting procedures allow for residents’ involvement;
the regional bodies have the discretionary power to allocate resources.

Regional and local planning procedures have improved throughout Africa over the last fifteen years.

b) In the sphere of performance-based budgeting

Local and regional authorities face strong demand in terms of infrastructure and services and their weaknesses only make the challenges more daunting. Today, in light of the fundamental importance of infrastructures and services needed for economic growth, the diversification of productive structures and the fight against poverty, a combined planning and follow-up process (the so-called performance-based budgeting process) is encouraged.

c) Participatory budgeting

Today all projects highlight the importance of the annual budget preparation process of local and regional authorities. Concrete measures are aimed at promoting the participation of a large number of local institutional stakeholders (including the representatives of the poorer and more marginal groups) in the “participatory budgeting” process, particularly through local budget analysis, monitoring of public spending and investment, and monitoring of service delivery.

The “main guidelines for harmonised participatory planning” have been developed through experiences which act as a link between strategic planning and budgets. District plans are holistic, better integrated, and aim to take intersectoral links as well as the gender dimension into account. Thanks to the second generation PRSPs (Poverty Reduction Strategy Papers), they also include analysis of poverty and environmental problems. These plans go hand in hand with the three-year rolling national plans and reflect local priorities, particularly in terms of infrastructure.

Financial innovations

a) Discretionary grants

One of the key points all the projects share is the allocation of predictable multiannual donations to local governments and authorities for discretionary use within the framework of well-established areas of expenditure. The system enables local authorities to plan and implement a
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certain number of priority local development activities, but also to define a mid to long term "development vision". This approach is of great interest in that it gives the local institutional stakeholders an incentive to take part in the planning and budgeting process.

The allocation of annual grants to local and regional authorities is sustainable based on:

- the current levels of public spending (basic health, education, roads, agriculture and rural development) which are likely to be delegated to local authorities;
- the probable levels of donor aid (around 80-90% of budget investment expenditure in the Least Developed Countries (LDCs) spent on the same activities.)

The approaches promoted by the UNCDF (United Nations Capital Development Fund) generally focus on the fact that funds must not exceed local absorption capacity – for both demand and delivery – namely:

- the ability of local authorities to plan, budget and manage initiatives;
- the ability of the local private sector and technical services to provide goods and services;
- the ability of local bodies and authorities to manage and maintain the infrastructures.

b) A "cascade" process

The financial measures are set up to operate as a "cascade" system, in so far as local and regional authorities transfer part of their donations to lower community levels, to reflect the principle of shared operational responsibilities.

c) A fair allocation of funds

One of the challenges is maintaining a system of resource allocation that highlights fairness and transparency, whilst establishing weighting to ensure a certain degree of tax equalisation between the wealthier and the poorer authorities.

Minimum conditions and the system of allocation must be based on performance.
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A significant innovation involves strengthening the link established between the funding of local and regional authorities and their institutional and administrative performance. This is to ensure that tax transfers provide an incentive to improve the authorities’ performance, not only in terms of revenue but also in relation to expenditure and the general aspects of local administration. This measure requires:

- the definition of minimum conditions for authorities to have access to subsidies;
- establishing performance measures for basic subsidies to be adjusted and reductions or increases to be applied.

Innovations to build local capacities

The debate regarding local capacities is extensive. It is emphasised that the central government cannot significantly delegate power to local institutions and locally-elected officials as these do not have the basic technical capabilities, particularly in terms of infrastructure and provision of services. However, it is undeniable that the focus must be placed on improving the capacity of local and regional authorities to plan, implement, manage and evaluate policies and local development strategies. A similar kind of support has been initiated to enhance the capacity of civil society associations in the same way, the basic principle being that local authorities will not be in a position to develop real technical capabilities without an actual transfer of authority and resources.

The decentralisation process is dangerously ambivalent. If this process is not carefully managed and if appropriate skills are not enhanced or consolidated, the virtues (of decentralisation) can easily turn into their opposites: efficiency turning into inefficiency, the goal of sound management giving way to irresponsibility, the anticipated autonomy being quashed under maintained dependency. In this pessimistic scenario, accountability procedures are always limited or not sufficiently applied, and participation on the part of all the local stakeholders is rarely satisfactory.

Effectively enhancing capabilities must be considered to be a combination of a number of elements aimed at all the local stakeholders:

- the local democratic bodies (local governments/local and regional authorities), whose role it is to plan, programme, budget, implement and maintain the different aspects of local development, as well as exercising the role of ‘legality monitoring’. This includes their capacity
to respond to local needs and priorities; to provide technical and financial support and to offer services at a lower cost;

• the local provision of government services (at both regional and district level), whose role it is to provide the necessary technical support to the local authorities. The current debate emphasises the need to support these kinds of services: it is now generally recognised that there is more synergy than tension involved in simultaneously transferring responsibilities to local branches of central government and giving more powers to local and regional authorities;

• the local civil society organisations (including NGOs, village-based organisations, women’s and young people’s associations, interest groups – such as breeders’ associations, traditional chiefs, etc.) in their (potential) role as active participants in identifying, planning, implementing and maintaining development activities and delivering technical services.

For a number of reasons, when the responsibility for planning and delivery is passed on to local government, infrastructures and services are more efficiently managed and maintained, fairer and often more sustainable.

• Local pressures are greater: generally speaking, local authorities, unlike central government agencies, must deal with daily demands and requests from their residents in order to guarantee the proper running and maintenance of local projects.

• Budget commitments are recurrent: integration at a local level between planning and budget guarantees that the recurrent budget matches the investment programme over the long term and thus guarantees sustainability of operations.

• Community involvement is more active: local bodies are generally better placed to negotiate with local community organisations over shared responsibility in terms of maintenance and follow-up.

• An opportunity to make institutions more permanent: as infrastructure and service providers, the statutory bodies of the local authorities benefit from a more sustained framework.

Infrastructures can make a significant contribution to the achievement of SDGs by increasing the volume of production, by streamlining expenditure and the management of infrastructures, by reducing costs and prices, by improving the level of education and health, by reducing the amount of time spent getting water or wood, etc. However, the main challenge lies in changing from an approach placing emphasis on
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increasing the quantity of infrastructures to an approach which improves the quality of infrastructures and services.

From this broader perspective, decentralisation and democratic governance remain essentially economic and political issues rather than administrative ones. They enable economies of scale to be developed, along with the provision of infrastructures and services at a local level, residents’ access to and control of productive natural resources and the promotion of broader forms of social inclusion and capacity building.

Conclusion and recommendations

In order to shape a new form of citizenship, decentralisation in Africa must rely on a participatory and harmonious local development policy which better combines existing initiatives and programmes, to achieve greater impact at a local level.

This shows how crucial the interaction is between political democratisation and the economic and technical aspects of sustainable development. The concepts and the implementation of policies and strategies are extremely significant in a process such as that of decentralisation which, by its nature, is essentially political, but which requires sophisticated mechanisms to be designed in order to achieve improved governance and a more efficient anti-poverty strategy which attracts greater support.

Decentralisation in Africa will also play an increasingly important role in promoting initiatives aimed at achieving Sustainable Development Goals. Most African countries have chosen decentralisation as a strategic priority in their development plan. This concern for the harmonisation of stakeholders’ action in the fight against poverty on a global scale but also at decentralised level is in response to the strong recommendation of the United Nations. However, it means:

- strengthening governance frameworks at both central and decentralised levels;
- promoting the densification of investment and promoting local economic development;
- mobilising the stakeholders and partners in order to raise the level of financial resources which are devolved to local authorities during the transfer of powers;
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- supporting training of the local public service and improving the capacity of basic services to deliver their service;
- fighting the lack of transparency in revenue management and the recruitment of staff.

Local governance is not just a state affair. It is first and foremost about the public management of local affairs. Decentralisation is not about a lesser state component, but about a different kind of relationship with it, one which is more inclusive and involves better integration with local societies. In many African countries, the implementation of decentralisation policies has often raised fears of disengagement on the part of the state. This is evidenced by the dual expectation of the local people: the desire for more local power and at the same time for better quality support from the state structures.

Both decentralisation and regional and global integration do in fact oblige the state to redefine its role, calling for the kind of reorganisation which would include as its key feature local powers working together with them. This alignment of national and local governance is the condition required to attain legitimacy and efficiency in public institutions.

Significant progress towards this end has been noted in Africa over the last two decades. We are at a critical point in the process of development and democratisation in that the reorganisation of the state and the dynamics of decentralisation and local development must all take place at once in order to succeed. The mobilisation of the stakeholders and partners is crucial in this context to support the dynamics of emergence in Africa.

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Financing Development in Africa: Promoting Partnerships

Idrissa Diagne
Senior Economic Policy Advisor of the United Nations Development Programme in Côte d’Ivoire and in Guinea

Yao Koffi
Chief of Staff of the Ministry of Planning and Development of Côte d’Ivoire

Introduction

Whereas the 2014 report1 by NEPAD and the United Nations’ Economic Commission for Africa (ECA) stresses the availability of domestic financial resources to finance the continent’s emergence, the 2014 UNCTAD report2 on Economic Development in Africa concludes that investments in Africa have so far been minimal.

In order to achieve the “2063 Agenda” for the continent’s emergence and development, African states have taken on the challenge of transforming their economies. Aware that this cannot be achieved without adequate financing, and to avoid repeating past errors, they are treating this an absolute priority.

This chapter explores, firstly, the various sources of investment hitherto used by African states to finance their development. Next, it sets out the continent’s potential for financing its development: optimising known

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sources of financing for development (traditional sources), stepping up measures to attract Foreign Direct Investment (FDI) and innovative financing mechanisms (IFM).

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The African states and the financing of development

Because of the shortage of domestic resources, for the past five decades and more, the financing of development in Africa has depended on two main external sources. Firstly, African states have used external public financing (aid and debt). Secondly, in implementing their structural adjustment programmes they saw private foreign investments as a panacea that would free development from dependence on other countries and ensure efficient investments. The priority then given to these private investments caused most economies to experience further obstacles to financing development, including the lack of long-term financing and the decline in public investment, which badly hampered the emergence of a national private sector and significantly lessened the attractiveness of private investments.

The need to finance development has been felt acutely in the African states ever since their accession to independence. Indeed, such financing is essential to expanding infrastructures, both social (schools, health centres and so forth) and structural (roads, ports, airports and so forth); to urban and rural development; to agricultural development and to the establishment of a processing industry.

However, domestic sources were very limited and poorly identified. The revenue derived from raw materials exports, which had long fed the colonial economy, proved inadequate, so the large majority of states turned to external financing.

Therefore, until the late 1980s, most financing for the developing countries came from public sources (aid, loans extended by states or their credit insurance bodies), particularly in the transport infrastructure sector (Pacquement, 2010).³ This dependence was even greater in Africa, where, in the 1980s, according to Savane (1985),⁴ more than 65% and as much as 80% of investment in development plans was provided by foreign aid.

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Major loans were therefore contracted. And, for more than 50 years, public sources of bilateral and multilateral financing by international banks, and especially the World Bank and the African Development Bank, have funded the public policies of the sub-Saharan African countries. But they did not yield any really beneficial results and damaged the credibility of public development aid (Damiba, 2010). Starting in the late 1990s this increased the international community's interest in developing alternative forms of private financing.

Debt relief initiatives were introduced (the Baker initiative in 1985, the Toronto agreement in 1988, the Brady plan in 1989, the Trinidad plan in 1990, the Naples agreement in 1994 and the HIPC initiatives) to alleviate the foreign debt burden, which had become yet another obstacle to the development of these economies. They made it possible to alleviate the debt burden in order to stabilise countries’ macro-economic situation, to improve the African states’ financing capacity and to attract alternative foreign investments to boost growth, following its decline in the 1980s and up until 1993.

The late 1990s and early 2000s saw an unprecedented fall in foreign development funds. The 2002 Monterrey Consensus on the financing of development highlighted the need for poor countries:

- to intensively pursue structural fiscal and administrative reforms and to open up their markets, on the one hand, to attract FDI and, on the other hand, to encourage domestic saving;
- to intensify South-South cooperation;
- to use innovative financing mechanisms (IFM).

However, throughout the decade not much private foreign investment was attracted to Africa. Pacquement blames investment conditions in most countries, whose institutions do not provide adequate guarantees and increase the cost of capital (the repayment of both capital and risk). Furthermore, the natural resources sector, which attracts almost all the investments, has not yet succeeded in providing states with the budgetary resources to finance sustainable development (Nacer, 2015).

5. Damiba, Pierre Claver, for the Forum celebrating the 50th anniversary of independence of the West African states involved in the West African Development Bank, BOAD, lecture on the design and promotion of major structuring regional projects in West Africa for mutual interest, Lomé 15-17 June 2010.

Furthermore, Africa is experiencing huge capital flight, much greater than the foreign financing that it receives, and particularly capital flight linked to the illegal repatriation of funds by multinationals and transfers by the political elites.

The fears caused by this continuing dependence have occupied a prominent place in debates on development in Africa. For instance, at the International Conference on the Emergence of Africa (ICEA) and the Third United Nations Conference on Financing for Development, the search for additional sources of financing to develop African economies was the main focus of development practitioners’ attention. Rightly noting Africa’s external dependence, Carlos Lopes and Amina Mohammed7 argued that “aid must complement Africa’s aspirations to development and not replace it, as has happened in the past”. Solutions in the form of policies to eliminate the continuing obstacles to financing development and to guarantee the sustainability of national development policy programmes stemming from these exchanges require an immediate recourse to innovative ways of mobilising resources.

Apart from the lack of private investment, the shortage of long-term financing and the constant fall in public investment hamper the financing of most African economies. According to UNCTAD’s 2014 report, these obstacles stem from programmes to promote the private sector which were initiated within the context of structural adjustment programmes, whose results reflect the withdrawal of the state and the dissolution of the development banks.

Indeed, the role accorded to the development banks established since independence has been mainly to provide long-term funding for long-term projects with a major social impact, for which it was difficult to mobilise private investments. Their disappearance since the 1980s has thus stifled access to long-term financing, depriving national enterprises, and particularly SMEs, of sufficient finance. Furthermore, in several African countries the orientation of policies unfavourable to public investment has led to a fall in gross domestic investment and destroyed the complementarity that existed between public and private investments, and particularly investments in public infrastructures to stimulate private investment. With investment levels now equivalent to half the record level

of 11.5% achieved in the 1980s (UNCTAD), these policies have for instance increased transport costs on the continent, which has had obvious damaging effects on the private sector. Though studies have demonstrated the major obstacles to African countries’ competitiveness on the world markets (African Development Bank, 2010; Naudé and Matthee, 2007), the constant fall in public investments in infrastructure could cause a long-term paralysis in the financing of African economies because no real private sector has materialised.

Since independence it has been a challenge to finance the transformation of Africa’s economies, and the use of foreign public resources has created great dependence, exposing these economies to several external shocks. Apart from the use of private financing through the introduction of reforms to attract FDI and the development of innovative financing mechanisms recently recommended at international level, several conferences (the Monterrey Consensus of 2002, the United Nations Conference in Addis Ababa in 2015 and the ICEA conference in Abidjan in 2015) have also stressed the need to optimise the continent’s familiar traditional development sources to increase finance capacity and to achieve structural change.

Optimising the traditional financing of development

Traditional financing means the financing opportunities that are generally used in Africa to fund development. Public sources are generally used to finance development: domestic financing by mobilising tax resources and loans on the local market and foreign sources of financing based on aid and debt. The debate on financing emergence must focus particularly on the ability to revitalise this kind of financing, which already exists in most African economies, by examining how the traditional financing of development has been successfully optimised in the emerging economies and elsewhere in Africa.

Domestic sources of financing

One of the first traditional sources of financing which states have used to fund programmes and political projects embodied in development has been the mobilisation of domestic resources. Indeed, Africa has several ways of mobilising these domestic resources if, for instance, we consider the broad scope for mobilising the continent’s tax and savings resources. However, the role accorded to these domestic sources in financing
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development has hitherto been minimal, in comparison to existing potential. According to Derreumaux (2015), the investment effort that needs to be made in Africa should focus primarily on increasing budgetary resources, inasmuch as levels of fiscal pressure on the continent are often below target and certainly inadequate to satisfy investment ambitions.

The driving role of taxation and the extension of the tax base

Tax resources can play a driving role in financing African countries’ emergence. They provide states with the necessary resources to invest in development – to reduce poverty, provide public services and strengthen the state’s capacities, accountability and ability to respond to citizens’ expectations (OECD, 2015). They are also an antidote to the poison of the developing countries’ dependence on foreign concessional financing and provide the budgetary viability and sustainability necessary to promote growth (OECD, 2008). Furthermore, taxation contributes to the proper functioning of the state and helps to strengthen its social contract with citizens.

Optimising domestic sources of financing through the efficient and increased mobilisation of tax revenue

Levels of mobilisation in Africa are half those seen elsewhere, since the average rate of revenue in OECD countries is 34% of GDP. Though the average rate was 20% during the period 2005–2010, several countries such as the Central African Republic, the Republic of Congo, Ethiopia, Liberia, Nigeria, and Sudan have a rate of less than 10% of GDP (NEPAD and ECA 2014). Even in countries of the region that are relatively rich in resources and efficient in gathering them, the national revenue achieved is still less than 20% of GDP (UNESCO, 2011), despite the fact that in most of these countries fiscal efforts are generally able to increase the proportion of tax revenue to over 50% of total public revenue. For instance, the fiscal mobilisation to implement the 2012–2015 National Development Plan in Côte d’Ivoire has provided 80% of total public resources, according to the Ivorian minister of economy and finance, (Kaba, 2015).

The challenges of mobilising these domestic financial resources are therefore as great as ever for the large majority of African states aspiring to emergence. This is because the low levels of tax revenue there are

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8. OECD (2015), The Driving Role of Tax Revenue in Sustainable Development

9. Ms Nialé Kaba, minister attached to the office of the prime minister, with responsibility for the Economy and Finance, Côte d’Ivoire, ICEA, 2015
largely due to weak governance. According to the OECD (2015), this ineffective governance is reflected chiefly in:

- public administration failures due to tax personnel often being poorly trained and underpaid and domestic structures that do not facilitate a comprehensive approach to all taxes and duties and do not ensure a fair balance between the coercive function and services to taxpayers;
- the corruption traditionally rooted in the habits of tax administrations;
- the virtual absence of tax on multinationals, particularly in the natural resources sector, which penalises fiscal discipline and discourages taxpayers from displaying “fiscal citizenship”.

This compounds many countries’ inadequate structural capacity to gather public funds, because of the instability of the macroeconomic environment and of the growth in production, the high level of debt, a narrow tax base and a large informal sector still dominated by small enterprises and small farms and liberal professions, all of them difficult to tax. Consequently, this weakness of the tax collection system limits the amount of resources available to public services and hampers their performance (UNESCO, 2011).

The OECD study reveals in this regard that 32 African countries collect less than a dollar in tax per person per day. However, some countries such as Burundi, Rwanda, Malawi, Uganda, and United Republic of Tanzania boast good practices not only in mobilising tax resources but also in terms of good governance, thus considerably and efficiently increasing domestic revenue. In all these countries the common factors of success are a constant political will at the highest level, administrative reforms closely linked to the reorientation of government action and a steadfast resolve on the part of the tax administration. These efforts are indeed crucially important and one of the preconditions, as the former governor of the central bank pointed out, for building the confidence of savers and economic players and mobilising more of the resources necessary to investment in Africa (ICEA, 2015).

In Rwanda, for instance, the optimisation of domestic resources has reconciled tax reforms with effective governance. Indeed, according to the OECD, the president’s personal support has been coupled with external support from the UK’s Department for International Development (DFID) for the Rwandan Revenue Authority (RRA), which has greatly helped to achieve a significant increase in the country’s tax revenue. For instance, in less than a decade, the country’s domestic revenue increased by over 50%, from 9% in 1998 to 14.7% of GDP by
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2005. At the same time, the cost of recovering taxes has been reduced. This success is due to the bold and far-reaching reforms carried out by the Rwandan State, including the establishment of autonomous institutions responsible for tax recovery, the strengthening of internal structures and procedures, more transparent relations with partners, particularly central and local administrations. The RRA has played, and still plays, an important part in strengthening relations between citizens and the state by helping to establish a “social contract” based on confidence and cooperation. In this way it intends to establish fiscal discipline and to encourage fiscal citizenship.

Similarly, in several other Southern African countries, such as Malawi, Uganda, South Africa, the United Republic of Tanzania, Botswana and Zambia, success in mobilising tax resources has been the result of efforts to reform the tax institutions. As in Rwanda, by entrusting responsibility to semi-autonomous institutions, through the establishment of independent tax services to deal with the issue of the tax administration’s capabilities, the tax policies pursued by those countries’ governments have been crowned with success.

In South Africa in particular, these reforms have had a real impact on optimising revenue. In 2014, some 90% of consolidated revenue came from taxation, with a tax/GDP ratio ranging between 24 and 27% of GDP. The cost of the tax administration has also been cut. The main collection channels that have made it possible to increase the amounts recovered and to reduce the cost of the tax administration have been electronic tax returns (64.5% of payments), followed by interbank payments and payments to the South African Revenue Services (SARS), the autonomous body in charge of tax revenue (NEPAD and ECA, 2014).

Optimising domestic sources of finance by enlarging the tax base

The narrowness of the tax base is generally cited in debates on the under-mobilisation of domestic resources in most African countries. This narrowness seems to be linked to the large scale of the informal sector, which accounts for 40-60% of GDP (Walther, 2013; OECD, 2015) as well as 70-90% of jobs (Walther, 2013), and still occupies a preponderant place in Africa’s economies whilst lying outside the official tax circuit. This fact greatly handicaps economies’ ability to mobilise domestic resources.

10. NEPAD-UNECA (2014), Mobilising Domestic Resources To Implement NEPAD Programmes, Africa looks within, January 2014.
to provide development programmes and projects (particularly in
education and health) with autonomous financing and to transform
Africa’s economies. The solutions generally recommended to achieve this
seek to attach Africa’s huge informal sector to the narrow fiscal sector in
order to broaden the tax base and increase direct tax collection. This
requires the establishment of an environment that will at the same time
facilitate a shift by informal enterprises to the more productive formal
sector and guarantee employee welfare protection schemes. To this end,
in 2013, the European Commission carried out a study of the develop-
ment of expertise in the informal economy, which tries to promote
competitive enterprise and high added-value activities – which are non-
existent in Africa, despite the strong growth of the past two decades –
and which still prevents a whole range of economic activities from helping
to finance emergence.

However, though the extension of the tax base to the informal sector
could help to increase domestic resources, some do not think that this is
the main cause of the under-mobilisation observed. They say the problem
is the inefficiency of collection, the serious fraud that has almost become
the norm and therefore more a problem of tax discipline, rather than a
problem relating to the difficulty of taxing incomes and the tiny turnovers
achieved by informal activities, which often lie below any reasonable tax
threshold. Indeed, collection efforts remain ineffective since they mostly
focus on raising tax rates for the few honest taxpayers. This also dis-
courages their fiscal citizenship and has a negative impact on collection.
Furthermore, according to the OECD, though few estimates have been
made of taxpayers’ failure to meet their fiscal obligations, the shortfall in
VAT revenue from formal enterprises has been reckoned to total 50-60%
of potential revenue in some developing countries, as compared to
7-13% in developed countries.

As far as we know, there are few instances in Africa of the tax base
having been successfully extended by scaling down the informal economy.
Even in Rwanda, South Africa, and Botswana, where the reforms
introduced have been held up as an example, they have been much more
effective in terms of reorganising the tax administration and improving
collection.

This list shows that, with the present scale of the informal sector in
African economies, suitable political reforms can improve the effectiveness
of tax policies, expand the tax base and provide economies with
resources to finance their huge requirements in terms of social
development and structural change. And in view of the present under-
mobilisation of domestic resources, this is how foreign loans must help to strengthen all African countries’ tax systems. Many African countries need more advanced technologies to modernise their tax administration and tax collection services in order to curb capital flight and extend the tax base. However, according to the OECD, only 0.1% of public development aid, apart from that provided by the International Monetary Fund (IMF), goes to help strengthen these systems in developing countries. This level of support is still too low in view of the commitments made internationally and reaffirmed at the United Nations’ Third International Conference on Financing for Development in Addis Ababa in 2015.

The pledges made within the context of international cooperation to prevent tax evasion and illicit transfers could pay greater attention to strengthening the African states’ tax and customs authorities. These commitments could be supported by the initiatives already adopted at the June 2013 G8 Summit (including the plan of action to tackle the erosion of the tax base and transfers of profits) and which oblige multinationals to display greater tax discipline and thus limit tax evasion. But we agree with Derreumaux (2015) that this foreign financing must be used “diligently and efficiently” and that this “often presupposes thorough reforms that have not yet been carried out” to enlarge the tax base, as has happened in Asia’s emerging countries. Participants believe that this means that improved tax collection must be coupled with a debate on governance, transparency and the final use of the increased public resources mobilised.

A more advanced decentralisation policy is an attractive option for promoting tax resources in the huge and fast-growing informal sector and for enlarging the tax base. Major states, and especially such federal states as Nigeria, the Democratic Republic of the Congo and others, could for instance draw inspiration from “Chinese fiscal federalism”.

The commitment made by the United Nations at its Third International Conference on Financing for Development in Addis Ababa in July 2015, “to help local communities to mobilise the necessary revenue” in the Least Developed Countries (LDCs) could be an important form of international support for this tax reform to extend the tax system to the informal sector. However, three conditions need to be met to guarantee the success of this fiscal policy targeted at the informal sector:

• fair tax incentives compatible with low incomes and turnovers with a view to making those activities sustainable;
• a contribution from taxation on the informal sector towards building the main players’ capacity and a gradual shift towards formalising their activities;
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- a real transfer of legal and financial authority from the central state to the municipalities within the framework of tax contracts (initiatives for decentralised tax reforms).

Curbing major capital flight in African economies

Limiting capital flight linked to remittances by multinationals and transfers by political elites and expanding the tax base are also crucially important with a view to improving domestic financing in Africa.

UNCTAD’s 2014 report on economic development in Africa states that the shortage of financing – one of the main curbs on investment in Africa – is due partly to this capital flight, which every year deprives the continent of major financial resources, estimated at US$ 50 billion per year during the period 2000-2008, which is more than the total development aid paid to the continent in 2012 (US$ 46 billion). This erosion of capital affects more than half the countries on the continent. Boyce and Ndikumana (2012) identify 33 sub-Saharan African countries where US$ 814 billion – more than was received in development aid and total direct investments – was lost between 1970 and 2010. This phenomenon has been seen most frequently in oil-rich countries, which accounted for some 43% of total capital flight during the period 2000-2010 (UNCTAD). These illicit financial flows involve:

- the profits of theft, the corruption of public employees and other forms of corruption;
- the profits of criminal activities, including drug trafficking, racketeering, counterfeiting, contraband and terrorist financing;
- the profits of tax evasion and laundering of commercial transactions.

A much more worrying aspect of these flows is the fact that they have increased in recent years, according to estimates excluding the profits of contraband and overbilling for services, which show that these flows increased from 9 billion US dollars between 1970 and 1999 to 50 billion US dollars between 2000 and 2008, according to NEPAD and the ECA (2014). Furthermore, ECA estimates for the period 2005-2015 show that 51.2% of illicit flows on the continent involve the extraction industries. Meeting these challenges will require the improved negotiation of contracts, royalties and taxation with the multinationals, the reduction of licit and illicit flows of capital to tax havens and the elimination of the very generous exemptions granted in order to increase collection from major investors (and particularly foreign investors).
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This shortage of capital greatly limits development efforts in Africa. By eroding the tax base and depriving governments of domestic resources that they could use, capital flight limits public spending and growth and thus undermines the efforts to reduce poverty. For instance, capital formation could double in many African countries such as Angola, Burundi, Mozambique, The Seychelles, and Sierra Leone if these countries were able to check this scourge (UNCTAD). Similarly, according to the International Organisation of La Francophonie (OIF 2013), the Low-Income Countries (LIC) could gain more than 250 billion US dollars in additional revenue per year by combating this problem.

The literature on governance cites three kinds of factors:

• factors linked to perceived high risk to domestic assets;
• macroeconomic factors, and especially the unpredictability of policies and their impact on macroeconomic instability and exchange rate mis-alignment;
• institutional factors, including inadequate standards for the publication of information, the weakness of the institutional environment, bad governance, corruption, lack of transparency and political instability.

The actions under way to curb this problem combine two levels of intervention (international and continental) as part of international cooperation against tax evasion and illicit capital transfers. At the international level (the G-20 and G-8 countries), initiatives – and especially the plan of action to counter the erosion of the tax base and profit transfers, which seeks to limit tax evasion by multinationals to countries with low taxation – focus on five related monitoring measures:

• exchanges of information amongst tax authorities;
• changes to the rules permitting profit transfer across borders to avoid taxation;
• the reporting of tax amounts to the tax authorities;
• the payment of taxes due to the developing countries;
• asking the extractive industry to be accountable for payments to governments and the publication of relevant information.

At the continental or regional level, African leaders have introduced the two following bodies of interventions to curb capital flight:

• the High Level Panel on Illicit Financial Flows from Africa,¹² formed in 2012. Its mandate is to understand their nature, assess their impact on

¹². The High Level Panel was formed by the Economic Commission for Africa (ECA) and the African Union (AU), has 10 members and is presided over by former South African President Thabo Mbeki.
the Continent’s development and to facilitate the adoption of policies to combat the phenomenon nationally, regionally and at global level;

• the second regional framework is the African Peer Review Mechanism. This initiative focuses more on improving economic and political governance, which is crucial to the struggle against capital flight.

In this regard, it is important to commend the results of the Extractive Industries Transparency Initiative (EITI), which remains an international framework for governance and transparency in the extraction industry. The EITI requires governments to publish payments received from companies and the revenue received in the extraction sector. In 2013, the Initiative was reinforced by a new and much more stringent publishing standard requiring detailed information for every project. This obliges governments to display greater responsibility and accountability (UNCTAD, 2014).

Lessons for the struggle against capital flight can be learned from the successes seen in some African countries. In such countries as Guinea, Liberia, Niger, and Sierra Leone, the renegotiation of contracts with major investors has transformed development prospects by reducing their dependence on official development assistance (ODA). With regard to tax reforms, in 2013 the United Republic of Tanzania adopted an electronic system for collecting tax revenue that improved the level of tax discipline by 27% and curbed tax evasion. Similarly, in 2013, 16 of the 29 countries that observed EITI regulations were African. Furthermore, countries such as Guinea, São Tomé and Príncipe, Senegal and Chad are seeking to join the Initiative. They apply EITI regulations but do not yet meet all the requirements. Though real efforts are being made to improve governance and transparency, there are still challenges to be met inasmuch as Madagascar, the Central African Republic and Sierra Leone have had their compliant/candidate country status temporarily suspended.

Mobilising national and sub-regional savings by issuing bonds

Mobilising domestic savings is an efficient way to finance the economy. Like tax revenue, which is African economies’ chief financial resource, it is also an autonomous source of financing and drives economic activity via investment. Furthermore, domestic savings connect players with the capacity to provide financing with the production sector via the financial sector and thus enable households and the private sector to participate in wealth creation. However, these two kinds of saving have not hitherto contributed sufficiently to economic and social development. Their
Optimisation will increase domestic sources of financing, which the African countries must harness in order to boost the desired sustainable and inclusive economic development, at this stage in the planned emergence which is under way on the continent.

Domestic savings in Africa are still very under-mobilised, compared to other regions of the world. The average levels calculated for 2005-2010 represent gross domestic savings of 21.87% of GDP across the continent. Apart from North Africa, which alone mobilises domestic savings amounting to 30.67% of GDP, sub-Saharan Africa achieved an average level of only 16.22% of GDP during that same period, against 22.50% in Latin America and the Caribbean, 30% in the Middle Income Countries (MICs) and 44.52% in East Asia and the Pacific (NEPAD and ECA, 2014).

The literature on this issue cites several structural factors behind the low level of savings in Africa:
- the failure of saving initiatives to steer the few savers towards formal savings structures (banks);
- the barriers to opening an account, and especially high minimum deposits and account charges which very often erode the small amounts saved;
- the low interest rates on savings offered by banks (generally 6%), which are still considered too low, not only in comparison to very high borrowing rates (around 20%) but also in view of the high psychological cost of taking out a bank loan;
- the very low levels of wages and incomes in a context of high poverty levels;
- the scale of the informal sector, whose transactions take place outside the formal banking system.

All these factors discourage savings and borrowing and deprive many formal enterprises, very small enterprises (VSEs) and small and medium-sized enterprises (SMEs) of substantial financial resources to boost economic activity.

Another way to mobilise domestic financial resources is to develop capital markets (stock and bonds markets). State intervention in the bonds market can mobilise private savings and other sources within the economy. Central banks or public treasuries issue treasury bonds or other equities that attract savings from the private sector and households. According to the 2014 NEPAD and CEA report, 39 African countries issue treasury bills and 27 offer treasury bonds. This augurs well for the
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development of the bonds market. However, the report points out that the mobilisation of savings via the banking sector requires major initiatives. Côte d’Ivoire used this method partly to finance its 2012-2015 NDP. In 2013, by turning to the regional WAEMU market, it managed to gather 863.2 billion CFA francs, against the expected 806.7 billion, and in 2014, by issuing government securities in the money and financial markets, it gathered 1,102 billion CFA francs, against the expected 978 billion CFA francs (Kaba, 2015).

Similarly, the development of stock markets can help mobilise resources and improve access to financing, particularly long-term financing, for enterprises in Africa. However, according to UNCTAD, Africa has only 23 stock exchanges, most of them relatively modest in size, reflecting the low level of stock market capitalisation and the number of firms quoted on them. There is also the Johannesburg Stock Exchange, the most developed in Africa, which is rated among the world’s top twenty (NEPAD and CEA). This lack requires the development of capital markets on a regional or continental scale. Initiatives in this direction have been taken on the continent. Firstly, the African Union is currently conducting a technical study into the possibility of creating a pan-African stock exchange. Secondly, at the regional level, there is the establishment of the West African Capital Markets Integration Council and the signing of the African Securities Exchange Association charter. Both of these initiatives, dating from 2013, were taken by West Africa’s regional stock exchanges (the regional securities exchange, the Ghana Stock Exchange, the Nigerian Stock Exchange, and the Sierra Leone Stock Exchange), to establish a common platform to expand the market available to issuers, brokers, and purchasers. Though these initiatives can remedy the shortage of liquidity, the small scale and the fragmentation of Africa’s stock exchanges which all hamper resource mobilisation throughout Africa, there are still some major obstacles to the integration of Africa’s capital markets:

- the inconvertibility of most African currencies;
- the lack of harmonisation of legislation, particularly on bankruptcy and accounting;
- African countries’ tendency to regard their exchange markets as a national asset;
- the small countries’ fear of seeing their stock exchanges eclipsed by larger ones.

13. Ms Nialé Kaba, minister attached to the office of the prime minister, with responsibility for the Economy and Finance, Côte d’Ivoire, address to the International Conference on Africa’s Emergence (ICEA), 2015.
Some interesting examples of resource mobilisation via the stock exchange have been successfully achieved, particularly in Burkina Faso, Senegal, and Kenya. In Burkina Faso the decision to launch ONATEL, the national telecommunications company, on the stock market in 2009 was a good investment solution. The disposal of 20% of state capital created 3,300 private shareholders in the enterprise and made it possible to mobilise investment funds and to turn the company, partly sold to Maroc Telecom in 2006, into a national company, to the great satisfaction of the Burkinabe people. When the Senegalese National Telecommunications Company (SONATEL) was floated on the stock exchange in 1999 almost 1,500 employees acquired shares worth a total of 20.8 billion CFA francs. These experiments made it possible to create savings products in an environment in which local investors and small-scale savers often lack high-quality assets to invest in. Similarly, the stock market flotation of TPSEA (Tourism Promotion Services) on the Nairobi Securities Exchange enabled it to include many investors among its shareholders, as well as involving and interesting many Kenyan citizens in its success, making it much easier for the TPSEA group to raise funds for expansion.

Mobilising rural savings

Another obstacle to gathering domestic financial resources in African economies is the under-mobilisation of rural savings. This under-mobilisation excludes from the investment circuit the huge resources hoarded in the remotest corners of the Continent. By increasing rural investments, these savings could enhance the productivity of rural capital and work, open up domestic markets by attracting further investments and make a much more effective contribution to national production. At the same time, by offering rural populations other investment options, it increases their output and can help to reduce poverty and inequality. This driving role of rural savings in poverty reduction to boost development in Africa is still crucial to development in many of the Continent’s countries. Greater use of banking facilities, financial inclusion in rural areas and cheaper access to financial services both in towns and the countryside could catalyse the potential of these savings in Africa’s economies, particularly since Asia’s presently emerging countries have succeeded in financing their economies by introducing such policies. These measures involve:

• an increased number of agencies, particularly in rural areas;

• the development of distribution networks by exploring alternative access channels in rural areas (such as the postal service) and the encouragement to use the new channels of electronic payment networks (mobile phones and electronic terminals);
• the greater spread of insurance and greater use of bank insurance;
• access to banking services by providing basic services at a lower cost.

These novel approaches – and particularly banking transactions via mobile phones, payment platforms and digital payments – were encouraged as topics for an exchange of experiences amongst countries and regions within the context of initiatives to improve financial inclusion in the LDCs in Addis Ababa in 2015.

Though these policies to improve financial inclusion are not yet very widespread in Africa, they do exist and could soon spread quickly, in view of the advanced state and large presence of mobile telephony in rural areas during the past decade. According to Snyder and Scharrer (2015), Nigeria and Kenya have used mobile technology (a practical and low-cost distribution channel) to implement government programmes to subsidise farmers’ and agro-food businesses’ purchases of fertilisers by offering electronic payments and information products and savings, credit, and insurance products. These programmes have made it possible to create a fertiliser purchasing market (by efficiently connecting existing supply to demand), the growth of which had been prevented by the populations’ exclusion from the traditional financial system, as well as to develop a novel platform offering farmers a range of financial services. These initiatives have had a definite impact, particularly in Nigeria, where, for instance, an estimated 4.3 million farmers have benefited from the Cellulant mobile wallet programme providing subsidies for the purchase of fertilisers and where the cost per farmer receiving the subsidy fell from 225-300 US dollars in 2011 to 22 US dollars in 2013. Similarly in Kenya, Safaricom plans to provide subsidies to 3.5 million farmers via its E-Fertilizer platform, whilst accelerating supplies and cutting costs. These initiatives have also made it possible to bring millions of farmers previously without bank accounts into the formal financial system and to mobilise their savings.

In Nigeria, the Nigerian Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL) initiative, a credit guarantee programme to support specific bank loans, has guaranteed a total of almost 650,000

loans worth over 200 million US dollars. Its goal is to generate an additional 3 billion US dollars by 2019 to finance agriculture. Operationally, NIRSAL is initiating a comprehensive approach by encouraging banks to issue loans, while at the same time supporting farmers and enterprises throughout the agricultural value chain through commercial and technical training. The programme also includes two support mechanisms. On the one hand, a risk sharing facility plus an insurance facility aim to eliminate the risks linked to loans offered to the agricultural value chain by providing partial guarantees and insurance products. On the other hand, a technical assistance facility educates farmers and improves the capacity of banks and micro-financing institutions to lend sustainably to the agricultural sector. Apart from these two instruments, NIRSAL has created two other mechanisms to encourage bank loans, namely, the Bank Incentive Mechanism, which offers cash prizes for efficiency in loans to the agricultural sector and for their associated social impact, and the Holistic Bank Rating Mechanism, which rates banks' practices in loans to the agricultural sector and publishes ratings. According to Snyder and Scharrer, by January 2015, NIRSAL had guaranteed loans worth over 200 million US dollars and had enabled three private insurance companies to expand their portfolios to include agricultural financing. It had also provided technical advice and investments to over 27,000 farmers and strategic advice to central and local administrations on how to facilitate a favourable climate for agriculture. This programme's success and continuation depend largely on the Nigerian Government's commitment via essential changes in policies to support a very favourable environment for financing in the agricultural sector.

Foreign sources of financing

Foreign finance plays an important part in domestic financing, especially in the poorest countries most lacking domestic resources (UN, 2015). This contribution from abroad has always been a crucial source of financing for African economies' budgets. Though Africa's development needs to be financed increasingly by the effective and increased mobilisation of domestic resources, there is no organised desire in Africa to exclude these foreign contributions to public financing. However Derremaux (2015) argues that the use of foreign financial aid must display "a due proportion", particularly in supporting the mobilisation of domestic resources and helping to diversify sources of financing.

The use of Public Development Aid: A change of paradigm for financing

As has already been pointed out, for many low-income countries, especially in Africa, public development aid (PDA) is still a major source of financing, because of the under-mobilisation of domestic resources and the still limited attraction of private capital from abroad, and particularly foreign direct investment (FDI). Within the framework of international development cooperation, the developing countries have pledged to double their efforts to achieve the targets of 0.7% in their PDA/GNI ratio and 0.15%-0.20% for the same ratio in the case of aid to the least advanced countries (UN). But at the same time these commitments are increasingly coupled with a new perception in Africa of this aid to financing development. It emerged from the International Conference on Financing for Development held in Addis Ababa in 2015 that foreign public aid must seek to encourage the mobilisation of additional resources from other sources, both public and private. Specifically, it must, for instance, on the one hand, help to improve tax collection and help strengthen domestic environments favourable to the establishment of essential public services; and on the other hand, release additional funds via mixed or centralised financing and risk mitigation mechanisms, particularly for infrastructures and other investments contributing to the development of the private sector. However it was stressed that it is important to mobilise domestically greater support for the attainment of the PDA targets, mainly by increasing public awareness, publishing data about the effectiveness of aid and demonstrating concrete results.

Refinancing via foreign public debt

Foreign public loans are a way of mobilising resources for development in Africa. However, according to UNESCO (2011), in the 1990s the external public debt was “a double-edged sword” for many sub-Saharan African countries, which suffered heavy charges on the foreign debt that they had accumulated in earlier years. After several attempts to alleviate the debt burden on all the developing countries, it was not until 1996 that the IMF and the World Bank managed to establish the Heavily Indebted Poor Countries (HIPC) alleviation framework, via which most of them (29 sub-Saharan African countries in 2009) have enjoyed considerable debt relief. This was based on the idea that these countries’ economic growth was being stifled by their debt burden, which made it virtually impossible to avoid extreme poverty (Bhattacharya and Nguyen, 2005). This initiative has provided a new framework for converting African countries’ debt to refinance their economy: implementing a debt viability and sustainability policy, improving the capacity to absorb resources and
limiting the impact of slowing indebtedness on growth. These efforts are part of a growing trend towards concessionary loans at international level, though according to the presentation made by its Minister of Economy and Finance, Ms Kaba Nialé, to the ICEA in 2015, some countries such as Côte d’Ivoire have used non-concessionary loans mainly contracted in early 2013 and 2014 to finance structural projects in the energy, economic infrastructure, and transport sectors.

Expanding the financial system, promoting SMEs, and developing the private sector

Since Monterrey, the need to make private financing a viable alternative to foreign public sources of investment and to the lack of domestic resources to finance development has been recognised as a solution to the problem of stagnating growth in most developing countries. The establishment of the preconditions to attract this private capital, for instance in the form of FDIs, has therefore become the main recommendation. This has meant carrying out innovative political reforms to establish solid and viable macroeconomic institutions so as to create governance conditions and improvements in the financial system that would permit a transparent, stable, and predictable investment climate which is respectful of ownership rights (UN, 2015). However, despite the progress that has occasionally been achieved in implementing these conditions, most African countries are still at square one.

The improved performance of the financial system coupled with a reform of the business climate helps to establish a comprehensive governance framework guaranteeing high productivity for investments. The prolonged absence of such conditions in Africa partly explains the underdevelopment of SMEs and the difficulties that have confronted the development of a dynamic and competitive private sector on the continent. Many countries have realised this and are trying to introduce policies to reform the banking and non-banking financial sector. According to Bonfim and Sanoussi (2015), São Tomé and Príncipe’s banking system is developing, having gained new banks, following the announcement of the existence and exploitation of potential oil wells in the country. Seeking a driving role in the economy, efforts to modernise this industry, still under way in 2015, have included the launch, in 2011, by the central bank and

commercial banks of the Dobra 24 debit card to strengthen and develop the financial sector. These efforts are coupled with some progress in developing the private sector, particularly in the form of stronger regulations to attract foreign investors (the measures include the adoption of a new investments code to facilitate procedures for obtaining permits and licenses, a shift from a 45% tax rate on companies to a flat rate of 25% and the introduction of a single window to accelerate the launching of new enterprises). But the sector still faces some serious challenges owing to its domination by the informal private sector. The institutions, and particularly single windows, have however reduced the time it takes to establish a new enterprise to four days; introduced into the new investments code incentives to attract FDIs, partly by facilitating access to state assets (buildings and land) and extended the field of private enterprise, enterprise creation and commercial activities to all sectors of the economy.

Kenya and Botswana have paid particular attention to political reforms to promote SMEs and to develop the private sector:

In Kenya these reforms have been possible thanks to the State's intensive efforts to reduce inequalities of information between lenders and borrowers to improve the private sector's access to bank loans. As the 2014 UNCTAD report points out, in 2010 the Kenyan Government introduced an information-sharing system in the credit field addressed to banks and private individuals via two financial information companies tasked with gathering information about the solvency of potential borrowers, processing it and then providing it to lenders. These measures made access to credit less risky for the private sector. New regulations introduced in 2013 should strengthen standards for assessing solvency, reduce the need to require guarantees, encourage borrowers to adopt a more responsible attitude to credit and increase the private sector's access to credit.

The AfDB-OECD African Economic Outlook Report on Botswana shows that the state’s role in financing SMEs in that country remains a textbook case. The availability of resources and the adequate guarantees provided by the state for establishing and launching any new activity have virtually eliminated the obstacle of access to capital, which business people identify as one of the greatest confronting entrepreneurship in Africa. In practical terms, the policy to finance SMEs with 100% state subsidies really took off in 1985, with the introduction of the Financial Assistance Programme (FAP). Several measures to provide public support for SMEs had previously been introduced, such as the Botswana
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Enterprise Development Programme, the Rural Industrialisation Programme and the Business Advisory Service, but they experienced difficulties. The novelty introduced by the FAP was to stimulate investments in long-term activities likely to produce export goods or replacements for imports.

The programme was regularly examined and assessed (in 1984, 1988, 1995, and 2000), resulting in the introduction of appropriate reforms. Since then, Botswana has improved this mechanism by introducing the CEDA (Citizen Entrepreneurial Development Agency) programme which, unlike the FAP and the original programmes, gave priority to financial aid to national SMEs in the form of low-interest loans (rather than grants). The new system provides access to aid on favourable conditions for Botswanans wanting to establish enterprises or to develop their activities, together with a programme of management and business training, support for activities and consultancy to limit bankruptcy. Thanks to the CEDA, Botswana has achieved some major successes, mainly in the services sector, and especially in transport and IT.

BOTSWANA AND ITS AUTONOMOUS ATTEMPT TO FINANCE ITS EMERGENCE

Botswana has financed its national development projects mainly by drawing on its own domestic resources, rather than turning to foreign aid or capital. The government’s tireless efforts to establish savings, thanks to several years of budget and current account surpluses and solid growth in diamond revenue, have resulted in a relatively high level of national saving, which has grown steadily over the years. So national saving has not hampered the financing of domestic investment.

Foreign financial flows have remained modest. The total financial flows in the country, including private flows (foreign direct investments and fund transfers) and public flows (loans, public development aid and subsidies) have remained below 2% of GDP since 2007. These examples clearly show that it is possible to increase domestic financial resources by means of public loans, as long as the imperatives of budgetary viability and macroeconomic stability are met.

Botswana enjoys substantial tax revenue. The ratio of tax to GDP has averaged 36% during these years, which is much higher than in South Africa (24-27%) or Mauritius (18%). The revenue from extraction industries (diamonds) accounts for a large proportion of total tax revenue, which means that the budget and public expenditure on investment are also very dependent on mining. This is a challenge when it comes to mobilising Botswana’s domestic resources, because of the industry’s dependence on the international economic climate, which has been rather unstable in recent years.

Botswana is one of the 18 African countries that have established a natural resources fund, the Pula Fund, created in 1993 under the Bank of Botswana Act.
(1975). This fund holds the savings achieved through budget surpluses and additional public debt securities. At present, the Pula Fund’s assets are invested in long-term instruments abroad, via long-term investments combining fixed-income securities and shares. The fund has mainly served to stabilise revenue and as a mechanism to preserve funds for any further national investments when profitable opportunities for such investments occur. The very existence of this fund enables Botswana to mobilise additional resources to finance development projects.

This makes it possible to use a number of instruments to mobilise financing for development. The financial sector has grown over the years, with mergers and acquisitions. It comprises three main categories: merchant banks and other depositary institutions, other financial concerns and the foreign banking sector. Other financial companies include insurance firms, pension funds and other institutions such as the Botswana Stock Exchange and brokerage firms, asset managers, micro-financing firms and collective investment funds.

So Botswana’s economy offers many opportunities and grants to provide the state with several means of mobilising funds to finance regional NEPAD projects.


Conclusion and recommendations

The preferred approach to financing development is now domestic. It draws on huge existing potential, though the mobilisation of domestic resources still falls far short of development targets. Indeed, the fiscal sector alone can provide African economies with virtually all the investments needed for their emergence. This emergence is possible only if the conditions for good governance at all levels are met and if it helps to mobilise domestic resources effectively. Discussions should therefore focus on international cooperation aid to mobilise tax revenue, particularly in the informal and extraction industries sectors.

The following recommendations can therefore be made for the autonomous financing of Africa’s emergence:

• to encourage national savings, and particularly private savings. The regionalisation of Africa’s stock exchanges could also strengthen market capitalisation across the continent;
• to optimise financial systems to contribute to financing development;
• to mobilise domestic savings by increasing the use of banking facilities, financial inclusion (in rural areas) and reducing the cost of access to financial services;
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- to reform taxation, combining it with a strategy for growth, structural transformation and emergence to achieve convincing long-term results;
- to improve tax collection, together with a debate on governance transparency and the final use of the increased public resources mobilised;
- to enlarge the tax base in the short term to permit significant gains. In particular, countries must review the tax benefits being granted and renegotiate fairer and more transparent concessions with the multinationals;
- to develop administrative resources to achieve more innovative fiscal policies in the medium term. In this regard, development partners could increase their support to strengthen the capacity to mobilise public resources in Africa. They must also honour their pledges in terms of consistent development policies, by encouraging their own enterprises to conclude appropriate agreements with the African countries;
- to improve the balance between different kinds of taxes in the long term. For instance, urban property taxes could, if decentralised, produce a high yield, since local administrations have more direct access to land ownership data;
- to develop the private sector, including SMEs, and reinforce governance reforms to improve the efficiency of tax systems and the business climate. The participation of the private sector, and especially the development of infrastructures within the context of PPPs;
- to pursue efforts to bring the informal sector into the fiscal system. This will have the benefit of expanding the tax base and increasing the collection of direct taxation. Informal enterprises migrating to the formal sector will also be more productive and their employees will enjoy employment law rights and welfare protection;
- to increase the capacity to finance the economy by ensuring the traceability of funds within the banking system and reducing illicit financial flows;
- to pursue the implementation of the debt viability and sustainability policy by financing investments at concessionary rates and improving the capacity to absorb resources.
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II

Emergence
and Changing Modes
of Production
and Consumption

With contributions from:
Germain Dasylva - Luc-Joël Grégoire
Prof. Zié Ballo - El Allassane Baguia
Jean-Claude Brou - Joseph Ezoua
Kandeh Yumkella - Siaka Coulibaly
Challenges and Issues of Sustainable Agriculture for the Emergence of Africa

Germain Dasylva
Food and Agriculture Organisation of the United Nations (FAO) Representative, Côte d’Ivoire

Luc-Joël Grégoire
United Nations Development Programme Country Director, Côte d’Ivoire

Introduction

Despite its exceptional farming potential, Africa has the lowest standard of living on the planet and the highest levels of malnourished people in proportion to the population as a whole. Rural Africa also faces serious challenges in the areas of employment, social protection and meeting basic needs. Unlike Latin America and East Asia, where food shortages episodes gradually started to disappear from the 1970s onwards, the situation in sub-Saharan Africa worsened. The number of people suffering from chronic malnutrition rose from 173 million in 1990-1992 to 234 million in 2013-2015, according to the Secretary-General of the United Nations (UN). The numbers of rural poor will furthermore continue to grow, notably as a result of demographic growth, and will, in all likelihood, remain higher than the number of urban poor until 2050.

Apart from a few very rare exceptions, the level of productivity of traditional farming is still low and “the farming export economy”, the source of great hopes for development in the 1970s, has foundered. Poverty leads to weak domestic demand and foreign exports remain low due to the extremely competitive and unstable nature of international markets for export goods. Whereas in Europe during the 1950s and 1960s the rural
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Exodus was largely the result of the modernisation of agriculture, coupled with industrial expansion in urban areas, in Africa, it is poverty and food insecurity in the countryside that are driving the exodus towards the towns.

Rural Africa is facing the following main challenges:

- the atypical development/evolution of agriculture, which leaves little room for improving the living conditions of the most disadvantaged;
- the demographic issue, which represents a basic limitation for youth employment;
- a badly managed transition of predominantly agrarian societies into societies that are subject to uncontrolled urban development;
- poor diversification and processing of products, and inadequate access to funding for rural areas;
- the land issue and the adaptation of so-called traditional land tenure systems when faced with contemporary rural development issues;
- the issues of market governance and integration within the international and regional processes of development;
- the issue of the environment and climate change, which affects the Continent’s land, and more broadly, its ecosystems.

However, the recent changes seen on the world food market in the spheres of science and technology, and within institutions that have an influence on competitiveness, promote the emergence of new opportunities for small-scale farmers to be competitive.

A good understanding of these challenges is vital when drafting the political measures which must help men and women in rural regions to extricate themselves from poverty and to develop their own resilience, to achieve sustainable human development.

The issues involved in sustainable agriculture and food security in Africa

The development of agriculture in the region has been hampered by many problems, but it is comforting to note that removing or alleviating some of these obstacles may enable the vast growth potential of African agriculture to be released, at least in part.

In many countries of sub-Saharan Africa, the expansion of land under cultivation has been restricted by a lack of physical accessibility, insecurity
of land tenure and inadequate access to animal-powered or mechanised vehicles. The spread of contagious diseases like HIV/AIDS and more recently the Ebola virus, the attractiveness of towns and competition from certain non-agricultural activities have also affected agricultural yields. Productivity has remained poor as a result of the underutilisation of water resources, the restricted use of fertilisers, the limited implementation of improved soil fertility management methods, and the shortcomings of support services (research, outreach, funding). Droughts and other periodic scourges, combined with an increase in risks linked to these phenomena, have discouraged the kind of investment that is crucial for increasing productivity.

The dysfunctional and ineffective operation of the markets (which can be put down mainly to the fragility of the private sector in most of the countries), a lack of investment in infrastructures, high transport costs, information system deficiencies and the unsuitability of the regulatory framework have furthermore prevented producers from being properly remunerated and deterred them from investing and specialising in new, high added-value goods. Prices remain low and extremely volatile and there is no mechanism to help minimise or spread the risks borne by the producers.

In addition, agriculture’s share of the state budget, which was around 5% in 1990-1991, fell to 3.5% in 2001-2002 and 3.1% in 2014-2015, a far lower level than the goal of 10% set by the heads of state and prime ministers of the African Union in the Maputo Declaration of July 2003. Out of the 54 countries of the Continent, only nine honoured their investment ratio in 2015.

These budget cuts have seriously undermined state investment in agriculture and the capacity of state institutions to provide this sector with the assets it so greatly needs, particularly at a time when the flow of aid for agricultural and rural development is decreasing and going to the most comfortably-off countries.

There are therefore many challenges and issues:

- on the environmental front: inadequate agricultural methods and climate change are gradually but drastically harming the surface water resources, the soil fertility and plant cover of arid and semi-arid ecosystems, thereby diminishing their resilience;
- as far as social challenges are concerned: the recapitalisation of households following ecological crises has been held back by the prevalence and intensity of poverty in the rural areas, poor social
protection systems and the breakdown of family solidarity networks, caused by the rural exodus;

- **economic problems**: food accounts for half of the spending of households, in towns, but also in the countryside; energy, transport and input costs linked to land tenure insecurity, dysfunction of credit markets and agricultural goods markets penalise the small family farms that supply almost all of the food production, but are often unable to guarantee their complete self-sufficiency. An assessment of the business climate in rural areas reveals significant restrictions on investment, including poor and high-cost credit, an inadequate supply of electricity, and poor quality roads and infrastructure;

- **the land issue**: in view of the food requirements generated by demographic growth and therefore the land essential to agricultural activity and agricultural production, the main issue is certainly one of land. In this regard, we see the adverse effects of the systematic commodification of the land, while the distribution of land title deeds to the most disadvantaged could help in fighting poverty;

- **current state policies** are unable to help resolve the problem of poverty and hunger entirely, in spite of the efforts made by some countries recently. The current system has a tendency to help the richest and most successful, and to leave the least wealthy and victims of hunger to their fate, not because the governments and their partners are not interested in them, quite the opposite, but quite simply because the policies and implementation of the reforms have not been effective enough;

- **the state resources** allocated to agriculture are still negligible compared to the needs identified under the NEPAD (New Partnership for Africa’s Development) programme drawn up for the development of African agriculture. Today, the developed countries allocate more resources to food aid and agricultural and rural development, whereas analyses show that investment of these same resources in agriculture would obviate the need for food aid to a large extent;

- **State disengagement** in a large number of countries raises serious concerns, because a review of the problems facing agriculture in sub-Saharan Africa shows that resolving them will require significant government support, in terms of both additional resources and policy reform.
Policy approaches in the field of sustainable agriculture

Modern agriculture offers very significant potential for the creation of employment and wealth, and can absorb a large number of young people seeking to migrate and young people who are currently sinking towns under the weight of under-employment. Carefully selected investments in labour-intensive areas of agriculture and in other non-agricultural rural enterprises can create short-term employment opportunities that are more accessible for young people. In order to do this, strategies must be drawn up that make the agricultural option attractive enough for young people to choose it; it is necessary, in particular, to promote marketing and productivity gains by means of technological innovation and the development of infrastructures.

In order to get agriculture into the right shape to be able to meet the challenges facing the Continent, access to markets, the development of networks and the establishment of modern marketing chains must be regarded as a priority focus for strategies aimed at accelerating growth and reducing poverty. Clusters of agricultural businesses – formed by companies in the same region, working together in order to be able to supply processed products and services on a competitive basis – are achieving good results, as is borne out by the non-traditional export-led operations in Morocco or South Africa.

A multi-sector investment approach, to exploit the synergy between access to inputs and to appropriate technologies (seeds, fertilisers, improved animal breeds), more sustainable management of water and land resources, improved services (outreach, jobs, insurance, financial services) and the development of human resources (education, health, nutrition) are all elements that should enable the expansion of the agricultural sector and promotion of the non-agricultural sector to take place.

There are real opportunities for consolidating rural incomes, subject to fostering the expansion of markets for high added-value products – particularly in the areas of horticulture, small-scale animal husbandry, fish farming, milk production, shea butter, sesame and non-timber product sectors, fruits – mangoes in particular, but also essential oils – which offer opportunities for diversifying agricultural systems and developing competitive labour-intensive farming. Cassava production and exports of fruit and vegetables, tea and fish stand out as being sectors that have experienced undeniable success.
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These successes, along with others achieved elsewhere, demonstrate the great importance of state involvement in agricultural and rural development, particularly through appropriate policies, relevant institutions, technological developments, by establishing infrastructures and by building the capacities of human resources. The crop-growing and high added-value livestock products sector is labour intensive and has strong employment-growth potential. The fisheries and horticultural sectors also offer considerable opportunities. Having said this, the working conditions in the agricultural sector do not always favour significant progress in terms of social wellbeing, due on the one hand to the nature of the production processes, and on the other, to the lack of appropriate regulation.

The main ingredients for success include political and economic stability and a favourable political and regulatory framework (notably in the sphere of agrarian reform and contracts set within a proper legal framework). Public services (technical advice, training of farmers and research) have a decisive role to play as instigators of change and development, even if, as time goes by, some of these services may gradually be handed over to producer organisations, as some countries are already doing.

Technological change is often a trigger for development, as long as the markets react positively and absorb the increase in production. For this to occur, it is usually necessary to put market information systems in place, to stimulate the agri-food industries and in any case to possess public infrastructures, whether from the point of view of production (provision of irrigation, for example), marketing or transport.

This requires greater support for peasant farmer organisations and professional organisations, as well as mechanisms allowing them to be consulted before important decisions are taken, so as to inspire the confidence and mobilisation essential to investment.

Women play a predominant role in agricultural production in Africa, because in agricultural communities women’s role is not a marginal one and they even form an important link in the agricultural chain. They play an essential part – one that is not always appreciated as it should be – in every stage of the food process, taking part in the production and marketing of foodstuffs and ensuring that their families are fed properly. On the other hand, they play a “marginal” role in the sphere of cash crop cultivation and are under-represented in the decision-making bodies of cooperatives and in the production process. Rural capacity building also needs to equip women to achieve equal access to essential resources and means of production (land, loans, funding, technology, markets, business support, training, etc.).
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On other continents, experience has shown that while providing additional financial resources was important, the policies, the institutions, the political will and general mobilisation were at least equally influential. Price stabilisation, another taboo, is an important factor in encouraging private investment (as in Asia) and helps considerably in the process of turning agriculture into an engine of growth as well as making it the basis for solid, diversified growth. Macroeconomic stability can also promote savings (as in China), while the development of human resources, science and technology (Korea, Brazil) is essential from a more long-term perspective. Investment in agricultural research has been proven to be beneficial throughout the world.

Priorities must vary in line with different countries’ specific situations. There is no single ready-made solution suitable for all, but here we can make a number of suggestions that are applicable to the whole region or are suitable for certain situations typically encountered in the region.

Ten main priorities seem to be essential in order to transform the rural world and promote the agricultural emergence of Africa:

• building institutional capacities and in particular strengthening public bodies (structure, allocation of staff and other resources, management), increased involvement of stakeholders in economic decision making and in the process of decentralisation and a progressive shift towards a developmental approach based on sustainable agricultural programmes;

• governments and their partners must do everything in their power to bring armed conflicts to an end, to guarantee political stability, to guard against future conflicts and to adopt best practice in terms of governance;

• fostering an inclusive and stable political framework, in particular: secure land tenure (security and protection of rights), technical standards for agricultural products, regulations for the sustainable management of natural resources, measures aimed at restricting any possible disruptive effects of commercial imports and food aid, stimulating exports, increasing involvement in business negotiations, gathering reliable statistics and data on food security;

• incentive-creating structural public investment (in roads, rural tracks, markets, storage facilities, infrastructures and irrigation amenities, measures and research in the area of land improvement and fighting erosion);

• governments must prioritise the redistribution of resources, on the one hand by giving weight to the ministries responsible for the productive sectors rather than those responsible for unproductive
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sectors, and on the other hand, by giving priority to the provision of public assets that benefit everyone, rather than subsidies that benefit only a privileged few. This must go hand in hand with improving the efficiency of the public sector and tax collection, and more sustainable management of resources and ecosystems;

• public support services (outreach and rural funding, capacity building in the sphere of business activities, support for the creation of professional organisations, the professionalisation of every link in the chain of the agricultural production process, fighting against harmful plants, animals and diseases, promoting public-private partnerships for the provision of services and inputs);

• promoting economic diversification by means of research into alternative exports, promoting national products and national investment opportunities abroad, gathering information on world markets, developing export and partnership prospects and investment in port and airport facilities;

• stimulating exports, increasing involvement in business negotiations, gathering reliable statistics and data on food security;

• regional organisations must promote peace and cooperation between countries to achieve food security and to identify, plan and collect funds for agricultural and rural development projects, and programmes at regional and sub-regional level;

• the development partners need to step up their assistance to the least-developed countries of sub-Saharan Africa and focus it on programmes which promote the growth and stabilisation of agricultural production, in order to avert future crises.
INNOVATIVE FINANCE METHODS AND TOOLS
FOR SUSTAINABLE AGRICULTURE IN AFRICA

The various funding instruments and models:
1. International taxes: for example, a tax on financial transactions, supported by several European countries, could be used in part to finance food security in the developing countries; a tax on fats and sugar-based products, already applied in certain countries (United States) could be used in part to finance action for nutrition in the developing countries; a tax on fertilisers in the developed and emerging countries has also been proposed by NEPAD (New Partnership for Africa’s Development) to increase the use of fertilisers in Africa through carefully targeted subsidies;
2. Voluntary contributions from, for example, consumers, companies and wage earners and/or industries linked to food and nutrition;
3. The sale of emission rights linked to the creation of carbon markets in a number of countries can also partially help to finance actions aimed at building the resilience to climate change in developing countries, therefore, to help face a certain amount of food security issues.
4. Transfers of money from migrants represent considerable flows of capital from the industrialised countries to the developing countries, estimated at 400 billion dollars per year, or around three times the net volume of Official Development Aid. Transfers of money from migrants can be viewed as being a new and renewable source of finance, like existing private capital that can be channelled into agriculture.

The funding tools in sustainable agriculture:
1. Tools for managing risks such as index insurance against bad weather, which compensates the beneficiary in the event of loss of production when the benchmark index, for example the rainfall index, fails to be reached;
2. Guarantee funds, which reduce bank risks by providing a partial guarantee across the portfolio of a bank’s loans;
3. Innovative credit tools, such as storage receipts, enabling stocks to be used as collateral for a loan, which are proving to be an effective means of attracting finance to value chains;
4. Carefully targeted subsidies for agricultural inputs can also stimulate investment by farmers. NEPAD proposes a coordinated package of subsidies for the purchase of fertilisers bound for the countries of sub-Saharan Africa, based on the shared principles of good management and joint funding by those countries and the Africa Fertiliser Finance Mechanism (AFFM). This measure should increase the use of fertilisers five-fold over 10 years (sub-Saharan Africa is the region that uses the smallest quantity of fertiliser in the world), thus reversing the alarming trend towards exhausting soil fertility that is currently being witnessed;
5. Transfers of money from migrants may also be treated as existing capital which is likely to be aimed at agriculture. Rapid assessments by the FAO in around fifteen countries indicate that the investment of funds in the agricultural sector ranges from 3 to 10%. Innovative devices are necessary to create the financial vehicles to serve as levers: remittance flows from migrants to increase investments in projects revolving around agriculture, food security and nutrition.
To reduce poverty and hunger, we must give priority to economic growth in the sectors in which the poor work, where the factors of production belong to the most disadvantaged and malnourished people, and which are evolving in the regions in which these populations live. Agriculture fulfils all of these criteria and has proven that, in Africa, as elsewhere, it has the capacity to be the engine that drives forward initiatives for rapid growth and large-scale economic development, particularly in the least developed countries. Agriculture occupies a prominent place in the economies of the countries of sub-Saharan Africa and is the primary source of employment and the main source of export revenue, except in countries rich in minerals. This sector has proved to be more effective in terms of fighting poverty than the manufacturing sector or the service sector. It can stimulate the development of non-agricultural rural activities that provide an income for the poor, if care is taken to ensure that it is not just the wealthy who benefit from them.

Finally, agriculture can also generate a capital surplus, free up labour for other sectors and guarantee a stable food supply at affordable prices, thus contributing to the competitiveness of the economy as a whole, while acting as a powerful stimulant for demand for goods and services.

It will not be possible to meet the challenge of food security without relying on sizeable investments in adaptation to climate change and the reduction of risks of disasters in the rural sector.

Forestry and agroforestry, sectors on which millions of people in rural areas rely for their livelihood, offer considerable opportunities for alleviating the volume of greenhouse gas emissions, increasing carbon sinks, stabilising rural livelihoods and improving the food and nutritional security of households.

As has been previously recognised, notably at the African Union summit in Maputo in 2003, agriculture absolutely has to be the priority sector for achieving the first of the Millennium Development Goals (MDGs) – that of reducing hunger and poverty, and thus helping to achieve the other Sustainable Development Goals – in most of the African countries and in the poorest of them in particular. In order to be sustainable, agricultural development must however be supported by broader development initiatives in rural areas and in other economic sectors.
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The fragility of the food situation and the vulnerability of the least developed economies are a reminder to us of both the need for and the urgency of diversifying and making the agriculture sector secure, while at the same time protecting ecosystems. Meeting these challenges is not just possible, it is a necessity, the urgency of which has never been as great, and the fruits of which could be highly beneficial to Africa.

![Evolution of cereal crop yields in sub-Saharan Africa and other continents](image)

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Industrialisation
for the Emergence of Africa:
Challenges and Issues

Prof. Zié Ballo
Dean of the Faculty of Economic and Social Sciences,
Félix Houphouët-Boigny University in Abidjan-Cocody,
Côte d’Ivoire

El Allassane Baguia
Expert in charge of the Political and Strategic Unity Programme
of the United Nations Development Programme in Côte d’Ivoire

Introduction

The global developments of recent decades, including trade liberalisation,
the international fragmentation of value chains, and the emergence of
new industrialised countries in Asia and Central and Eastern Europe, have
transformed the challenge for competitiveness for those countries striving
towards industrialisation. Africa, in its legitimate desire for emergence, is
endeavouring to integrate the dynamics of international development.
However, the emerging industries of the African continent face intense
global competition in all sectors of production, which may prevent them
from taking off. To succeed, the countries of the region must put in place
sound and methodical industrial strategies, based on the advantages at
their disposal.

In the coming two decades, Africa could become the next pole of
global economic growth. Indeed, in the past ten years, the Continent has
seen accelerated growth and a process of gradual transformation of its
production structure, notably in certain countries (Côte d’Ivoire, Ethiopia,
Kenya, Mauritius, Morocco, Tunisia, etc.).
African heads of state and government at conferences of the African Union have stated their ambition to see a transformation in the production structures of African economies and their modes of integration into the global market. They have adopted the Action Plan for Accelerated Industrial Development in Africa (AIDA), and have focused on integrating major industrial and manufacturing transformation programmes and projects into their national development strategies.

**Africa’s experience of industrialisation and structural transformation**

Practically all emerging countries have actively supported and protected their industries through dedicated support policies and institutions. Contrary to popular belief, which often attributes the success of Western economies to laissez-faire and liberalism, history shows that industrial, commercial and technological policies have been the main instruments enabling their successful structural transformation (Lin and Monga, 2010).

Other elements of empirical evidence provided by newly industrialised or emerging countries demonstrate that sustainable development could not be achieved with a low level of industrial transformation of domestic production (Lall, 1999). Moreover, it is clear from the economic literature that there is a close link between levels of industrialisation, economic growth and sustainable development (Alfaro, 2003; Barrios et al., 2004).

The industrial and manufacturing sectors are essential, and probably the most important drivers of long-term growth based on the transformation of means of production and consumption. As countries transform themselves from primary agricultural economies to economies based on industry and services, they generate more sustainable revenues that can be used for growth. It is growth sustained by the processing industry that has largely contributed to the development patterns of many countries and regions, including those that have reached high levels of industrialisation (Athukorala, 1996 and Lall, 1999).

Following independence in the early 1960s, industrialisation was seen as a central element in development programmes on the Continent. It was expected to ease the transition to a modern industrial economy. In order to achieve it, most countries at the point of independence adopted the import substitution model, a central element of which was to protect local firms from foreign competition (Nnadozie, 2013). At the time,
governments did not have the necessary financial or management capacities to ensure the proper running of the state-owned companies created to promote this process of industrialisation. Due to distortions in factor prices and the resulting rates of return, policies (such as imported capital goods subsidies or subsidised lending facilities) that were designed to direct investment to industry instead had a negative impact on other sectors, including agriculture, and in some cases also led to expansion of the consumer goods sector, rather than the production of intermediate goods. At the same time, policies aimed at attracting foreign direct investment (for example, the granting of monopolies in the form of exclusive exploration rights or exclusive supply contracts on the domestic market) had the effect of hampering the creation of links between industry and the national economy. Finally, many countries did not grasp the importance of comparative advantage and inter-industry synergies in the choice of target industries.

Indeed, African economies remain to a large extent characterised by an abundant labour force. Yet, by targeting those industries developed by much richer countries, they have generally implemented a development strategy aimed at a highly capital-intensive industry. They have therefore not been able to establish businesses capable of surviving in open and competitive markets because of their enormous capital requirements and their structurally high production costs (ECA, 2011). Finally, political interference in the design and implementation of industrial policy – including the choice of sectors, industrial sites and the main private sector beneficiaries – has led to inefficient projects and industrial products (Commission of the African Union, 2013).

Structural adjustment programmes have made it possible to liberalise trade and the financial sector and to privatise state-owned companies, without, however, giving the necessary impetus to the industrial transformation of African economies. These programmes aimed at macroeconomic stability but not specifically the structural reforms that could create favourable conditions for local firms exposed to foreign competition at a time when they were not suitably prepared. During this period, most African countries faced pitfalls in their industrial development and sometimes even became deindustrialised. Thus, from 1980 to 2008, the share of manufacturing value added in GDP fell in sub-Saharan Africa as a whole (excluding South Africa), from 16.6% to 12.7%.
Africa is at the bottom end of the global value chain, accounting for only about 1.9% of global manufacturing. African economies remain too heavily dependent on commodities. Between 2011 and 2013, manufactured goods accounted for only 18.5% of exports, while 62% of all imports were manufactured goods, a trade imbalance that robs the Continent of its wealth. This situation is worse in countries where a combination of structural constraints and political instability jeopardise any private sector-led diversification and economic transformation. Thus, most countries have not created the jobs needed to absorb the plethora of young people, forcing hundreds of thousands of them to go abroad. In Africa, social advances resulting from participation in value chains are limited by a number of important factors, including gender imbalances, skills gaps, increased informal employment, and the imbalance of power in value chains.
Africa’s integration into value chains grew by more than 80% between 1995 and 2015. The average of Africa’s participation in global and African value chains conceals large disparities between countries. Five African countries (Lesotho, Seychelles, Swaziland, Tanzania and Zimbabwe) are among the top 30 countries in the world in terms of participation in global value chains (GVCs); 13 countries, mostly in Central and West Africa, are among the bottom 30 in the world ranking. Six of the 10 most integrated countries are in Southern Africa.

Upstream integration (the share of foreign value added in a country’s exports) is strongly linked to a certain number of structural transformation indicators, as will be seen below. Downstream integration (the share of exports from a country transformed by the importer to be re-exported), on the other hand, has a negative relationship to indicators of structural change and diversification, reflecting the negative impact of Africa’s dependence on natural resources.

More than half a century after independence, at a time when other regions of the world have increased their share of manufactured exports, the Continent is still more than 65% dependent on unprocessed raw materials exported to industrialised or emerging countries.

Dependence on the production and export of primary commodities exposes the Continent to external demand shocks and leads to procyclical budgetary outlays in many countries that rely on revenues from their resources.

This industrial stagnation stands in contrast to the success of newly industrialised countries, especially in Asia. The success of the Asian model can be attributed to three factors, from which African countries could draw inspiration. First, governments have established stable and predictable macroeconomic frameworks and a quality business environment to attract investment. Second, they have pursued a close, constant and strong dialogue with the private sector to support national champions and impose standards on export performance. Finally, governments have simultaneously used import substitution and export promotion strategies in a way that best served the objectives of industrialisation and transformation of consumption and production patterns (ECA, 2011 and ICEA, 2015).
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**The role of industrialisation in the emergence of the Continent**

Among the factors shaping the new global environment are the dynamics of globalisation and the evolving international economic order, including the growth of East Asian countries, as well as the constraints of climate change and the implications they may have for African countries engaging in a process of industrial development.

Globalisation has changed the structure and the rules of international trade in two significant ways. First, international trade and the new international division of labour are organised along complex value chains, and multinational businesses play a dominant role in the creation and control of value chains. For as long as they are not integrated in these value chains, African countries will face difficulties in accessing the vast overseas markets. The risk is that these countries will stay locked at the bottom of these chains if their industrial base remains weak, and their bargaining power may prove insufficient in the face of multinationals. Second, globalisation goes hand in hand with new world trade rules that reduce the power of states to determine their own industrial policies. The various regional and international agreements concluded over the past two decades have significantly changed the rules of international trade, and influenced domestic trade policies. There are nevertheless opportunities, not least because of the emergence of new outlets for trade. With the rise of the middle class in East Asia, and the shift of most Asian countries to middle-income country status, labour costs in those countries have been increasing – costs which had provided the incentive for most multinational companies to invest in these countries in the first place. This suggests that, as those labour costs increase, multinationals will begin to explore other horizons in order to maintain or reduce their production costs. This is already the case with developments observed in some countries of the African continent.

Industrialisation helps countries to diversify their economies and reduce their vulnerability to global and regional shocks. Africa’s important natural resources are extracted and exported in their raw form and not as finished products. As a result, no value is added to exports of extractive products from the Continent, which misses an opportunity to establish an economic development that is more robust, diversified and sustainable. In addition, some of these resources constitute irreplaceable and non-renewable assets, and their exploitation is generally disconnected from the rest of the economy, with the result that it contributes less than it could to GDP.
Africa’s economic development must therefore be accompanied by a structural transformation, in a continuous and structured process that will include a period of catching-up and upgrading, as industry remains embryonic in many countries. Africa can hope to achieve rapid structural change by transforming its vast natural resources and raw materials into finished products for export.

A first strategy is to aim for integration into global value chains (GVCs), with the aim of ensuring that local manufacturing industries can benefit from the global productive momentum. This strategy, which focuses on the production of intermediate goods integrated into the final product, consists firstly in developing low value-added and labour-intensive activities, highlighting low labour costs to investors, and then gradually rising up in the value chain. This is the type of development that has been followed since the 1960s by the “Asian Tigers” and some Latin American countries, as well as the countries of the Maghreb, Ethiopia, Kenya or Côte d’Ivoire.

This model involves offering attractive location conditions to multinational companies and/or their subcontractors, so that their relocation is at the same time functional, cost-effective and sustainable. Incentives include offshore schemes (EPZs) and the creation of industrial zones equipped with infrastructure and logistics services, with a labour pool of critical size.

While this process can lead to the massive creation of unskilled jobs, this development model can nevertheless prove costly and difficult to implement from scratch, because it requires certain industrial preconditions to convince businesses to settle (socio-economic stability, labour skills, basic infrastructure). In some cases, one way of compensating for this is to initiate the process from natural resources, whose local availability is an important comparative advantage, setting up a system of production of intermediate goods drawing on the natural resource deposits (wood, minerals, etc.).

A second strategy focuses on the transformation of local products destined for export. It is first necessary to identify products that are specific to the region and not readily available elsewhere, and for which there is global demand (for example, mango, shea nuts, cashews and textiles). The aim is to create products with higher added value (shea butter, packaged fruit) from food raw materials, which will then be distributed on the world market. For textiles, such a programme aims to enhance the know-how of designers and artisans in the region, as the
International Trade Centre does in Ghana, Mali or Burkina Faso as part of its ‘Ethical Fashion’ initiative.

The third strategy is regional value chains (RVCs). These value chains must be built up on the basis of the increasing urbanisation of African countries and around the consumer poles that are emerging in Nigeria, Kenya, Ghana and Côte d’Ivoire. This strategy is similar to the import substitution strategies introduced by most countries of the region in the 1970s. Unlike these, however, their chances of success are greatly enhanced by current conditions, which are more favourable than those which led to the failure of the model at the time.

Let us recall that the creation of a competitive industrial sector has been hampered by the poor state of infrastructure (in energy, transport, communications, etc.), resulting in higher transport and transaction costs.

The gaps in labour productivity largely determine the gap between industrialised and developing countries on the Continent. African countries must therefore develop their human capital, whose limited skills across a range of expertise are hampering industrial development opportunities on the Continent. Education, health and the acquisition of skills are therefore essential for the improvement of a country’s productive capacities. In order to achieve industrialisation based on the exploitation of natural resources, the current skills shortage in Africa must be addressed through essential vocational training and the upgrading of businesses (African Union, 2013).

Capacity building to improve, certify and ensure the quality and standards of industrial products is of particular importance if African countries and their businesses are to take advantage of their integration into the global market, and succeed in their industrialisation process.

Access to funding remains one of the main obstacles African countries face in the pursuit of industrialisation, both for the public and private sectors. African countries need to mobilise sufficient resources to finance public investments that are crucial for industrial development, especially investments in infrastructure, education and technology. Within the private sector, African businesses — many of them small- and medium-sized enterprises (SMEs) — face difficulties in accessing finance on the demand side as well as the supply side. In terms of supply, the main problem is the lack of sound financial systems. Indeed, official financial systems, with a very limited number of operators, tend to focus their services on big businesses and public authorities. Formal banking systems
are reluctant to lend to SMEs because they consider them to be high risk and associated with high administrative costs. However, whether for public or private purposes, domestic financing of industrial development leads to local ownership of processes and outcomes, and thus has a better chance of ensuring the success of measures taken.

For most African industries, another highly complex challenge lies in the shortage of technological capacity for innovation and the development of new industries. The technology gap has reduced the competitiveness of many industries on the Continent, even though Africa has set a high priority on education and technological development through policies such as Africa’s Science and Technology Consolidated Plan of Action, endorsed by the African Union and the New Partnership for Africa’s Development (NEPAD) in 2005. Some countries are nevertheless making remarkable efforts to apply measures to encourage innovation and the accumulation of technology by businesses. Countries such as South Africa, Ghana, Tanzania and Kenya have set up national institutions to promote science and technology. Unfortunately, the IT services set up by several of these governments to help local businesses, especially SMEs, to find and acquire foreign technologies, have not worked well.

Much therefore remains to be done to strengthen national and sub-regional policies in favour of technological innovation, of finance for access to technology, the dissemination of research and the organisation of technology transfers, especially in industry.

Industrialisation and structural transformation lead to the intensive use of resources, to the detriment of the environment. The challenge for Africa remains not only to succeed in transforming its economy, but to do so in a sustainable way, by using existing environmentally sound technologies and adapting them to local circumstances, and by applying indigenous technological innovations wherever possible.

Each African country will need to devise strategies and policies based on its sectoral priorities and its own resources. Initial environmental conditions and local capacities should also be fully taken into account, as is currently done by the countries that have developed their specific national contributions (INDC – Intended Nationally Determined Contribution) as specified in the Paris Agreement (COP 21 and COP 22). Some African countries are already well on their way, including South Africa, Côte d’Ivoire, Morocco, Kenya and Mauritius (R. Allah-Kouadio, B. Cissé, and L.J. Grégoire, 2015).
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Industrialisation for the economic emergence of Africa

The structural transformation of Africa must be a priority, because it is based on a continuous multi-sectoral process that will have to include both an industrial catch-up period and a period of industrial upgrading. This involves taking best advantage of the Continent’s abundant resources, consolidating industrial governance, encouraging public-private partnerships, and promoting intra- and inter-sectoral specialisations and the upgrading of sectors.

Africa is now part of a global and regional environment very different to that faced by the first developing countries that undertook the transformation of their productive and industrial structures.

To unleash their full potential, African countries must launch bold programmes driven by investment in industrial transformation under the aegis of the private sector. There is a real opportunity for Africa to create jobs and promote inclusive economic transformation through the development of manufacturing at the national level and through a process of commodity-based industrialisation, leveraging the resources of the Continent and the opportunities offered by the changes in the structure of world production.

In order to exploit the industrialisation opportunities facing Africa, it is essential to take full advantage of domestic products, agricultural and industrial commodities, and to develop upstream and downstream links with regional and international value chains.

The more intensive use of information technology also offers opportunities for growth. The increased use of IT has led to a strong expansion of regional value chains in financial intermediation and business services, two branches in which leading African companies play a key role. In the tourism sector, for example, there are significant opportunities for growth, notably through the development of websites and online booking, which allow local operators to engage in direct marketing and to face up to major international operators. However, IT skills need to be strengthened in order to take advantage of these opportunities.

Value chains around producers usually offer opportunities for learning, participation in the supply chain, and the creation of additional varieties.

Improving transport capacity (road, rail and air transport) must be a priority. Better access to ports and airports can speed up delivery of
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products and make African economies more attractive to foreign investors. In addition, it is important to address problems of inefficiency and lack of capacity, which translate into long waiting times for exporting firms. The implementation of rapid import/export procedures is fundamental to the integration of supply networks that rely largely on imports for assembly activities.

THE AUTOMOTIVE SECTOR IN SOUTH AFRICA

In South Africa, the automotive sector began to develop in the early 1960s at a time of protectionist measures and direct and indirect subsidies, aimed at promoting the local market. At the time, the country had several construction and assembly plants, which produced various types of vehicles, albeit in small volumes. After 1994, a shift in public policy profoundly changed the automotive industry. Indeed, in 1995, the government launched an explicitly GVC-oriented policy in this sector. As part of its Motor Industry Development Programme (MIDP), South Africa introduced significant cuts in import tariffs on vehicles and parts (from 115% before 1995, to 30% in 2007) and removed local content requirements. The original equipment manufacturers, then the parts producers, returned to the country. Since 1995, major international assemblers and manufacturers have also established themselves in South Africa. Currently, the automotive industry is the leading manufacturing sector in the country. It contributed 7.5% of GDP in 2015. The number of vehicles exported has increased significantly, rising from 15,764 units in 1995 to 285,000 in 2015. More importantly, the ratio of exports to production is now more than 50%, compared with just 4% in 1995. To support the growth of this industry, the country has committed to expanding the chain of local suppliers and increasing their competitiveness, and is expanding the skills of its workforce and improving its infrastructure.

Many trade agreements exist between the countries of Africa, but they are very poorly applied at border posts or by customs administrations. Their strengthening could broaden opportunities within value chains geared to regional production or to the benefit of interconnected regional firms.

Trade agreements between African countries should include simplified and flexible rules to allow for:

- privileged use of imported inputs;
- respect for regional rules of origin;
- liberalisation of the main branches of the services sector;
- less costly compliance;
- free competition as well as greater freedom of movement of capital and the authorisation of temporary business travel (Lesser, 2014).
The Emergence of Africa

The industrialisation of Africa is based on improving productivity through automation, quality management, improvement of productive processes and essential investments in vocational training. Particular attention should be given to improving the capacity of African producers, mainly manufacturers and related industries, to enable them to compete with imported products in domestic markets, and to link them to regional and international markets. It is also important to support the development and expansion of SMEs, of industrial niches, and the establishment of public-private partnerships as a means of mobilising resources to finance the process of industrialisation.

To accelerate their structural transformation process, African countries need to prioritise their strategic sectors and promote credible industrial policies by providing advisory services, mobilising quality technical assistance, and funding key PPP projects.

Countries need to increase their funding for infrastructure and industrialisation projects by increasing and channelling funds towards stimulus structuring programmes that can create links between sub-regional areas of specialisation and new competitiveness clusters.

Countries should promote the development of liquid and efficient capital markets by encouraging African companies to access market financing.

They must also promote entrepreneurial development by facilitating access to financing through the expansion of SME-based lines of credit, by providing technical assistance to SMEs (incubators, SME-focused financial institutions, those targeting applicant populations, in particular women and young people).

Countries should continue to invest in international and regional cooperation to promote strategic partnerships and the creation of links between African companies and the major projects of potential partners and investors through promotional activities.

The economic emergence of the Global South will most likely continue to be the main feature of the global development dynamic over the next 30 years. The major economies of the Global South will gradually move away from their central focus on the manufacturing of low-tech, labour-intensive products, towards technology- and capital-intensive global value chains.
THE DEVELOPMENT OF THE TEXTILE INDUSTRY IN AFRICA: 
THE EXAMPLE OF ETHIOPIA

In ten years, African textile exports have increased in value by 43%. The figure remains low compared with Asia (+155%), but exports are progressing under the impetus of policies giving priority to the textile sector. The Swedish group H&M, the world’s second-largest clothing company behind INDITEX (Zara), has decided to transfer part of its production from Asia to Africa, including Ethiopia, where it could manufacture one million items per month. The Swedish group H&M, the world’s second-largest clothing company behind INDITEX (Zara), has decided to transfer part of its production from Asia to Africa, including Ethiopia, where it could manufacture one million items per month. The Turkish group AYKA, the British M&S or the Chinese shoemaker HUAJIAN are developing relocation strategies towards the African markets. HUAJIAN plans to employ 100,000 Ethiopians by 2020 and to invest $2bn, thanks to financing from the China Development Bank, the financial arm of the Chinese state. While the major textile multinationals used to produce 80% of textiles in China and the rest in other Asian countries and the Maghreb, they now only want to manufacture 30% of their products in these countries. These big companies, in search of the lowest production costs, are put off by the rise in wages and the proliferation of workers’ demands. In 2015, the average annual salary in China grew by 11.4%, following a surge of 17.1% in 2012 and 18.3% in 2011. Constraints related to security and corporate social responsibility and environmental commitments are accelerating the relocation of production chains to other markets, particularly in Africa.

To gain access to emerging markets and to integrate with global industrial value chains, Africa needs to develop an aggressive strategy to encourage Global South partners to effectively strengthen their own industrialisation process. This requires a long-term vision of the Continent for its specialisation, with investment in the key areas of human capital, infrastructure and technology, in order to improve its international competitiveness and its capacity to manage the South-South transfer of skills and technologies. Africa must also promote national and regional champions and quality public-private partnerships in order to support public companies in the face of international competition.

Furthermore, the international focus on the challenges of climate change presents Africa with both challenges and opportunities for its integration into the global market and for the dynamics of regional integration. There are two major constraints linked to the problems of climate change that are likely to hamper Africa’s industrialisation efforts. First, under the United Nations Framework Convention on Climate Change (Paris-COP 21), the current and future international obligations on climate change mitigation and adaptation are likely to represent constraints on the means available to Africa for industrialisation. However, climate change could also provide opportunities for Africa to take a green path to industrial development, based on low-energy, low-carbon and therefore low-pollution technologies.
The planning of industrialisation for Africa

The process of planning and industrialisation for Africa must define robust national and sub-regional industrialisation strategies, identify priority sectors on which to focus in the short term, as well as strategies for the medium and long term, and determine key instruments to initiate and sustain actions for industrial and manufacturing development on the Continent. Five key challenges need to be met to achieve accelerated industrialisation in Africa: leadership, the development of integrated and multi-sectoral strategies and policies, the intensification of productive investments, improvement of the business environment, and the implementation and coordination of policies, as well as their monitoring and evaluation.

The priority sectors for industrial emergence will need to be clearly identified and can naturally vary from one African country to another, taking account of the comparative advantages of their specialisation. Most countries give priority to agro-industries, as well as to value added in extractive industries. They should therefore seek to diversify into areas where their products lend added value, in transformed production, and to rise up value chains.

A modernised, labour-intensive agricultural sector would create jobs and deliver value to agro-industrial activities that would lift a good number of Africans out of poverty. The modernisation of the agricultural sector creates significant downstream and upstream relationships for the national economy, which do not exist to the same extent in the extractive industries. Indeed, an agro-industry-based development strategy with greater added value and higher productivity growth in the entire value chain of the economy, can lead to rapid and widespread economic growth, and create wealth in Africa, while reducing poverty among rural populations on the Continent.

Conclusion and outlook

Africa can capitalise on its vast wealth in natural resources and the soaring price in commodities in order to develop its industrial infrastructure. The processing of commodities favours productivity, growth, technological innovation, as well as relations downstream and upstream of commodity chains, as long as suitable institutions exist and
investments are made in human capital and knowledge (Ferranti et al., 2002).

Successful industrialisation requires government leadership and commitment to industrial development, a commitment which must set the industrial development as an absolute priority. Governments must translate this political commitment to industrialisation into concrete measures, and must take the strategic leadership for the development of specialisations that will create added value as well as productive and decent jobs.

Governments need to put in place appropriate policies and use an appropriate mix to facilitate industrial development and mobilise the private sector with assurances of strategic support. Indeed, the success of any industrialisation programme requires the creation of a business-friendly climate, which will strengthen national capacity and means of production, in particular physical and social infrastructure, human capital, financial systems, dissemination of technologies, and public governance. Governments need to improve the regulatory frameworks required to address market distortions, and to address coordination issues within the government machinery, as well as between government and private sector partners, at both national and international level.

While the responsibility for industrial development rests primarily with national governments, regional integration has an important role to play in removing the various barriers to industrialisation. In this way, regional cooperation and infrastructure development should lead to a reduction in transaction costs, strengthen the development of regional markets and make the production and export of manufactured goods more competitive.

Regional integration can help ease the regulatory burden on African companies by, for example, harmonising policies, and by acting as an external agency for moderation in domestic policies for growth and diversification (UNCTAD, 2011).

The development of industrial capacities and the diversification of productive sectors are a precondition for the emergence of the Continent, and must therefore be given special attention by decision-makers, as the CEO Forum and the International Conference on the Emergence of Africa 2015 have made clear.
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Sustainable Mining: Challenges and Issues for Africa

Jean-Claude Brou  
Minister of Industry and Mines of Côte d’Ivoire

Joseph Ezoua  
Programme Specialist and Head of Sustainable Human Development of the United Nations Development Programme in Côte d’Ivoire

Introduction

Like Australia and Canada, Africa is one of the regions with significant mining resources. Exploiting minerals is a dominant activity there and it is the main export commodity for nearly half of African countries. Mineral resources are valued at US$46,200 billion. The minerals are very diverse. According to the United Nations Environment Programme (UNEP), Africa is believed to have about 30% of the world’s known mineral reserves: 40% of gold, 60% of cobalt and 90% of Platinum Group Minerals (PGMs) reserves. In sub-Saharan Africa, apart from a few countries such as South Africa, the mining industry is dominated by the extraction of minerals and their export in their natural state. Income from the mining industry may be substantial but it is minimal when compared with what the refined product could earn, both in terms of tax and from a macro-economic point of view with the creation of jobs, the creation of wealth for local people and, above all, the development of specialist skills in this particular field. The African mining industry would benefit from moving up the value chain of the sector: From independence until the early 1980s, state companies, for a large part, turned the sector to profit. With the effect of globalisation,
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the mining industry has undergone far-reaching transformations, including privatisation\(^1\) of the sector, the disengagement of states from national mining companies as well as the emergence of civil society with the gain of greater power by emerging economies\(^2\) in the mining sector.

Challenges and issues

Africa has a large part of the world’s mining resources, yet, paradoxically, it is the poorest continent. The expected impact of the mining industry on the economies of African countries and local people is hardly noticeable. However, the mining sector makes a substantial contribution to the economic development of African countries. On average, mining resources have made up 21.9% of the global revenue of states over the last ten years. This is well below the 40% average which was recorded in the 1980s and in the early 1990s.

One of the factors hindering the community development of mining areas is the absence, in some countries, of a national strategy which includes specific needs and constraints in relation to mining.

Other constraints impede community development:

- the poor capacity management of resources earmarked to fund the development of local authorities;
- the low level of involvement of civil society organisations in local resources management mechanisms;
- the low level of consultations between mining companies and communities in mining areas;
- the poor management capacity of community management structures.

The low degree of importance given to the interests of the state in the procedures for access and management of mining rights results from:

- the lapse of codes which no longer match international standards;
- the fact that the negotiation commissions of petroleum and mining conventions are not institutionalised;

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1. The African mining sector, which was under the control of state companies for a long time, has gradually opened up to foreign investors under implicit pressure from the Bretton Woods institutions. Ghana was one of the first African states to liberalise its mining sector to develop it and to turn it into a driver of economic growth in the early 1990s.

2. The increasing power of emerging economies has been confirmed by the fact that China has taken up a leadership position and it is increasingly establishing itself as a key economic player globally.
Emergence, Production, Consumption

- failure to comply with allocation procedures through the interference of high-level political authorities;
- a lack of awareness of the mining and petroleum potential which means negotiators are not well equipped to defend national interests;
- a lack of qualified and motivated personnel and the low capacity of human resources to manage mining registries as well as geological and mining information systems;
- the disrepair and lack of efficient management equipment for geological and mining information systems;
- poor capacity in terms of human resources and the lack of equipment of the National Directorates of Mines and their divisions for improved monitoring and control of mining activities;
- low level of consultations between existing structures involved in monitoring and controlling mining operations.

Weaknesses in the recovery, management and allocation of mining revenue are reflected by:

- a lack of technical committees for the analysis of production costs in order to counteract the price transfers practised by some mining industries;
- the poor capacity of resource persons in the administration structures responsible for the tax audit of mining companies;
- the non-compliance of accounting systems used by mining companies with the accounting plan of the organisation for the harmonisation of business law;
- the poor capacity of small-scale production management;
- non enforcement of some legislative provisions;
- the poor capacity of national NGOs to promote good governance in the mining sector.

The lack of a sustainable community development policy for mining areas is also reflected by:

- the degree of obsolescence of regional development plans;
- a lack, sometimes, of national sustainable development strategies;
- the poor capacity of mining companies to come up with a strategy to promote local SMEs;
- a lack of environmental and social management plans for former mining companies;
- the poor capacity of local SMEs in technical management fields (administrative management, financial management of SMEs).
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Policy guidelines for the emergence of a sustainable mining sector

Since the 1990s, it has been noted that the mining sectors of several countries, such as Guinea for instance, have not met expectations in terms of their contribution to national economies, despite a significant potential and efforts made to reform them. There are several reasons for this and the main one is the sector’s small contribution to national economies. This is why the review of mining policies over 2010-2015 in Africa seeks to:

- redress these shortcomings;
- take international commitments into account and conform to international practice in the sector as well as national strategies.

This policy change is significant and includes the following objectives:

- strive to conform to the national strategy to fight poverty;
- correct failings in the management of the mining sector;
- stimulate new investments in the sector;
- increase added value to support economic emergence.

The main steps that have been taken revolve around:

- the review of regulations by recasting the various codes and implementation texts;
- the improvement of heritage management by strengthening the capacity of the mine registry;
- the integration of the sector into national economies by using mining resources to combat poverty;
- the development of infrastructures;
- the promotion of oil research and the reform of the institutional framework of the ministries for mines and geology.

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3. The mining industry has the potential to become a true driver of economic growth and to contribute to the fight against poverty in African countries: the mining industry enables African states to generate substantial income which is too often badly reinvested. Thanks to mining income, it is possible to fund other sectors and to develop infrastructures in countries where they are often non-existent. Taxes make up between 40% and 60% of the total investment of mining companies. These investments contribute directly to state coffers as well as budgets. If these funds were ploughed back wisely, they could create income. The African continent does not lack assets and has many opportunities for the mining sector to become a driver of economic growth. Mining projects in Africa are believed to be particularly lucrative (between 10 and 19%) with good mineral quality that is acknowledged around the world. Moreover, through mining projects, states can develop public-private partnerships and get mining companies, for instance, to fund the construction of (road, rail) transport infrastructures. Mining companies can also play a key local role by contributing to the improvement of living standards through more active participation in development actions, and job creation.
Moreover, widening the national decision-making space implies moving beyond a purely sectoral approach of mining issues and adopting a broad-based and integrated approach which takes into account the transformative role that the sector could play. This entails going beyond seeing the mining sector first and foremost as a source of tax revenue so that it can act as a catalyst by developing cross-sector links, in particular by including mining activities in industrial policies.

For this to take place, it is important that countries should not do away with their political decision-making space. For instance, in order to give extra guarantees to investors, many developing countries have gone far beyond opening up to foreign investments in the extractive sector by locking the possibility of potential changes, by committing to financial stability clauses and by signing various international agreements on investment (International Investment Agreements – IIAs). The most significant international agreements on investments have been the bilateral treaties on investment in connection with the promotion and protection of foreign investments.

The Africa Mining Vision\(^4\) (AMV) was adopted by the heads of states and governments of Africa in February 2009. It is the response of African ministers to the paradox whereby people live on a continent where immense natural resource wealth exists alongside rampant poverty and huge inequalities. The AMV suggests a paradigm shift which would abandon the extractive resources operating model, which is largely reliant on international export markets. Such a model was never able to offer socio-economic development to Africa. The AMV tackles the paradox of life on a Continent where widespread poverty and great inequality coexist with an abundance of natural resources. As Carlos Lopes, former Under-Secretary-General of the United Nations and Executive Secretary of the Economic Commission for Africa (UNECA) said: "[...] the current resource-for-development model is not working to bring about equity or boost development."

The main goal of the AMV is to move away from the current development model, which is based on the exploitation of resources, in order to

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\(^4\) An innovative approach in that it goes beyond the improvement of national mining regimes to determine how the mining industry can truly contribute to local, national and regional development. At a local level, it looks at ways for workers and communities to get sustainable benefits from the mining industry whilst protecting their environment. At a national level, it looks at ways for countries to negotiate better contracts with companies in order to generate fair revenue from resource extraction and support local supply. Finally, it looks at ways to integrate the mining industry into regional trade and industrial policies.
The Emergence of Africa

adopt a model which favours a structural transformation of Africa’s economies. Mineral resources would work as a catalyst for inclusive cross-sector growth and for the development of resources markets in Africa, which would allow economic diversification and industrialisation on a continental scale. Through policy reforms, the AMV aims to correct the structural defects of the current model which is characterised by “an enclosed mining sector, mono-sector approaches which are not integrated into wider development objectives, weakened institutional capacities and negotiation relations between governments and societies which are deeply asymmetrical”.

Good practice in the mining sector in Africa

Africa has made a lot of progress towards the creation of a favourable framework for sustainable development. For instance, most of the countries in the region are signatories to international conventions on the environment and Multilateral Environmental Agreements (MEAs). Bodies such as the joint secretariat of the African Union Commission (AUC), the Economic Commission for Africa (ECA) and the African Development Bank (AfDB) have played a significant role in setting up and launching great regional initiatives to forward Africa’s sustainable development programme such as the land policy initiative of the Climate for Development in Africa (ClimDev-Africa) Programme. The New Partnership for Africa’s Development (NEPAD) has also adopted a number of framework directives and programmes which integrate environmental concerns in sustainable development, like the Comprehensive Africa Agriculture Development Programme (CAADP), the Environmental Action Plan (EAP), the Infrastructure Short Term Action Plan (STAP), the Water and Energy Framework Directive, the Capacity Development Strategic Framework (CDSF) and, more recently, the Rural Development Programme (RDP).

At regional and national levels, Africa has supported and initiated many agreements, protocols, policies and decrees in connection with protection and management of the environment. The African Ministerial Conference on the Environment (AMCEN) is a platform which has played a key role towards the region’s common stance on environment and climate change5 by putting negotiation strategies and information at the disposal of leading negotiators.

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5. Climate change has a significant influence on the development perspectives in Africa and suggests that the Continent will face considerable social, economic and political challenges.
Major mining companies, which are often singled out as modern slave drivers that destroy ecosystems, are increasingly investing in the local economy by providing training and promoting public services such as education, health, access to drinking water, transport or access to energy. To achieve this, sustainable consultations together with environmental and social considerations should underpin all the development stages of mining projects because long-term African development will rely on the efficient use of land and soil, water and food security as well as resistance to climate change.

**Prospects and recommendations**

Policy guidelines and institutional frameworks of mining sector governance have gone through profound changes since 2010. Some countries still need to:

- improve the state capacity to leverage the tax resources which are necessary for development and environmental management of new deposits;
- improve the capacity to manage resources from the mining sector;
- set up a strategy and a plan for exploitation and sustainable development.

**At national level:**

As the United Nations Conference on Trade and Development (UNCTAD) stated in 2007: “It is up to the governments of host countries to make sure that benefits from mineral resources contribute to the achievement of development objectives.”

To do this, it is necessary to review the mining and petroleum codes of countries and to come up with implementation documents, including

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6 In order to improve the economic and social impact of the mining sector in Africa, strengthening the legislative framework and improving governance is the priority: strong demand for mining products over the last few years has led to improved negotiating power; which in turn brought about a movement to renegotiate mining contracts (slowed down by the economic crisis). Renegotiating mining contracts, making them fairer; reviewing mining legislation so that it is more transparent and more balanced; these are the main challenges African states face over the next few years. Strengthening the legislative framework will make it possible, among other things, to increase benefits for states and people. It will also be possible to mitigate the environmental and social impact that NGOs have denounced so often.

7 Mineral resources are national assets. Building or consolidating sector governance and investments depends primarily on actions in individual countries.
standard conventions and implementation decrees. This will be one of the fundamental premises of the new mining and petroleum policies. To achieve this, it is essential to support institutionalisation and to build the capacity of the members of the negotiation commissions for mining and petroleum conventions. To make sure that the environment is monitored and well managed, it is necessary to build the capacity of mining registries and geological and mining information systems. To this end, it is essential to build the capacity of human resources and to supply equipment to national mining directorates.

Finally, it is necessary to set up sustainable strategies for mining development. Efforts are required in the following fields:

- review of environmental codes and implementing texts;
- capacity building of ministries responsible for the environment through the recruitment and training of mining inspectors and the acquisition of control tools;
- encouraging some investors to adopt strong social and environmental practices and promote best international practice;
- planning of legal mining as well as cooperation between players to end illegal and unsustainable mining and trade of natural resources;
- defining environmental and social priorities as upstream as possible;
- setting up a regulatory and institutional mining mechanism;
- identify coordination possibilities between mining activities which are developing in various countries and the promotion of good practice;
- understanding environmental issues for utilities which are connected to natural resources, biodiversity and rural activities (hunting, fishing, agriculture);
- creating synergies between the various players in the mining sector on the one hand and between these players and states, on the other hand;
- protecting the environmental capital while promoting the mineral potential: the environmental impact of the mining activity is important on the mining sites and their surroundings, or even further afield, when polluting substances contaminate streams (mercury and gold mining) or the air (dust).

8 In 2009, illegal exploitation is believed to have cost governments a US$7 billion loss of revenue, equivalent to Zimbabwe’s GDP. For Tanzania alone, loss of tax revenue because of illegal wood exploitation in 2004 was estimated at between 24 and US$58 million without taking into account the loss of revenue for communities and the damage to river basins which provide critical services such as soil retention, water filtration and supply of water for people to drink, irrigate and produce hydroelectricity.
At regional economic community level:

Regional cooperation under the aegis of Regional Economic Communities (RECs) is necessary for a number of reasons:

- the construction of regional economic spaces implies a common external tariff, tax convergence, the free movement of goods, capital and people, common standards which apply to mining industries and other sectors;
- the mineral products which are exported by land-locked countries make use of regional infrastructures;
- the energy security of major industrial equipment can rely on regional connections and common hydroelectric plants;
- cross-border trade of high-value products from the informal or criminal sector require close cooperation between border control agencies;
- very few countries have training capacity for the required competencies for each specialised level: regional university cooperation would solve this;
- consolidation of regional observation networks of the African mining sector under the aegis of the Regional Economic Communities (RECs) would allow stimulating comparisons and analysis of the development dynamics of the sector or best practice.

The contribution of the mineral resources sector to development could be analysed on several levels:

- macro-economic impact on the country’s main aggregates (trade balance, GDP, added value, public accounts),
- economic impact in terms of number of national jobs, wages paid, effects on the local fabric of indirect jobs, created infrastructures, outsourcing, etc., but also contribution to community life,
- social impact for the families of employees of the company sector (income, social welfare, access to health, to education, to basic services, water, energy, sanitation and leisure, social advancement, participation in community and trade union life, etc.),
- environmental impact of the various phases of the activity (exploitation, rehabilitation) on the site and its surroundings (concentration of people, effluents).

A regional observatory could be set up by building on the experience gained in the framework of the SIGAfrique project and the Sustainable Development Indicators in Mining Industry (SDIMI).
TRAINING AND EMERGENCE OF THE MINING SECTOR IN AFRICA

Training African executives is a short-term necessity for national authorities (teachers, administrative staff) and companies facing rapid development. Cooperation should take this urgent requirement into account and fund it over time. As in all technical or scientific fields, the establishment of stable connections between African training institutions and international reference centres is both a way to strengthen current curriculums and a fully-fledged objective of cooperation. The globalisation of research and training is essential, including when fast-evolving cutting-edge technologies are mobilised. Again, regional cooperation seems necessary: a regional training policy, through the specialisation of curriculums between establishments, leads to economies of scale. Because of the number of students in each country, universities should be encouraged to open up specialised courses in order to aim for regional complementarity. This policy of support to centres of excellence is already implemented by some countries, including for natural sciences courses through support to the Institute of Petroleum Studies in Port Harcourt (with Total and the French Petroleum Institute) or at the Higher Institute of Mining, Industry and Geology (EMIG) in Niamey (with Areva). Regional university alliances for mineral resources in Africa could be established. In the framework of such networks, well-known specialised centres with a regional focus can be identified on the basis of their current capacities and outreach activities sectors so as to create connections with companies, like Ouagadougou’s International Institute for Water and Environmental Engineering (2iE). For example, oil geoscience courses could be based in countries such as Angola and Nigeria, mining geoscience courses in West Africa (Niger, Guinea, Mali), courses about the environment or mining rights in countries with competencies in these fields. Such a network should be set up in West and Central Africa by specialised establishments by taking advantage, among other things, of the way higher education is changing on the continent (Degree, Master’s, Ph.D. courses – opening up higher education to the private sector).
At international level:

The international community should support the development of a mining industry that is a source of sustainable development in various ways:

- by introducing and enforcing international rules on product quality, the transparency of product flows and financial flows (Extractive Industries Transparency Initiative and Kimberley);
- by funding investments and consolidating governance at national and regional level (development banks, European Commission);
- by supporting independent consultancy and/or arbitration bodies to which countries could resort in their negotiations with investors.

INITIATIVES FOR THE TRANSPARENCY OF EXTRACTION INDUSTRIES

The Extractive Industries Transparency Initiative (EITI), initiated in 2002, aims to increase transparency in the flows of revenue generated by the exploitation of mineral resources. It particularly encourages companies to publish the amounts they pay to countries which, in turn, publish what they receive. Both are compared in an audit. In February 2008, 27 countries became members. Twenty-two countries have applied to join, 15 of them in sub-Saharan Africa. The Kimberley Process, which was launched to fight the illegal trade of rough diamonds which fuelled civil wars in Central and West Africa, is a success from most points of view: 44 countries which produce most of these gems have become members. Since then, conflicts funded by the illegal diamond trade have petered out. This is the most successful instance of natural resources certification. Beyond administrative aspects to do with the certification of gems in circulation, the Kimberley Process requires actions upstream. In Africa, the first source of illegal diamonds is small-scale mining which can amount to the whole of national production (Guinea, Central African Republic, Sierra Leone, Liberia) or a large part of it (the Democratic Republic of Congo, Angola). Every initiative to supervise and develop the small-scale sector in a sustainable fashion will help efforts to control the production and trans-border trade of diamonds.
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Challenges and Issues around Sustainable Energy in Africa

Dr Kandeh Yumkella
Former Special Representative of the Secretary-General of the United Nations and CEO of the Sustainable Energy for all Initiative

Introduction

Ensuring access to affordable, reliable and sustainable energy is one of the main challenges of the 21st century. While the whole of the international community is mobilised to promote universal access, energy poverty continues to affect 1.1 billion people worldwide according to the second tracking report of the SE4All initiative published in May 2015. Over 600 million of them live in Africa, i.e. over half the African population. These people have no access to modern energy services that can supply them with lighting, fuel and reliable energy, and depend principally on traditional biomass for cooking and heating.

Numerous countries in sub-Saharan Africa regularly face electricity shortages. The combined energy capacity of the 40 main consumer countries of the Continent is lower than that of the 20 million inhabitants of the State of New York. Energy costs are extremely high and its sources are often highly polluting on the Continent. The price of a kilowatt-hour is 40 to 50 cents, compared to 4 to 17 elsewhere. The Continent’s energy deficit has greatly hindered its industrialisation, while the potential for conventional and renewable energy resources is still largely unexploited.
Access to sustainable energy is a priority for Africa and a prerequisite for achieving objectives that go beyond the energy sector, i.e. eradicating poverty, increasing farm productivity and income in rural areas, improving access to drinking water, education and quality health care and creating economic opportunities. Energy is therefore the basis for human development.

From creating job opportunities to economic competitiveness, from strengthened security to greater autonomy for women, energy is the big unifying factor in Africa’s development and emergence. Energy concerns all sectors of industry and is one of the fundamental interests of all the nations that have to ensure that the benefits of modern energy are universally accessible and that energy is produced as cleanly and rationally as possible. A transition towards a green economy is also vital to ensure development is sustainable and to support the emergence process. However, this change must not be to the detriment of the development priorities of developing countries, and any definition of a green economy must include various opportunities to promote economic development and reduce poverty.

The Sustainable Energy for all initiative (SE4All)

The SE4All initiative (Sustainable Energy for All), launched by the Secretary-General of the UN in September 2011 to recognise the importance of energy for development, is a multi-stakeholder partnership between governments, the private sector and civil society. It has three main objectives to be achieved by 2030:
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- Ensure universal access to modern energy services;
- Double the global rate of improvement in energy efficiency;
- Double the share of renewable energy in the global energy mix.

These three objectives are interlinked. The technology for exploiting renewable energy is increasingly affordable, bringing energy services to rural areas which would be exceedingly costly and impractical to supply through conventional electricity grids. The increased efficiency of the devices used for lighting and other applications decreases energy consumption, thereby reducing the amount of electricity required to run these systems. The gain in efficiency in the production and use of electricity reduces the load on the electricity grids and provides a supply to a maximum number of households and companies. Furthermore, the uncontrolled expansion of energy systems using fossil fuels, as is happening today, could maintain the planet on a pathway that would not sustain the global climate.

The SE4All priority is to bring high-level political support for access to energy for all. Since its launch, over 80 governments worldwide have officially joined, including 43 African countries. 2012 was proclaimed the year of international sustainable energy for all by the United Nations. Partnerships between governments, development banks, the private sector, civil society and UN organisations were consolidated at the Rio+20 Summit and significant financial commitments were made both in terms of the amounts and the range of contributors. Several companies and investors have promised over US$50 billion to help set up affordable, reliable and sustainable energy systems. The partnership has also mobilised the private sector and civil society for high-impact initiatives, such as off-grid lighting, improved energy outputs, energy and women’s health, and renewable energy supply.

Under this initiative, efforts are being made to promote the use of clean stoves and fuel for cooking food in Africa, South and East Asia, and Central America. It involves setting up systems to lower the risks of investing in clean energy and help develop geothermal electricity. Assistance is also available for local towns and villages to improve energy control, and to countries to map their sources of renewable energy. Specific aid is granted to developing small island states to invest in clean energy. Some countries also receive funding to extend programmes to improve access to electricity while developing possibilities for off-grid lighting.

In spite of the progress made globally to meet the three SE4All objectives, more efforts must be made to fill the obvious deficits, particularly in Africa. To do this, stakeholders must increase their investment in the sector. According to the tracking report, annual investment in energy has to triple to reach US$1,250 billion, and 40 to 100 billion must be mobilised, each year, to ensure universal electrification.
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On the other hand, universal access to modern cooking fuels requires only US$4.3 billion a year. Countries with the lowest capacity must have access to the latest green technologies and the related knowledge. For governments who do not have these resources, only public-private partnerships can generate such sums.

To meet the sustainable energy goals, it is essential to understand the links between energy and other sectors like water, agriculture, gender and health.1

The African hub of the SE4All initiative: tasks, organisation and support tools

Africa is at the forefront of the SE4All initiative implementation. An African hub was set up in May 2013 in partnership with the African Development Bank (AfDB), the African Union Commission, the planning and coordination agency of the New Partnership for Africa’s Development (NEPAD), and the United Nations Development Programme (UNDP).

The African hub of SE4All aims to promote investments in this sector with African governments, to ensure economic growth in their countries and promote their long-awaited emergence. Its purpose is to coordinate and facilitate the implementation of the initiative on the African continent. It helps its acceptance in Africa, and fosters a comprehensive and inclusive approach to its implementation. In 2014, the Decade of Renewable Energy for all was officially launched in partnership with the AfDB to promote the use of all energy sources and mobilise the governments, the private sector, the development partners and civil society on central energy questions on sustainable development and the elaboration of development programmes after 2015.

The hub is part of the global structure to implement the SE4All initiative and works closely with the initiative’s global facilitation team. It has two units: a supervisory and operations committee, and a secretariat. The supervisory and operations committee supplies the strategic guidelines for

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1. Progress Toward Sustainable Energy: Global Tracking Framework 2015, a publication showing the progress made to meet the three main objectives of the Sustainable Energy for All initiative (SE4All): ensure universal access to modern energy services, double the rate of improvement in energy efficiency, and double the share of renewable energy in the global energy mix. This tracking report also shows what still needs to be done to meet these targets.
the hub secretariat operations and brings together the representatives of
the African Union Commission, the NEPAD agency, the AfDB, UNDP and
the Economic Community of West African States (ECOWAS). The
secretariat is in charge of carrying out the hub’s activities and work
programme.

The Sustainable Energy Fund for Africa (SEFA) and the Pilot Centre for
Climate Technology and Funding in Africa are the two SE4All support tools
which work in close collaboration with the African hub.

The SEFA was created in 2011 by the African Development Bank, with
US$56 million in aid from Denmark, to enable the bank to promote its
commitments to small and medium-sized projects for renewable energy
and energy efficiency. In 2013, SEFA was changed into a multi-donor fund,
with an initial contribution of US$5 million, which is the first part of the
American multi-annual commitment, in President Obama’s Power Africa
initiative. The fund supports small and medium sized projects for renewable
energy and energy efficiency in Africa. It has been operational since 2012
and has since approved some fifteen projects for a total of US$11.4 million.
In 2014, the UK government also joined the fund, promising about
US$15 million to promote mini renewable energy networks in Africa in
collaboration with the hub. The Centre aims to facilitate the development
and transfer of climate technology in African countries, to help reduce
greenhouse gas emissions and vulnerability to climate change. The project
lasts three years and should ensure the installation of a knowledge-sharing
hub and bring together the key stakeholders. The aim is to develop
innovative finance mechanisms for the transfer of technology to mitigate
and adapt to climate change on the Continent.

Since its launch in 2013, most of the 43 African countries in the initiative
have already assessed their energy situation in relation to the three SE4All
objectives. Over twenty of them are currently developing their national
energy programme via a schedule of actions that makes up the country
energy roadmap. This is based on medium- and long-term planning. Some
countries, such as Kenya, Tanzania, Ghana and Rwanda, are working on the
initiative, at the national level, in close partnership with the pilot centre.

In striving to achieve the three SE4All objectives, the African hub also
takes part in the effort to reduce greenhouse gases by encouraging the
energy transition of each country. The SE4All initiative helps to define a
general action framework and federate the projects for access to sus-
tainable energy, energy efficiency and the development of renewable
energy.
Conclusion: African initiatives and clean energy projects working towards emergence

With the coming of the African Renewable Energy Fund (AREF) set up in 2013, two investment programmes have been completed, one in Ethiopia (the 20 MW Corbetti geothermal project) and the other in Uganda (the 41 MW Achwa hydraulic project). For the development of renewable energy, Kenya is a good example of an Africa which is fully committed to diversifying its resources. Wind, solar and geothermal energies are gradually being added to its already existing hydraulic resources. To develop its geothermal capacity, Kenya has created the Geothermal Development Company whose tasks include exploring and drilling geothermal fields. It then developed the projects and manages their implementation, for example in Menengai.

South Africa, which only recently still depended almost entirely on coal, achieved its transition to renewable energy thanks to its Renewable Energy Independent Power Producer Procurement Program (REIPPPP). To date, over 60 projects have been awarded to the private sector and the first completions have already been delivered. The private sector has promised US$14 billion, which will generate about 4,000 MW in terms of renewable energy.

According to the statistics of the International Renewable Energy Agency (IRENA), if all types of renewable energy are grouped together, Egypt has the largest installed production capacity of sustainable energy, followed by South Africa and the Democratic Republic of the Congo. These three countries have considerable hydraulic production. For solar power, South Africa, Kenya, Morocco and Egypt are in the lead; for wind energy, it is Egypt, Morocco and Ethiopia. Finally, Kenya is the leader for geothermal energy. All of these countries have institutional and regulatory frameworks to help develop renewable energy.

Kenya, Morocco and South Africa have laid the foundation for large-scale transformation programmes, with public reforms to diminish the risks related to renewable energy projects. Other African countries have also made considerable progress in creating an environment conducive to renewable energy investment.
Green Growth and Sustainable Development: Options for Africa's Emergence

Siaka Coulibaly
United Nations System Resident Coordinator in Benin

Luc-Joël Grégoire
United Nations Development Programme
Country Director, Côte d’Ivoire

Introduction

Our world is facing the limitations of its development model, based mostly on the quest for economic growth at all cost and cheap and available fossil fuel energy, but this has resulted in the exponential increase of greenhouse gases and rapid (and sometimes irreversible) degradation of the environment. The planet is overheating, and not only from a climate perspective. Mankind uses (in a very unequal manner) 50% more resources than the Earth can replenish. By 2030, it will consume the equivalent of the resources of two extra planets according to a 2012 WWF (World Wildlife Fund) report on the state of the world. Since 2000, 13 million hectares of forest have disappeared every year, nearly a third on the African continent. Oceans, which are exposed to overfishing and acidification, are being depleted. Everywhere, biodiversity is retreating: -28% between 1970 and 2008 on a global scale and -61% in tropical regions alone, according to WWF’s specific index. Most development and economic growth strategies have promoted the rapid accumulation of physical, financial and human capital at the cost of excessive depletion and degradation of natural capital. This development and growth scheme, which exhausts natural wealth, often in an irreversible manner, is harmful to the well-being of current generations and will present future generations with considerable risks and challenges. The recent crises are just warning signs.
Against this background, the green economy is a source of hope, a new lever for the world economy and the African continent. Africa’s abundant renewable and non-renewable natural resources are well known and acknowledged. The green growth development model, which is based on the broader concept of sustainable development, offers a way to ensure that economic, social and environmental objectives are complementary. A more efficient use of resources needs to be promoted, while reducing pollution and making fewer compromises.

**GREEN GROWTH AND SUSTAINABLE DEVELOPMENT**

Green growth may not be able to provide answers to all the challenges our societies face but it is seen as an initiative which enables us to rethink our production and consumption modes in keeping with the principles of sustainable development. Although this concept is sometimes misunderstood or controversial, it is now at the heart of national and international strategies to promote sustainable growth and fight climate change, alongside the creation of jobs that are respectful of people and the environment. The United Nations Environment Programme (UNEP) defines the green economy as “an economy that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities.” This translates into an economy where jobs are generated by investments that seek to reduce CO₂ emissions, to improve yield/efficiency in the use of resources and to prevent the loss of biodiversity and eco-systemic systems. For the Organisation for Economic Co-operation and Development (OECD), green growth means “fostering economic growth and development while ensuring that natural assets continue to provide the resources and environmental services on which our well-being relies. To do this, it must catalyse investment and innovation which will underpin sustained growth and give rise to new economic opportunities.”

According to UNEP, it would be enough to invest 2% of world GDP in the greening of sectors that are crucial to the economy in order to shift the direction of development and channel public and private capital flows towards a rational use of resources and a reduction of carbon emissions.

In this regard, it is important that the green economy should not become affiliated with one political trend against another. It is as relevant to all types of economy, whether state economy or market economy. It is not a substitute for sustainable development either. It is, rather, a way to achieve it at national, regional and global level thanks to an approach that rings true with the implementation of Agenda 21 and which magnifies its effects.

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1. Natural resources have been a major driving force for progress in many African countries over the last decade. In some African countries such as Cameroon, Ghana, Kenya, Mozambique, Tanzania, Uganda and Zambia, agriculture and natural resource-based sectors contribute no less than 35% of the GDP and two-thirds of exports. Conversely, in countries with gas and oil such as Algeria, Angola, Chad, Congo and Equatorial Guinea, oil and gas resources are still predominant.

2. The green economy is closely connected to innovation in several fields: economic – for production, transformation and distribution activities; social – in terms of gender equality and geography, participation and organisational system; technological – in terms of efficiency; environmental – by taking the various ecosystem functions into account.
The priority for Africa is to boost livelihood security and increase economic prosperity. Promoting green growth on the continent implies facing existing and emerging challenges to do with development without getting stuck with an archaic approach which depletes Africa’s natural capital and leads to economies becoming more vulnerable to climate change and other environmental hazards.

Challenges and Issues Associated with Green Growth and Sustainable Development in Africa

Green growth, a sustainable development tool, can respond to many challenges and issues:

- maintain steady economic growth;
- reduce unemployment and underemployment;
- limit the depletion of natural resources, the degradation of the environment and the impact of climate change;
- promote the transformation of production modes while reducing the impact of industries and urbanised areas on the environment;
- guarantee energy security;
- guarantee food security;
- respond to development issues and attain Sustainable Development Goals (SDGs);
- increase access to international markets;
- boost integration and development cooperation.

3. Guarantee to the working-age population (500 million people in 2020) a socially inclusive growth which creates economic opportunities for all in labour-intensive sectors (Grégoire, Haïdara et Lensing-Hebben, 2011).

4. Would make it possible to promote more efficient investments that best respect the protection of natural resources.

5. Economic diversification and increased added value: According to the United Nations Economic Commission for Africa (UNECA), sectors likely to bring about a substantial transformation of production modes towards a green economy on the African continent are: agriculture, the building industry, energy, fisheries, forestry, industry, tourism, transport, cities, waste management and water.

6. Pollution and waste management.

7. Reduce dependence on fossil fuels and respond to the growing energy demand of African countries.

8. In an environment of dwindling natural resources, climate change, heavy reliance on imports (basic commodities price hikes).

9. Promote industrialisation and stimulate SMEs, boost respect for environmental standards.

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Transition towards this new growth mode supposes major investment efforts\(^{11}\) in several fields:

• adapt the stock of equipment and existing buildings;
• deploy new infrastructure networks, including in the field of energy and transport;
• boost research and innovation to develop new technologies and new economic models;
• lift institutional barriers and make institutional and sustainable development management arrangements consistent in an inclusive manner;
• institutionalise the integration of sustainable development into national policies and strategies and action programmes.

Policy guidelines for sustainable emergence

Although current policies already promote green growth, new guidelines should make it possible to truly launch a virtuous green growth initiative:

• we need to develop long-term consensual policies based on inclusive growth and greater consideration for the environment;
• develop a vision towards clean development;
• launch important programmes\(^{12}\) for renewable energy and energy efficiency upgrade;
• create green industries.

Although it is necessary to make difficult choices, having an approach that revolves around the green economy does not mean that we need to choose one over the other two in the growth, social progress and environmental durability equation. Thanks to refined planning across sectors, strong policy frameworks and an approach focusing on inclusive governance, the green economy can be promoted in order to avoid potential prejudice, in the long run, against some social groups or economic sectors, whilst increasing access to economic investment so as to reduce inequalities and promote social well-being.

\(^{11}\) All these investments are characterised by long lead times and high risk.

\(^{12}\) Partnership with the private sector (at home and abroad).
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The design and implementation of an integrated approach based on the green economy must be supported by relevant socio-economic and environmental data. Policy makers and partners of civil society and the private sector should avail themselves of more sophisticated instruments for policies, measures and methodologies that are more likely to be adapted and capable of meeting the needs of diverse national contexts.

Sustainable agriculture should be a major lever to promote balanced and inclusive growth that generates income and creates decent jobs.

Industrial development guided by green industrial policies must be at the heart of development policies in Africa. According to the United Nations Industrial Development Organisation (UNIDO), green industrial development involves putting in place industries which are “resources and energy efficient, non-polluting, low carbon and low waste, safe, and whose products are managed in a responsible way throughout the life cycle”.

Three types of green industrial policies should be implemented in Africa:

- policies designed to increase the industrial efficiency of resources in the framework of the greening of industries;
- policies aiming to mitigate negative environmental impact in the framework of the structural transformation of productive modes;\(^\text{13}\)
- policies aiming to set up the export and production capabilities of new green industries.\(^\text{14}\)

African countries are increasingly paying particular attention to the structural transformation of their production modes in the framework of regional development programmes. Partnership initiatives are also being conducted with the private sector to ensure the sustainable introduction of African economies in the value chains and access to green technologies. To do this, investment consultancy institutions, exports promotion centres and private sector structures should keep a strategic watch and coordinate their policies to promote competitive green technologies that create decent jobs in Africa.

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\(^{13}\) Policies which encourage the “greening” of industries, i.e. promote in industrial development recourse to processes and practices which are compatible with a sustainable environment. These are policies which aim to increase awareness, encourage, reward or penalise companies in order to mitigate the environmental impact of their productive activities at each stage of the life cycle of their production.

\(^{14}\) At a time when other countries are speeding up their switch to green economies, African countries should be ready to seize the opportunities of this transition by equipping themselves with dynamic competitive advantages for production and export in new green sectors.
Green growth and emergence: Good practice initiated on the Continent

Over the last few years, Africa has made progress towards the creation of a framework conducive to the emergence of green growth. At regional and national level, Africa has initiated a large number of agreements, protocols and decrees regarding the protection and management of the environment whilst defining new industrial policies. Most countries are signatories to international conventions on the environment and Multilateral Environmental Agreements (MEAs). Bodies such as the joint secretariat of the Commission of the African Union, the Economic Commission for Africa (ECA) and the African Development Bank (AfDB) have played a major role in setting up and launching major regional initiatives to further Africa’s sustainable development programme, such as the land policy initiative taken by the Climate for Development in Africa programme (ClimDev-Africa). The New Partnership for Africa’s Development (NEPAD) agency has also adopted a number of major framework directives and programmes which integrate environmental concerns in sustainable development, like the Comprehensive Africa Agriculture Development Programme (CAADP), the Environmental Action Plan (EAP), the Infrastructure Short Term Action Plan (STAP), the Water and Energy framework directive, the Capacity Development Strategic Framework (CDSF) and, more recently, the rural development programme. The African Ministerial Conference on the Environment (AMCEN) is a platform which has played a decisive role towards a regional common stance on environmental and climate change by putting negotiation strategies and information at the disposal of the region’s negotiators and leaders. Policy makers increasingly acknowledge that old development models have not kept their sustainable growth or fair development promises. Intense debates have emerged on the way to switch, from a structural point of view, from old models of intense growth – which have led to progress at the expense of the environment – to models which lead to increased productivity through the use and management of natural resources in a fairer, more efficient and more efficacious manner.

Regional and national dialogue on the green economy are testament to the growing acknowledgement by African leaders, research institutions and civil society of the need to deal with some of the systemic issues the economy is facing. These debates have also reinvigorated important concepts and tools such as green accounting, environmental assessment and analysis of the policies which make it possible to see to it that markets and policies integrate all types of costs and income from impacts on the
environment, whilst offering the possibility of measuring transition to a green economy at macro-economic level. At the African Sustainable Development Summit which took place in Botswana in 2012, ten African countries signed the Declaration of Gaborone which promotes the environmental and social aspects of progress and acknowledges the limitations of Gross Domestic Product as a way to measure well-being and sustainable growth.

The African Development Bank (AfDB), together with the World Bank, the United Nations and the OECD, presented a tool box on inclusive green growth at the G20 leaders’ summit in Los Cabos, Mexico, in 2012. This tool box is the fruit of close cooperation between the four international organisations. The AfDB played an active role through the Energy, Environment and Climate Change Department (ONEC) and ensured that the points of view of low income countries, especially those in Africa, were sufficiently taken into account.

**EXAMPLES OF COUNTRIES IN AFRICA THAT ARE SWITCHING TO A GREEN ECONOMY**

*Individual cases are a good omen for Africa’s future when it comes to switching to a green economy. With the use of geothermal power in Kenya and solar energy in Morocco, Algeria and Tunisia, Green Fund investments in South Africa and wind turbine projects in Ethiopia, various trails have been opened throughout the continent towards greener and more inclusive economies.*

A first solar thermal plant has been built in Morocco, at the heart of a wide scale energy development project, at a cost of seven billion Euros. The kingdom intends to have five solar parks in the long run, the first being the Ouarazzate park, on the outskirts of the Sahara desert, with a 500 MW capacity, making it one of the greatest such projects in the world. The second construction phase of the park – the Noor 2 and Noor 3 plants – began in 2016. Morocco, which does not have large oil reserves, aims to cover 42% of its needs with renewable energy by 2020. In addition to solar energy, it also relies on the development of wind power and the continent’s largest park which has just been completed in Tarfaya (southwest). The total cost of these various projects amounts to 13 billion Euros, i.e. 60% of Morocco’s energy investments by 2020.

Because of its geographic location, Algeria has one of the greatest solar potentials in the world with an estimated 13.9 TWh per year. The country’s annual solar exposure is equivalent to 2500 kWh/m². Algeria is in a position to use this huge potential to reduce carbon emissions and support clean energy production.

In South Africa, 486,000 jobs have been generated in environment rehabilitation programmes over the least ten years. 85,000 jobs have been created in the formal conservation of protected areas through extensive breeding of wildlife species and ecotourism between 2005 and 2015.
Prospects and Recommendations

Despite significant progress in terms of political and legal measures and the adoption of a new approach to improve the sustainable management of resources, economic models still pay insufficient attention to ecological parameters in development planning, public policies and investments as well as the private sector’s standards and commitment. Meaningful concrete measures\(^\text{15}\) understood by all should be adopted according to environment critical points that have been measured and identified as having the most ‘impact’.

**Funding Green Growth in Africa**

The funding issue has a prerequisite: the economic analysis of investment scenarios. The funding issue can be described as an externality. As Alain Quinet and Didier Janci point out, the funding of these investments faces several structural difficulties:

- **Markets are incomplete:** the absence of future generations, primarily concerned by climate change and the depletion of resources which prevents sharing costs and benefits between generations, is a key part of the balancing of the financing of green growth. Because of this incompleteness, markets do not allow an efficient distribution of risks between generations, which is a genuine issue in terms of social equity and risk anticipation;
- **Financial markets are imperfect,** which makes it difficult to fund long-term and risky projects;
- **The high degree of uncertainty** (environmental, economic, regulatory) raises risk evaluation difficulties which make it more difficult to choose investments;
- **States have major budgetary constraints.** Four conditions arise from this situation: prices that reflect ecological costs, the involvement of long-term investors, the development of supports to leverage savings towards this type of project and the fair sharing of risks between the public and private sectors. This public-private sharing can take several forms: partial coverage of the “project” risk in the framework of partnership contracts for major infrastructure projects, the pooling of project risk by equity co-investments for the development of innovation, guarantees granted by the State to borrowings to bring equities and long-term lending to companies in the build-up phase (Small Business Investment Company model in the US).

The funding issue is particularly acute when it comes to innovation subsidies. Coming up with prices that reflect ecological costs is a defining factor to set in motion investments whose cost-effectiveness depends on the anticipated future relative servicing.

\(^{15}\) For instance, better insulated homes which mean lower bills with interest-free tax credit and loans to fund energy-related renovation work, clean, cheaper and less polluting transport, less waste thanks to the development of recycling, reuse and waste reclamation, improved control of electricity and gas consumption thanks to smart meters which give real-time information to users, renewable energy use, exemplary public authorities and local authorities which are supported in their endeavour to reduce energy consumption, as well as tools to promote air quality.
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of clean technologies in comparison with current products. Therefore, subsidies are necessary to correct these imperfections of the markets but they are not meant to be permanent. It is interesting, however, to set them up early as the divide between polluting and clean technologies often becomes more difficult to bridge over time. Moreover, these subsidies should be differentiated on the basis of expected savings which do vary depending on the types of technologies and can therefore justify a higher rate for photovoltaic energy than for wind or biomass energy. As for long and innovating investments, the importance of visibility and trust in the regulatory framework, which supports the return on investment, the importance of de-risking phases (research and development, demonstrator) and the need to find the right investor, with each phase of the project (risk capital at the earliest phase, savings and debt during the “downstream” phase) should be borne in mind.

Against a background of growing concern about the limitations of current growth models, the unsustainable, inefficient and unfair management of resources is inconceivable given the need for the rural environment to adapt to the green economy and for new frameworks to be developed with a view to sustainable development.

The adoption of sustainable policies and technologies for the management of natural resources is already an integral part of the discourse on rural development but research and the implementation of more sustainable and more inclusive models must be intensified.

Strategies promoting green growth should be adapted to the specificities of countries. They should take into consideration the way to manage any potential arbitration and make the most of synergies between green growth and poverty reduction. More efficient infrastructures, suitable technologies and modern and sustainable energy services will need to be made available to people.

Transition to greener policies will depend mainly on the ability to solve problems to do with environmental governance policies. In that regard, it seems important to adapt the legislative process to encourage, facilitate and make available to each potential green growth contributor, concrete means to get involved and cooperate with others. New decrees should give the impetus for a positive ecology that removes barriers, frees initiatives and brings tangible benefits to all without delay. It is also necessary to adapt the legislative process in order to organise the complementarity of energies in anticipation of a new evolutionary and more diversified energy model.
The Emergence of Africa

In the face of the aforementioned challenges and issues, some reforms will be indispensable. The few suggestions below are an indicator of the extent of the work that needs to be done:

• adopt decrees compelling companies to assess the environmental impact and to carry out environmental audits on a regular basis; these decrees should be supported by monitoring and verification schemes which will include penalties;
• enact decrees and regulations punishing companies that harm the environment and create or strengthen environmental protection agencies;
• set up subsidies or tax breaks for companies adopting renewable energy and ecologically sound processes;
• set up green industrial procurement contracts and add green conditions to procurement contracts;
• launch information campaigns targeting small and medium-sized enterprises (SMEs) to highlight the economic advantages that can be expected from the switch to green economic models and the export potential of a green world economy;
• implement policies promoting low-carbon environment and development innovations and create special, low-carbon industrial areas targeting investments from cross-border companies that use environmental technologies;
• improve scientific and technical teaching in schools and universities so that education is adapted to sustainable development;
• create technical and vocational training institutes working directly with the industry sector;
• create job programmes for researchers and engineers who make a commitment to green innovation;
• provide grants to students in order to enable them to study in scientific and technological universities that offer sustainable development curriculums;
• set up interactions between the entrepreneurial world and scientific and technological centres by creating, to this end, green industrial and technological parks;
• use information and communication technology infrastructure to rationalise sustainable productive processes and consumption modes;
• strategic and inclusive planning for rational access to resources is also fundamental. In the light of increasing conflicts regarding land use, the scarcity of resources and uncertainty due to climate change,

16. Generalisation of rural land plans which have been drawn up in many West African countries.
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resource use planning is becoming an increasingly central component of development planning.

- ecosystem-based management is also essential: as a response to critical dwindling of natural resources, conservation efforts have increasingly moved away from the traditional approach which involves regulating species on a species-by-species basis and they have adopted an ecosystem-based management approach which focuses on interaction between the various components of the ecosystem within a landscape or a seascape, whilst integrating human concerns;

- the implementation of climate change mitigating and adaptation measures should be promoted: climate change has a considerable influence on Africa’s economic transformation prospects. African countries, individually and collectively, have begun taking into account the frameworks and investments aiming to mitigate imminent socio-economic and environmental difficulties;

- it is also essential to launch environmental certification programmes\textsuperscript{17} which will make it possible to acknowledge efforts towards sustainable or fair agriculture.

- playing the innovation card\textsuperscript{18} should be a priority for Africa: science, technology and innovation have a significant role to play towards the achievement of Africa’s Sustainable Development Goals (SDGs). For Africa to deal with urgent environmental issues such as the unsustainable use of resources and vulnerability to climate change, priority should be given to scientific research and technological development that promote efficient and ecologically sound use of resources.

It is essential to promote green industries in Africa, including equipment fuelled by renewable energy such as solar water heaters and windmills with pumps, biotechnological products, fertilisers for market gardening, etc. The growth of the environmental goods market will also be accompanied by growing demand for environmental services. It is also essential to promote a truly green agricultural revolution in Africa and to build commercial capacity in countries as well as their competitiveness as suppliers of the environmental services segment.

\textsuperscript{17} Makes it possible to combine trade and environment through new mechanisms such as certification systems. These programmes are important tools for the reduction of major environmental impacts caused by current modes of production of raw materials.

\textsuperscript{18} For instance, research by the group of African high-level experts on biotechnology mobilised by the African Union noted and encouraged some positive developments in fields such as surveillance and evaluation techniques (including remote sensing and space technology), information and communications technology (ICT) and biotechnology.
To this end, two political options should be selected

Policies aiming to increase land productivity through simultaneous policies in accordance with an integrated approach to deal with the multiple factors which slow down agricultural productivity progress in Africa:

- foster the acquisition and adaptation of foreign technologies to local conditions each time this is necessary and possible;
- capacity building at national level for the production of innovating native agricultural technologies (create public support for teaching as well as research and development).

Policies aiming to promote environmental sustainability in agriculture: sustainable intensification in agriculture may be described as the production of a larger quantity of products from the same land area whilst reducing negative environmental impacts and increasing contributions to the natural capital and the flow of environmental services. To do this, it is necessary to:

- use contributions from scientists and farmers in technologies and practices which combine vegetable and animal productions with suitable ecological and agronomic management;
- create a new social infrastructure which can both generate information flows and build trust between individuals and institutions;
- improve the knowledge and capabilities of farmers through school farms, teacher farmers, videos and modern information and communication technologies;
- cooperate with the private sector to provide goods and services and strengthen farmers’ ability to create added value by developing their own companies;
- highlight women’s needs in the fields of education, micro finance and agricultural technologies and strengthen their unique form of social capital;
- ensure than micro finance and rural banking services are accessible to farmer associations (for their consumption and production needs);
- ensure that the public sector supports the mobilisation of the necessary public goods for sustainable intensification in agriculture (innovating and efficient research systems, dense social infrastructure, adequate economic incentives (subsidies and price signals), lawful application of land ownership and improved access to markets thanks to transport infrastructure).
Conclusion

If structural transformation is required, given Africa’s fundamental development needs and challenges, it should not take place to the detriment of the protection of the environment. African countries should not return to their previous development mode which revolved around promoting economic growth at the expense of the environment. Sustainable development in Africa goes through deliberate, concerted and proactive measures to promote structural transformation and relative decoupling between the use of natural resources and environmental impact on the one hand and the growth process on the other.

African countries are a disparate group so optimal decoupling choices may vary from country to country. African countries should strive to promote the ambition of a “green” emergence based on the transformation of productive sectors, the improvement of resource productivity and the mitigation of environmental consequences of resource use.

In addition, the post-2015 development programme document entitled “Transforming our World: The 2030 Agenda for Sustainable Development” adopted on 25 September 2015 by the United Nations Summit is an action plan for people and the planet to protect and support one another. The document includes 17 Sustainable Development Goals (SDGs) and 169 indicators which are integrated and inseparable and which combine the three dimensions - economic, social and environmental - of sustainable development.

This new programme, which is a call for action to change the world, promotes the dynamics of green growth by encouraging sustained, inclusive and durable economic growth that is essential for prosperity, by investing in the natural capital and by promoting it.

A successful transition to a green economy implies political determination, taking into account policies and strategies through national planning mechanisms and setting up an adequate funding framework.
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Emergence and Human Development

With contributions from:
Mariatou Koné - Alban Alphonse E. Ahouré
Yao Kouadio - Mohamed Ag Rhissa
Euphrasie Yao - Namizata Binaté
Babacar Cissé - Prof. Bénié Marcel Kouadio
Luc-Joël Grégoire
Social Policies and Social Equity to Promote Emergence

Mariatou Koné
Minister of Solidarity, Social Cohesion and Victims’ Compensation of Côte d’Ivoire

Alban Alphonse E. Ahouré
Director of the Political and Economic Analysis Unit of the Ivorian Economic and Social Research Centre (CIRES)

Introduction

According to I. Ortiz (2007), social policy, which is often defined as a package of social services (education, health, employment, social security) is also concerned with the redistribution of resources, protection and social justice. Social policy is not confined to distributing residual allowances; it involves putting people at the heart of decision making, taking into account their needs and their voice in all sectors, thereby creating stability and social cohesion.

Social policy was introduced in Europe in the late 19th Century to provide a form of protection to workers and wage earners, to improve their living conditions and maintain social cohesion. Over the course of time, improved living conditions became a goal to be achieved not just for these two categories, but for the population as a whole. The mechanisms used to achieve this are social protection, social security and social welfare. They are aimed at reducing poverty, which is a real obstacle to development.
Towards the end of the 1990s and in the early 2000s, new social policy mechanisms were tested out in the countries of America and South East Asia which are emerging today, such as Mexico, Brazil, Bangladesh, China and India. The mechanisms range between social pensions, conditional cash transfers (CCTs), exemptions from paying for access to basic social services, and agricultural development programmes, etc. They have produced generally satisfactory results, particularly in the area of human development, which still poses a serious challenge in Africa today.

In fact, since the creation of the Human Development Index (HDI) in 1990, the thirty or so countries at the bottom of the table are almost all located in sub-Saharan Africa, with scores ranging from 0.3 to 0.4, whereas the average HDI score in the BRIC countries\(^1\) increased from 0.57 in 1990 to 0.72 in 2014 (Ahouré and N’Cho, 2015; UNDP, 2007). The World Bank’s report on Poverty in Africa, 2015, notes that the numbers of the poor in sub-Saharan Africa are constantly growing (330 million in 2012, compared to 280 million in 1990), in spite of progress achieved in the fields of education and health, “due to the rampant demographic growth in many countries”.\(^2\) Furthermore, seven out of the ten countries in the world suffering from the greatest inequalities are in sub-Saharan Africa.

Social policies were the foundation of progress in the developed countries, as they now are in the emerging countries. In Africa, even though such policies have always been implemented, living conditions are still difficult for people in many of these countries. Therefore, social policy needs to be reworked, drawing on best practice to reduce poverty, provide equality of opportunity and promote and enhance inclusiveness and social cohesion.

This chapter sets out the lessons learnt from certain best practices, to highlight for the African countries which public policies are likely to foster the process of emergence or to consolidate it.

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1. Brazil, Russia, India and China. HDI for 1990: Brazil 0.590; Russia 0.815; China 0.495 and India 0.410. HDI 2014: Brazil 0.755; Russia 0.798; China 0.727 and India 0.609.
Current social policy mechanisms, from the most traditional to those most in use

Traditional mechanisms

The traditional social policy instruments are essentially social protection systems based on principles established in Europe. Social protection there is organised according to two different models: the Bismarck-type model in Germany (social insurance system) and the Beveridge-type model in the United Kingdom (social security system). The first model provides wage earners with sickness and pension cover and is funded equally by their own mandatory contributions and those made by employers, which are also compulsory. The latter model, funded by taxation, systematically covers all citizens “without any requirement for prior contributions, and with no link to work”.3

However, in the second half of the 20th Century, under systems based on the Bismarck-type model (Germany, Spain, Denmark, the Netherlands), social protection was extended to cover the whole of the population, with the implementation of non-contributory schemes: family allowances, social protection and social welfare, thus moving closer to the Beveridge-type model.4 The opposite trend can also be seen. In Germany today social protection includes: health insurance, medical-care insurance, pension insurance, accident insurance and unemployment insurance. The system is now funded by tax revenue in addition to the wage-earners’ and employers’ contributions (European Commission, 2013). In the United Kingdom, the National Insurance system pays contributory cash benefits: old-age pensions, invalidity pensions, bereavement allowances, workplace accident pensions, unemployment benefits and sickness benefits. It is funded by contributions at varying rates, depending on the type and level of incomes.

The social insurance system is still the most widespread form. It exists in virtually every country. However, according to the ILO (International Labour Organization) report, World Employment and Social Outlook 2015, “having paid employment does not in any way guarantee access to social protection”. 40% of wage earners generally, and 70% in sub-Saharan Africa, do not benefit from social protection. Furthermore, 50% of

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4. www.senat.fr/lc/lc10/lc100.html; Executive summary.
workers worldwide are not wage earners. They form a significant proportion of the people who, potentially, are not covered by social protection, hence the trend for countries to develop new methods of cover.

**Modern mechanisms**

The new social policy mechanisms include: conditional cash transfer programmes (CCTs), guaranteed temporary work programmes, social pensions and, in some cases, the free supply of set quantities of water and electricity. These different mechanisms and some of their applications are set out below.

**Conditional cash transfers (CCTs)**

Access to resources is a key factor in improving wellbeing. The CCTs are benefits that “have been tried and tested in developing countries in the fight against poverty” (Damon et al. 2009). The transfers are subject to conditions aimed at increasing the demand for education and health and compensating for the lack of private investment by households in the development of human capital and of children in particular. It is no longer simply a matter of giving money straight to poor households, but of encouraging them to change their patterns of consumption.

The CCTs have a variable impact in so far as they can be implemented at national or regional level or in the form of small pilot projects. It is recommended that specific sections of the population be targeted to guarantee a positive impact over the long term (UNICEF, 2009). Mexico was the first country to implement these programmes, in 1997. Their positive impact in rural areas, on the nutritional condition of children, maternal deaths and infant mortality, inspired Brazil, India and even the United States, which introduced similar programmes.

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5. Selim Jahan, Member of the ICEA panel, 2015.

6. 10% reduction in maternal deaths and 2% reduction in infant mortality by increasing the number of preventative health check-ups. UNDP, Realising Human Potential in a Period of Emergence: Trends and Options for sub-Saharan Africa.


Revue de droit sanitaire et social, pp. 1151-1159.
In Brazil, CCTs have been implemented under the Bolsa Família programme since 2003. The cash transfers support extremely poor families by paying benefits to the equivalent value of just under half of the minimum wage, per person. These families are identified and recorded in the country’s social program database. This tool forms a vital database in providing for them effectively. The allowance varies between 12.90 and 117.60 US dollars, depending on the size and level of poverty of the household. It is subject to conditionalities linked to the level of human development (vaccination and growth of the children, school enrolment and attendance, socio-educational and community activities). These CCTs have helped 19.4 million Brazilians to escape from extreme poverty.

In India, a system of conditional cash benefits (Janani Suraksha Yojana, or safety mechanism for women) has been adopted to cut the numbers of maternal deaths. These benefits are intended to cover costs linked to childbirth. The programme is entirely funded by the central government. The benefits for those in rural areas range from 18 to 36 US dollars, depending on whether it is a normal or caesarean birth. A health worker who monitors and drives a patient to hospital receives a 16-dollar allowance. In urban areas, the benefits fall into 16, 36 and 50-dollar bands. The women may also be referred for private antenatal courses if there are no public health services close to where they live. In such cases the government pays 15,000 rupees, or around 219 US dollars, to the doctors running private courses (Davadasan, Elias, John, Grahacharya, & Ralte, 2008).

The implementation of CCTs in Africa

The African countries’ commitment to development has been expressed increasingly clearly during the past decade. It is reflected notably in the strong growth recorded during this period and in the drafting of new, inclusive development plans. More than 123 transfer programmes operating since 2000 were documented by the World Bank in 2010, including the CCTs (Garcia & Moore, 2012). The different evaluations of these programmes confirm their positive impact “in terms of increasing household consumption, raising levels of school enrolment, improving levels of health and increasing the use of services”, as illustrated by the examples of Mali, Zambia and South Africa (World Bank, 2012).

The Mothers’ Grant project has been launched to assess the impact the CCTs might have in poor areas where educational infrastructures exist but the demand for education is low (Kayes and Mopti). A monthly grant of 5,000 CFA francs (approximately 8.20 US dollars) is paid to mothers...
and children benefiting from the project, throughout the school year. Heads of educational establishments and teachers have been involved in implementing this policy. They monitor pupil attendance, which is the primary condition of the scheme. An unapproved absence of longer than two days results in payments being suspended.

In Zambia’s case, the country began a programme of unconditional cash transfers in 2003, with 159 households in the Kalomo district. The government opted for gradual expansion of the scheme, so that by 2015 the number of households covered had increased to 185,000 and in 2016 was due to reach 242,000, or around 8% of the population (Costa & Soares, 2016).

In South Africa, public policy invests considerable effort in the redistribution of means. Around 60% of government spending is allocated to social wages. This expenditure has more than doubled during the past few decades. Social welfare payments are made monthly by bank transfer or directly, in cash. They are subject to specific conditions and take different forms (Obinyeluaku, 2015): benefits for the elderly, benefits for war veterans and a special allowance for people experiencing temporary difficulties.

The CCTs represent a vital means of support in developing human capital and promoting the wellbeing of local communities. They depend on the nature of the emergency that is being tackled. The increasing interest shown in these transfers lies in their proven effectiveness in resolving current social problems common to a number of countries, such as poverty and the fight against inequality. The CCTs form an effective strategy for gradually reducing the social policy obstacles, because increasing the purchasing power of households is likely to make them more inclined to adopt the objectives targeted as their own. As far as funding is concerned, the World Bank says that “the budgetary allocation of 1 to 2 per cent of GDP to a cash transfer programme enables significant coverage and impact to be achieved” (World Bank, 2012).

On tackling the question of the conditions required for implementing such programmes, Cecchini (2009) offers a number of insights which could serve as appropriate recommendations for the countries of sub-Saharan Africa. The author argues that what is needed is: (1) strong institutions, (2) “close coordination among all the sectors of the economy and the different territorial units of a state”, (3) largely state-sourced funding, (4) a system of management that is transparent “with regard to information concerning both beneficiaries and payments”. She notes
Furthermore, it is inappropriate to make the cash transfers subject to the use of educational and health services in regions which do not have an adequate information system or where these services are non-existent or of low quality. She therefore suggests that the funds provided in low-revenue countries should not be “allocated just to increasing demand for social services, but also to improving the services provided”. In other words, “for the CCT programmes to achieve the human capital development goals, the services provided must be adapted” (Fiszbein & Schady, 2009). Complementary measures are therefore necessary to follow a CCT programme through to its successful conclusion.

Other social benefits

The states make use of other forms of intervention as part of their social policy. In certain cases, they provide water and electricity for free, and in other cases they pay pensions to vulnerable people.

In South Africa, poor households have benefited from 6 kilolitres of water and 50 kWh of electricity per month for free since 2001. In 2012, recipients of free water were estimated at 4.4 million and recipients of electricity at 1.8 million. 88% of the population in rural areas have access to an improved water supply.

In Brazil, elderly people over 65 and disabled people of any age, who are neither independent nor able to work, receive a non-contributory pension guaranteeing them an income (the equivalent of a minimum monthly wage, 283 dollars). Beneficiaries are estimated at 1.6 million elderly people and 1.8 million disabled people.

It’s a similar situation in India, where pensions are paid to widows under the national social security system. The National Family Benefit Scheme supports families following the death of the main breadwinner of the household, aged between 18 and 64. It awards 5,000 rupees (around 73 US dollars) in the event of death from natural causes and 10,000 rupees (around 146 US dollars) in the event of accidental death (Ministry of Rural Development). In the case of Mexico, in 2006 it expanded the range of its benefits to include an old-age pension. Every adult aged 70 and over receives 22 dollars per month.
When tackling the question of financial inclusion, we need to look at the proportion of private individuals and companies using the financial services provided by regulated institutions, given that financial inclusion begins with the opening of a bank account, of an account with a non-banking financial institution or a mobile phone account (World Bank, 2015). The insight into this question provided by the data from Global Findex 2014 highlights the fact that a significant proportion of the world population (38%) has no access to services of this type. The obstacles to financial inclusion pinpointed by the World Bank are: lack of money (30%), cost (23%), distance (20%), the inability to provide documents such as company registration, property deeds, an official address (18%), religious reasons (5%), lack of confidence in the system (13%).

In Africa, just 20% of households have a bank account (Ondiege, 2013). In sub-Saharan Africa, in particular, the number of adults who have an account increased from 24% to 34% between 2011 and 2014 – but there are differences between countries. The penetration rate of accounts ranges from 82% in Mauritius, 75% in Kenya and 70% in South Africa, to less than 10% in Madagascar, Burundi, Guinea and Niger (Global Findex 2014; Beck 2016).

Financial inclusion is a means for private individuals and companies to receive resources, to do business, consume, invest in education, protect themselves against certain risks and to become independent (World Bank op. cit.; Yikona et al 2011; FATF 2013). It is all the more important since it has attracted worldwide support. At the Pittsburgh Summit, in 2009, the G20 was seeking to increase support for the most vulnerable and pledged to improve their access to financial services. Among the initiatives taken was the creation of a group of experts on financial inclusion “tasked with identifying the lessons learnt from innovative approaches to providing financial services…” to vulnerable sections of the population, “promoting tried and tested approaches to regulations and policy, and drawing up standards governing access to financial services, based on sound knowledge of such services and on consumer

8. Number of adults who have a bank account: East Asia and Pacific, 69%; Latin America and Caribbean, 51%.
11. Declaration by the heads of state and prime ministers, 24-25 September 2009.
In the Maya Declaration, issued in Mexico in 2011, the Alliance for Financial Inclusion (AFI) also pledged to put policies in place to create an environment promoting access to financial services. In 2015, the World Bank, along with representatives of the public and private sectors, set a global target of universal access to financial services by 2020. The following sections deal with the strategies drawn up to achieve this and some successful private initiatives, such as that of the Grameen Bank, in Bangladesh, and the M-Pesa, in Kenya.

The features of some international strategies for financial inclusion

The strategies detailed are mainly those promoted by the World Bank. They are aimed, on the one hand, at expanding access to financial services and on the other, at increasing the use made of these services. Thus, according to the frame of reference of the financial inclusion strategies proposed by the World Bank in 2012, a financial inclusion strategy may incorporate six components, namely, (1) establishing a balance sheet: data and diagnostics; (2) targets and goals devised on the basis of the data and diagnostics; (3) drawing up or revising strategies; (4) action taken by the public sector: policies, regulations and infrastructures; (5) action taken by the private sector: implementation of financial services, new methods of operation and mechanisms of delivery; and (6) monitoring of progress and follow-up.

The financial inclusion measures adopted by Brazil, India, South Africa and also Kenya incorporate these components. The percentages of adults in these countries who have an account are 68%, 53%, 70% and 75% respectively (Global Findex 2014). The following table records some of the measures taken in these countries, in relation to the components referred to above (table on following page).

The South African Financial Sector Charter was a key initiative. The charter, established in 2004, is a social pact between the government, the trade union organisations, civil society and the financial services sector (The National Treasury, 2014). The processes of identifying and verifying the identity of those on low incomes have been simplified (CGAP, 2006). The financial sector charter and the involvement of the national banking sector paved the way for the launch of the Mzansi low-cost basic bank account, which has helped to promote financial inclusion. Six million accounts were opened in 2009, 75% of them by people who were previously excluded from the financial system (AFI, 2012).

12. Declaration by the heads of state and prime ministers, 24-25 September 2009
In India, the government and the Reserve Bank of India (RBI) nationalised banks between 1969 and 1980, founded regional rural banks in 1975/1976 and adopted a number of other measures detailed by Singh et al. (2014). The RBI regulation of 21 October 2013 stipulates that during the course of a fiscal year at least 25% of branches must be opened in rural areas without current access to banking services. The Unique Identification Authority of India (UIDAI) is furthermore contributing to the interoperability between financial service providers via its biometric registration operation, Aadhaar, by providing a single database containing the identity and address of each citizen (AfDB, 2013). This operation was launched with the goal of improving social policy efficiency, as every person with an Aadhaar number can open an account and receive government cash transfers directly.

Table 1. Examples of action taken for each component of the financial inclusion strategy

<table>
<thead>
<tr>
<th>Components of a financial inclusion strategy</th>
<th>National Examples</th>
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</table>
| Data and Diagnosis/Targets/Goals/Monitoring of Progress | South Africa: FinScoop (report on financial protection for consumers)  
India: National study based on polling; monitoring of financial inclusion indicators by financial regulation authority  
Kenya: National study on access to financial services |
| Drawing up or revising strategy | South Africa: Financial sector charter  
Kenya: Partnership to provide access to financial services  
Brazil, India: (Financial Inclusion Committee, 2008; Working group on micro, small and medium-sized enterprises, 2010) |
| Public sector measures | India: Regulation of the banking sector, promoting the development of infrastructures at market level (national identification systems, interoperability at national level, credit information systems), financial education project  
Brazil: Payment of Bolsa Familia social benefits via financial accounts, consumer protection framework |
| Private sector measures | South Africa: Mzansi accounts  
Brazil, India: Access to accounts to save money/make payments  
Kenya: Mobile banking products |

Source: excerpt from the Table, “Financial Inclusion Strategy Components: General Presentation of Models and Examples”, World Bank 2015

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Financial illiteracy is an obstacle to financial inclusion (Ondiege op. cit). Financial education helps encourage people to make use of financial services and enables them to make their own choice of savings or investment. The financial education project is a RBI initiative. Its purpose is disseminating information to different targets: schools, colleges, women, the poor in urban and rural environments and the elderly. The project is implemented by means of two steps: Money Kumar, to make those being targeted familiar with the role and operation of the RBI, and Raju, to introduce them to banking concepts.

The importance of financial education to individuals and for economic growth has been highlighted by the OECD, which, in order to achieve this goal, recommends the following, amongst other points:

- beginning financial education at school, as people should be educated in financial matters at the earliest age;
- making this one of the principles of governance of the financial institutions, which should be encouraged to be transparent and responsible;
- linking financial education programmes to important aspects of financial life planning, such as basic savings, indebtedness, insurance and pensions;
- encouraging national campaigns, specific websites, free information services and alert systems, to warn consumers of financial products or services about high-risk situations, including cases of fraud.

Microfinance

Microfinance is the provision of financial services to people with low incomes. It contributes in this way to financial inclusion, as in the example of the Grameen Bank in Bangladesh and microfinance institutions (MFIs) in Africa.

The experience of the Grameen Bank

The Grameen Bank, in Bangladesh, has contributed to the financial empowerment of women through work in the clothing industry and access to microcredit. This microfinance institution has also helped to encourage their full participation in public life by familiarising them with meetings and the electoral process. It is viewed as being the starting point for modern microfinance. Its impact on the empowerment of women in Bangladesh is considerable, as is demonstrated by the study by V. Gilbert (2009), amongst others. Dr Muhammad Yunus created this financing
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mechanism in 1976 during his search for solutions to the severe famine of 1974, in which thousands of people died. Dr Yunus’s closeness to the poor of the village of Jobra helped him to identify their real needs. He therefore began by providing loans out of his own money - without charging any interest – to 42 families, who expressed a total requirement for around 27 US dollars for their work making bamboo benches. This experience inspired his microcredit project, which earned the support of the Central Bank and national commercial banks. Between 1985 and 1994, the number of bank branches increased by 462% and the number of lenders by 1185%.

The Grameen Bank is improving its service based on the lessons learnt from its operations: the creation of solidarity groups, a system of daily, then weekly repayment, authorised deposits for villagers who are non-members, plus a wide range of accounts for savings and insurance scheme accounts.

The Grameen Bank has been targeting beggars since 2003 through its “Struggling Members Programme”, to give them back their dignity and enable them to enrol their children in school. It is the bank’s philosophy to avoid making the poor dependent on charity. Around 80,000 beggars thus became members of the bank in 2006. 45 million takas (approximately 566,000 US dollars) out of the 70 million (approximately 880,600 US dollars) loaned to them had already been repaid. The bank also promotes education by offering scholarships to members’ children (particularly girls, to encourage them to complete their secondary school studies) and students wishing to follow advanced courses of study (32,380 children and 12,534 students).

In late March 2016, the repayment rate stood at 98.65%. The Grameen Bank had 8,827,926 customers, including 8,520,877 women, and covered 142,589 villages. It granted loans for higher studies to 53,439 students, including 12,664 women. The recipients of grants were 133,788 women and 92,196 men.15

The state of microfinance in Africa

The level of banking provision in sub-Saharan Africa is the lowest in the world (24%) and microfinance services are more concentrated in urban areas. These services were provided mainly by credit cooperatives, savings

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and credit associations and non-profit credit programmes. From 2000 on, the sector developed, with the creation of new MFIs by holding companies, (ProCredit, Advans, Access MicroCred, FINCA, ASA and BRAC), pan-African commercial banks (Acccion and Ecobank), non-profit organisations (Opportunity International) and mobile network operators. In 2012, 31 new MFIs were recorded, distributed over 12 countries. They reported “more than 769,199 lending accounts and a total lending portfolio of 527 million US dollars, and around 1,934,855 deposit accounts representing a total balance of 445 million US dollars” (Earne, Jansson, Koning & Flaming, 2014).

Through their innovative methods, these new MFIs have promoted banking access for microenterprises, small companies and low-income households: free savings accounts, with no minimum deposit required, a reduction in the loan application review period to five days, compared to a period of several weeks previously, immediate checking of mobile phone deposits, the opening of ATMs, micro-insurance, agricultural finance, etc. They are influencing the traditional banks, which offer downscaled services. The new MFIs are characterised by staff who are mainly nationals, whom they train in a range of competencies, with the goal of gradually replacing the managers supplied by the holding companies. They also demonstrate transparency by being active contributors to the national credit valuation agencies and by undergoing assessment by ratings agencies such as the Global Impact Investment Rating Service (GIIRS).

Sub-Saharan Africa has fewer Category 1 and 2 MFIs, however (Glisovic, Mesfin, & Moretto, 2011). The MFIs there encounter obstacles, which explains their relatively slow development, with lower grant funding than in other parts of the world and a higher startup cost: 150,000 to 400,000 US dollars in costs for an agency accepting deposits, compared to just 50,000 US dollars in Eastern Europe. The MFIs also have to deal with cumbersome licensing procedures, particularly in West Africa (Glisovic, Mesfin, & Moretto, op. cit.), and demands made by investors, who require that the break-even point be reached within a period of 3 to 5 years (Earne, Jansson, Koning & Flaming, op cit.).

The microfinance environment in sub-Saharan Africa is being transformed, however, with the appearance of new MFIs which are designing

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16. These stakeholders, estimated at 18,221 in 2011, were operating in 24 countries and had 17.95 million members.

17. Category 1 covers MFIs with assets of more than 30 million USD; Category 2 covers those with assets of 5 million to 30 million USD and Category 3 is for those with assets of less than 5 million.
products that seem to cover the needs of people excluded by the traditional finance system. Their approach in terms of development, enhancing capacities and transparency are factors with the potential to contribute to the emergence of the African countries, but there are currently constraints limiting the expansion of the MFIs, mainly in rural areas, with high start-up costs, in particular, and a lack of subsidies. Once these constraints have been removed, the MFIs in Africa can help to reduce inequalities and poverty and lead to economic emergence in Africa.

**Mobile banking**

Mobile banking is a financially inclusive approach based on transactions rather than credit or savings (Beck, op. cit.). It offers advantages for both providers and users in terms of reducing geographic constraints and transaction costs. In sub-Saharan Africa, mobile banking is seen as a prospective means of promoting financial inclusion, because 6.4% of adults (or 64 million) have a mobile money account, compared to just 2% overall worldwide. Out of these 6.4%, half say they only have this type of account. The 13 countries in the world where the penetration rate of mobile money accounts is 10% or higher are located in sub-Saharan Africa. They are: Kenya, South Africa, Namibia, Botswana, Uganda, Rwanda, Ghana, Tanzania, Somalia, Côte d’Ivoire, Zambia, Zimbabwe and Mali. There are greater numbers of mobile money account holders in East Africa (20% of adults) (Global Findex 2014).

<table>
<thead>
<tr>
<th>Mobile money accounts (% of those aged 15 and over)</th>
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<tbody>
<tr>
<td>Rwanda</td>
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<td>Somalia</td>
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<td>Zimbabwe</td>
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<td>Zambia</td>
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<td>Uganda</td>
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<td>Tanzania</td>
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<td>South Africa</td>
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<td>Namibia</td>
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<td>Mali</td>
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<td>Kenya</td>
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<td>Ghana</td>
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<tr>
<td>Côte d’Ivoire</td>
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<tr>
<td>Botswana</td>
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</tbody>
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2014

Source: Global Findex database
Mobile banking is well developed in Kenya. In 2007, national mobile phone operator Safaricom implemented a system of electronic payment and store of value called M-Pesa. The transactions there have a ceiling of 500 US dollars.18 The transfer costs are lower than those of the formal banking services: they come to around 0.46 dollars, while those of the formal banks come to between 1 and 3 dollars (Ondiege, op. cit.). With M-Pesa, the percentage of adults with access to financial services increased from 40% in 2009 to 67% in 2014. By 2010 it was already reporting 10 million customers and its volume of business was estimated at 400 million US dollars per month, or 15% of Kenya’s GDP (Beck, op. cit.). By 2011, three quarters of poor people living outside Nairobi had used M-Pesa (UNDP, 2015).

The M-Kesho service was then developed. This is a bank account linked to the M-Pesa account, which allows transfers of money to be made from one account to another, and makes provision for savings. It should be noted that the M-Pesa and M-Kesho services do not charge for opening an account or take any monthly charges, and there is no minimum-amount requirement. Furthermore, interest is paid on savings (Ondiege, op. cit.). The use of M-Kesho has increased the frequency of transfers, reduced the use of informal methods of saving and increased the probability of owning a bank account. M-Pesa and M-Kesho have led to competition between companies over money transfers, which has resulted in a significant reduction in the costs of these services.

The M-Pesa experience shows that mobile technology can enable the majority of a population to have access to financial services. It removes certain obstacles to financial inclusion, such as geographic restrictions, transaction costs and customer discrimination based on viability criteria. In view of the fact that mobile banking seems to be the most appropriate to financial inclusion in the context of sub-Saharan Africa, public action to promote it could involve the use of mobile technology to make social cash transfers, as is the case in Brazil (Bolsa Familia), India (Bihar, health allowance payments) and Mexico (Oportunidades).

**Improving access to social structures**

Emphasis is placed on universal access to healthcare and medicines, but also on the development of social infrastructures in rural areas. These two

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18. World Bank, Yes Africa can, Case studies: successes on a dynamic continent.
aspects are social policy priorities in the emerging countries. They contribute to the development of their human capital and enable the incidence of poverty to be considerably reduced.

**Universal access to healthcare and medicines**

According to the World Health Organisation (WHO), millions of Africans have no access to health services or are unable to pay for them. The sub-Saharan region bears 25% of the world mortality burden, but has only 3% of its doctors. It is falling behind the rest of the world in terms of basic medical cover.\(^1\)

In view of this challenge the countries of Africa have been trying for a number of years to provide universal access to healthcare and medicines, notably for the sectors of the population seen as vulnerable (children and pregnant women). However, in certain cases, flaws in the initiatives have been discovered. In Côte d’Ivoire, for example, the payment-exemption measure adopted in 2012 has been implemented in the context of resources already viewed as inadequate (PNDS: Plan national de développement sanitaire – National Health Development Plan, 2013-2015). Furthermore, no real planning had been done and in practice the scope of the free services differed from one health body to another (Belaid, L. et al., 2013). In Niger, the free services provided cost 7 or 8 billion CFA francs (in other words around 15-16 million US dollars), instead of the 3 or 4 billion originally estimated.\(^2\) In Mali, as staff and users are unfamiliar with the scope of the “free care provided” and medical supplies frequently run out, free cover is still only partial.

Policies of universal access to healthcare and medicines appear to have been applied best in Brazil, Malaysia and China, India and Russia. Their experience is therefore shared and analysed here.

**Health policy in Brazil**

Its health policy is based on the principles of insurance and cover for all, the decentralised management of services and civil society’s participation in devising programmes of action, as required by the Constitution of 1988. It is the responsibility of the established Single Health System (SHS) to monitor the compliance of all of the processes crucial to implementing this policy. The establishment of the SHS required the implementation – in

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20. Payment-exemption policies in Africa, debate organised by the AFD, 12 January 2011.
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1991, 1993 and 1996 – of capacity-building programmes for local districts to manage health services. The biggest decisions are taken at federal-state level. The federated states and the local districts have the authority to plan local policies in accordance with national guidelines (Sacerdo and Fioravante, 2008).

Access to public health services in public hospitals or private hospitals under contract is free (including heart surgery, medical imaging and laboratories). The SHS is taking charge of a major vaccination programme, public health campaigns and basic dental care. It covers more than 78.8% of the Brazilian population (WHO, 2013). This achievement is due to the launch of two programmes in 1994:

- The “Family Health Program”, which is entirely devoted to providing households with free primary healthcare;
- The “Community Health Agent Program”, which is responsible for employing community healthcare providers.

These programmes are becoming increasingly effective in preventing disease within families and guiding people towards higher-level healthcare structures (WHO and ILO, 2010).

Brazil has the third biggest pharmaceuticals market in the Americas after the United States and Canada. Brazil also has the biggest generic medicines sector in Latin America. Its value, which was put at 2.54 billion US dollars in 2009, was expected to grow regularly by 24% up to 2016. The prices of all medicines are regulated by a national agency. The state pharmacies provide medicines free or at reduced cost to patients suffering from chronic diseases. Essential medicines are subsidised at 90% (Cegedim, 2012).

The family health programme costs between 31 and 40 US dollars per person per year. Spending on healthcare stands at 8.8% of GDP (Nascimento, 2013). This sector is financed by various sources: income tax, property tax, tax on the sale of goods and services, financial transactions and private insurance taken out by households and businesses, and direct payments by households. Roughly 44% of total health expenditure is supported by taxes. The contributions from households and private insurance come to 34% and 22% respectively. A national health fund has been created to meet public sector funding requirements. It transfers funds to the SHS by means of direct payment for the services provided (outpatient and hospital care) and the payment of fixed costs per capita for services linked to basic healthcare, epidemiological services and others.
Despite suffering from shortcomings in its implementation, Brazil’s health policy has produced significant results:

- the adaptation of state-level and local council health services to meet local requirements;
- access to basic healthcare for a significant proportion of the population;
- a decrease in infant mortality from 46% in 1990 to 13% in 2012;
- an increase in life expectancy from 67 in 1990 to 77 in 2012;
- regional inequalities have also decreased. The differences in life expectancy at birth, for example, between the wealthier South and the poorer Northeast, have decreased from an eight-year gap in 1990 to five years in 2007.

**Health policy in Malaysia and China**

Malaysia, like Brazil, applies a policy of universal healthcare cover. The state healthcare system here is also tax-financed, but its management is centralised. The Ministry of Health makes policies, finances them and administers them through state-level and district offices.

The state healthcare system offers a full range of services: preventative treatment, primary healthcare, 82% of hospital services available and 35% of outpatient services available. A small payment is required from patients – 0.30 US dollars for a general consultation and 1.50 dollars for a consultation with a specialist. Economically-disadvantaged patients are not denied access to services, however.

Contracts are made with the private sector to cut waiting times and provide services that are not available in public health establishments. Non-Governmental Organisations (NGOs) provide health services for specific groups (cancer sufferers, autistic people and those with mental disabilities…). The state healthcare system provides patients with most medicines for free. Vaccination programmes, cancer treatments and antiretroviral (ARV) treatments are fully subsidised. Life expectancy in Malaysia increased between 1970 and 2008, from 65.6 to 76.4 for women and from 61.6 to 71.6 for men. 98% of births in Malaysia (MS 2010) are attended by qualified health professionals.

The Chinese social welfare system has undergone major reform during the past 25 years. These reforms are impressive and much has been done to extend cover. Ten years ago health insurance was mainly for workers in urban areas, as part of a contract of employment with their employer.
Under the 2009 reform plan, the government adopted measures to expand cover to rural populations and the unemployed. The health budget was increased by 30% per year between 2008 and 2011, particularly in relation to staff training and improving local health services. Of the five priorities set out in the Plan, the expansion of basic healthcare to achieve universal cover is the one that has been the most successful.

**Health policy in India**

In India, households’ spending on health is high and accounts for an estimated 4% of GDP. It is significantly higher than public spending, which stands at 1% of GDP. The country is the top producer of generic medicines in the world, although 50 to 65% of the population do not have regular access to essential medicines (Deepak X. & Srinath R.X., 2014). The provision of healthcare, which is not yet universal, has nevertheless been improved in the area of maternal and infant health, by means of the *National Rural Health Mission* (NRHM), since 2005.\(^{21}\) Civil servants have the right to healthcare in public health establishments and are reimbursed when they make use of private healthcare (Marten R. et al. 2014).

The *Rashtriya Swasthya Bima Yojana* (RSBY) is the national health insurance scheme introduced by the government in 2008. Its goal is to improve poor families’ access to high-calibre healthcare, offered by a network of providers selected on the basis of specific criteria, and certified. The families (the head of the household, spouse/partner and three of their dependents, regardless of age) receive smart cards giving them cover up to a maximum of 350€ per year, by paying a registration fee of 0.45€. Enrolment in the programme is carried out each year according to a timetable for each village. The insurance covers the costs of a stay in hospital, transport costs and pre-existing health conditions, from the first day.

By late July 2013, more than 35.68 million poor families were benefiting from the programme. Across 455 districts, services are provided by 8,525 private hospitals and 3,919 public health hospitals. So, access to healthcare has been improved, health expenditure by patients covered by the scheme has been reduced and the favourable response from the private sector has been reflected in the establishment of new infrastructures in the rural areas. The success of this programme is the result of an approach based on partnership with various stakeholders (insurers, insurers, insurers, insurers).

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\(^{21}\) This is still a challenge, because a quarter of the children and 20% of the mothers who die in the world every year are Indian.
private companies, etc.), the standardisation of procedures, an ongoing review of the programme, strict consistency in putting it into practice – from the design stage to implementation – and the empowerment of those benefiting from it (Swarup A. and Jain N., 2011).

**Health policy in Russia**

Russia had to deal with enormous difficulties in the field of health during the 1990s. The death rate between 1995 and 1996 was in the region of 15‰. Healthcare, which had previously been free, had to become a paid service due to the lack of funding. This resulted in reduced access to healthcare for the population. In 2005 and 2006, two projects were set up to improve Russia’s health indicators. These are: the *Special National Project “Health”* and the free supply of essential medicines to certain categories of the population (war veterans, the disabled, children under three years of age, etc.) (Shishkin, 2011).

The *National Project* began by making investments in primary and tertiary healthcare. The public spending proportion of total expenditure increased between 2000 and 2009, from 59% to 67%. The government invested an extra 11 billion euros between 2011 and 2012. Programmes to fight cardiovascular disease and cancer, for the treatment of road accident victims and to improve maternal health were introduced from 2008 onwards. The 2010 federal law on compulsory health insurance (known as OMC) set the level of contributions by the working population and made provision for financial charges to enable the OMC project to be implemented. All of the contributions are merged into a single fund to guarantee the fair distribution of funds among the states.

The development of the pharmaceutical and medical equipment industries is also one of Russia’s priorities. The sector has already benefited from a 950 million euro grant from the government. In addition, there is a plan to charge higher taxes on imported products and to introduce tax incentives for companies manufacturing products inside Russia. This measure is intended to encourage international pharmaceutical companies to increase their investments in Russia. This is what Novartis, GlaxoSmithKlein and AstraZeneca\(^{22}\) have done.

In light of the above, it can be concluded that in order to improve social service provision in Africa in the way the emerging countries have done, the following are required: (1) the political commitment to make it a right

\(^{22}\) http://www.dementieva.fr/russie/hopitaux.html
for the citizen by enshrining it in the Constitution (Brazil); (2) a sound strategy for the decentralisation of health services; (3) the creation of national health funds to meet the funding needs of the public sector; (4) the establishment of a partnership with insurers and private healthcare providers; (5) the development of the pharmaceutical industry; (6) tax incentives for companies manufacturing products on national territory.

The development of social infrastructures in rural areas

As in the case of health cover, the African countries lag behind other developing countries in terms of infrastructures, particularly in rural areas. According to the analysis of Yepes, Pierce and Foster (2008), the region of the Southern African Development Community (SADC) was the leader in the development of socio-educational infrastructures, particularly in the rural environment. Central Africa and East Africa were the least well-equipped in terms of roads, water, drainage, ICT and electricity (World Bank, 2010). In most of the rural districts the infrastructures are either non-existent or inadequate, which forms an impediment to the development of local economic activity (African Monitor, 2012).

The Programme for Infrastructure Development in Africa (PIDA) was designed to establish a vision and a strategy to develop infrastructures on a regional level and continent-wide in the fields of energy, transport, water and telecommunications. It will cost roughly 360 billion US dollars between 2011 and 2040. However, the experience of certain countries such as China and India may be useful, because these countries have generally led the field in the sphere of rapid development of infrastructures in South and East Asia (World Bank op. cit.).

Thus, since the 1990s China has established a strategy for growth based on infrastructure, in which it invested more than 14% of its GDP in 2006 (Lall, Anand and Rastogi, 2008). The goal of the “8-7 Plan” (the national poverty reduction programme), introduced in 1994, was to provide most of the poor cantons with road infrastructures, electricity and water, and to achieve universal provision of primary education and basic preventative and curative healthcare. The cost of this plan, put at 13.6 billion US dollars, came to around 5% to 6% of public spending every year.

The 8-7 Plan was based on three main programmes: subsidised loans, food-for-work initiatives and government subsidies. The subsidised loans

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took up more than half of the total funds and were granted to businesses and households working in agriculture and industry. The food-for-work scheme took up roughly 30% of the funds set aside for the purpose of reducing poverty. The additional agricultural labour was used mainly in developing infrastructures. Government subsidies took up less than 20% of funds and were intended for investment in the poor areas (World Bank).

In 2000, spending on education in rural areas came to 33% of total spending on these areas. Energy accounted for 15% of this, roads 5%, telecommunications 14% and agricultural research 2.2%. Irrigation was also a priority, with 30% of spending (Shenggen, Linxiu, & Xiaobo, op. cit.).

Contrary to the analysis which argues that exports and the growth of the secondary sector, along with foreign direct investments (FDI), are the reason behind poverty reduction in China, Ravallion and Chen (2007) assert that the expansion of FDI took place during the 1990s, after the big drop in poverty in China. In their view, agricultural growth during the period between 1981 and 2004 had four times as much impact on national poverty as did the growth in the secondary and tertiary sectors. These authors thus argue that “Industrial growth helped to reduce poverty in the 1990s by absorbing excess rural labour, but it is important to note that the ‘bulk’ of this battle took place in the early 1980s in the wake of reform of the rural economy in China.”

In order to develop infrastructures in rural areas, India has established a system of guaranteed, paid jobs requiring no prior qualifications and provided for a set period of time. It is a rotating system of labour which also enables the whole population’s need for work to be met on a temporary basis.

In 2005, India introduced the Mahatma Gandhi National Rural Employment Guarantee Act, which guarantees rural households 100 days of work per year, linked to soil and water conservation, drought prevention, protection against flooding and rural connectivity. Around half of the labour employed is female and the minimum wage is set at 100 rupees per day (or 1.46 US dollars). Provision is made for compensation if work is not provided during a given period of time.

The Mahatma Gandhi National Rural Employment Guarantee Act recognises work as a legal right. India is working to reduce poverty in rural areas, but also developing public infrastructures, viewed as a solution to the rural exodus. This programme has helped to improve the wellbeing of the target populations. It has reduced the rate of poverty from 38% to
32%, helping 14 million people to escape poverty. (*National Council of Applied Economic Research, NCAER, 2015*)

The programme has also promoted financial inclusion by reducing the use of informal lenders, with the level of use by participants in the scheme falling from 48% in 2004/2005 to just 27% in 2011/2012. Furthermore, the direct payment of wages into the bank accounts of beneficiaries of the scheme enables them to have access to formal credit.

**Financing social policy**

This question of the funding of social policy is crucial. The *Security System for Women* (RSBY) in India is funded out of tax revenues: 75% of insurance premiums are paid by the central government and 25% by the states that form it. Total spending on the funding of premiums was put at 174 million US dollars, or 0.013% of GDP, at 31 July 2010. Administrative expenditure is put at 1.09 million dollars (Swarup A. and Jain N., 2011).

The Indian programme for rural employment is financed jointly by the central government and that of each state. The central government bears full responsibility for paying the wages of unqualified workers and for 75% of expenditure on materials. Funding of the scheme complies with the usual standards. The administration costs must not exceed 6% of the cost of the project, and wages no more than 60% of the project.

In the US, *Opportunity NYC* is a scheme with an initial budget of 53 million dollars for a period of two years. It is financed by private funds from the Rockefeller Foundation and other donors to speed up its progress.

In the Philippines, a tax on alcohol and tobacco, applied since 2014, has made it possible to generate 800 billion US dollars, 70% of which is allocated to the national health insurance programme, 15% to improving medical and healthcare facilities and 15% to support for helping tobacco producers and workers to switch to alternative means of living.
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**MEXICO: FOSTERING SOCIAL EQUITY**
**BY MEANS OF CONDITIONAL CASH TRANSFERS**

The Progresa/Oportunidades programme was initially implemented in small rural communities with a population of less than 2,500 people. After being gradually extended to urban areas it now covers 5 million households, in other words, a quarter of the Mexican population. From the start, the selection of beneficiaries based on the results of studies and systematic evaluations contributed significantly to the success of the programme.

The transfers are generally paid to the women in the families, except in the case of grants made to secondary school pupils, who may receive the money themselves. In return, the children and teenagers must attend school lessons, the mothers must attend sessions on health and nutrition and all members of the family must regularly undergo a full medical examination. Children under the age of 5, pregnant women and nursing mothers receive nutritional supplements and certain health benefits.

There are two types of subsidies: the educational subsidy and the health and nutrition subsidy. The first of these is granted to children under 22 years of age enrolled between the third grade of primary education and the third grade of college. In 2006, the subsidy amount ranged from 11 dollars for the third grade of primary school to 60 dollars for boys and 69 dollars for girls in the third grade of college. The nutritional subsidy is fixed and comes to 180 dollars per month. The subsidies are received every two months, depending on the school calendar.

The subsidy for healthcare and nutrition is a fixed, monthly amount. It is 16.50 dollars and it is intended to improve consumption. Its main targets are children under 5, pregnant women and nursing mothers, particularly in cases where symptoms of malnutrition have been picked up. In 2002, this subsidy was extended to school pupils, and subject to their regular participation in discussions about matters concerning them.

The cash transfers are paid up to a limit of 100 dollars per month for households with children in primary school and lower secondary school, and up to a maximum of 175 dollars per month for those with children in upper secondary school.

The scheme has significantly improved the health of communities, particularly in the case of women. Mexico’s HDI (Human Development Index) improved markedly between 1990 and 2013. It increased from 0.595 to 0.756, with an average annual growth of 0.78 over the 1990-2000 period and 0.60 over the 2000-2013 period. 1.1% of the population is estimated to be living in extreme poverty. The rate of maternal deaths is 50 per 100,000 live births. 55.7% of women and 60.6% of men aged 25 and over have been educated to lower secondary school level or above. (UNDP, 2014).

Conclusion and recommendations

Social policy is at the heart of the development strategies of the so-called emerging countries today. These countries have adopted mechanisms that have enabled them to increase investment in human capital, reduce poverty and improve the wellbeing of their population. These mechanisms may include CCTs, social pensions, free water and electricity services, universal access to healthcare and medicines, the development of infrastructures and the promotion of financial inclusion.

Their experiences enable two conclusions to be drawn. Firstly, to create sustainable, effective social programmes, what is required is statistics available for the whole population, a transparent system of management, high-calibre social services and fairly-distributed, viable funding. Secondly, to guarantee the success of financial inclusion strategies, public sector, private sector, trade union and civil society consultation and financial education may be key elements.

In Africa, during the past few years, it could be seen that countries were also drawing up new plans for inclusive development. However, generally speaking, the scope of these plans appears to be limited by the lack or inadequacy of the services or infrastructures. In terms of financial inclusion, therefore, the differences between countries are enormous, with the highest rates being recorded in Mauritius, Kenya and South Africa. However, according to Global Findex 2014, mobile banking could present an opportunity to promote financial inclusion right across Africa. Therefore, as part of the process of emergence the countries of Africa should take the following steps:

**To improve social policy making:**
- ensure that the statistics are available;
- identify targets and establish goals based on data and diagnosis;
- adopt a transparent system of management;
- provide high-calibre social services and distribute them appropriately;
- guarantee viability of funding.

**To achieve financial inclusion:**
- involve the private sector, civil society and the trade unions in drawing up strategies;
- make provision for the financial education of the population;
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- reduce the costs of creating MFIs;
- relax MFI licensing procedures;
- increase MFI investments by means of subsidies;
- use mobile technology to make social cash transfers;
- increase public awareness of the use of mobile banking.

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Human Security and Resilience in the Context of Emergence

Yao Kouadio
President of the National Commission to Combat the Proliferation and Illicit Circulation of Small Arms and Light Weapons (ComNat-ALPC) in Côte d’Ivoire

Mohamed Ag Rhissa
Chief Technical Advisor of the United Nations Development Programme for Peace and Security Issues in Côte d’Ivoire

Introduction

Ensuring human security and building resilience capacity is essential in any emergence process. The experience of emerging countries shows that change takes place in a stable socio-political environment that enables them to ensure the sustainability of the gains achieved in terms of growth and human development.

Average growth in sub-Saharan Africa has exceeded 5% since 2000 (African Development Bank, 2012). The Human Development Index (HDI) is also making progress. According to the Report on Human Development 2014, the HDI has grown annually by 0.44%, 0.52% then 1.37% respectively from 1980-1990, 1990-2000 and 2000-2013 through the implementation of social protection tools in almost all the countries in the region. It is essential that these projects should be supported and sustainable so that the objectives set out in the framework of the emergence process may be achieved. It is therefore important to take into account issues of human security and resilience when country strategies are being developed, in order to bring about situations where people do not feel threatened, where they can express their choices freely and are in a position to respond to present or anticipated risks (Philippe, 2006).
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This paper on human security and resilience in the context of emergence looks at the actions that need to be carried out in order to boost individual and collective freedoms so that the emergence of Africa may be a form of emergence in which peoples are not vulnerable and may realise their full potential. Enhancing resilience implies greater capacity to deal with shocks that go against human development, whatever their cause may be. It is therefore appropriate to assess resilience capacity and set out the terms and conditions for its enhancement in order to lessen vulnerability and empower individuals.1

Assessing resilience capacity involves identifying the phenomena or events likely to be a threat to human security, whether they are recurrent or not (epidemics, disasters or crises) and taking the necessary precautionary measures to limit their impact and avoid their resurgence. All the lessons should be learned from events and their aftermath, and resources that need to be mobilised should be evaluated for improved planning and the implementation of the proposed measures.

Inequalities, injustices, land and identity issues, corruption and impunity: all are risk factors for human security. The recent outbreak of Ebola virus disease, for instance, calls for improved information systems as well as health risks prevention and response mechanisms. As for macro-economic resilience, it requires more diversified economies and countercyclical fiscal policies. Generally speaking, vulnerability can be reduced by enhancing food security as well as economic, social, environmental and political security and by making use of cultural values. This paper looks at food security and economic, social and environmental security. It also addresses cultural norms and their relationship with resilience. It makes recommendations in the conclusion for improved resilience among African populations.

The challenges of food security

Food security is an imperative for improved health, cognitive development, enhanced productivity and the well-being of populations.2 Food security has been achieved when every single person, at any time, has access to enough safe and nutritious food (World Food Summit,

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1996). This involves fair and permanent supply as well as stable prices for basic food, both nationally and internationally (Food and Agriculture Organization of the United Nations, 2006). Yet, 795 million people around the world were still undernourished in 2014. Overall, the objective of halving the percentage of the population going hungry between 1990 and 2015 could not be reached.

Food insecurity is more critical in sub-Saharan Africa. Twenty-seven out of the 34 countries that need external food assistance are in Africa (Food and Agriculture Organization of the United Nations, 2016). Although the region has abundant agricultural resources, a quarter of the population is malnourished. Such insecurity results from “a series of dysfunctions as well as inadequate policies and strategies” (UNDP, 2012). Populations have unequal access to food because all do not have the means to produce or buy some.

Most farms in sub-Saharan Africa are small and do not use modern farming techniques much and agricultural production is limited as a result. Rural areas are not well served by transport infrastructures. Postharvest losses are significant. The 2011 FAO and World Bank report entitled Missing Food: The Case of Postharvest Grain Losses in sub-Saharan Africa, estimated per year postharvest losses at about US$4 billion. Yet the rational and economical use of part of this production could go some way towards meeting the basic needs of at least 48 million people. Adverse weather conditions, corruption, political instability and armed conflicts also make food insecurity worse.

Yet we need to stress that progress was made in terms of food security in 2014 and 2015 according to the Global Food Security Index (GFSI). Access to food improved thanks to sustained support from rural development donors, poverty reduction measures, quite reasonable prices and low volatility for producers. South Africa and Botswana made the most progress in terms of food security. Agricultural infrastructures in these two countries are more developed. They have adequate storing installations, which enable them to reduce production losses. Improvements were made in Uganda and Côte d’Ivoire. In Uganda, the government modernised the agricultural sector. In Côte d’Ivoire, thanks to improved supply, food availability has increased. But how can food security be enhanced in all sub-Saharan countries?

The Global Food Security Index provides a few answers. If the characteristics of countries that have achieved food security are taken as a reference, we find that they are rich countries with a stable political
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environment and developed infrastructures. They are also countries with diversified food availability, adequate storing facilities, stable supply chains, food safety nets and a system to support and promote agriculture through research and development programmes.

Diversification of food availability plays a significant role in guaranteeing improved nutrition to populations. Adequate storing facilities make it possible to conserve produce at every level of the supply chain, thus minimising postharvest losses. In a reference document on ways to reduce these losses\(^3\) the Rockefeller Foundation suggests farmers should be gathered in one place and given postharvest management training. The Foundation was able to identify 12 technologies among more than 60 that, it says, are the least expensive, suitable for individual use and likely to benefit small farmers. They are, to name a few, airtight bags, heavy-duty moulded plastic containers and portable treatment units.

The Foundation also suggests the use of innovative funding mechanisms to promote investments in agriculture and make it easier to distribute and acquire new technologies.

The High Level Panel of Experts on Food Security and Nutrition\(^4\) suggests a number of innovative mechanisms, among others:

- a tax on tobacco in Global South countries. The tax has been approved by the WHO. Revenues would be used to fund tobacco addiction prevention and to replace tobacco crops with subsistence crops in sub-Saharan Africa;
- voluntary contributions through voluntary labelling (creation of a “food safety” label to encourage brands to take part in food security projects), and lotteries (so that existing lotteries make voluntary contributions to a food security development fund);
- calls on the financial market;
- migrants’ remittances and diaspora investment in agriculture;
- a guarantee on bank loans to agriculture to cover some of the risks;
- a social grant to match capital offer and demand.

There are food security nets. In Ethiopia, one of the countries in Africa hardest hit by food insecurity, the government’s intervention in 2005 through the Productive Safety Net Programme (PSNP) is cited as social

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4. Report by the High Level Panel of Experts to the pilot group about innovative funding for agriculture, food security and nutrition, December 2012.
assistance best practice in Africa. In Ghana and Malawi, governments subsidise agricultural inputs and seeds (Douillet, 2011).

Recent assessments have shown that a significant part of agricultural production in countries such as Benin, Ghana, Niger, Nigeria and others, results from research conducted in the framework of cooperation between national institutes and the Consultative Group for International Agricultural Research (CGIAR). In China, research is carried out by the Chinese Academy of Agricultural Sciences and a network of 1,100 research institutions.

The analysis of resilience in the framework of agricultural production development that is discussed in this paper is based on case studies about Brazil and Ethiopia, which may be considered as interesting models.

In Brazil agricultural research has made a large contribution to the nearly fourfold increase in agricultural efficiency. Several agricultural development programmes have also been set up. The National Program for Strengthening Family-based Agriculture (Pronaf) was launched in 1995 to help family farms, cooperatives and private individuals gain access to credit and to a variety of special services for farmers.

The National Rural Credit System is responsible for redistributing funds accrued through compulsory contributions from state and private banks (which are required to allocate 25% of their demand deposits to the programme). Loans are granted with low interest rates, between 1 and 5.5%, to fund production campaigns, but also for investments in improved productivity. Agricultural produce prices are guaranteed when the loan deal is entered. About 14 million loans worth about US$22 billion were granted between 1995 and 2008. Between 2009-2013, more than 2.2 million farmers benefited from the programme.

The objective of the Food Acquisition Programme (PAA) is to support family farming. It involves supplying family farms with foodstuffs from the state. The Health Ministry is responsible for coordinating programme actions in which other ministries (Budget, Finance, Agriculture, Rural Development and Education ministries) take part. Funds come from the Health Ministry and the Agricultural Development Ministry (ADM).

Every year, the state buys agricultural produce from some farmers who are qualified to build up stocks which will be redistributed to hospitals,
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National School Feeding Programme, canteens, community kitchens, food banks, the Workers Feeding Programme etc. Agricultural produce is bought through the National Supply Agency by states and city councils, for a sum set per year and per farmer.

In Ethiopia, the Ethiopia Commodity Exchange (ECX), which has been active since 2008, is a local marketing system. It has made it possible to improve the quality of agricultural produce, trade, farmers’ income and to boost food security. The commercial value of the five basic commodities featuring in ECX operations, namely corn, wheat, beans, sesame seeds and coffee, amounted to US$1.7 billion in 2009. In 2014, the value of daily operations amounted to nearly US$6.8 million, i.e. about US$2.3 billion per year. The national payment system was set up together with a few commercial banks. Moreover, the Stock Exchange does not have monetary impact only. It has sparked an interest for training among farmers, most of whom have received little education. They have been enrolling on computer training courses to sell their produce on stock exchanges as the opportunity arises. Ethiopian farmers are also vulnerable to the recurrent drought risk. The government, with help from donors, has set up an agricultural insurance plan linked to weather conditions. “If total rainfall is under a preset threshold during the growing season, payment is released to fund support activities” immediately after harvest (Devereux, 2009). This insurance plan protects farmers from food insecurity, related financial risks and from having to sell their assets.

As for agricultural resilience, the 2014 Intergovernmental Panel on Climate Change (IPCC) report promotes adapting agricultural practice to climate change. It points out that a wide range of conservation agricultural practices, of Assisted Natural Regeneration (ANR) of trees and of mulching have been increasingly implemented in sub-Saharan Africa and have made it possible to enhance the resilience of agricultural ecosystems and support livelihoods.6

The Technical Centre for Agricultural and Rural Cooperation (CTA) also makes the following suggestions to enhance agricultural resilience:
- improve crisis prevention: this is a prerequisite for effective investments and, therefore, development. Indeed, “the larger the funds invested in development without an accurate picture of risk, the larger the losses in case of disaster”;

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• reduce disaster risk: by focusing on potential dangers and shocks and by targeting particularly vulnerable groups;
• manage ecosystems: they act as protection barriers against climate change and support livelihoods;
• promote sustainable livelihoods by identifying factors of poverty and well-being;
• emphasise governance and responsibility when it comes to supporting resilience: the capacity of countries to implement disaster risk reduction policies is closely linked with political and institutional factors;
• set up information systems for early warning crisis mechanisms;
• make provision for emergency preparedness funding.

Economic and social security issues

Economic and social security means the situation where each individual enjoys an environment devoid of impediments to dignity and freedom, an environment where everyone feels they belong to various communities and that they are protected from the risk and the uncertainty of not having sufficient income to live (International Labour Organization, 2005) (Georges, 2007).

Making national territory safe from religious terrorism, ethnic strife, cross-border organised crime and drug trafficking is necessary for such an environment, but so are good governance, institutional stability and improved allocation of resources. These risks should be managed at national and regional level by setting up information facilities and systems to protect goods and people in total compliance with individual and collective liberties.

Moreover, with humankind undeniably at the heart of development, the valorisation of human dignity and liberty as well as the reduction of inequality and poverty, are indispensable social cohesion factors to support development. Switzerland, Finland, Denmark and New Zealand came at the top of the Human Freedom Index (HFI) 2012 country rankings.7 These countries were also ranked among the countries with a very high Human Development Index (HDI) in 2014.

7. The Human Freedom Index has been developed by three (Canadian, US and Swiss) think tanks. It provides a picture of human freedom around the world. It is based on an assessment which includes personal, civic and economic liberties. It ranges between 0 and 10, with 10 reflecting a higher state of freedom. www.cato.org/human-freedom-index
In Africa, Mauritius and Cabo Verde stand out when it comes to human freedom and sustainable development: they were the 19th and 54th in 2015 out of 152 countries with HFIs believed to reach 8.28 and 7.39 respectively. The HDI in Mauritius is high (0.777) while Cabo Verde’s is average (0.646). These are countries where peace and social stability are sustained. Social stability in Mauritius is a result of its political system inspired by the Westminster model (Emmanuel, 2006). Cabo Verde’s social stability is based on the cultural values of a population with a strong sense of national identity.8

Ghana comes 61st and is the third African country in the human freedom rankings. According to the 2014 Human Development Report, 73% of the population feel safe and 68% believe they are free to make their own choices. This stable country, with an average HDI, was the first in sub-Saharan Africa to meet Target 1 of the Millennium Development Goals (MDGs) which made provision for halving the number of people living below the poverty line. The poverty rate declined from 36.5% in 1991 to 18.2% in 2006 and to 12% in 2014 (UNDP, 2014 and 2015). Such an achievement is the result, among other factors, of the fact that conflict areas in the north of the country were made safe in order to promote private investment, of the introduction of conditional transfer programmes and of agricultural input subsidies to guarantee the economic security of households.

In the framework of the economic security analysis, we shall look at the role played by employment, poverty and inequality reduction, and the development of social classes.

**Employment and vocational training: a top priority**

According to the ILO, labour security contributes to economic security. Labour security includes several important dimensions such as labour market security, job security, safety at work and income safety.

Labour market security is a guarantee the state provides regarding the possibility of having a decent activity that generates an income in order to achieve full employment. According to the Keynesian approach, unemployment is caused by insufficient effective demand. “Since labour demand is contingent upon the demand for goods, rationing offer on the product market has an impact on the labour market” (Leclercq, 1999). Intervention by the state is necessary to stimulate global demand and to


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reach full employment as much as possible. The state may act on the main components of demand, i.e. household consumption demand and business investment demand, by changing the behaviour of these agents.

In sub-Saharan Africa, sixteen percent of those who work are on a salary. Agriculture provides 62% of jobs, private companies 22% and the industrial sector under 20%. Access to more productive jobs – for young people in particular – remains a challenge. The informal sector, which is the main employer, deserves a lot of attention from governments. The latter also need to think of ways to promote decent employment in the informal sector (World Bank – French Development Agency, 2014).

The 2009-2018 decade was declared the “Decade for Youth Development in Africa” by the Conference of African Union heads of State and Government. The objective was to speed up the empowerment of young people for sustainable development. The Conference drew up a plan of action which is used as a roadmap for the accelerated implementation of the African Youth Charter (AYC). The plan, to which national and regional plans need to refer, is a development approach based on human rights, capacity building and grassroots involvement (African Union, 2009).

The plan suggests four top priorities:
1. Enhance the quality of the workforce through schooling and vocational training.
2. Promote investment: massive investment in physical capital and a reduction in the tax on capital in a bid to increase the productivity of state and private companies.
3. Support companies by speeding up the “dissemination of the best business practice knowledge around the world” and support them through an export development policy.
4. Promote actions to develop road and technological infrastructures, including in the energy sector.

These priorities are essential to ensure greater integration of Africa into the world market and allow for the structural change of its productive sectors.

Fighting poverty and inequality

Poverty and inequality are vulnerability indicators. They reflect that something is lacking or different, the fact that an individual or a group of individuals cannot have access to bare necessities, that there is an inability
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“to withstand inevitable external shocks that are hard to predict” (Courade and Suremain). On the basis of the new international threshold, an individual is poor if they live on less than US$1.9 per day. Therefore, according to the World Bank, the number of poor people, which was estimated at 902 million in 2012 (12% of the world population) was expected to be of 702 million in 2015 (9.6% of the world population), i.e. a 22% decrease. Sub-Saharan Africa would thus be home to half of the world’s poor whereas that figure was only 15% 25 years ago. Poverty has dropped by 0.84% per year. The poverty reduction rate may be high in Burkina Faso, Ghana, Malawi, Mali, Mozambique, Rwanda, Senegal and Uganda, but it has grown more slowly in Chad, Côte d’Ivoire and Zimbabwe (African Development Bank, 2012).

Moreover, in the sub-Saharan region, inequality has become more marked and is more significant than in other developing areas. The average Gini coefficient index for Africa was 45%. The countries where inequality is the greatest are, in descending order, Namibia, South Africa, Botswana, Angola, the Central African Republic, Zambia (about 67%), Lesotho, Swaziland, Rwanda, São Tomé and Príncipe, Cabo Verde and Zimbabwe (50%). By contrast, Mali, Burundi and Togo – where indexes vary between about 32% and 35% – and Ethiopia (30%) are the least unequal (African Development Bank, 2012).

Poverty and inequality may persist from one generation to another. Therefore, they need to be reduced with efficient social protection instruments given that “social policies with universal scope protect not only the people who experience poverty, illness or unemployment, but also prosperous individuals and households who may encounter difficulties if things go awry.”9 Early childhood needs to be seen as a founding and crucial stage to address early inequality. Sustained investments in the health, education and nutrition of children and mothers are necessary for the formation, maintenance and enhancement of human capital. Moreover, it is important to make sure that laws are consistent because contradictions have been detected. That is the case in Côte d’Ivoire, where people may enter the job market from the age of 14 although school is now compulsory until the age of 15.

The development of middle classes

There are various definitions of the middle class concept depending on the research objective - economic (definition of an income range),

sociological (description of situations, statuses and professions which would characterise lifestyles and aspirations) and subjective (through opinion polls) (Damon, 2013). However, for reasons to do with comparability, the first approach is preferred.

Kharas (2010) takes an interest in the middle classes in developing countries. In his view, the middle class is a group of individuals who contribute quietly to economic growth. He notes that less than a quarter of the world’s middle class is in Asia and that this share may double and reach 40% in 2020. Kharas stresses the fact that this development is led mainly by China and India. The middle class in China is believed to include about 157 million people and it is the second-largest after the middle class in the United States. By contrast, the share of the middle class in sub-Saharan Africa is the smallest, with 2%, and this figure will not change until 2030.

The expansion of the middle classes in China and India has been helped by the decline in poverty which is itself a result of the funding of social programmes and growth. The GDP growth rate in China has been high since 1991. It remained above 10% between 1992 and 1996. It reached 14.2% in 2007 and amounted to 10.6% in 2010. In India, the growth rate increase registered in 2003 (9.3%) continued until 2010 (10.3%). Poverty has decreased sharply in those two countries. The rate in China decreased from 67% in 1990 to 6.4% in 2012. In India, it fell from 45.3% in 1993 to 29.8% in 2009 and 21.9% in 2011.10

With the development of the middle classes in China, domestic demand for goods and services went up. Seventy per cent of total consumption was by the middle class in 2012-2015. Household consumption is the fastest growing in the world. Consumer demand by the middle class is strongest for imported household goods, clothing, foodstuffs, vehicles and private healthcare. The contribution of household consumption to GDP grew from 31% in 1995 to 36% in 2012.11

Yet it is the savings rate that has changed the most. The middle classes save about 30% of their wages, usually to fund the education and healthcare of their families. This share grows with the salary level.

McKinsey12 defines the Chinese middle class as the households with an average annual income comprised between £6,000 and £23,000, i.e.

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10. World Bank data.
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between US$8,545.5 and US$32,758.9. In 2002, the intermediate class in terms of income accounted for 7% and the upper class for 2%. In 2012, they accounted for 54% and 14% respectively. In 2020, they are expected to reach 22% and 53% respectively. The Chinese middle class is less and less vulnerable to possible shocks because it has an income which, over the years, has risen increasingly above the poverty line.

In India, the middle class accounted for 29% of the population in 1993-94 and rose to 38% in 2004-2005, mainly thanks to an increase in the income of individuals whose daily consumption rose by 23% in 10 years. They accounted for 18% and 22% of the middle class respectively for that period. The middle class was defined for that particular assessment as the individuals whose daily consumption was comprised between US$2 and US$20 (2005 purchasing power parity) and it was estimated to include 418 million people (Asian Development Bank, 2010).

In a report entitled The Middle of the Pyramid: Dynamics of the Middle Class in Africa, the African Development Bank says the percentage of the African population that made up the middle class was estimated at 34% in 2010 (313 million people). This portion has grown by 3.1% annually since 1980. Most households in this class live in permanent housing with modern equipment. They have salaried jobs or small companies. They have fewer children than poor people and spend more on nutrition and education for their children. They want improved healthcare for themselves and their family. Their overall electricity consumption rose from 170.1 million kWh in 1980 to 518.8 million kWh in 2007 while the number of internet users grew from 4.5 million in 2000 to 80.6 million in 2008.

There is a strong correlation between the development of the middle class and a more open market, good governance, gender equality, more investment in higher education, science and technology. Therefore, although the middle class has developed in Africa, it remains very vulnerable because it depends on the way these factors develop.

Environment security and resilience: The issues

Environmental security aims to eliminate or reduce the impact of human activity on the environment: climate change, biodiversity loss and environmental degradation.
Climate change is caused by greater emissions of greenhouse gas (GHG) through the use of fossil fuel, cattle raising and the use of nitrous oxide fertilisers. Using renewable energy, reforestation, combating deforestation and good agricultural practice make it possible to reduce the amount of greenhouse gas. China, India, Brazil and South Africa, emerging countries which produce a lot of GHG, have taken measures, and so have Nepal and Malaysia, in a bid to reduce these emissions.

China’s economic growth is fuelled by a great need for energy resources required to power the industry and to change the consumption patterns of households. Needs have grown fourfold in 30 years. China has undertaken to adapt its economic policy in order to diversify its energy mix. It has also developed climate measures, on the one hand, to take part in the global fight against climate change and, on the other hand, to rise to local health and social challenges, especially regarding pollution caused by coal use.

In China’s twelfth five-year plan, adopted in March 2011, one-third of the objectives announced by the Chinese government address energy and environmental matters. The new development strategy is the following: reduce annual growth to about 7% (compared with about 10% over the past 20 years) and promote a more sustainable development model in order to foster the gradual “decarbonisation” of the Chinese economy.

The Chinese government has been setting increasingly ambitious objectives for itself concerning the reduction of CO₂ emissions and the share of renewable energy in the national energy mix with a three-pronged objective: limit pollution and climate change, reduce its oil import bill and acquire greater diplomatic legitimacy during climate negotiations. These policies may bring about reductions in GHG emissions compared with the current situation. China is also continuing with an aggressive renewable energy development policy but it needs to modernise its electricity transmission and distribution network to integrate intermittent energy sources. Factories that are less efficient are replaced with cutting-edge technology factories (CAPEC-PNUD, 2014).

In Brazil, GHG emissions are caused by the destruction of the Amazon rainforest. Brazil is the world’s leading beef and leather exporter (together with China) and for a long time cattle-raising was encouraged and supported by the government. This activity is now responsible for 80% of the destruction of the Amazon rainforest, with 90% of deforestation being illegal. In 2008, Brazil set up the Amazon Fund in an attempt
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to raise US$20 billion in order to fund preservation, monitoring and the fight against deforestation. The fund also aims to help implement the objectives of the National Climate Change Plan: to bring down the deforestation rate by 40% in 2006-2009 and 30% between 2006 and 2014.

Nepal’s Renewable Energy for Rural Livelihoods Programme aims to help provide fairer access for the poor, women and those marginalised from society, to technologies including micro hydropower plants, solar heat collectors for households, biogas and improved cookstoves. It has been implemented by a number of partners and is funded by taxes on work and customs duties. All the communities who have been marginalised economically have benefited from these services and a range of rural businesses have been set up, including in the maintenance of energy systems.

South Africa produces 25% of sub-Saharan Africa’s GHG emissions. At the 2009 Copenhagen conference, the president of South Africa pledged to reduce GHG emissions by 34% by 2020 and 42% by 2025. Together with the electricity company Eskom, the government has set itself the objective of producing 10,000 GWh from renewable energy as early as 2013. The first 100 MW wind farm project received a €100 million loan from the French Development Agency (AFD) in 2007.13 The Kathu power plant was expected to be operational in 2014 and produce 146 GWh with a photovoltaic system, meeting the needs of 40,000 local people and reducing carbon dioxide emissions by 50,000 tonnes per year.14 The Cape Floral Region is one of the most luxuriant areas in the world with more than 9,600 plant species. The biodiversity preservation project implemented with support from the World Bank, from 2004 to 2010, made it possible to increase the protected terrestrial habitat surface area from 1,054,033 ha to 1,953,246 ha.15 The book on sustainable development and the emergence of Africa published by the UNDP at COP21 gives a very clear overview of the challenges and the stakes for the Continent.16

Cultural norms and resilience

Some analysts have looked at the ways in which cultural factors structure individual resilience, including when they deal with natural disasters (earthquake, tsunami, flooding). They note that a risk culture has developed in Japan, for instance, which means that natural disasters are integrated into folklore, into the local language and accepted as inevitable. It is maintained through education through the National Day of Disaster Prevention and through regular information campaigns about what people should do.

For the authors, the fact that the Sumatra earthquake in 2004 in Indonesia had a different impact in terms of loss of life on the island of Simeulue, in Kajhu and in Johan Pahlawan, could be explained by the fact that there is more communication between generations in the first region. Communities have been living there for generations while the other two have been inhabited for under ten years. The transfer of core knowledge, which has become a tradition, gives people a risk culture. They are therefore better prepared to detect the arrival of a tsunami and to react in the most appropriate way.

However, some authors stress that in addition to collective memory it is important that quality equipment should be available. They base this recommendation on the conclusions of the comparative analysis of the floods in Arles, France, in 2003, and in Benin in 2010. Indeed, people in these countries have a risk memory but better post-disaster resilience has been observed in France because it has quality equipment (reactive warning and information networks, quality transport infrastructure and insurance policies). Therefore, they argue that “post-disaster resilience is constrained by more complex socio-economic factors”.

For many rural communities in Kandy, Sri Lanka, cultural and traditional values are essential to achieve means of sustainable subsistence security. They enhance the capacity of populations to be agents of change because they boost the strategy for adaptation to vulnerabilities. These communities place particular emphasis on dignity and they are very conservative. This has enabled them to build capacity, especially when it comes to traditional crafts. Rural means of subsistence are based on many skills as well as management and capital-raising procedures which are influenced by the local cultural and historical context. The values of

17. The authors are talking about the “shikata ga nai” culture which means “that is the way it is”.

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peoples, their customs and traditional knowledge systems, are used in a constructive manner to enhance means of subsistence (Daskon, 2010).

Daskon has therefore looked at the way local cultural values may lead to sustainable rural subsistence systems on the one hand and, on the other hand, at the way cultural traditions may foster human adaptation. He makes use of the biographies of households to show how these populations have made the best of their cultural capital to mobilise the necessary skills in order to withstand various economic shocks. He goes on to explain that, in some cases, in order to confront the growing rise of labour costs since 2004, heads of households who are craftspeople have mobilised and organised members of their family for their activities as they have the required skills thanks to tradition. These heads of households say that if it had not been for that potential, they would have been unable to meet the challenge of high labour costs which is the costliest expense item. It was possible to cut this cost by 80% in 2008. In other cases, the quality and traditional value of produced goods (such as the weaving of the Dumbera traditional costume), reputation and sense of innovation have enabled them to show resilience despite the development of the textile industry and the 2003 economic depression.

The experience of the Kandy rural communities shows how important traditional culture may be to preserve or build strong social capital, the main asset to meet threats to the sustainability of means of subsistence.

ETHIOPIA: PRODUCTIVE SAFETY NET PROGRAMME (PSNP), ONE OF THE BEST PRACTICES IN AFRICA TO GUARANTEE FOOD SAFETY

Ethiopia has enjoyed strong economic growth over the past few years (12.6% in 2010, 10.3% in 2014) but it is still extremely vulnerable to weather conditions. It needs to address the constant risk of food insecurity because of drought. Famine in the mid-1980s killed more than a million people. The number of people facing food insecurity rose from 6 million to 7.1 million between 1994 and 2004 with a spike in 2003 when 13.2 million people were extremely vulnerable.

Besides natural factors, other sources of food insecurity have been identified: difficult access for households to loans and new agricultural techniques, poor integration on the market, lack of product diversification, limited rural infrastructures and insufficient job opportunities apart from agricultural holdings and farms.

Emergency food assistance received by people may be useful but it creates a situation of dependence and it has limitations when it comes to the means of subsistence of households. Owing to continued drought, they are obliged to sell or eat their assets or even to take their children out of school.

Therefore, and given the characteristics of the population (80% rural and dependent on farming and livestock raising), the Ethiopian government took a
number of initiatives to enhance the resilience of communities to climate shocks. It also made a commitment to respectful development of the environment, low carbon emissions and to the use of renewable energy for industry and urbanisation. In 2005, it started implementing the Productive Safety Net Programme (PSNP) for a four-year period with assistance from external partners. The objective of the programme was to guarantee food consumption to households, prevent the exhaustion of their assets, stimulate markets, improve access to services and natural resources, and rehabilitate and enhance the natural environment. It was managed by the Agriculture and Rural Development Ministry.

The households who benefited from the programme were those who:

- had been food insecure for three months or more over the three years preceding the implementation of the programme;
- became more vulnerable after they lost their assets;
- had no family support or other form of social protection.

Once they were selected, households took part in five days of public works according to their abilities. The collective work, which was carried out between January and June (the slack season) is determined on the basis of the needs of the communities (roads, soil fertilisation, irrigation etc.). People receive either money transfers or food or both so they can withstand the rising cost of foodstuffs in lean times.

More than 7 million Ethiopians received money transfers from the State. Some 1.3 million of them took part in public works and 242,383 enjoyed direct support (the elderly, people with disabilities, orphans, pregnant women, breastfeeding mothers). The World Food Programme (WFP) supported the initiative by giving extra assistance (food and money) to households.

The PSNP guaranteed the food safety of 87% of households. Transfers covered 40% of annual food needs. They also contributed to a rise in health and education demand. Work done by the children of these beneficiary households decreased from 5% in 2005-2006 to 3% in 2007-2008.

At community level, the PSNP made it possible to rehabilitate 167,150 hectares of land from 2007 to 2009, to build 91,454 km of dykes, 133,927 ponds, 5,746 km of irrigation canals, 23,736 km of roads, to produce 1.3 billion plants, to build 232 health centres and 2,077 schools (including rehabilitation and extensions) etc.

In 2012, 7.6 million people benefited from the programme. The number of food insecure people dropped to 2.9 million in January 2015. However, it quickly went back up to 10.2 million in December 2015 and may reach 18 million by the end of 2016 because of El Niño (United Nations Organization for Food and Agriculture, 2016).

In December 2015, the Ethiopian government introduced the 2016 Humanitarian Requirements Document (HRD) as a way to find US$1.4 billion of assistance to support more than 10.2 million food-insecure people including 7.9 million looked after by the PSNP. In February 2016, it released £381 million to respond to the crisis.

During the fourth phase of the PSNP (July 2015-June 2020) the stress is on malnutrition, reducing climate impact vulnerability and ways to adapt to and lessen its effects. This phase is reported to cost £2.2 billion. It is funded by the Ethiopian government (14%), the Department For International Development (DFID) (11%), the International Climate Fund (64%) and other donors.
Conclusion and recommendations

Vulnerability to shocks and crises is a weakness when it comes to delivering sustainable growth and, consequently, is also a shortcoming in the context of emergence. It is therefore necessary to evaluate resilience capabilities, to reduce vulnerability and to empower individuals whilst guaranteeing their food, economic, social and environmental security. Particular attention should be given to human security challenges and to the cultural dimensions of development.

In a stable socio-political environment, food security can be ensured through developed infrastructures, adequate facilities to store foodstuffs, stable supply chains, food security nets, research and development and innovative funding such as the tax on tobacco in countries that produce tobacco on a large scale (Malawi, Zimbabwe, Zambia, Tanzania, Mozambique), voluntary contributions, calls on the financial market, migrants' remittances and diaspora investment in agriculture, a guarantee on bank loans to agriculture or a social grant.

Economic and social security can be achieved by making national territories safe, reducing inequality and poverty, guaranteeing that people can have a decent activity that generates an income. Promoting security and judicial governance and the fight against terrorism and extremism should be top priorities for the emergence of the African Continent.

As for environmental security, it can be ensured by eliminating or reducing the most damaging effects of human activity on the environment, notably through the use of renewable energy, reforestation, the fight against deforestation and good agricultural practice.

African countries should make a more determined effort to that end, including when it comes to strategic planning and good governance as they are indispensable to establish human security and promote resilience. However, efforts to guarantee economic security should be stepped up because the middle class in Africa remains largely vulnerable even if it has developed. Brazil would be a good example to follow in order to enhance food safety. It is also necessary to promote cultural values given the important part they can play to boost resilience.

Hence the following recommendations to guarantee human security and enhance resilience in the context of the emergence of Africa:
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- making national territory safe from religious terrorism, ethnic strife, cross-border organised crime and drug trafficking;
- plan development well in order to anticipate uncertain likely futures;
- promote good governance;
- assess resilience capacity needs;
- make the most of cultural values;
- promote decent employment in the informal sector;
- improve the quality of the workforce through schooling and training;
- increase the income and the productivity of poor people by promoting improved access to land, to loans and inputs, by adopting modern techniques, by introducing new crops, by improving marketing and by providing technical assistance;
- invest in research and development;
- promote efficient and innovative funding in agriculture.

The emergence of the Continent can only result from the improvement of human security, democratic and institutional governance, and the enhanced resilience of communities.

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The Role of Gender in the Process of Emergence

Euphrasie Yao
Minister for the Promotion of Women, Family Promotion and Child Protection of Côte d’Ivoire

Namizata Binaté
Lecturer and Researcher, Economic Science and Management Research Unit, Félix Houphouët-Boigny University in Abidjan-Cocody, Côte d’Ivoire

Introduction

Human development is about broadening the choices available to people by developing their skills, opening up possibilities and dismantling social, cultural and political barriers.

Seeking to promote inclusive development in Africa involves delivering strong and inclusive growth derived from an enhanced socio-economic and political context that supports the involvement and participation of all sections of the population (men, women, boys and girls). This growth must therefore be anchored in the development of skills through interventions aimed at improving health outcomes and education as well as promoting equal opportunities and providing a safe environment for all (Ellis, 2000). Several studies have shown that involving women and men in economic activities on an equal footing has a positive effect on women’s wellbeing. It helps them become more efficient, productive and competitive, which in turn contributes to bringing about inclusive economic growth (SACO perspectives).
Economic emergence – which is one of the key stages of development – is the product of the implementation of a coherent set of in-depth structural reforms and of accurately targeted public and private investment. It cannot come about without strong, lasting and inclusive growth. Economic emergence is also a process which involves combatting poverty, a scourge from which virtually the entire population of Africa suffers. Women are disproportionately affected by it: just under 75% of African women living in rural areas are poor (UNDP, 2016). Tackling poverty in Africa therefore involves generating growth that is inclusive, in other words growth that is present in sectors that employ large numbers of poor people. This would enable them to directly contribute to promoting growth and to benefit from its dividends through a fair redistribution of resources.

Bringing about economic emergence requires enhanced performance in all sectors, income diversification both in rural and urban areas and building the capacity of all available resources. The process leading to this emergence must be inclusive, participative and planned, hence the need to include all sections of the population and in particular women and men (Dao Gabala).1 Countries that want to become emerging nations need to ensure that the policies they formulate and the reforms they implement have the desired effects and that men and, above all, women are involved at all levels in political, economic and social contexts. According to a UNDP report published in 2016, advances made by women, who account for half of the Continent’s population, are central to human development.

Research into gender issues in a range of African countries has shown that the integration of women into development strategies and their involvement in the process are hindered by numerous obstacles of a political, economic and socio-cultural nature. Moreover, gender equality is far from being a reality and opportunities are not always available to women. As Professor Patricia McFadden has noted,2 all of these issues need to be addressed if Africa is to become an emerging continent.

Women, who make up the majority of the population in African countries (54% on average) account for 70% of those living in poverty.

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1. Ms Dao Gabala, President of the CFELCI (Coalition des femmes leaders de Côte d’Ivoire, Coalition of Women Leaders of Côte d’Ivoire) chaired the session on Gender, Development and Economic Emergence at the ICEA (International Conference on the Emergence of Africa) 2015.

2. Prof. Patricia McFadden, who hails from Swaziland, is an expert on gender issues and moderated the session on Gender, Development and Economic Emergence at the ICEA 2015.
The 2016 UNDP report on human development in Africa shows that gender inequality on the labour market alone cost sub-Saharan Africa just under 105 billion US dollars in 2014, the equivalent of 6% of Gross Domestic Product (GDP).

African women work mainly in the informal sector and earn 30% less than men because of the types of jobs they take on, because of a gender gap when it comes to education and as a result of their family responsibilities. Moreover, the domestic labour done by women and girls reduces the time available for education and subsequently productive and paid word: they are responsible for 71% of chores that involve gathering wood and collecting water.

Overcoming inequality in Africa and enabling women to play a part in the development process (which leads to economic emergence) and to benefit from development is a realistic goal. It will however only be met if women’s needs and the challenges that they face are not only identified and taken into consideration but considered a political priority.

The full involvement of women and men in the economic emergence process thus necessitates an in-depth analysis of their roles in society and of the economic sectors in which they are employed, in both rural and urban settings. It also involves identifying needs and obstacles – with a view to facilitating women’s economic empowerment – and exploring what political, institutional and operational mechanisms might need to be put in place. This analysis must be based on past experiences so that lessons can be learned with a view to ensuring women and men are better placed to contribute to economic emergence.

The role of men and women in dynamics that drive growth and development

Production is key to economic growth and development through the added value that it brings to the economy. In Africa, men and women are the main actors when it comes to the production of goods and services, particularly in agriculture which is the bedrock of the economy in most African countries. The agricultural sector in Africa employs around 70% of the working-age population (ECA, 2009) and women make up two-thirds of the agricultural workforce. In most African countries, they are the main producers of food crops and provide between 60 and 80% of produce destined for domestic consumption. The majority of the 1.3 million
women in Zanzibar are for instance employed in the agricultural sector (Ahmed Makame Haji, CIEA, 2015).

There has traditionally been a gendered division of labour in sub-Saharan Africa, women being responsible for food production aimed at enabling the household to be self-sufficient and generating income by selling surplus produce. As for men, they are the main producers of high-value cash crops. In addition to agricultural activities, women are involved in the informal sector (small businesses, processing, services, etc.). It is also important to not forget the unpaid work they do (maternity, educating children, preparing meals, gathering fuel and water, etc.) and which unfortunately is not taken into consideration in national accounts.

Although women play a key role in agricultural production and the informal sector, they are less productive than men and their income is significantly lower. The factors that explain this gap are principally to do with the difficulties that women face in terms of gaining access to resources such as land, modern inputs, credit, new technologies, extension services and information but are also linked to socio-economic and cultural issues. In Ethiopia for instance, women working in agriculture produce 26% less than their male counterparts; in Ghana the figure is of 17% (FAO, 2011, World Bank, 2011). However, a study conducted by the World Bank in a number of African countries, including Burkina Faso and Kenya, showed that if men and women were given the same amount of agricultural inputs, productivity among women could be up to 20% higher than among men. With this in mind, Malawi has made it easier for women in rural areas to access training, information, inputs and agricultural services in order to increase their productivity.

Looking beyond the agricultural sector, it is noteworthy that labour force participation rates for women are high in Africa. For instance, in countries such as Burundi, Tanzania and Rwanda, they reach 85 to 90%. However, there is a marked divide in African labour markets with women confined to poorly-remunerated roles, even in the informal sector. It is also recognised that African women have a strong entrepreneurial streak; they are at the helm of one-quarter of all businesses in Africa, with the highest proportion (61.9%) being recorded in Côte d’Ivoire (BAD, 2015). It remains that the activities carried out by women generate less added value and fewer returns than those carried out by men.

In the formal sector, only forty percent of posts are filled by women and they earn on average a third less than men.
It is crucially important to establish what policies need to be adopted to make women more “productive” and to offer them social protection, in order to enable them to generate more income, not just for themselves, but also for their households, so that they can contribute to bringing about inclusive growth and economic emergence. In order to do this, we must urgently establish what the needs of men and women are.

In Africa:
- the participation of women in the labour market accounts for up to 61% of the working age population;
- 25 to 28% of businesses are owned by women;
- on average, between 12 and 17% of women are employed in senior positions in public bodies
- it is estimated that women control less than 3% of the land.
- women account for between 60 and 80% of their country’s food production.

The issue of land control

Control over land is key to the full involvement of men, and particularly women, in the development of the agricultural sector. In many developing countries, agriculture remains a major source of employment and a key means of subsistence (FAO, 2012). In all societies, it is also an important source of wealth and a reference point when it comes to social status. However, in most cases, women do not have control over land, in spite of the legal frameworks that have been put in place in several countries (Society of Financial Awareness: SOFA, 2011). In sub-Saharan Africa, traditional systems that govern property ownership usually prevent women from owning property or having control over land. Women’s rights under customary law are frequently limited when it comes to inheriting land and crucially, they can be deprived of them if they divorce or are widowed. This underscores the persistence of discriminatory practices when it comes to inheritance and the inequitable nature of agrarian reform (ONU DAES, 2009). Studies have established that only 15% of those who control land (i.e. the people who have the power to run a plot, holding or farm, as owners, tenants or in accordance with customary law) are women. The figure ranges from less than 5% in Mali to 30% in countries such as Botswana, Cabo Verde and Malawi (FAO, 2011). It is also the case that land that is controlled by women tends to cover a smaller area and to be less desirable (FAO, 2011). This exclusionary process renders women vulnerable and hinders their economic and social empowerment. It is nevertheless noteworthy that in several countries, including Rwanda, married women have the same property rights as their spouses: they are...
entitled to 50% of their partner’s assets and are now entitled to inherit land. However, women who marry under customary law and do not register their marriage are not protected. Thus, in a context of liberalisation, the acquisition of land will principally depend on women’s ability to pay. Unless they have the financial means to do so, women will not be able to buy plots of land. Support from the state will be necessary.

In addition to the issue of land control, women do not always enjoy equal access to technology which could lessen their workload, particularly when it comes to domestic labour, and basic infrastructure is either inadequate or non-existent.

Access to infrastructure is a key dimension of the development of human capital. It plays an important role in ensuring that the at times divergent needs of men and women can be met and that they can be supported to meet their respective goals. Fragile and inadequate infrastructure in rural areas increases the vulnerability of local populations, with women being the worst affected. Issues to do with infrastructure are partly connected to the provision of public services. Their availability makes it possible for people to enhance their productivity, their income, their living environment and by the same token, to promote growth. Studies have established that there is a link between growth and access to infrastructure in the form for instance of running water, electricity and roads. For example, when women do not have access to drinking water or electricity, they tend to devote more time to domestic labour, which reduces the time they spend on other activities, including those that generate an income.

All in all, these factors have a deleterious effect on women’s ability to increase their productivity (particularly in the agricultural sector), to attend to their food security and their wellbeing as well as to ensure they and their families are able to subsist. Moreover, gender inequality undermines women’s ability to focus on several aspects of their wellbeing which contribute to their empowerment and to economic emergence, including health, education, employment and physical security.

**Gender equality and empowerment**

Promoting gender equality and empowering women is Goal 3 in the list of Millennium Development Goals (MDGs). This aim is viewed as essential to delivering the seven other MDGs and it supports economic emergence. The MDGs which have been agreed over recent decades have
facilitated progress on gender equality by setting economic, social and political targets. In spite of the progress that has been made, women remain at a disadvantage. This is why the Sustainable Development Goals (SDGs), which were put forward in 2015 and which replace the MDGs, strongly encourage states through Goal 5 (out of 17 in all) to bring about gender equality and empower all women and girls.

Gender equality

The gender equality agenda is concerned with rights, opportunities, treatment and obligations. It seeks to ensure that women and men can benefit from the same conditions and opportunities in order to meet their full potential and realise their ambitions; have equal opportunities and rights when it comes to participating in, contributing to and benefiting from common resources and social development; enjoy the same degree of freedom and of quality of life and comparable assets in all aspects of life. More specifically, when we discuss equality, we are referring to equality of access to education, healthcare and drugs, employment, protection against gender-based violence, equal responsibility for decision making, etc. Clearly, gender equality is a powerful tool in the fight against poverty which can support families, communities and indeed society as a whole. It allows each and every individual to contribute to the process leading to growth and economic emergence.

Gender inequality that manifests in the social, economic and political realms, has a significant impact on actors’ ability to contribute to growth and economic emergence. Variations in access to resources and opportunities help explain how certain individuals are able to acquire more skills than others and derive more benefits from economic growth. Inequality is mainly connected to the economic status of women. There is, throughout the world a general tendency for them to find themselves at a disadvantage in practically all sectors (OCDE, 2011). Women make up 43% of the global agricultural workforce but own three times less land than men. They also find it harder than men to have access to credit (as they have fewer assets to offer as security) and find it harder to access treatment when they fall ill. In the educational sector, they are more likely than men to be illiterate: they account for two out of every three adults who are unable to read or write. Women are also more likely than men to be the victims of acts of violence.

It is instructive in this context to note that a considerable amount of empirical evidence shows that in countries which have taken greater strides towards gender equality, economic growth is higher and poverty
rates are lower. This results from the fact that promoting gender equality enhances women’s human capital and helps them to gain access to a greater number of jobs; encourages them to take initiatives; improves their access to factors of production and productive resources, to healthcare and drugs; strengthens their rights and makes it possible for them to take part in decisions within households, communities and in the political arena. All of these factors can have a positive effect on their economic aspirations, their ability to contribute to economic production and their involvement in the process that leads to economic emergence. In the long term, they can also have an effect on future generations, through a positive influence on the education, wellbeing and economic potential of children. Because of its impact on all these domains, gender equality is a key factor that can contribute to economic emergence.

In order to guarantee equality of opportunity, a number of countries have taken legal, regulatory and institutional measures. In 2008, Mauritius adopted the Equal Opportunities Act which prohibits direct or indirect discrimination in the workplace, recruitment processes, public services and education. Similarly, the Namibian constitution provides for equality before the law and the right to not face discrimination on the basis of gender. As for South Africa, which is one of the world’s emerging economies, it has one of the best records on gender equality when it comes to paid employment (leaving aside agriculture).

Empowering women

Empowerment involves ensuring women and men have the necessary means to take part in the growth process, to contribute to it and to take advantage of it, in a context that recognises the value of their contribution and respects their dignity whilst allowing for a more equitable distribution
of the dividends of growth (IDRC, drawing on an OECD definition). Empowerment is also brought about through working towards gender equality.

It is widely agreed that empowerment can have a positive effect on various aspects of human development and encourage the active involvement of women in the economic emergence process. It involves helping men and women to become economically independent, with a particular focus on the latter by addressing a number of disadvantages that they face. This principally concerns employment, productive resources (land, credit, information, technology), opportunities for professional advancement (training, greater involvement in decision-making and more leeway to make decisions themselves) and public services (education, health, infrastructure). Empowered women can manage their wellbeing and that of their household. They contribute to healthcare, to the education of their children and to improving productivity: their own and that of the communities they live and work in. Moreover, the empowerment of women has a positive effect on GDP and helps to challenge discriminatory social practices (roles and responsibilities being allocated to men and women in an unfair way). It is important however to recognise that there is still a lot to be done to meet the goal of empowering women. Most women are still living out their lives amongst the poorest and most disadvantaged sections of society. This is due to a number of factors and in particular to socio-cultural barriers which prevent women from taking up opportunities to gain an education, to access healthcare, etc. Lack of financial resources is also a major obstacle to women’s economic independence.

In the following section, we outline the factors that we view as playing a central role in supporting or impeding women’s empowerment, namely, access to credit, education and health.

Access to financial services and the role of microfinance

Ensuring that women and men have access to the whole range of financial products and services, including savings, credit and insurance, is absolutely essential if they are to play their part in the economic emergence process. For women, whose ability to draw on their own financial resources is very limited, these products and services offer a means of accessing funds that both enable them to meet their basic short-term needs and invest in productive resources which will in the long term help them move beyond simple subsistence (UK DFID, 2007). Access to financial services also allows women to be better placed to deal
with crises (of a personal or family nature) and unexpected economic events. Research has shown that improving women’s access to credit contributes to empowering them. In the agricultural sector, credit enables women to acquire modern production inputs, which has a positive impact on their productivity. In the informal sector, access to credit makes it possible for women either to take up employment, to spend more time on a project they are already engaged in and/or to diversify their activities (Binaté, 2010).

However, there are still structural barriers to women’s access to these services which derive from judicial, institutional and socio-cultural factors (ONU DAES, 2009). This hinders their involvement both in the development process in general and more specifically in work to support the emergence of African economies. Numerous studies have shown that their access to credit is limited as a result of a number of factors, including difficulties when it comes to offering security against a loan, which are a direct consequence of the difficulties they face in gaining access to land ownership.

It is therefore vital to work to include vulnerable populations such as women in the financial system, with a particular emphasis on financial products, in order to encourage them to engage in economic activity and to broaden access to social protection. A range of financial institutions, programmes and projects have been set up with a view to achieving this aim. They are mainly microfinance structures which are viewed as an appropriate financial tool for those living in poverty. In some countries they have been specifically targeted at women.

In making 2005 the “International Year of Microcredit”, the United Nations signalled how important MFIs (Microfinance Institutions) are to driving economic growth on a global scale. In addition to offering small loans, these institutions give their clients who are usually unable to access the traditional banking system (commercial banks) a range of financial products and services, including savings, insurance and transfers. Although they all have their individual characteristics, MFIs are increasingly known for their capacity to engage with women. In 2001, most of the people using Microfinance Institutions were women (Daley-Harris, 2009). Research has shown that poor women who take part in microcredit programmes generally have better credit ratings as they tend to have a better repayment track record than men.

In spite of the important role played by MFIs, large numbers of people, many of them women, do not have access to these services, because they
struggle to be able to offer anything as security. Moreover, MFIs are frequently plagued by a lack of resources (both financial and material) and their limited technical ability in areas such as risk management, transparency and human resources. These shortcomings are a major drawback and limit their effectiveness. This calls for measures aimed at adapting and strengthening microfinance programmes in order to enable them to offer quality services for men and women in an efficient and appropriate way. Bringing about this change would constitute a major step forward towards the economic empowerment of men and women in general and of women in particular. Although efforts are already being made to address inequalities connected to this phenomenon, a number of challenges remain. Several countries have already taken a number of initiatives which have met with a degree of success.

In Rwanda, female entrepreneurs are supported by a bank that was set up specifically to work with women. Women launching a new project receive financial support equivalent to 75% of the investment made.

In Togo, there is a national fund available to both women and men to support start-up or development initiatives related to Income Generating Activities (IGAs).

In Côte d’Ivoire, progress has been made in the domain of women’s access to credit. Funds have been set up, including the FAFCI (Fonds d’appui aux femmes de Côte d’Ivoire, Ivorian Women’s Support Fund) which was set up by the country’s First Lady. FAFCI gives Ivorian women easy access to finance at a reduced cost to help them engage in income generating activities or build on ongoing activities. FAFCI was allocated a sum of 1 billion CFA francs when it was established in 2012. This was increased to 10 billion CFA francs in 2016. This shows not just that the will is there to make it an inclusive tool to broaden access to finance but, crucially, that this fund has been hugely successful and as a result has empowered significant numbers of women throughout the country.

**Men and women’s access to education**

Education is one of the key determinants of the social and economic development of a nation. It is a central dimension of development in the long term and essential to the eradication of poverty and the reduction of inequalities. It forms the basis of an egalitarian society (Moses Obinyeluaku, Chief Economist at the International Trade Administration Commission (ITAC) of South Africa). Making a similar point, Xiaoquan Chu (CIEA, 2015) argues that the availability of education contributes to
creating social conditions that favour economic emergence. According to him, although the economic benefits of education are not immediately apparent, particularly in the poorest countries, it is a means of combatting poverty. In order for a country to become an emerging nation, its citizens, be they men or women, must be well-educated. The acquisition of skills, knowledge and technical know-how through education and training also plays a central part in the economic empowerment of women. Many studies have shown that each additional year that a girl spends attending primary school has tangible positive effects for years to come: enhanced salary, fewer children and less chance of being married at an early age (Chicago Council on Global Affairs, 2011).

In light of all the benefits that it brings, the promotion of education is a priority and a challenge that needs to be addressed, with a view to ensuring equal access for all to all levels of education and to thus eradicating male and female illiteracy in both rural and urban areas. Figures pertaining to households gathered by the United Nations in 42 countries show that in rural areas, girls are less likely than boys to go to school and that they are twice as likely to not go to school as their urban counterparts. In developing countries, gender inequality is even more pronounced between rural and urban areas (United Nations, 2010). Once they gained independence, the majority of African countries, being aware of the importance of education, placed it at the heart of their development policies. Although positive results have been obtained in many countries, particularly when it comes to girls’ access to education (in order to bridge the gap between girls and boys) through political reforms with an educational dimension, it is still the case that much remains to be done to respond to the demands of economic emergence. A number of case studies are outlined below.

Policies implemented in Zanzibar have shown that there are serious inequalities that disadvantage women at all levels of education (primary, secondary, further and higher). In order to build the capacity of women, a female entrepreneurship centre has been established. Its remit is to provide assistance, particularly to young women who hold a degree and are unemployed but have a business idea, so that they can spend time developing their project before launching it.

In Tunisia, school enrolment rates rose considerably in the decade that followed the adoption of a law on compulsory school attendance in 1991. This resulted in a reduction in gender inequality in higher education where sixty percent of students are female (PNUD, 2004).
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Mauritius has acted to broaden the availability of free education in primary schools, secondary schools (1977) and in higher education. As a result, literacy rates among young females reached 95% in 2015.

In Botswana and the Seychelles, the gross secondary school enrolment ratio has been rising since the end of the 1990s.

As for Rwanda, it has the highest rate of primary school enrolment in Africa, with girls being ahead of boys (98% against 95%). In 2012, the primary completion rate was of 73% overall and 78% for girls. However, as far as secondary education is concerned, the gross school enrolment ratio for girls was low (under 39%).

South Africa met the Education for All Goals ahead of the 2015 target and the gap between the Adjusted Net Enrolment Rate (ANER) of men and women has been diminishing since 2002 and currently stands at 0.5%. However, a lot remains to be done to improve the quality of education. The government is aware of this challenge and is working to strengthen existing initiatives and develop new ones whilst building on progress that has been made in terms of human development.

Men and women’s access to healthcare and reproductive healthcare services

Health is a major contributor to the involvement of populations in the process of emergence. A healthy population is one that is productive and can therefore contribute to an increase in GDP. Research has shown that there is a relationship between women’s health and the extent to which they are empowered economically. On one hand, women’s health is viewed as necessary to their economic empowerment, as a sick woman cannot access the productive resources that she needs to take part in economic activity. On the other hand, economic empowerment has a significant effect on women’s health. For instance, when a woman’s income increases, this results in her investing more in her health and the health of her family (OCDE, 2011). In developing countries, women and girls are the worst affected when the quality of public health systems declines. Poverty creates a context that has a negative impact on health as it makes it necessary for individuals to live and work hard in unhealthy environments that make them ill. Given that women make up the poorest section of the world’s population, they are particularly susceptible to illness and less likely to have access to healthcare and medicine due to a lack of financial resources.
Reproductive health presents an important challenge when it comes to healthcare. A significant proportion of female mortality is attributable to risks linked to pregnancy and childbirth which are accentuated due to a lack of ongoing medical oversight. Very few pregnant women (and this is particularly true of those living in rural areas) make use of healthcare provision during their pregnancy. Several factors help to explain this state of affairs, namely the lack of centres delivering provision or the distances people need to travel to reach them, a lack of information and awareness and a lack of financial resources. This is why, according to figures, one woman dies of complications linked to pregnancy or childbirth every minute and 99% of these deaths occur in the developing world (UK DFID, 2007).

In light of this situation, countries need to act to meet the challenge of promoting women’s lifelong access to healthcare. Many countries have already drawn up strategies and put in place programmes to support reproductive health and these efforts have proved fruitful.

In Ghana, access to healthcare has been free for all pregnant women since 2008. In Rwanda, between 2005 and 2010, thanks to the availability of contraceptives and as a result of awareness-raising campaigns, the fertility rate fell from 6.1 to 4.6 children per woman and the prevalence of contraception rose from 17% to 52%.

The Tunisian authorities have made healthcare and public health a priority. Healthcare policies targeted at women, and particularly those of childbearing age, have evolved, moving on from the concept of family planning to encompass an approach to reproductive healthcare articulated around awareness-raising, prevention and the provision of services aimed at meeting the specific needs of women in general and mothers in particular. Progress has been made as a result, with fertility rates declining whilst high rates of vaccination have been achieved, resulting in the eradication of diseases such as polio, cholera and diphtheria. These initiatives have also resulted in improvements in reproductive health and have served to build women’s capacity.

Algeria is another example of good practice in terms of healthcare policy. It has the highest rate in Africa of births attended by skilled health staff because of the number of women who can access healthcare provision. As for Botswana, it has provided HIV tests to 90% of pregnant women and advice through its programme of prevention of mother-to-child transmission.
Other public policy initiatives promoting the empowerment of women and gender equality

Strengthening legal, institutional and operational frameworks

Laws and institutions dealing with issues around gender provide a framework that helps to promote the recognition and respect of human rights in general, and those of women in particular, in all areas of life. They have a key part to play in empowering women. The majority of the world’s countries have ratified the Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW) with a view to promoting gender equality.

This legal and institutional framework serves to cast greater light on the range of actions that need to be taken. It can point the way towards greater gender equality and be used to enforce compliance. Although the promotion of gender equality is now enshrined in law in the majority of countries, the implementation of these measures remains problematic. Some countries have nevertheless succeeded in making significant progress.

Rwanda is by far the country where institutional and operational reforms have had the greatest impact on women’s living conditions. Whereas before the genocide, women in Rwanda could not inherit nor hope to get access to resources as they were themselves considered to be goods, they can now buy land and have a right to half of their spouse’s assets, as previously mentioned (Kalica, Rwanda, CIEA, 2015).

In Côte d’Ivoire, the government is driving forward interventions aimed at addressing institutional, operational, economic and cultural challenges related to equal opportunities, gender and equality. This has involved in particular:

- the establishment of the Direction de l’Égalité et de la Promotion du Genre (The Commission for Equality and Gender Promotion) in 2006;
- the adoption in 2009 of a national policy document on equal opportunities, equality and gender which outlines the key government priorities on gender;
- the adoption in 2014 of a national strategy to combat Gender-based Violence (GBV);
- the establishment of the ONEG (Observatoire national de l’équité et du genre: National Observatory on Gender and Equality);
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• the inception in March 2015 of the CNF (Conseil national de la femme: National Council for Women).

This institutional context makes it possible to define the roles and responsibilities of national and international stakeholders and to raise the profile of strategies and actions that need to be undertaken.

From an operational perspective, Côte d’Ivoire has set up the COCOFCI (Compendium des compétences féminines de Côte d’Ivoire: the Côte d’Ivoire Compendium of Female Expertise) which enhances the profile, involvement and leadership of women in both the public and private sectors. A national “Femmes et Développement” (“Women and Development”) fund has been set up to support female entrepreneurship and women affected by the post-electoral crisis. This is supplemented by the FAFCI (Fonds d’appui aux femmes de Côte d’Ivoire: Support Fund for Côte d’Ivoire’s Women) which aims to give women access to financial resources at a reduced cost in order to support the establishment or development of income-generating activities.

Involving men and women in decision making

The involvement of women and men in decision-making processes in their families, communities and governments is an important factor which is directly linked to the improvement of their living conditions and their contribution to the emergence process. For instance, women’s involvement in decision making in the context of conflicts has a positive effect on social cohesion. In peacetime, their presence within national bodies renders them more representative of African society and helps to maintain peace. The involvement of men and women in decision making also contributes to widening access to opportunities and defending human rights, particularly those of women.

Nonetheless, women, who on average make up 54% of the population, have little access to resources and limited power within the structures and institutions of African societies (Prof. Patricia McFadden, Swaziland, ICEA, 2015). Many African women live out their lives according to traditional value systems and are subject to laws which treat them like second-class citizens and prevent them from making their voices heard in the corridors of power.

In Côte d’Ivoire, the number of women elected and appointed to posts is still well under the agreed target of 50% (Anne-Désirée Ouloto, ICEA, 2015). Efforts have however been made with a view to addressing this
state of affairs. A quarter of ministers in the current government (9 out of 36) are women for instance. Women make up 9.16% of the elected members of the National Assembly. This figure is very low as compared to Rwanda where women fill 51 seats out of 80, thus accounting for 63% of elected representatives. It is the first (and only) country in the world where there is a majority of female parliamentarians.

Although women remain under-represented in African decision-making bodies, progress has been made over the course of the past decade and women themselves have become more aware of these issues. They have come to the realisation that their ability to play a part in the work of decision-making bodies is key to facilitating their involvement in the process leading to the emergence of African economies.

The elimination of violence against women

Violence against women is a major barrier to human development. It is a crucial problem which manifests across the globe, is a priority for policy makers and a challenge that needs to be addressed. A review of the available literature shows that women are the main targets of a range of forms of violence, the most common of which is domestic violence. According to a 2009 WHO report, the prevalence of domestic violence in Africa and the Middle East was 37%. There is a link between gender-based violence and the involvement of women in the emergence process. A resurgence in violence aimed at women is one of the factors that has the potential to hinder their ability to contribute to the emergence process and even to economic and social development. A woman who has been attacked suffers an assault on her human dignity but also finds her physical capacity undermined. This can result in her being unable to meet her needs (be they material, to do with healthcare, etc.) and consequently to take responsibility for her wellbeing and that of her family, let alone to contribute to the development of her community and her country.

Although women are the main victims of violence, it is important to acknowledge that men are also targeted. Personal safety should therefore be taken very seriously. It is more important than ever for each individual, irrespective of gender (man, woman) to be protected and to, as a result, be able to peacefully and serenely enjoy their environment.
Rwanda is the only African country that features in the global list of the ten countries that have the best track record on equality between men and women.1 The country comes 6th out of 145 in a ranking based around a range of criteria grouped into four main categories: access to healthcare, access to education, economic participation (salaries, labour force participation, representation in senior roles) and political empowerment. Rwanda stands out as a country where institutional and operational reforms have had a striking impact on women’s living conditions. It is ranked ahead of a number of developed countries such as France, Germany and the US.

What is behind Rwanda’s success?

Three factors have contributed to the progress made in Rwanda: (i) political will, solidarity, Rwandans’ desire to be united and to live together and the team spirit conjured up by the country’s President; (ii) the requirement for all people in positions of responsibility to be accountable and act in a transparent way, particularly when they have responsibility for budgets and (iii) a vision that demands the best, that encourages people to “Think Big”, in which women are not forgotten and play a prominent role.

The issue of gender equality is clearly seen as a priority by the Rwandan government, which considers it to be key to fostering social peace and the ability to “live together”. The second strand seeks to promote good governance in institutions and in the implementation of policies aimed at securing the wellbeing of the population.

The principle of equality between men and women is enshrined in the Rwandan Constitution and embedded in national policies on gender, thus making it possible to integrate the “Gender” dimension into all programmes and projects emanating from government and civil society organisations. The Constitution also states that 30% of posts at different levels of responsibility should be occupied by women.

In terms of education, Rwanda has the highest rate of primary school enrolment in Africa (95% for boys; 98% for girls). School attendance was made compulsory in order to achieve this result: all parents have to send their children (girls and boys) to primary school and ensure they attend classes. This policy is backed by campaigns that raise the awareness of the population concerning the benefits of education and the role they can play in their children’s education.

As far as equality and the effective involvement of women in decision making are concerned, Rwanda is the first (and only) country in the world where more than half of parliamentarians are women (63%). The Rwandan authorities are committed to implementing the international instruments and conventions that they have signed. Bodies responsible for gender promotion have also been established, namely the National Women’s Council (NWC) and the Gender Observatory which is tasked with overseeing the implementation of national policy on gender.

The very significant female presence in Parliament has facilitated the adoption of a number of laws on gender equality: the organic law determining the use and management of land in Rwanda;2 the law on prevention and punishment of all forms of gender-based violence; the law regulating labour in Rwanda and the law relating to the rights and protection of the child against all forms of violence.

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2. Women are entitled to 50% of their spouse’s assets and are now able to purchase land.
Conclusion and recommendations

Analysing the role of gender in the emergence process has shown that the status of emerging country, which most African nations aspire to, can only be reached by harnessing women’s contribution in a more effective and inclusive way. In spite of this, men and women are not afforded the same opportunities to realise their full potential and contribute to achieving this aim. It is true that some countries have taken steps to address gender inequalities, but much remains to be done to bring about truly emerging societies. It is therefore absolutely essential for debates around development to take account of the different elements that make up the general population (men, women and young people) and particularly vital to support the participation of women who currently make up the most deprived section of the population. This contribution has highlighted a number of examples of good practice in a range of countries which have involved mainstreaming gender equality.

Countries that aspire to become emerging nations should therefore draw inspiration from these successes. This will involve in particular:

- embedding gender issues in national and sectoral development policies in order to promote equality and equal opportunities in accordance with countries’ vision for their emergence;
- taking a decentralised approach to gender issues, thus facilitating the identification of the specific needs of men and women in both rural and urban areas and ensuring they can be taken into consideration in local development plans;
- giving men and women access to the same opportunities (in terms of health, education, infrastructure, credit, social and personal protection, etc.), to satisfy their specific needs in order that they can meet their full potential;
- raising awareness amongst men of their responsibility to review their relationships with women to ensure they are based on equality and complementarity;
- the compilation of statistics on gender and development that will inform analyses and interventions;
- building the capacity of the general population, and particularly of women, to enable them to board the emergence train.

In order for such interventions to bear fruit, they must be supported by real political will, a clearly defined regulatory and legal framework and strong and operational institutions.
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The Demographic Dividend Factor and the Emergence of Africa

Babacar Cissé
Deputy Special Representative of the Secretary-General of the United Nations and UN Resident Coordinator in Côte d’Ivoire

Introduction

Until the 1990s, most studies concluded that the relationship between population growth and economic growth was not significant. The report of the National Academy of Sciences even stated in 1986 that the population factor was neutral in the development process. These results, which were based on old data that preceded the rapid decline in fertility in emerging countries and their economic take-off, also partly explain the weak efforts by African governments and their partners to implement policies aimed at reducing fertility. However, these analyses ignored a fundamental demographic variable: the age structure and its changes during the demographic transition process. For the past 15 years or so, many studies have highlighted the importance of changes in the age structure in accelerating economic growth in emerging countries. In 2007, a study on the gap between growth rates in sub-Saharan Africa and a sampling of other countries concluded that this gap was mainly linked to demographic factors.

Since the early 1960s, Africa has experienced high population growth and a rapid urban transformation. The number of the Continent’s large cities has increased significantly and their urban space has grown by approximately 8% per year. Secondary centres have also seen a notable increase, changing both spatial dynamics and land planning issues.
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This paper highlights the demographic evolution in Africa, the policies which must be implemented in order to initiate sustainable development that takes advantage of the demographic dividend as well as the potential solutions to promote an inclusive and sustainable development process that is favourable to the emergence of the Continent.

Demographic evolution in Africa

Africa’s population growth is unprecedented in the history of the world due to the sharp drop in the mortality rate resulting from advances in medicine and hygiene and a persistently high fertility rate. Indeed, the average fertility rate of the Continent, particularly in its sub-Saharan region is currently twice as high as the world average.

With 43% of its population under the age of 15, Africa is the world’s youngest continent with a high demographic growth rate. Its population has risen from 230 million in 1950 to 808 million in 2000, and to 1.1 billion in 2015. It will have 2.4 billion inhabitants by 2050\(^1\) and 4.2 billion by 2100, an increase that will make the Continent the world’s largest demographic “reservoir”.

Several African countries (Nigeria, Democratic Republic of the Congo, Ethiopia, Tanzania, etc.) will pass the 200 million inhabitants mark.

To respond to this population boom, the Continent has farmland, important raw materials and the world’s largest reserves of hydroelectric energy. In addition, population growth gives it a young urban labour force that can lead to the Continent’s emergence.

This population growth is accompanied by rapid urbanisation. In 1950, Africa had no cities with more than 1 million inhabitants; today, it has 40. This general trend will continue since the urbanisation rate, which is currently of 36% (compared to 80% in Latin America), is rising by more than 3% per year. According to projections, by 2030 one-half of the African population will be urbanised.

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1. This scenario is based on demographic transition assumptions similar to those in developed and emerging countries, with the fertility rate dropping from 5.5 children per woman currently to 2.1 by 2050.
This urbanisation is transforming societies profoundly. Nearly all behaviours are affected by it, including family and social relations, eating habits and cultural and political practices. It also poses enormous challenges from an economic, social and political standpoint, such as poverty, poor health conditions, disease, violence, inequality, insecurity, social unrest and environmental deterioration. Furthermore, the rapid growth of the urban labour force will become an advantage only if it is qualified and accompanied by the creation of enough high-productivity jobs. For the time being, however, urbanisation has mainly resulted in unproductive informal jobs, unstable incomes, unmet social demands and the proliferation of poor neighbourhoods. Indeed, the urban African population living in shantytowns has continued to progress over the last 20 years at high speed. It has risen from 102 million inhabitants in 1990 to more than 224 million in 2014, according to the UN-Habitat figures.

The rapid urbanisation of the Continent can give rise to a demographic dividend which will be an opportunity for Africa, provided it properly manages the change in the population’s age structure. In countries with high fertility, the dependency rate (ratio of those under 15 and over 65 years of age to the working population) is high because of the youthfulness of the population. The burden on the family decreases when fertility begins to drop; it then rises again due to the longer life expectancy and the ageing of the populations. Between these two phases, there is, therefore, an interim period in which the dependency rate is low. This period represents the window of opportunity that a country can exploit to save and invest in sustainable development.

Various models are used to understand the demographic dividend. What their results have in common is the positive impact of the drop in the dependency rate on economic growth, human capital and productive employment. The resulting demographic dividend could be the starting

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2. The demographic dividend is the accelerated economic growth that may result from a decline in a country’s fertility and the subsequent change in the population by age group. Although these benefits may be significant, the gains are neither automatic nor guaranteed. An analysis of countries that have benefited from the demographic dividend shows the importance of a rapid decline in the fertility rate in order to reduce the dependency rate; however, this reduction must be accompanied by the development of human capital, use of the savings achieved to make wise investments, and the implementation of economic reforms to create a high number of decent, productive jobs. Some countries have emerged with the help of their demographic dividend. The most notable examples are Asian countries (South Korea, Taiwan, Hong Kong and Singapore). One-fourth to one-third of Korea’s notable growth during the 1970s and 1980s is attributed to the demographic dividend.

3. Even with a decline in fertility, African countries will continue to see a large number of young people enter the labour market each year (11 million on average between 2015 and 2020).
point of a virtuous cycle in which economic progress and demographic change are self-sustaining. Demographic dividends will eventually be reaped, if the process is really begun in time.

To help the African countries to tackle this key aspect of the demographic dividend, in 2010 the UN General Assembly, through its resolution 65/234, requested a review of the implementation of the International Conference on Population and Development (ICPD) Programme of Action. A special session of the General Assembly was also held in 2014 to review and examine the measures needed for its follow-up. In 2015, regional initiatives were taken to mobilise national entities in charge of demographic issues as well as to think of population policy renewal. In West Africa, a pilot programme supporting the empowerment of women and the demographic dividend was launched in 6 Sahel countries with the support of the World Bank and the United Nations Population Fund (UNFPA).

The African Union and the Economic Commission for Africa also examined this issue in 2015 and 2016 to better understand the challenges and implications of population growth for sustainable development. The issues at stake for Africa and the World require ambitious policies in order for population growth and urbanisation to drive structural transformation and sustainable development.

The challenges to be met in order to benefit from the demographic dividend

Sub-Saharan African countries are in different phases of their demographic stabilisation process, while most other continents have already seen a simultaneous drop in mortality and fertility. Most African countries are still at the beginning of the fertility reduction process. In certain countries, particularly in Eastern, Central and West African countries, the social indicators are still constrained by population growth, particularly as little inflexion on a drop in fertility has been noted.

The slightly more advanced countries are confronted to the challenge of turning the drop in dependence rates into an increase in savings and investment. Thus, in North Africa and in Southern Africa, the drop in fertility and the increased levels of education have opened the way to a demographic dividend. These countries must, however, implement socio-economic, urban and environmental policies which are better adapted in order to benefit from this very demographic dividend.
In general, realisation of the demographic dividend is encountering numerous problems in sub-Saharan Africa:

- most countries have fertility rates of more than three children per woman and couples still wish to have large families;
- the window of opportunity to exploit the demographic dividend is short and, for most African countries, will close in 15 to 20 years. To take advantage of it, countries must implement family planning policies and make investments to lower fertility;
- the decline in infant mortality in many countries has taken precedence over the drop in fertility, which has resulted in a considerably younger age pyramid. In most countries, women would like to postpone their pregnancies or have fewer children, but many use no modern form of contraception.\(^4\)

The high economic growth recorded in recent years in many countries is not inclusive, nor has it allowed the most disadvantaged people to access basic social services (health care, family planning, education, etc.) or obtain a decent job, factors that are essential to realise the demographic dividend and achieve equitable results.

The demographic issue only appeared more recently in the Poverty Reduction Strategy Papers (PRSPs). The latter being essentially concerned with reproductive health and the fight against great endemics, birth control remained marginal. It is only at the beginning of the 2010s that the demographic issue was taken into account in the National Development Plans (NDPs) and this, only in less than ten countries or so.

Yet, several countries on the Continent have the possibility of realising a demographic dividend and thus follow in the process of human development which may lead to emergence. Indeed, as well as its frequently highlighted positive effects, a well-managed and shared demographic dividend would reduce inequalities and improve employment and revenue indicators. Indeed, the more affluent social classes are the first to limit births (the gap in fertility between the wealthy and the poor in many African countries are currently of somewhere between 2.5 and 3 children per woman) and to invest in the promotion of their children’s education. Yet, the persistence of these kinds of gaps may increase economic and social inequalities in these countries.

\(^4\) While the unmet need for family planning has decreased slightly worldwide (222 million in 2014 compared with 226 million in 2008), it has increased in sub-Saharan Africa (38 million in 2014 versus 31 million in 2008).
The Emergence of Africa

Although each country is unique, the demographic dividend represents an opportunity to increase economic growth. The time has come for African countries to take appropriate measures by making strategic investments in five key areas:

- family planning, childhood health and the education of girls to ensure a rapid decline in fertility;
- health and nutrition\(^5\) to increase children’s chances of succeeding in school and to improve worker productivity;
- education to ensure that young people finish their studies and have the necessary skills to enter an ever-changing labour market;
- policy reforms (governance, business environment, infrastructures, foreign trade) to facilitate investment in labour-intensive sectors; and
- investments in social infrastructures and in sustainable management of land use and urbanisation.

THE DEMOGRAPHIC DIVIDEND AND URBANISATION IN CÔTE D’IVOIRE

Because of the labour requirements resulting from strong economic growth that began in the early 1960s, high population growth in Côte d’Ivoire was not perceived by authorities as a constraint on its development. It was not until October 1991 that the need to develop a population policy covering the period from 1991 to 1994 became officially part of the public discourse. This policy was followed by the 1997-2007 DPNP (déclaration de politique nationale de population), national population policy statement. Following its assessment, a new population policy was introduced in 2010 which proposed: 1) controlling population growth, 2) managing international migration, 3) leveraging human capital, 4) improving the populations’ living environment and physical environment, 5) promoting equal opportunity and gender equity, and 6) improving services for people in hardship situations.

Côte d’Ivoire currently has 23.5 million inhabitants. Fertility remains high (five children per woman on average: 3.7 in urban areas, and 6.3 in rural areas) due to the low use of contraception. The population is therefore young, with a dependency rate of close to 80%, double that of emerging countries. The United Nations’ (UN) projections show that, at the current fertility rate, Côte d’Ivoire’s dependency rate will decrease later than anticipated, and is expected to be 64% by 2050. That is why urgent measures must be taken to reduce the fertility rate, but also to invest more in education, health and nutrition in order to accelerate the drop in the dependency rate, and take advantage of the demographic dividend.

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5. In sub-Saharan Africa, approximately one out of three children suffers from stunting due to malnutrition. This stunting, whose effects are irreversible, has serious consequences such as disability and vulnerability to disease. It also negatively impacts children’s ability to learn and therefore their chances of a successful future integration into the labour market.
This high population growth is accompanied by rampant urbanisation, which has been intensified by population movements in the wake of the successive crises in the 2000s. Currently, the urbanisation rate is 49.7% (2014 RGPH) (Recensement général de la population et de l’habitat, General Population and Housing Census). According to the UN’s projections, it will be approximately 60% by 2020 and 70% by 2050. If bold measures are not taken quickly within the framework of long-term urban planning, access to urban facilities will become more difficult than it already is, and the number of squatter settlements will increase.

Côte d’Ivoire’s goal is to achieve the status of emerging country by engaging in a structural transformation based on accelerating its industrialisation. To this end, urban areas, in synergy with rural areas, will have an important role to play in improving labour productivity, particularly that resulting from the rural exodus. Appropriate measures aimed at quickly achieving the demographic dividend will therefore need to be taken in order to move in this direction over the long term.

The challenges in this area will be significant in the coming years. They will mainly entail a rapid drop in fertility through emphasis on accepted family planning, and a greater increase in investments in human capital (health, nutrition, education, vocational training, etc.). Moreover, and in light of rampant urbanisation, these measures will need to go hand-in-hand with an improvement in urban planning (socioeconomic infrastructures, safe housing, etc.) and an acceleration of industrialisation in sectors with high labour requirements.

Addressing these challenges is essential for Côte d’Ivoire to turn the management of population and urban space into the levers of its emergence.

Policy guidelines in favour of the demographic dividend

According to UN projections, the median year to enter the window of opportunity, i.e. the period in which the dependency rate will be lower than 45%, is around 2020 to 2025 in Africa. However, there are major differences among the countries of the African continent. The start date, length and depth of this window will depend on the decline in fertility and, therefore, the policies implemented to achieve it.

The demographic dividend is important, but it is not necessarily sufficient to move towards emergence. This “demographic boost” has allowed some countries to transition more quickly from a low-income country to a middle-income country. Countries such as Botswana, Namibia and South Africa could see their GDP per capita reach US$15,000 by 2035, a more than 25% increase, if, like Korea, their economic growth were to benefit from a demographic dividend over the next 10 years. For other countries, the demographic dividend alone will not enable them to pass the $10,000 mark in the medium term, but it would play a decisive role in facilitating that transition.
role in initiating a virtuous cycle. Lastly, countries that fail to lower their fertility prior to the aging of their population would miss their window of opportunity. They could, therefore, sink into a vicious cycle of low growth, insufficient investment and persistent poverty.

The effort to mobilise countries around the demographic dividend has begun, as evidenced by high-level meetings among African Ministers and Members of Parliament. At the scientific level, development research initiatives are underway at several international and research institutions to better estimate its impact in Africa. These efforts must be pursued through dialogue at the regional and national level.

A key strategy for achieving this objective is to give women and men information about voluntary family planning and contraceptive services. One out of two women of childbearing age in Africa who wants to avoid getting pregnant or delay or space out births fails to do so using a modern family planning method. Other factors, particularly the education of girls and child survival, also contribute to the need to have smaller families and the use of family planning. When women can choose the frequency and timing of their pregnancies, they are more likely to want fewer children and are better able to attain the desired family size, which paves the way for an initial demographic dividend.

Health systems must be improved, starting with the expansion of coverage of primary care, including vaccination. Improvements in reproductive health care, information, education on sexuality and family planning are also needed. In this respect, various family planning methods must be made universally available to improve maternal and child health and reduce the number of unwanted pregnancies. Laws prohibiting early marriage must be enacted and enforced as they affect women’s development and economic contribution.

These investments in health care must be accompanied by programmes to prevent malnutrition, which has severe negative effects on health and future productivity. In fact, it has been shown that countries where nutrition has improved over the past 20 years have experienced strong, steady growth. To effectively combat malnutrition, it is crucial to involve the communities (monitoring of children’s growth in Tanzania to prevent stunting) and to promote local solutions (creation of community grain reserves in Rwanda). It is also important to continue to promote breastfeeding while expanding deworming and vitamin and mineral supplementation programmes.
The quality of Education must be improved based on equal opportunity between girls and boys. Access to secondary education, higher education and vocational training must be expanded and adapted so that young people acquire the skills needed to find a productive and decent job.

For youth employment, in addition to reducing the duration of unemployment, the quality of education, vocational training and demographic transition must be improved. National initiatives should:

• be tailored to the country’s progress in obtaining the dividend;
• have multiple synergistic effects on several life phases and the formation of human capital;
• measure the effects of public policies to transform production and consumption patterns;
• take into account the challenges of sustainable development and climate change;
• build on successful experiments in other countries.

In order to boost the labour supply, to reduce the high level of underemployment in urban areas and to improve productivity, investments will need to be made during a transition phase in sectors with high demand for low-skilled jobs, as is the case in some agribusiness and manufacturing segments. However, the focus must ultimately be on creating jobs in higher value-added sectors as the country’s educational level rises. The labour market must also be modernised with greater flexibility in terms of hiring, occupational mobility and investments in training by the private sector. Men and women must have equal access to employment.

Appropriate public policies must be introduced to promote access to housing, remove obstacles encountered by actors (households and community-based organisations, financial institutions, construction companies, municipalities) and encourage them to collaborate. The housing industry must also be supported by macroeconomic policies aimed at controlling inflation in order to facilitate long-term financing and a reduction in interest rates. Support for the development of affordable housing, for mass production models, and for mortgage markets is also needed.

Public authorities must release land reserves and improve the title deed registration system to guarantee each individual’s rights. Municipalities and local authorities must also assume their role as key players in the
implementation of urbanisation plans. Appropriate choices regarding zoning, transport networks and infrastructure planning are key to an effective city. Along these lines, the initiatives launched by countries whose governments have chosen to rehabilitate informal residential areas and issue official title deeds should also be examined. This allows households to use title deeds as a loan guarantee to finance improvements to their home or their children’s education.

Furthermore, public policies must cover all segments of the housing value chain. Instruments such as guarantees, subsidies and tax benefits must be developed to encourage home financing for the poorest individuals. In this respect, experiments to help irregular-income or informal sector households gain access to land and microfinance products for housing construction must also be studied.

It is clear that a housing policy must create an environment which is favourable to private initiative. Its efforts must be focused on securing transactions and creating targeted incentives to support the emergence of a sustainable, independent sector.

**Conclusion**

If countries succeed in planning and undertaking the necessary investments during the first steps of the demographic transition, they can create a virtuous circle around the improvement of education, human capital and economic productivity. That was the path chosen by the Asian Tigers, then, later, by several Latin American countries, in order to come out of poverty.

The emerging countries of Asia (South Korea, Taiwan, Hong Kong, Singapore) had the same kind of profile and demographic status as that of many sub-Saharan African countries now. However, they were able to benefit from their demographic dividend because they invested massively and over long periods of time in education and family planning. They also carried out the necessary economic and social reforms and successfully integrated women into the labour market.

Over one third of growth between 1965 and 1990, during the East Asian countries’ “economic miracle”, is associated with the trend that triggered a demographic dividend.
THE EXPERIENCE OF ACCESS TO PROPERTY
FOR THE MOST DISADVANTAGED PEOPLE LIVING IN SLUMS:
THE CASE OF MOROCCO

In Morocco, two-thirds of the country’s inhabitants will live in cities by 2030, compared with 59% today. Six million additional city-dwellers will therefore need to be accommodated in the coming years, even though there is already a housing shortage of 840,000 units. The other major challenge will be to reduce unsafe housing. Estimates show that more than a third of the housing units developed consist of non-regulatory dwellings, i.e. built without authorisation and without collective urban facilities. However, access to decent housing is guaranteed by the new 2011 Moroccan Constitution.

Since its independence, the country has pursued an active home ownership policy. It first supported housing development by contributing public land, making collective investments (markets, health facilities, schools, etc.) and encouraging demand by offering interest rate subsidies on housing loans.

Starting in the mid-1990s, the public authorities, faced with a worsening housing shortage, decided to focus on the active participation of the private sector by creating financial and tax incentives to encourage investment.

It is against this backdrop that the 250,000 and 140,000 dirham social housing programmes emerged. The partnerships formed under these programmes boosted social housing development, structured the private sector, and led to the emergence of large Moroccan real estate groups (Addoha, Chaabi, Alliance). In parallel, significant efforts were made to reduce unsafe housing with the ‘Cities Without Slums’ programme. Launched in 2004 in the wake of the Millennium Declaration, the aim of this programme was to eradicate all Moroccan slums in 85 cities and urban centres. Slum restructuring, relocation to group housing and resettlement – by offering developed lots for assisted self-help housing – were the preferred methods of intervention in Morocco.

The “third-party partner” (tiers associé) mechanism adopted in Casablanca by the local authorities and public operators exempted slum dwellers from financing their new home. Under this arrangement, two families who come from these poor neighbourhoods and receive the same plot have the opportunity to enter into a contract with a third person (developer, investor, first-time property buyer, etc.). Through this contract, the third-party partner agrees to build a four-storey building, deliver a dwelling to each family and cover the cost of land normally payable by low-income households (70,000 dirhams in total, i.e. approximately $7,000). In return, the partner keeps the two remaining storeys, which he can either live in himself, rent or sell, thereby benefiting from a highly subsidised cost of land. This good practice is a model in Africa.
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Many countries on the African continent have, thankfully, become aware of the challenges they face and thus seek to define more ambitious population policies.

An African proverb says "The best time to plant a tree was 20 years ago. The second best time is now." That is why it is essential to increase investments in health, family planning, nutrition, education and job creation now, in order to benefit from a demographic dividend in the future.

Developing countries and development partners must invest heavily in these areas over the long term so that Africa can realise its demographic transition and benefit from the demographic dividend within a reasonable period of time.

Since the demographic dividend has a specific window and is not automatic, the proper timing of political action is critical. Increased funding of health, education and job programmes must also occur very early in people’s lives. Inadequate health care and nutrition compromise the well-being and productivity of a generation. Improving access to family planning helps reduce maternal and infant mortality and slows down the rise in the number of young people who are dependent, not only for their families but also for social protection systems, when they exist.

In view of rampant urbanisation, the development of cities must be a priority for Africa and is key to the Continent’s successful emergence. This means that developing the human capital of urban populations must be a priority. Leveraging best practices and the lessons learned from inclusive urban transformation management processes will be essential to policymakers and development practitioners. To address housing challenges, governments must play a central role in coordinating actors and supporting the private sector in order to allow the development of socially, ecologically and culturally sustainable urban solutions.

Access to housing is not only a moral imperative. It is also an engine of economic growth and jobs and a driver of development. To ensure decent housing for all, an unprecedented mobilisation of all actors will be needed.

Like Asia and Latin America, the realisation of a demographic dividend is possible in Africa as long as the political will displayed by the countries translates as the implementation of effective political reforms in the areas of health, education, family planning, nutrition and sustainable urbanisation.
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The Emergence of Africa


The Challenge of the Global Jobs Pact and the Emergence of Africa

Prof. Bénié Marcel Kouadio
Senior Lecturer, Félix Houphouët-Boigny University in Abidjan-Cocody, Côte d'Ivoire

Luc-Joël Grégoire
United Nations Development Programme Country Director in Côte d'Ivoire

Introduction

In a changing economic and international environment, African countries face many challenges in achieving the Sustainable Development Goals (SDGs) by 2030. They need to use new approaches to strengthen governance in the world of work, to create decent jobs and to promote economic and social policies that can generate income and reduce poverty and inequality.

In most African countries, economic growth has been relatively steady in recent years. According to the International Monetary Fund (IMF), the African continent has seen average growth of 4.6% over the period 2005-2014. However, this growth has had no noticeable impact on poverty, and few African countries are likely to meet the goals of reducing extreme poverty by half by 2030 and of creating productive and decent jobs. This disappointing performance, in spite of Africa's considerable potential, is due to the slow and uneven growth of opportunities for decent employment on the continent.
Nevertheless, some of the changes on the global political and economic scene give Africa the opportunity to improve and redirect its growth in order to create more jobs and to reduce poverty. Thus, since the mid-1990s, second-generation Poverty Reduction Strategy Papers (PRSPs) have introduced the dimension of productive and decent employment into national processes for drawing up development policies.

Africa has also promoted the Decent Work Agenda 2007-2015 with the support of the International Labour Organization (ILO). Finally, the international community, including the United Nations, is increasingly concerned with poverty, unemployment, inequality and social exclusion in the developing world, particularly in Africa.

Unemployment is one of the greatest challenges in the way of development on the continent: in 2015, the total unemployment rate was estimated at 11.3% in Africa (10.8% in sub-Saharan Africa and 12.4% in North Africa).

We should underline that only 8.6 million jobs are created every year, which is insufficient to curb the rise in unemployment. In order to bring Africa’s unemployment rate down to the level of the average global unemployment rate – just over 6% – some 12 million jobs need to be created every year. To achieve this objective, the annual rate of growth would have to be greater than 7%, and the economy would need to create more jobs.

The challenges of employment in Africa

In 2015, there were more than 275 million young people between the ages of 15 and 24 in Africa, accounting for more than 23% of the population. The Continent, which is experiencing rapid population growth, has entered a phase of slow demographic transition – fertility rates remaining very high – which increases the pressure that countries face in terms of job creation.

The average unemployment rate in sub-Saharan Africa was estimated at 10.8% in 2015, with African economies facing significant difficulties in generating jobs. It should be underlined that three out of five unemployed Africans are young, and that 72% of young people on average live on less than US$2 a day, a major daily challenge for every one of them.

Finding productive employment for the 275 million Africans aged 15-24 is undoubtedly one of the major challenges facing the Continent.
countries in Africa, whatever their level of socio-economic development, face the challenge of youth employment, even though the nature and magnitude of the problem varies from one context to another. Apart from the demographic situation and the high reproductive rates, young people entering the labour market are hampered by other factors, such as their lack of professional experience, lack of access to education and appropriate training, and a lack of organisation and representation that prevents their needs from being taken into account in action programmes.

The proportion of vulnerable workers (either because they contribute without pay to a family activity, or because they have their own business) still stands at more than 70%, and the proportion of those in paid employment represents no more than a quarter of those in work.

The situation is even more difficult for women, of whom 81.7% are considered vulnerable workers, which means that fewer than two out of ten women have a job with a regular income. The situation is barely any better for men: only three out of ten men are in the group of those in paid employment.

In sub-Saharan Africa, labour productivity has fluctuated over the last decade or so, and remains at little more than 2%. The gap between sub-Saharan Africa and the rest of the world has thus remained significant, even getting wider in most cases. According to the ILO, the added value per worker in sub-Saharan Africa is currently 13 times less than that of a worker in the industrialised world. The low starting point, combined with the sluggishness and volatility of growth rates in labour productivity, prevents many people’s incomes from growing.

A response to the crisis, a condition for emergence: Productive and decent work

The global economic crisis and its consequences mean the world faces the risk of a prolonged rise in unemployment and a worsening of poverty and inequalities. Usually, recovery in the jobs market does not take place until several years after economic recovery. In some countries the mere restoration of previous levels of employment will not be enough to contribute effectively to forging strong economies or achieving decent work for women and men.
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Coordinated policy options are needed to strengthen national and international efforts focused on jobs, sustainable businesses, the quality of public services and the protection of individuals (i.e. preserving their rights, while helping their voices to be heard).

Our common response should contribute to a fair form of globalisation, and an economy that is more respectful of the environment. We need development that creates more sustainable jobs and businesses, respects the rights of workers, promotes equality between men and women, protects vulnerable persons, helps countries to deliver quality public services, and allows them to achieve the Sustainable Development Goals.

The International Declaration on SDGs, the Decent Work Agenda and the commitments made by the ILO and its constituents in the Declaration on Social Justice for a Fair Globalization stress the need to improve global governance, to promote a more balanced multilateral trading system, and to improve links between economic growth, social progress and sustainable human development.

In order to respond to the international crisis and to the challenges of achieving the MDGs – which we now know only a third of the countries on the Continent have met within the required timeframes – a consensus has emerged in favour of the Global Jobs Pact, which enshrines the following principles:

• devoting priority attention to protecting and growing employment through sustainable enterprises, quality public services and building adequate social protection for all, as part of ongoing international and national action to aid recovery and development. The measures should be implemented quickly in a coordinated manner;
• enhancing support to vulnerable women and men hit hard by the crisis, including youth at risk, low-wage, low-skilled, informal economy and migrant workers;
• focusing on measures to maintain employment and facilitate job mobility as well as to support access to the labour market for those without a job;
• establishing or strengthening effective public employment services and other labour market institutions;
• increasing equal access and opportunities for skills development, quality training and education to prepare for recovery;
• promoting core labour standards and other international labour standards that support economic and jobs recovery and reduce gender inequality;
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- engaging in social dialogue, such as tripartism and collective bargaining between employers and workers as constructive processes to maximise the impact of crisis responses to meet the needs of the real economy;
- ensuring synergies between the state and the market, and effective and efficient regulation of market economies, including a legal and regulatory environment which supports business creation, sustainable businesses, and promotes employment generation across sectors;
- avoiding protectionist solutions as well as the damaging consequences of deflationary wage spirals and worsening working conditions;
- strengthening policy coherence and doing more to develop assistance and support for least developed, developing and transition countries with restricted fiscal and policy space to respond to the crisis.

Development strategies based on decent work

On the basis of agreed guidelines for overcoming the crisis and promoting the global Decent Work Pact, a series of strategic directions has been set out, through which each country can formulate a policy package specific to its situation and priorities. These principles have been agreed in order to inform and to support action by multilateral development institutions. In this respect, countries are encouraged to accelerate job creation, especially for young people, to restore the momentum in favour of pro-poor growth and to ensure the viability of businesses. To limit the risk of long-term unemployment and the development of the informal sector, it is essential to support the creation of jobs that are productive and decent. In this respect, it appears essential to:

- boost effective demand, improve “redistributive” growth efforts, and help to maintain wage levels, including via macroeconomic stimulus packages;
- help job-seekers by: i) implementing effective, properly targeted active labour market policies; ii) enhancing skills and increasing resources available to public employment services so that job-seekers receive adequate support, and ensuring that quality services are provided and rights respected; and iii) implementing vocational and entrepreneurial skills programmes for paid and self-employment;
- invest in workers’ skills development, skills upgrading and reskilling to improve employability, in particular for those having lost or at risk of losing their job, and vulnerable groups;
limit or avoid job losses and support businesses in retaining their workforce through well-designed schemes implemented through social dialogue and collective bargaining;

- support job creation across different sectors of the economy, recognising the multiplier effect of targeted efforts;

- recognise the contribution of small and medium-sized enterprises (SMEs), cooperatives and micro-enterprises to job creation, and promote measures, including access to affordable credit, that would ensure a favourable environment for their development;

- use public employment guarantee schemes for temporary employment, emergency public works programmes and other direct job creation schemes which are well targeted, and include the informal economy;

- implement a supportive regulatory environment conducive to job creation through sustainable enterprise creation and development;

- increase investment in infrastructure, research and development, public services and “green” production and services as important tools for creating jobs and stimulating sustained economic activity;

- link regional integration efforts to the challenges of social dialogue and the creation of decent jobs, as the West African Economic Monetary Union (WAEMU) has done by deciding in March 2010 to set up a Labour and Social Dialogue Council representing states, employers’ and employees’ organisations.

Social protection systems and fighting against vulnerability

Sustainable social protection systems to assist the vulnerable can prevent an increase in poverty, and address social hardship, while also helping to stabilise the economy and maintain and promote employability.

In developing countries, social protection systems can also alleviate poverty and contribute to national economic and social development. In a crisis situation, short-term measures to assist the most vulnerable may be appropriate. Accordingly, the following guidelines should be considered at national and regional levels:

- introducing cash transfer schemes for the poor to meet their immediate needs and to alleviate poverty;

- building adequate social protection for all, drawing on a basic social protection floor, including: access to health care, income security for
the elderly and persons with disabilities, child benefits and income security combined with public employment guarantee schemes for the unemployed and working poor;

• providing minimum benefit guarantees in countries where pension or health funds may no longer have enough funds to ensure workers are adequately protected, and considering how better to protect workers’ savings in future scheme design, without forgetting to ensure, if possible, adequate coverage for temporary workers.

All countries should help those vulnerable groups hardest hit by the crisis, through a combination of targeted measures. Social dialogue and collective bargaining should be further enhanced. Moreover, we know that countries that have strong and efficiently-run social protection systems have a valuable inbuilt mechanism to stabilise their economies and address the social impact of the crisis. These countries may need to reinforce existing social protection systems. For other countries, the priority is to meet urgent needs, while building the foundation for stronger and more effective systems.

Respect for international labour standards

International labour standards create a basis and support for rights at work. They contribute to building a culture of social dialogue which is particularly useful in times of crisis. In order to prevent a downward spiral in labour conditions, and to build the recovery, it is especially important to:

• show a strong commitment to achieve the elimination of all forms of forced labour, child labour and discrimination at work;
• ensure more respect for freedom of association, the right to organise and the effective recognition of the right to collective bargaining as enabling mechanisms for productive social dialogue in times of increased social tension, in both the formal and informal economies.

A number of international labour conventions and recommendations, in addition to the fundamental conventions, are equally relevant. These are the instruments of the International Labour Organization relating to:

• employment policy;
• wages;
• social security;
• the employment relationship;
• the termination of employment;
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• labour administration and inspection;
• migrant workers;
• labour conditions on public contracts;
• health and safety at work;
• working hours; and
• social dialogue mechanisms.

The ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy is another important and useful tool for all businesses, including those in supply chains, for responding to the crisis in a socially responsible manner.

Social dialogue and collective bargaining for action

Social dialogue is an invaluable mechanism for the design of policies to fit national priorities. Furthermore, it is a strong basis for building the commitment of employers and workers to conduct the joint action with governments that is needed to overcome the crisis and for sustainable recovery. Successfully concluded, it inspires confidence in the results achieved.

Furthermore, strengthening capacities for labour administration and labour inspection is an important element in inclusive action on worker protection, social security, labour market policies and social dialogue.

Reforms for a fair and sustainable globalisation

The international Sustainable Development Goals and the Decent Work Agenda emphasise the need to improve global governance, promote a more balanced multilateral trading system, and improve the links between economic growth, social progress and sustainable human development.

A strong consensus, emerging in particular from the latest meetings of the G20, highlights the need for a more robust and coherent regulatory and supervisory framework at international level for the financial sector, to ensure that it serves the interests of the real economy, favours sustainable businesses and decent employment, and better protects the savings and pensions of ordinary people. This consensus also underlines the need to promote efficient and well-regulated trade and markets that benefit all, and
to avoid protectionism. It is important to take into account the varying development levels of countries when it comes to lifting barriers to domestic and foreign markets. Finally, the conclusions of the G20 reiterate that it is essential to shift to a low-carbon emission, environmentally-friendly economy, which will help to accelerate the momentum of jobs recovery, reduce social gaps, and favour the emergence of the Continent.

Guidelines for decent work, vocational training and social protection for the emergence of Africa

In the face of the current recession, which exacerbates unemployment, underemployment, structural poverty and inequalities, the Global Jobs Pact encourages states to:

- give much greater priority to the creation of decent and productive jobs, through multi-dimensional programmes that have sufficient resources;
- promote the creation of decent jobs through the promotion of SMEs and the development of sustainable businesses;
- provide vocational and technical training and entrepreneurial skills development, especially for unemployed young people;
- address the question of informality to allow the transition to formal employment, and enhance efforts for economic transformation and diversification;
- recognise the value of agriculture and rural employment in the Continent’s development dynamics, and the need to develop infrastructures and processing industries commensurate with the considerable opportunities of Africa;
- enhance economic diversity by building capacity for value-added production and services to stimulate both domestic and external demand;
- encourage the international community, including international financial institutions, to make resources available for countercyclical actions in countries facing fiscal constraints;
- keep commitments in favour of an increase in public development aid in order to meet the SDGs, but also to develop a social protection system on a national basis.

The current crisis should be seen as an opportunity to shape new gender equality policy responses. Recovery packages during economic crises should integrate gender concerns as much as possible. Women should have an equal
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voice with men in national debates, but also in the implementation of plans and policies for sustainable development.

In order to give effect to the recommendations and policy options of the Global Jobs Pact, it is necessary to consider in greater depth the question of financing development for emergence (savings, public investments, foreign direct investment, migrant remittances, public development aid, debt capacity, etc.), and the transformation of productive structures.

**Conclusion and outlook**

The Global Jobs Pact proposes a balanced and realistic set of policy measures that countries may adopt to strengthen their ongoing efforts to address the crisis, while pursuing economic, social and environmental sustainability.

The Pact presents an integrated portfolio of tried and tested policies that put employment and social protection at the centre of crisis response. These policies can be tailored to national and local situations, and many countries are already implementing some of them, setting employment, vocational training and the promotion of human capital at the heart of their vision for emergence.

The Pact proposes measures and policies to:

- retain women and men in employment as far as possible, and sustain businesses, in particular small and medium-sized companies and micro-enterprises;
- support job creation and promote investments in employment-intensive sectors, including green jobs;
• protect persons and families affected by the crisis, in particular the most vulnerable, and those in the informal economy, by strengthening social protection systems to provide income support and sustain livelihoods as well as pensions;
• accelerate upgrading and vocational training programmes to expand employment opportunities by acting simultaneously on labour demand and on labour supply;
• equip the workforce with the skills needed for today and tomorrow.

The Global Jobs Pact calls for coordinated global policy action to maximise the positive impact on jobs and sustainable enterprises. It pays particular attention to developing countries, especially the least developed countries, and countries with restricted fiscal and policy space to respond to the crisis.

The Pact calls on donor countries and multilateral agencies to consider providing funding, including through existing crisis resources, for the implementation of its recommendations and policy options. It contributes to efforts for greater coordination of policies and their implementation among all relevant international organisations, including the United Nations, the Bretton Woods institutions, and the regional organisations and development banks.

Beyond the expected immediate recovery, the Global Jobs Pact highlights the importance of:
• a supervisory and regulatory financial framework serving the real economy, sustainable businesses and decent work;
• efficient and well-regulated trade and markets working for all, without protectionism but with due regard to the situation of lower-income countries;
• a transition to a low carbon emission, environmentally-friendly economy, in line with the commitments made in Paris (COP21) and Marrakech (COP22);
• a development path in line with the priorities of the Sustainable Development Goals (SDGs), which enables all countries – including developing countries – to place employment and social protection at the centre of their economic, social and poverty reduction policies, and which receives international support.
• The Pact, with the tripartite global commitment it represents, offers a unique opportunity for countries and the multilateral system to respond to the crisis with a shared vision for recovery: a productive and balanced recovery that protects the dignity of people and contributes to an economy and a globalisation that are truly fair and sustainable.
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GREEN JOBS: A REAL OPPORTUNITY FOR AFRICA

Faced with the challenges of the 21st century — rapid urbanisation, over-exploitation of natural resources, climate disruption — Africa is aware of the imperative need to invest in sustainable development. Ever since awareness of the environmental challenges which Africa faces was publicly recognised by all nations present at the Earth Summit in Rio, but also in the context of the major initiatives promoted by the African Union, the New Partnership for Africa’s Development (NEPAD) and the United Nations Economic Commission for Africa, Africa has begun to structure its political and programme responses to ensure that its development is sustainable. The “greening” of the African economy has become a real necessity, which will lead to the emergence of green jobs and above all enable us to plan a promising future for this Continent which represents the future of humanity. The growth of jobs in the environmental sector is partly dependent on the availability of qualified personnel. To move towards its “green revolution”, Africa must make an effort to structure its training sectors, create action plans, and assess their efficiency and that of the work to be undertaken.

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## ACRONYMS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>A 2063:</td>
<td>Agenda 2063</td>
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<tr>
<td>ACLED:</td>
<td>Armed Conflict Location and Event Data Project</td>
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<td>AfDB:</td>
<td>African Development Bank</td>
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<tr>
<td>AMISOM:</td>
<td>African Union Mission to Somalia</td>
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<tr>
<td>ANER:</td>
<td>Adjusted Net Enrolment Rate</td>
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<td>AQIM:</td>
<td>Al-Qaeda in the Islamic Maghreb</td>
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<td>AU:</td>
<td>African Union</td>
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<tr>
<td>BCEAO:</td>
<td>Banque centrale des États de l’Afrique de l’Ouest (Central Bank of West African States)</td>
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<tr>
<td>CAMEI:</td>
<td>Conférence des ministres africains de l’intégration économique (Conference of African Ministers of Economic Integration)</td>
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<tr>
<td>CAPEC:</td>
<td>Cellule d’Analyse de Politique Économiques du Cmares (Economic Policy Analysis Unit Project of the Ivorian Centre for Economic and Social Research)</td>
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<tr>
<td>CCT:</td>
<td>Conditional Cash Transfer</td>
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<tr>
<td>CEDAW:</td>
<td>Convention on the Elimination of all forms of Discrimination Against Women</td>
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<tr>
<td>CEMAC:</td>
<td>Communauté économique et monétaire d’Afrique centrale (Central African Economic and Monetary Community)</td>
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<tr>
<td>CEN-SAD:</td>
<td>Communauté des États sahélo-sahariens (Community of Sahel-Saharan States)</td>
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<td>CGIAR:</td>
<td>Consultative Group for International Agricultural Research</td>
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<tr>
<td>CIRES:</td>
<td>Centre ivoirien de Recherches Economiques et Sociales (Ivorian Centre for Economic and Social Research)</td>
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<tr>
<td>CNDD:</td>
<td>Commission nationale pour le développement durable (National Committee for Sustainable Development)</td>
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<tr>
<td>CNPS:</td>
<td>Caisse nationale de prévoyance sociale (National Social Security Fund)</td>
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<td>COMESA:</td>
<td>Common Market for Eastern and Southern Africa</td>
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<td>CSCRP:</td>
<td>Cadre stratégique pour la croissance et la réduction de la pauvreté (Strategic Framework for Growth and Poverty Reduction)</td>
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<td>CSR:</td>
<td>Corporate Social Responsibility</td>
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<td>EAC:</td>
<td>East African Community</td>
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<td>ECCAS:</td>
<td>Economic Community of Central African States</td>
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<td>ECOWARN:</td>
<td>ECOWAS Warning and Response Network</td>
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<td>ECOWAS:</td>
<td>Economic Community of West African States</td>
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<td>ECPF:</td>
<td>ECOWAS Conflict Prevention Framework</td>
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<td>EITI:</td>
<td>Extractive Industries Transparency Initiative</td>
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<td>EFA:</td>
<td>Education For All (EPT : Education pour tous)</td>
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<td>FDI:</td>
<td>Foreign Direct Investment</td>
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<td>GATT:</td>
<td>General Agreement on Tariffs and Trade</td>
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<td>GDP:</td>
<td>Gross Domestic Product</td>
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<td>GEF:</td>
<td>Global Environment Facility</td>
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<td>GHG:</td>
<td>Greenhouse Gases</td>
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<td>GSP:</td>
<td>Generalised System of Preferences</td>
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<td>HDI:</td>
<td>Human Development Index</td>
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<td>HIPC:</td>
<td>Heavily Indebted Poor Countries</td>
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<td>ICEA:</td>
<td>International Conference on the Emergence of Africa</td>
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<td>IDRC:</td>
<td>International Development Research Centre</td>
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<td>IFAD:</td>
<td>International Fund for Agricultural Development</td>
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<td>IFIs:</td>
<td>International Financial Institutions</td>
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<tr>
<td>IFM:</td>
<td>Innovative Financing Mechanism</td>
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ILO: International Labour Organization
IMF: International Monetary Fund
IMO: International Maritime Organization
IOM: International Organization for Migration
ISSA: International Social Security Association
ITC: International Trade Centre
LDCs: Least Developed Countries
MAI: Multilateral Agreement on Investment
MFIs: Microfinance Institutions
MUJAO: Mouvement pour l'unicité et le jihad en Afrique de l'Ouest (Movement for Oneness and Jihad in West Africa)
NEPAD: New Partnership for Africa's Development
NGO: Non-Governmental Organization
NURC: National Unity and Reconciliation Commission
OECD: Organisation for Economic Co-operation and Development
PAA: Programme de Aquisição de Alimentos (Food Acquisition Programme)
PER: Programme Economique Régional (Regional Economic Programme)
PIDA: Programme for Infrastructure Development in Africa
PPP: Public-Private Partnerships
PRSPs: Poverty Reduction Strategy Papers
PSNP: Productive Safety Net Programme
RBM: Results-Based Management
SACU: Southern African Customs Union
SADC: Southern African Development Community
SAPs: Structural Adjustment Programmes
SIEE: Synthetic Index of Economic Emergence
SOFA: Society of Financial Awareness
TFFPs: Technical and Financial Partners
UBRAF: Unified Budget, Results and Accountability Framework
UCW: Understanding Children's Work
UNAIDS: Joint United Nations Programme on HIV/AIDS
UNCDF: United Nations Capital Development Fund
UNCTAD: United Nations Conference on Trade and Development
UN/DESA: United Nations Department of Economics and Social Affairs
UNDP: United Nations Development Programme
UNEP: United Nations Environment Programme
UNIDO: United Nations Industrial Development Organization
UNIFEM: United Nations Development Fund for Women
UNO (UN): United Nations Organization
UNOCI: United Nations Operation in Côte d'Ivoire
UNRISD: United Nations Research Institute for Social Development
UNS: United Nations System
WAEMU: West African Economic Monetary Union
WANEP: West Africa Network for Peacebuilding
WHO: World Health Organization
WIPO: World Intellectual Property Organization
WTO: World Trade Organization
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1. The analysis and recommendations in this work do not necessarily reflect the views of the United Nations Development Programme, of its Executive Board or of its Member States. Likewise, the content of texts in this work of reference, and the choice of territorial designations used, rests solely with the authors and does not signify the UNDP or the United Nations subscribe to the options herein described.
Foreign Affairs of Côte d’Ivoire; Lanciné Diaby, Director-General of Planning and the Fight Against Poverty at the Ministry of Planning and Development in Côte d’Ivoire; Madhy Bamba, Former Head of the Strategic Coordination Unit of the Ministry of Planning and Development of Côte d’Ivoire; Alina Aimée Mahouagbeu Ouattara, Deputy Head of the Strategic Coordination Unit of the Ministry of Planning and Development of Côte d’Ivoire; Serge Gba, Director of Multilateral Cooperation at the Ministry of Foreign Affairs of Côte d’Ivoire; Tiékoura Koné, Technical Advisor to the President of the Republic of Côte d’Ivoire; Alban Ahouré, Director of the Political and Economic Analysis Unit of the Ivoirian Economic and Social Research Centre (CIRE); Marcellin Cissé, Director of the Public Investment Programme of the Ministry of Planning and Development of Côte d’Ivoire; Nahoua Yeo, Lecturer and Researcher at Félix Houphouët-Boigny University in Abidjan, Côte d’Ivoire; Anne-Marie Konan Payne, Director of the Côte d’Ivoire Government Information and Communication Centre; N’Galadjo Bamba, Director of the Doctoral College at the Faculty of Economic Science, at Félix Houphouët-Boigny University in Abidjan, Côte d’Ivoire; Yapi Victor Bouaffon, Deputy Director of the CIRE; Tatiana Ebé, Assistant to the United Nations Development Programme in Côte d’Ivoire and Salomé Beia Safi, Assistant to the United Nations Development Programme operation in the Democratic Republic of Congo.

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Book Coordinators

Nialé Kaba

Minister of Planning and Development of Côte d’Ivoire since 12 January 2016, Ms Nialé Kaba previously headed the Ministry of Economics and Finance of Côte d’Ivoire, from 2013 to 2015. Ms Nialé Kaba also previously held the post of Minister for the Promotion of Housing of Côte d’Ivoire in previous governments, before President Alassane Ouattara came to power. From 1991 to 1996, then from 1996 to 2000, she successively held the posts of Research Officer and Chief of Staff of the Prime Minister. She was Deputy Chief of Staff prior to becoming Chief of Staff of the Minister of Crafts and Informal Sector Management, from 2003 to 2005. Ms Nialé Kaba also held the position of Director General of Côte d’Ivoire Tourisme from 2005 to 2007.

Nialé Kaba holds a Diploma in Engineering, Statistics and Economics and an Advanced University Postgraduate Diploma in International Development Economics from the University of Paris 1 Panthéon-Sorbonne (France).

M’Baye Babacar Cissé

While he is Deputy Special Representative for the United Nations Secretary-General in Côte d’Ivoire (UNOCI), M’Baye Babacar Cissé also serves as UN Resident Coordinator and Humanitarian Coordinator in Côte d’Ivoire. Mr Cissé brings vast experience to his new post in the field of development and humanitarian aid in Africa, particularly where regional initiatives and inter-agency coordination are concerned. Mr Cissé has worked at the United Nations since 1980, he previously held the post of Deputy Assistant Administrator and Deputy Regional Director, Regional Bureau for Africa at UNDP. He has also served as Resident Representative and Resident Coordinator in Burkina Faso and as UNDP Country Director in the Democratic Republic of Congo. He has held a number of senior positions at the UNDP Headquarters in New York. M’Baye Babacar Cissé coordinated the organisation of the 1st International Conference on the Emergence of Africa and codirected the work of reference on Sustainable Development and the Emergence of Africa presented at COP 21.

M’Baye Babacar Cissé holds a Master’s degree in Finance and Fiscal Management and a Diploma in Management and Applied Economics from the University of Paris IX Dauphine (France).
Luc-Joël Grégoire

United Nations Development Programme Country Director in Côte d’Ivoire since 2013, Luc-Joël Grégoire was previously UNDP Principal Economist. He was Executive Director of United Nations reform in Mali in 2011 and 2012 and coordinated the first work of reference dedicated to United Nations reform in Africa. He has also been in charge of Africa in the risk department of a major international bank and headed the London Club’s debt restructuring international committees. He has taken part in the organisation of several major international conferences on development and was a co-rapporteur at the Millennium Summit and at New York’s MDGs+5 Conference. He has also contributed to preliminary work for the World Summit on Climate Change and coordinated the publication on Sustainable Development and the Emergence of Africa which was presented at COP 21 in Paris. He is the author of a dozen books and about one hundred articles on economics, international finance and issues regarding the environment as well as the fight against poverty.

Luc-Joël Grégoire holds a Doctorate in Economic Sciences, a postgraduate diploma from the Bordeaux Institute of Political Studies, and two Master’s degrees in Environmental Law and Economics from the University of Bordeaux (France) as well as an International Postdoctoral Certificate in Human Ecology from the Universities of Paris-Descartes and Toulouse (France).

Yao Koffi

Chief of Staff at the Ministry of Planning and Development of Côte d’Ivoire since March 2016, Yao Koffi previously worked as Special Advisor to the Prime Minister on economic issues and was in charge of relations with development partners. Yao Koffi began his professional career as a lecturer at the University of Arizona and at the University of Abidjan. He has held high office in the International Monetary Fund where he was Senior Economist at the African Department of the IMF; subsequently, he was Advisor to the IMF Administrator for Francophone Africa and IMF Administrator for Francophone Africa himself. He has also been IMF Resident Representative in Senegal, Guinea-Bissau, Benin, Togo and Burundi.

Yao Koffi holds a PhD in Economics from the University of Arizona (USA) and a Master’s Degree in Finance from the University of the State of New York (USA).
Idrissa Diagne

Senior Economic Policy Advisor at the United Nations Development Programme (UNDP) bureau in Côte d'Ivoire, Mr Diagne has been an economics expert and advisor for over thirty-two years. He has also held similar posts in the Democratic Republic of Congo (1997-1999), in Benin (2006-2009), in Togo (2009-2012) and in Guinea (2012-2015). He also worked for the United Nations as Chief Technical Advisor in Niger between 1988 and 1994. Finally, within the United Nations Department of Economic and Social Affairs, he held the function of Inter-Regional Advisor between 1999 and 2006, a period during which he headed a large programme of technical cooperation with several African countries (Burkina Faso, the Democratic Republic of Congo, the Republic of the Congo, Djibouti, Gabon, Guinea, etc.).

Idrissa Diagne is a state-certified statistician-economist, holding a diploma from the National Institute of Statistics and Economic Studies of Paris (France).

Luc Gnonlonfoun

Director of United Nations Development Programme (UNDP) operations in Côte d'Ivoire, Luc Gnonlonfoun has six years’ experience in the world of Non-Governmental Associations and over fifteen years at the United Nations as Internal Auditor and Administrative and Financial Manager of Trust Funds (Afghanistan and Democratic Republic of Congo) and UNDP Director of Operations (Mali, Senegal). The wealth of experience he has acquired is essential to the initiatives which aim to harmonise and bring coherence to the interagency work of the United Nations. It is in this respect that he has contributed to a book on United Nations Reform in Africa. Whilst working at the heart of the Municipal Development Programme (PDM), Luc Gnonlonfoun lent his support to the municipal movement and local development structuring process, and organised the Africitas Summit – the conference for African Local Authorities – in Windhoek, Namibia in 2000. With the UNDP and the United Nations Capital Development Fund (UNCDF), he helped implement the System of Financial and Institutional Analysis of Local Authorities (SAFIC) in Mali.

Luc Gnonlonfoun holds a BA honours from the University of Central Lancashire (United Kingdom) and an MBA from the University of Montpellier (France).
Tano Joseph N’Grouman

Deputy Chief of Staff of the Ministry of Planning and Development of Côte d’Ivoire since March 2016, Tano Joseph N’Grouman previously held the post of Deputy Chief of Staff to the Minister attached to the Office of the Prime Minister with responsibility for the Economy and Finance. He was also Technical Advisor to the Director General of the Treasury and Public Accounting, in charge of Legal and Social Affairs. Mr N’Grouman also served in several Management Boards and Executive Boards (National Social Insurance Fund, Information Technology and Biotechnology Village, National Bureau for Drinking Water, National Agency for Universal Telecommunications and Professional Training and Development Fund).

Tano Joseph N’Grouman holds a Higher Diploma from the National School of Administration in General Finance, as well as a Master’s degree in Public Law and a Professional Lawyer’s Certificate.

El Allassane Baguia

Programme Specialist at the Strategic Policy Advisory Unit of the United Nations Development Programme (UNDP) since 2011, El Allassane Baguia has sixteen years’ experience in planning, coordination and development monitoring and evaluation (M&E), which he acquired within public administration and civil society structures. He also took part in the formulation of several national benchmark public policies and has played a key role in the implementation of inclusive frameworks for dialogue and advocacy, particularly with stakeholders in charge of management and coordination of aid and development. He has contributed to several studies and has actively taken part in major conferences on the Millennium Development Goals (MDGs), the monitoring of global partnerships and the emergence of Africa. He also took part in the United Nations Sustainable Development Summit in 2015.

El Allassane Baguia holds a Postgraduate Diploma in Development Evaluation and Management from the University of Antwerp (Belgium) and a Master’s Degree in Economics from the University of Bouaké (Côte d’Ivoire).
By advocating an integrated and multi-sectoral approach, capable of promoting development strategies and planned and inclusive changes, the present work – published with the support of the United Nations Development Programme (UNDP) – highlights the challenges, but also the potential of the African continent as well as the best practices required to succeed on the road towards emergence.

Indeed, Africa has the human, economic and environmental resources which, when combined, ought to enable the virtuous process of emergence to be initiated. However, the fact remains that many countries are still confronted to major challenges, such as the fight against poverty and inequality, the achievement of growth which creates wealth and productive and decent jobs, the structural transformation of modes of production and consumption, technological mastery and the modernisation of public administration.

Through the analysis and guidelines it offers, this book – which was co-written by high-ranking officials of African public administrations and experienced United Nations System practitioners – constitutes a work of reference to support African countries, international institutions and development partners. It aims to promote a better understanding of the challenges and issues of emergence.