

Africa as a Pole of Global Growth

3

CHAPTER

AFTER STAGNATING FOR much of its post-colonial history, Africa has witnessed a remarkable improvement in its economic performance in the last decade, with its GDP growing by an annual average of 5.6 per cent in 2002–2008 (before the global economic crisis), making it the second-fastest growing region in the world, just behind East Asia. And since then, growth has picked up well (chapter 2)—of the world’s 15 fastest-growing economies in 2010, 10 were African.

More reassuring, not only have the resource-rich countries seen growth—many African countries that do not boast oil or mineral wealth have done well. This resurgence is giving rise to a growing recognition of Africa as an emerging market and a potential global growth pole.

The analysis in this chapter underscores key policy issues. Since independence, African growth has been driven by primary production and export and only limited economic transformation, against a backdrop of high unemployment and worsening poverty. Even with improvements in the last decade, further economic transformation, job creation and poverty reduction are needed as the region faces development deficits. Still, Africa’s recent resurgence has benefited from gains in macroeconomic management, good governance and control of corruption so that manufacturing, modern financial and telecommunications services and tourism are beginning to make real contributions to growth. The resurgence has also benefited from increased capital inflows—especially foreign direct investment (FDI)—aid and debt relief.

This resurgence has prompted African leaders, development partners and others to assert that future world growth will depend on unleashing the productive potential and harnessing the untapped consumer demand of Africa. In essence, the world will benefit greatly from Africa joining the league of global growth poles.

But what are “global growth poles”? In a nutshell, they are economies that help to drive growth elsewhere on the planet, through dynamism and size, and for Africa to become a global growth pole, the continent should sustain the recent growth momentum for at least two more decades—as well as vigorously address the challenges of structural transformation of output and trade, broadening and strengthening the infrastructural and human resource base as well as strengthening and modernizing science and technology capability. It must also capitalize on and manage the opportunities and risks presented by the emerging multipolar world, as well as the gradual shift in economic power from developed regions to emerging and developing regions.

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3.1 Africa's economic performance, 1960–2010

IN THE 1950s and early 1960s, Africa was largely seen as a very promising and prosperous continent, in contrast to Asia mired in seemingly irredeemable poverty and ravaged by wars. Fortunes soon changed, and after a spurt of post-independence economic growth, external shocks, poor policy responses and ineffective development led to economic stagnation in many African countries, slowing even front-runners such as Côte d'Ivoire and Kenya. Asia now accounts for some two fifths of global GDP (at purchasing power parity), over one quarter of global exports and imports, and over one fifth of global inflows of FDI.

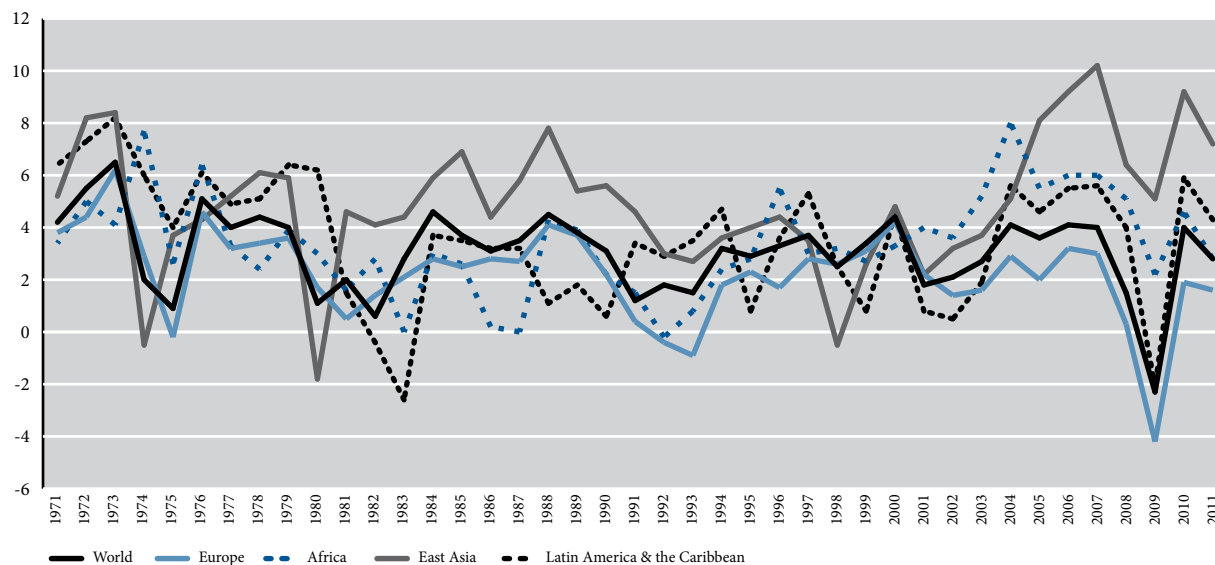
In 2008, China and India accounted for about 6.6 per cent and 2 per cent of world GDP, but Africa only 2 per cent.

In the last decade, however, Africa has transformed itself to become the world's second-fastest-growing region after East Asia for most of the period (figure 3.1)—albeit with varied progress among countries.

In what follows, we briefly catalogue Africa's economic performance since independence, focusing on the dominant policy regimes and major growth drivers.

Figure 3.1

Growth performance of different regions of the world, 1971–2011



Source: Data for 1971–2004 from United Nations Statistics Division; data for 2005–2011 from UN-DESA (2012). Data on Europe for 2005–2011 includes only the European Union.

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Post-independence, 1960–1985

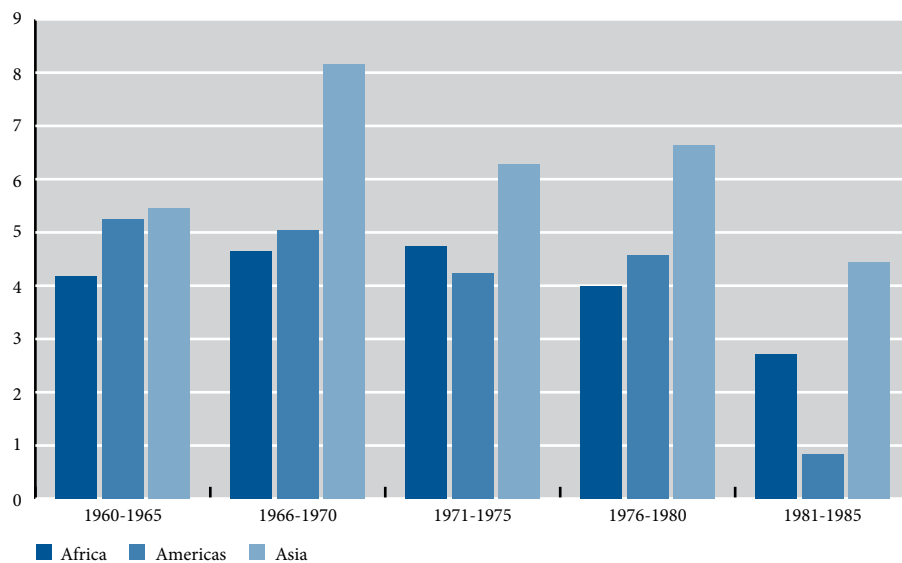
Most African nations attained political independence in the 1960s, and saw positive and fairly stable GDP growth in the next one and a half decades of around 4 per cent (figure 3.2). Although this rate was almost comparable to that in Asia and the Americas, high population growth kept per capita annual income growth in Africa to below 2 per cent (figure 3.3).

The import substitution industrialization (ISI) development model was at the heart of Africa's growth and development strategies during this period. The initial focus was on consumer goods, with the expectation that, as industrialization advanced, domestic production of the

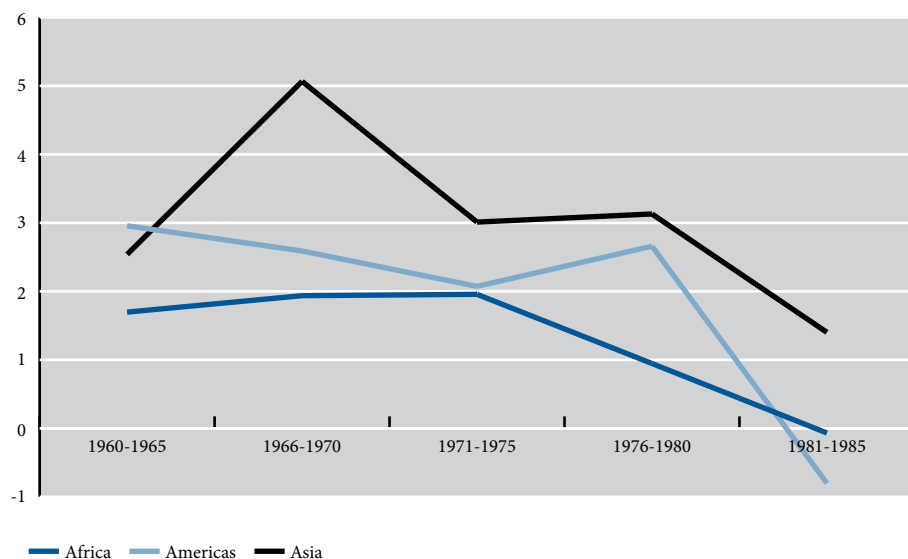
intermediate and capital goods needed by industry and other sectors would pick up. Another expectation was that the replacement of imported goods with domestically produced goods would, over time, enhance self-reliance and help prevent balance-of-payments problems.¹ Unfortunately, neither expectation was met.

By the late 1970s, it was evident that industrial development through the ISI model and myriad State-owned enterprises (SOEs) could not last, particularly because ISI in most African countries did not lay an emphasis on generating foreign exchange, and its scarcity had become a serious constraint.²

Figure 3.2
GDP growth, 1960–1985 (%)



Source: World Bank (2011a).

Figure 3.3**Per capita GDP growth, 1960–1985 (%)**

Source: World Bank (2011a).

In the 1970s, imports of goods and services as a share of GDP were consistently higher than exports.³ Also, primary commodities dominated African exports, except for Mauritius and South Africa, during the same period.

African economies gradually accumulated external debt: as a share of GDP it leaped from 23.5 per cent in 1971–1975 to 42.8 per cent in 1976–1980, peaking at 70.4 per cent in 1981–1985. FDI as a proportion of GDP remained quite low at a meagre 1.9 per cent of GDP in 1976–1980 and declined to only 1.0 per cent in 1981–1985. Domestic investment in the economy, however, measured by gross fixed capital formation as a share of output, performed well relative to other developing regions, although it started declining at

the end of the 1980s. Foreign aid as a share of GDP was consistently higher than in other developing regions.

In sum, the major drivers of economic growth during the early post-independence era were primary production and export. The plan to transform Africa's economies through ISI failed, and by the late 1970s, socio-economic conditions in most African countries had deteriorated considerably. Many countries had trade deficits, worsening terms of trade, rising international indebtedness, huge fiscal deficits, rising subsidies to inefficient and unproductive public enterprises and steep declines in foreign reserves. The upshot was a decline in economic growth such that, by the early 1980s, Africa was one of the world's slowest-growing regions (see figure 3.1).

Structural adjustment, 1985–1995

Structural adjustment programmes (SAPs) in Africa began in the mid-1980s. Their origins can be traced back a few years earlier, when African countries experienced a severe balance-of-payments crisis from the cumulative effects of the oil crisis, the decline in commodity prices and the growing import needs of domestic industries.

In response, many countries sought financial assistance from international financial institutions (IFIs) such as the International Monetary Fund (IMF) and the World Bank. African countries that adopted SAPs were expected to implement certain policy reforms as a condition for receiving financial assistance from the IFIs.⁴ As a result, most African countries (supported by the IFIs) formulated and

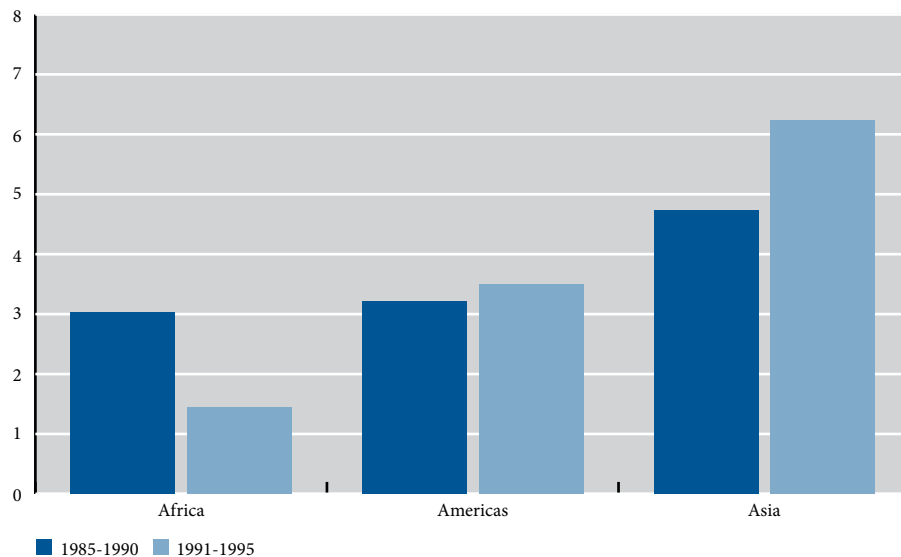
implemented wide-ranging “market-friendly” economic policy reforms in the mid-1980s, including liberalizing their trade and exchange rate regimes.

Even though many African countries vigorously pushed through SAPs, economic growth declined from 3.02 per cent in 1985–1990 to 1.45 per cent in 1991–1995 (figure 3.4). Correspondingly, per capita real GDP improved marginally in 1985–1990 by 0.23 per cent, but declined by 0.89 per cent in 1991–1995 when other developing continents reported growth (figure 3.5).

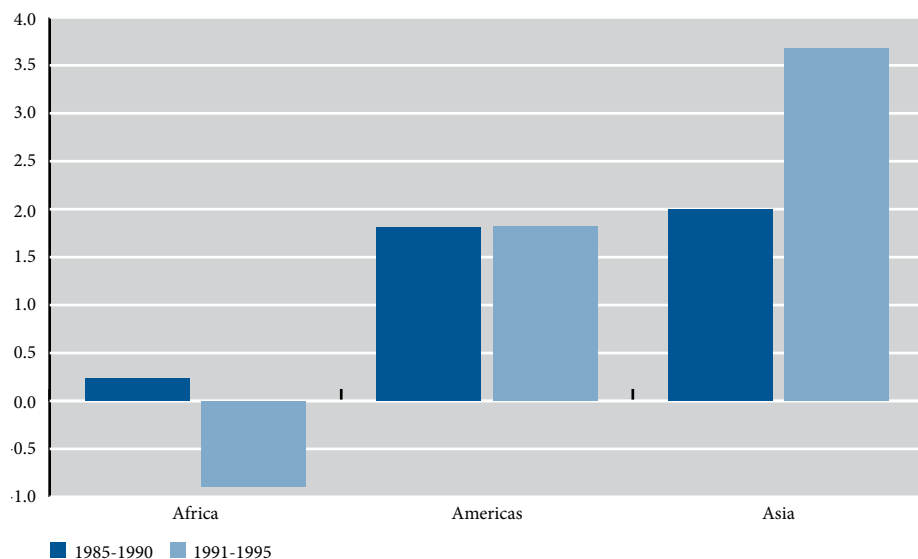
External debt accumulation during the SAP period assumed alarming proportions in Africa.

Figure 3.4

GDP growth, 1985–1995 (%)



Source: World Bank (2011a).

Figure 3.5**Per capita GDP growth, 1985–1995 (%)**

Source: World Bank (2011a).

The minimal improvement in growth was also reflected in sluggish sectoral performance. Agricultural value added as a proportion of GDP improved slightly in 1985–1990 to 30.5 per cent but declined thereafter to 28.9 per cent in 1991–1995. Similarly, the share of manufacturing in GDP improved slightly to 12.0 per cent in 1985–1990 but fell to 11.6 per cent in 1991–1995. The overall picture is that SAPs improved economic indices—slightly—in the first five years but these gains were reversed in the succeeding five.

External debt accumulation during the adjustment period assumed alarming proportions in Africa, climbing as a share of GDP from 100 per cent in 1985–1990 to 115 per cent in 1991–1995. FDI, however, improved only a

little as a share of GDP, and the developing regions of the Americas saw a higher increase. Gross fixed capital formation as a share of GDP was lower than in the early post-independence era. Foreign aid as a proportion of gross national income went up relative to other developing regions.

Openness to trade rose, but was more pronounced on the import side. Most African countries diversified their exports little, and many depended on the export of primary commodities. In essence, growth drivers remained primary production and exports.

The deteriorating economic conditions in African countries implementing SAPs led to severe criticism. Critics argued that such programmes placed Africa on a slow-growth path, undermined efforts to diversify economically and eroded the continent's industrial base (Soludo, Ogbu and Chang, 2004; Stein, 1992). Most United Nations agencies criticized SAPs for their neglect of the human dimension.⁵

Since the second half of the 1990s, growth has greatly improved in Africa.

Liberalization and market-led development, 1995–2010

The critics were vindicated. By the end of the 1990s, the IFIs started to reconsider their approaches, given many countries' poor performance under the SAPs and worsening poverty. Eventually, a joint initiative launched by the IFIs at the end of 1999 set the fight against poverty at the heart of growth and development policies. In this initiative, low-income countries wanting to apply for financial aid from the IFIs, or for debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative, were required to draw up a poverty reduction programme, known as a Poverty Reduction Strategy Paper (PRSP). Around that time the United Nations system was setting the MDG targets at levels that balanced ambition with feasibility.

Since the second half of the 1990s—following almost two decades of stagnation and decline—growth has greatly improved in Africa. The continent has not only posted notable (if varying) rates of expansion but is also one of the world's fastest-growing regions. Beyond that, growth is not only spread among countries—with about 40 per cent of them growing at 5 per cent or more in 2001–2008, for example—but is also broad-based, covering resources, finance, retail trade, agriculture, transport and telecommunications (Leke et al., 2011).

Some structural transformation is accompanying Africa's impressive performance, even if in only a few countries. For example, while the majority of African countries are still producers and exporters of primary agricultural products, crude petroleum and solid minerals (such as copper, bauxite and iron ore), manufacturing contributed more than 10 per cent of GDP in 12 countries. Moreover, the rapid growth of telecommunications services, banking and other business services and tourism in many African countries during the last decade is gradually reducing the dominance of low-level services, such as wholesale and retail trade, which are largely informal.

Crucially, although exports of agricultural products (food and raw materials), crude petroleum and other mineral products still dominate, many more African countries are now exporters of manufactured goods, inspired by intra-African trade and trade with emerging economies. Although manufactured exports accounted for up to 20

per cent of total exports in 11 African countries, only Mauritius, South Africa, Zimbabwe, Tunisia and Morocco seem to be major exporters of manufactured products. These countries may therefore have achieved some degree of export diversification.

African countries depend heavily on imports of manufactured goods: the share of such goods in total imports ranged from 46.6 per cent in Sao Tome and Principe to about 84 per cent in Nigeria in 2009. Apart from the five countries just mentioned, however, where a reasonable proportion of the imported manufactured goods may be components or industrial intermediates for use in production of other manufactured exports, imports of manufactured goods in most African countries are final consumer goods (annex table 3.1).

In the structure of aggregate demand, the share of household final consumption expenditure in total expenditure is likely to be very high in most African countries. The degrees of export orientation (export-to-GDP ratios) and import penetration (import-to-GDP ratios) are generally high in Africa, implying that most African economies are vulnerable to external shocks.

For most developing countries, including many in Africa, external debt as a share of GDP declined significantly between 1995 and 2010, thanks to debt forgiveness from international creditors, especially after the adoption of the HIPC Initiative.

FDI as a share of GDP averaged an unprecedented 6.2 per cent in 2006–2008. Although higher than Asia's, it was slightly less than developing Americas' regional average. Yet the bulk of Africa's FDI inflows still went to natural resources (mainly crude oil and solid minerals). Gross

The bulk of Africa's FDI inflows still go to the natural resource sector.

capital formation as a share of GDP also followed an upward trend during the period 1995-2010, though the value was below 25 per cent and less than other developing

Implications for Africa's development paradigm

The foregoing suggests that the major drivers of economic performance in Africa throughout the first 50 years of independence were primary commodity production and exports. Attempts to transform economies either through ISI or SAPs failed to sustain accelerated growth or economic transformation. The growth spurt of the first decade of the twenty-first century, too, was driven largely by primary production and exports, although good macroeconomic management, microeconomic reforms, good governance, fewer armed conflicts and market-friendly policies played a role.

Still, the challenge of economic transformation persists for many countries, raising concerns over how to sustain the current surge, especially in light of poverty, hunger, youth unemployment, low skills, climate change and a high disease burden (especially HIV/AIDS and malaria). Other constraints come from poor infrastructure, low investment in innovation and technological upgrading, political instability, corruption and low productivity. African countries, like others, also have to deal with rising food and energy prices and the ramifications of the global economic and financial crisis.

Before discussing the imperatives for Africa as a global growth pole, we draw some key lessons from the above discussion. First, Africa's growth, especially before 2000, was extremely variable and volatile. Second, low levels of

regions' average (chapter 5). ODA was consistently higher for Africa than other developing regions during this period.

investment appear to explain this variability and volatility. Yet productivity of domestic investment in the continent is still low, which calls for looking beyond creating conditions for attracting new investors to more explicitly pursuing measures that transform the economy and raise the productivity of existing and new investment.⁶ Third, Africa is still overly dependent on primary commodities for food, exports and income more broadly, so that productivity lags far behind the phenomenal progress made in Asia and Latin America.⁷ Hence the need to manage response to shocks, particularly in resource-rich countries.

Fourth, a major drawback of the liberalization and market-led development strategy is the attempt to use the market to promote poverty reduction and social development. It cannot simply be assumed that conventional market-restructuring and reform policies—which aim to develop competitive and efficient markets and to stimulate economic growth—reduce poverty through “trickle-down”. Growth *and* distribution matter in reducing poverty—and that requires deliberate government interventions.

So although Africa seems to have fared better than some regions since the recent global crisis, the risk of similar events reversing its modest gains calls into question the sustainability and reliability of a strategy based on exports of primary commodities (a strategy embedded in SAPs and the neo-liberal development policies of the post-SAP era).

To sustain economic growth, Africa will need to enhance productivity and competitiveness through investing in infrastructure, technology, higher education and health; broadening the range of and adding greater value to exports; and making the necessary investments in productive sectors and trade facilitation.⁸ All these measures require collaboration among stakeholders under the leadership of the developmental State—as detailed in the *Economic Report on Africa 2011* (UNECA and AUC, 2011).

While Africa is increasingly being recognized as a global growth pole, the continent should not rest on its laurels.

3.2 Imperatives for Africa as a pole of global growth

IN AFRICA, THE impressive growth since the beginning of the twenty-first century, its economies' ability to weather the storm of the recent crisis and the resumption of growth by nearly all countries in 2010 suggest that Africa is one of the world's emerging economic powers.

Justifiably, Africa's emergence has attracted the attention of its leaders and institutions, as well as its development partners. For example, The Committee of Ten African Ministers of Finance and Central Bank Governors, AfDB, UNECA and AUC, working with the Korea Institute for International Economic Policy in their presentation at the Korea–Africa Economic Cooperation Ministerial Conference,⁹ concluded that “the world needs a new driver of consumer demand, a new market and a new dynamo

which can be Africa. Future growth in the world economy and in the developing world will depend on harnessing both the productive potential and the untapped consumer demand of the continent” (AfDB, UNECA and AUC, 2010: 59).

Similarly, several international financial organizations and private think-tanks have underlined the potential of Africa as a global growth pole.¹⁰ Perhaps most instructive is the assertion by the United Nations Under-Secretary General and UNECA Executive Secretary, Mr. Abdoulie Janneh, that,¹¹ while Africa is increasingly being recognized as a global growth pole, the continent should not rest on its laurels. This chapter represents an attempt to respond to this clarion call.

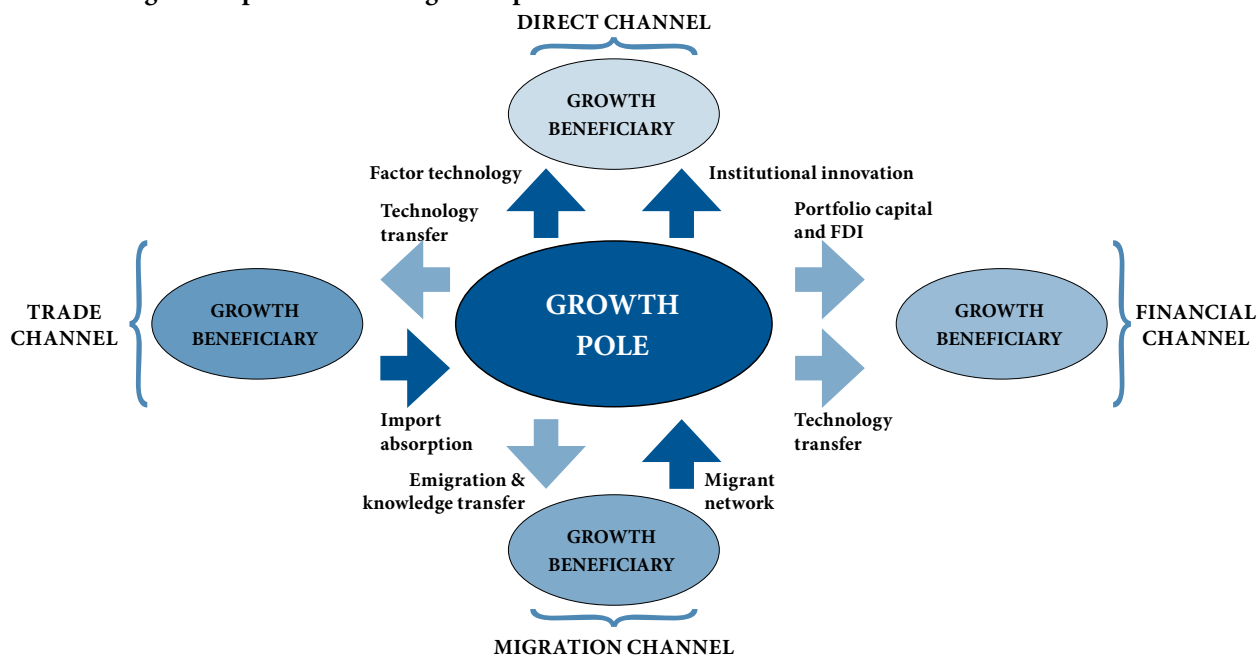
Global growth poles: what they are and how they work

Following Adam-Kane and Lim (2011) and World Bank (2011b), a growth pole may be defined as an economy that accounts for a significant proportion of global economic activity whose growth has sufficiently large forward and backward linkages, as well as technological and knowledge spillovers in so many other economies (through production, trade, finance and migration) as to have an impact on global growth.

From this definition, we deduce the imperatives for an economy to be regarded as a global growth pole. We also examine the attributes of China, India and the Republic

of Korea—three of the recently acclaimed major emerging economic powerhouses and global growth poles in 2000–2010 (World Bank, 2011b)—to provide a basis for proposing the imperatives to make Africa a global growth pole.¹²

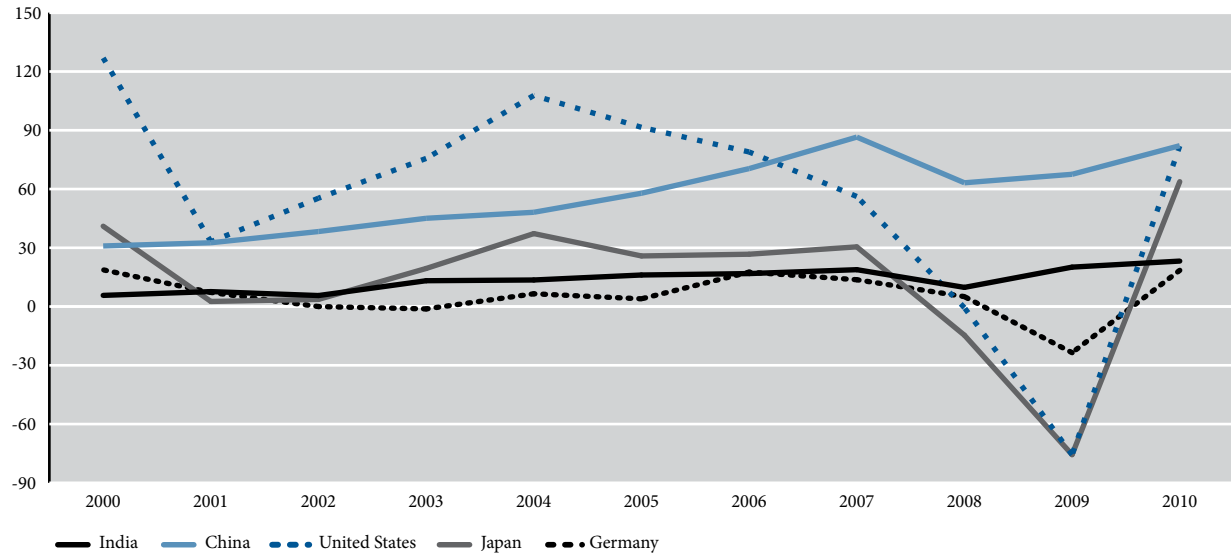
This approach allows us to focus on the key issues of economic size and growth (the necessary conditions) and the linkages between the growth pole and the rest of the world through various channels (the sufficient conditions) (figure 3.6).

Figure 3.6**Channels of growth spillovers from a growth pole**

Source: World Bank (2011b).

The global growth polarity index of a country depends on the size of its economy as well as its growth rate.¹³ Size and growth constitute the necessary condition that must be met by a global growth pole. The global growth polarity index shows the relative importance of the economy of a country or a region as a driver of global growth and often changes over time with changes in the size of the economy and its growth rate (see figure 3.7). The X-axis is global growth polarity index; the higher the index, the more important the country is as a global growth

pole and vice versa. The indication from the figure is that China and India maintained a rising polarity index while Japan and others had declining indices especially between 2006 and 2009. With declining growth in Japan and some other major advanced economies, the indices may decline again while those of China and India may continue to rise. A drawback of this necessary condition is that it does not explicitly reflect the channels through which a global growth pole interacts with, and transmits knowledge and technology to, other economies.

Figure 3.7**Trend of global growth polarity index for top five countries, 2000–2010**

Source: World Bank (2011a).

The first channel is trade (import and export), the second investment (FDI), the third technology and knowledge (R&D) and the fourth is migration. Adam-Kane and Lim (2011) propose empirical measures of these channels. However, for the present purposes, the features of trade and investment activities that indicate the character of the linkages between a growth pole and the other economies with which it interacts are taken to provide a basis for articulating the key attributes of a global growth pole.

Looking at the trade channel, a large part of the imports by a global growth pole from the rest of the world would be manufactured goods, the bulk of which are industrial intermediates and components. Similarly, the bulk of its raw material imports would be processed or semi-processed products. If such imports are efficiently produced in the originating countries, using the best available (ideally, green) technology, and at the lowest possible cost, the producers in the global growth pole will also realize efficiency gains from the imported inputs, thus making its exports more competitive on the international market. A global growth pole whose imports are dominated by these kinds of goods will therefore generate significant forward and backward linkages in the exporting countries, generating significant positive spillovers to the benefit of the peripheral exporting countries.

Equally, the structure of exports by the global growth pole would be dominated by higher-order industrial intermediates and components as well as technology-intensive capital goods. Inevitably, in an efficient producer of finished consumer durable and non-durable goods, this category of manufactured goods can be a significant part of the global growth pole's exports in the short to medium term. In the long term, a global growth pole should have a large domestic market for this category, so that its significance in total exports will decline, gradually.¹⁴

In the investment channel, a global growth pole should be a major source of investment to the rest of the world. It should also be a major destination for foreign investment. The prospects of interactions with other economies to generate significant forward and backward linkages in the global growth pole as well as in the other economies will be enhanced if foreign investors can find local partners. In this way, the host economies (global growth pole and the periphery) will internalize many of the positive externalities of the investment, especially technology and knowledge spillovers. However, for these economies to realize this potential, they should be able to adapt and apply available technology and knowledge (Ndulu et al. 2007). Conditions that can help emerging economies to do this effectively, aptly put by Juma (2006) include:

- ▶ Investment in basic infrastructure such as roads, schools, water, sanitation, irrigation, clinics, telecommunications and energy, all of which are necessary to lay the foundation for technological learning.
- ▶ Development of small and medium-sized enterprises through developing local operational, repair and maintenance expertise and a pool of local technicians.
- ▶ Government supported, funded and nurtured higher education institutions encompassing academics of engineering and technological sciences, professional engineering and technological associations as well as industrial and trade associations.

Needless to say, as the technology and knowledge spillovers from portfolio investment are likely to be inferior to those from direct investment, emphasis should be on attracting “productive” market-seeking FDI. That said, the benefit (alternatively, damage) from portfolio investment is likely to be higher (alternatively, lower) if such investment is in partnership with a local entity.

Migration is another channel. A global growth pole will support and encourage its citizens to travel to other countries in order to facilitate knowledge and technology transfer—and foreigners in the other direction, for the same purpose. The associated insertion of the global

Africa's growth imperative

For Africa to be a global growth pole, its economy should be large and its growth high and sustained for a reasonably long period. If Africa could sustain its 5.6 per cent growth of 2000–2008 for long enough, it would eventually be large enough to be a global growth pole.

In articulating the growth imperative for Africa as a global growth pole, it is thus necessary to build scenarios around growth and size. Several options can be considered. One is to assume that Africa should strive to replicate the experiences of Brazil, Russia, India, Indonesia, China and the Republic of Korea—the BRIICKs, and the new global growth poles. Another is to assume that Africa should strive to maintain its growth of 2000–2008 for long enough to become a global growth pole. We opt for the second

growth pole in such migration networks will be instrumental in reinforcing the trade and investment channels of interaction, linkages and spillovers.

Migrants' remittances are only one aspect of the migration channel of interaction. Perhaps more fundamental are the knowledge and technology transfers, as well as networking. Simply put, a global growth pole will not have many of its unskilled youth emigrating out of desperation. Neither will it encourage emigration of its highly skilled youth and professionals on account of a hostile working environment and living conditions. People who emigrate under these pressures are unlikely to be instrumental in technology and knowledge acquisition and transfer, leaving remittances as the only likely benefit.

The foregoing suggests that the necessary condition for a global growth pole is a reasonably large economy and a high, sustainable economic growth rate. Sufficient conditions include structural transformation—high-quality infrastructure; high-quality human resources; well-developed capacity for development, absorption and adaptation of technology and knowledge; a developed, nurtured and motivated vibrant local entrepreneurial class; and a complementary, innovative financial sector. Key aspects of these two types of imperatives for Africa as a global growth pole are now discussed.

option because replicating the experiences of the BRIICKs is less feasible, primarily because the circumstances of today are quite different from those of the last 40 years, when these countries made their huge strides. Also the BRIICKs are single countries, while Africa is made up of 54 countries with different social, cultural, political and economic systems and structures—a one-size-fits-all prescription is neither feasible nor realistic.

We therefore need to make realistic assumptions about the rest of the world, and assume that it will also recover and resume its average 2000–2008 growth by the end of 2012. On this basis, Africa's GDP and that of the rest of the world are projected into the future. For each year, the contribution of Africa to global GDP is computed,

until it reaches where China was in 2005 (the midpoint between 2001 and 2010)—when it accounted for 5.1 per cent of world GDP and had become a recognized global growth pole.

From table 3.1, it can be seen that—if Africa can maintain the 2000–2008 average annual growth of 5.6 per cent and the rest of the world does the same at 2.9 per cent—Africa’s contribution to world GDP increases from 2.4 per cent in 2012 and reaches 5.1 per cent in 2034. That is, Africa

is likely to meet the growth imperative to be a global growth pole by 2034. Needless to say, other things being equal, the higher the growth rate of Africa, the sooner its share of global GDP hits the 5 per cent mark. If, for example, Africa can maintain an average of 7 per cent growth (specified as the required growth rate to meet the MDGs) while the rest of the world maintains 2.9 per cent, Africa’s contribution to global GDP would reach 5 per cent in around two decades.

Table 3.1
Projected Global and African GDP, 2012–2034 (\$ billion)

Year	Global GDP (including Africa) ^a	African GDP ^b	African share ^c (%)
2012	42,738.7	1,033.0	2.4
2013	43,995.3	1,088.2	2.5
2014	45,290.2	1,147.2	2.5
2015	46,624.7	1,210.2	2.6
2016	48,000.1	1,277.5	2.7
2017	49,418.0	1,349.6	2.7
2018	50,879.8	1,426.9	2.8
2019	52,387.3	1,510.0	2.9
2020	53,942.2	1,599.5	3.0
2021	55,546.3	1,696.0	3.1
2022	57,201.7	1,800.3	3.1
2023	58,910.5	1,913.3	3.2
2024	60,675.0	2,036.2	3.4
2025	62,497.7	2,169.9	3.5
2026	64,381.5	2,316.0	3.6
2027	66,329.2	2,476.0	3.7
2028	68,344.3	2,651.9	3.9
2029	70,430.3	2,845.7	4.0
2030	72,591.4	3,060.0	4.2
2031	74,832.1	3,297.9	4.4
2032	77,157.5	3,562.7	4.6
2033	79,573.5	3,858.7	4.8
2034	82,086.5	4,190.7	5.1

Source: Projected outputs on the basis of GDP figures obtained from World Bank (2011a).

Notes: a. World GDP (excluding Africa) is projected using the average annual growth rate for 2000–2008, which is 2.9 per cent. Projected global GDP includes Africa. b. African GDP is projected using the average annual growth rate for 2000–2008 for individual African countries before summing to obtain projected African GDP. c. African share is African GDP relative to global GDP (including Africa).

Africa's structural transformation imperatives

Structure of output

The above growth imperative is fundamental to a global growth pole, but the structural imperatives are important as they reflect the potential for the growth pole to drive growth in other economies, hence global growth. It is thus important to propose the structural transformation imperatives for Africa as a global growth pole.

To this end, we examine the structures of China, India and the Republic of Korea in 2005 to benchmark the structural transformation that Africa should strive to attain in order to become a global growth pole in the next two decades. We emphasize at the outset that as total output grows, the contributions of various sectors to total output should change as factors move from lower-productivity to higher-productivity sectors (Lewis, 1954; Kuznets, 1955; Chenery, 1986). In the context of inter-industry linkages, sectors that generate greater forward than backward linkages tend to propagate activities in the other sectors such that over time, the spin-off, higher value-added activities become larger contributors to total output than the sector that generated the spin-off activities in the first instance. In that context, a decline in the contribution of a specific sector to total output does not necessarily imply absolute decline, only relative.

As a starting point, virtually all African countries have articulated national visions that aim to achieve an income status at least one step higher than their current level. It therefore seems reasonable to expect that the economic structures of the African countries will approximate those of countries that are in the targeted income group. Hence the structural transformation imperatives for current high-income and upper middle-income African countries should be that of the Republic of Korea in 2005—a high-income country. For lower middle-income

and low-income countries, the structural transformation imperatives should be the average of the structures of China and India, also in 2005.

For agriculture therefore, high-income and upper middle-income African countries should target a share of 3.3 per cent of GDP, and lower middle-income countries and low-income African countries should target 15.5 per cent of GDP, at most. Again, such targeting does not mean that attention should *not* be paid to growth in agricultural productivity and output. On the contrary, even greater attention should be paid to these areas to provide the necessary input for manufacturing and other transformation activities that will add value to primary agricultural commodities as a prelude to structural transformation. Indeed, the hallmark of a successful agricultural revolution is sustained supply of agricultural raw materials to the processing and other transformation industries so that over time, while agriculture maintains a high growth rate, its share in total output will decline as the shares of manufacturing, other industries and sophisticated services increase faster.

For manufacturing, the target for high- and upper middle-income African countries should be 28 per cent of GDP at the minimum, and that for lower middle-income and low-income countries should be 24 per cent of GDP, again at the minimum. For industrial sectors, excluding manufacturing, the targets should be 10 per cent and 14 per cent, respectively, for the two country groups, and for services, 59 per cent and 47 per cent of GDP, respectively.

Percentage changes in the structure of output required to meet these structural imperatives can now be determined. For agriculture, Namibia and Mauritius, among the upper middle-income countries in Southern Africa, should reduce the share of agriculture in total GDP to meet this benchmark (figure 3.8 and annex table 3.1).¹⁵ Again, the implication is that in these countries, manufacturing and other sectors should grow faster as they transform agricultural commodities to higher value-added commodities and services such that their contributions to total output rise relative to that of agriculture. The other countries should strive to preserve the current share, or

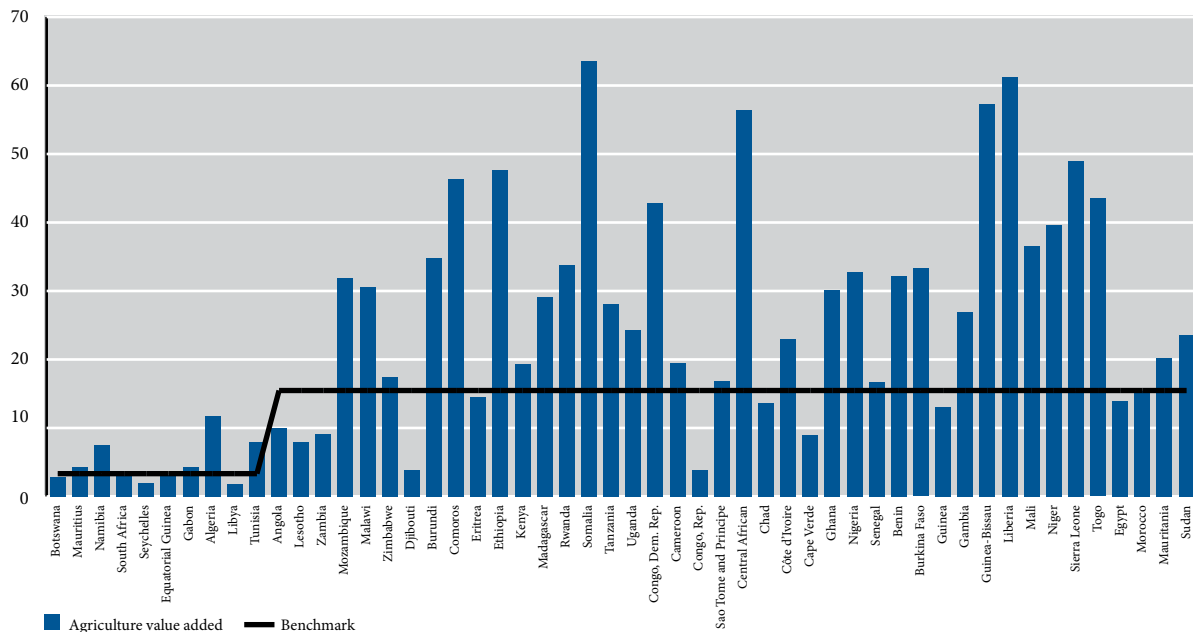
Africa is likely to meet the growth imperative to be a global growth pole by 2034.

at least ensure that as the economy grows, the share of agriculture in total GDP does not exceed the 3.3 per cent benchmark. Among the lower middle-income and low-income countries in Southern Africa, Zambia, Mozambique and Malawi should strive to increase the contributions of manufacturing and other sectors to total output; thus the share of agriculture in total GDP should decline significantly as the economy grows.

In East Africa, all the low-income countries should also reduce the share of agriculture in total GDP as the economy grows, and in Central Africa, all countries should seek to do this. In West Africa, all countries should reduce the share of agriculture in GDP substantially, apart from Cape Verde. In North Africa, Algeria, Tunisia, Mauritania and Sudan should strive to reduce the share of agriculture in GDP.

Figure 3.8

Imperatives of agriculture value added for Africa as a global growth pole (% of GDP)



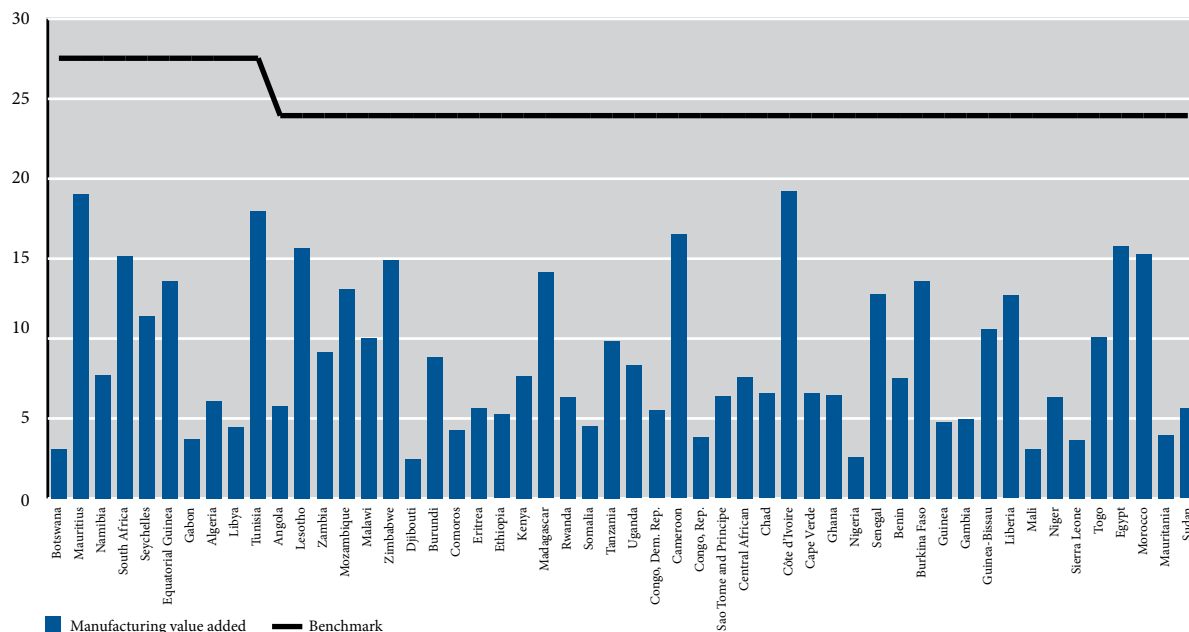
Source: World Bank (2011a).

All African countries should strive to increase the share of manufacturing in GDP over time (figure 3.9). The largest increases are required in Central and East Africa, where most current shares are in low single digits. The challenge of raising the share of manufacturing and sophisticated services, thereby reducing those of agriculture and other industry (excluding manufacturing), is more serious in resource-rich economies such as Botswana, Angola, Equatorial Guinea, Republic of the Congo, Nigeria and Algeria (figure 3.10).

Africa should step up efforts to diversify its economic base away from primary production towards high value added activities.

Figure 3.9

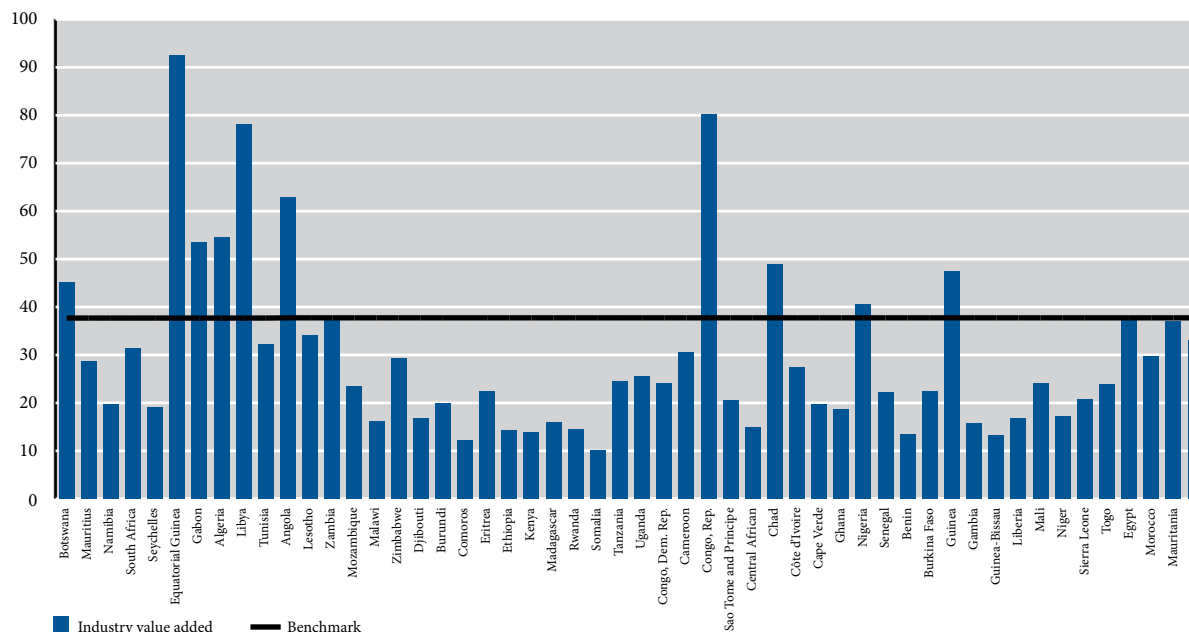
Imperatives of manufacturing value added for Africa as a global growth pole (% of GDP)



Source: World Bank (2011a).

Figure 3.10

Imperatives of industry value added for Africa as a global growth pole (% of GDP)



Source: World Bank (2011a).

Services—except for Mauritius and South Africa and, to some extent, most of the North African countries—are

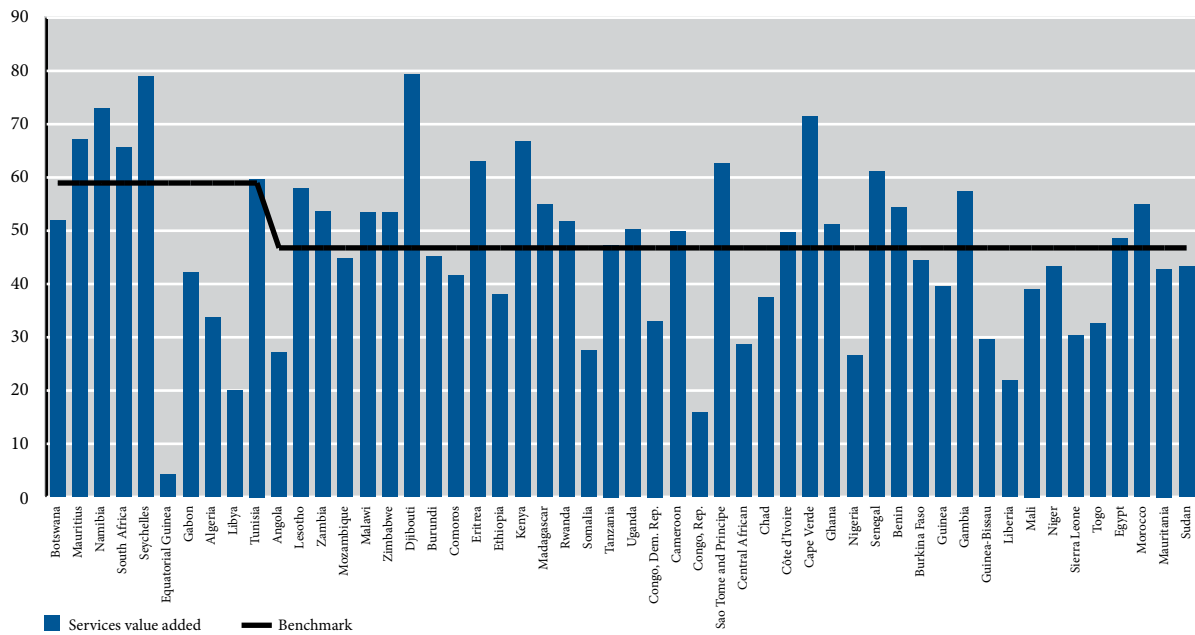
dominated by informal, low-productivity distributive trade activities. Virtually all countries should strive to

reduce the contribution of this type of services to GDP as a strategy of reducing the preponderance of unproductive informal activities, which are very hard to tax.

In Southern Africa—except for Botswana, Angola and Mozambique—all countries should strive to reduce the share of services in GDP. In East Africa—except for Burundi,

Comoros, Democratic Republic of the Congo, Ethiopia and Tanzania—all countries should do this. In Central Africa, only Sao Tome and Principe, and in West Africa, Benin, Cape Verde, Côte d’Ivoire and Gambia, should strive to do so. In North Africa, Tunisia, Egypt and Morocco should endeavour to do the same (figure 3.11).

Figure 3.11
Imperatives of services value added for Africa as a global growth pole (% of GDP)



Source: World Bank (2011a).

The general indication is that structural transformation imperatives require the majority of African countries to reduce the share of agriculture in GDP and increase the share of manufacturing and non-manufacturing industry substantially. Also, some countries need to reduce the share of services in GDP. Except for Mauritius and South Africa, all countries should strive to modernize unproductive distributive trade activities and in the process transform them to formal, more productive activities that can also be brought into the tax net.

In sum, Africa should step up efforts to diversify its economic base away from primary production (agriculture and minerals) and distributive trade dominated by informal operators, towards higher value-added production

activities in manufacturing and more sophisticated services, together supporting a modern, knowledge-intensive economy.

Like infrastructure, a well-educated, enlightened and healthy human resource base is a key imperative for a global growth pole.

African governments should nurture and support an indigenous entrepreneurial class.

Trade

As elaborated above, perhaps the most important channel of interactions and spillovers between a global growth pole and other economies is trade. Accordingly, the structures of exports and imports are key imperatives of the structural transformation of a global growth pole.

The export benchmark for high- and upper middle-income African countries is the Republic of Korea and for lower middle-income and low-income African countries it is the average of China and India. All African countries should reduce the shares of food and agricultural raw materials in total merchandise exports for the continent to become a global growth pole. Resource-rich African countries should also reduce the share of fuel, ores and metals in total exports and substantially raise the shares of manufactured exports in total exports. The sizes of the reductions and increases vary across countries (annex table 3.2).

On the structure of imports, all African countries should reduce the shares of food in total imports (annex table 3.3), increase the share of agricultural raw materials in total imports and increase the shares of fuel, ores and metals in total imports.¹⁶ For manufactured imports, the size of the change required by African countries is quite small. However, most of the manufactured imports by the benchmark countries are really components used as inputs in the production of other high value-added manufactured goods, some of which are exported and some intended for the domestic market.

For example, imports of ICT goods accounted for over 18 per cent of total imports of the Republic of Korea in 2005. The corresponding figures for China and India were 26.5 per cent and 8.2 per cent (Ajakaiye, 2007). In

essence, imports of a global growth pole should largely be to support the production platforms that efficiently produce higher value-added goods for domestic and export markets.

The challenge for African countries in imports of manufactured goods is therefore not only the reduction of their share in total imports, which is relatively small, but a major shift from the imports of finished and final consumer goods (the familiar, fully built-up units) towards industrial intermediate inputs and components.

Infrastructure

The infrastructure imperatives for high- and upper middle-income African countries are benchmarked to Korea in 2005, while those for lower middle-income and low-income African countries are benchmarked to the average of China and India, also in 2005. Key elements are energy, roads and telecommunications. For energy, the indicators are per capita electricity consumption and GDP per unit of energy use; for roads, the share of paved roads in total road length; and for telecommunications, telephone lines per 100 persons, mobile (cellular) phones per 100 persons and Internet users per 100 persons.

For per capita energy use, the benchmark for high- and upper middle-income countries is 4,365 kilowatt-hours (kWh) while that for lower middle-income and low-income countries is 896 kWh. These are changes that the various African countries should secure in two decades to meet the energy use imperative. Only Egypt has met this imperative, while Libya, South Africa, Zimbabwe and Morocco in 2010 were closest to the benchmarks (annex table 3.4). All other countries have to step up energy supply and use significantly in order to meet this imperative. On GDP per unit of energy use, several African countries have met this benchmark, in which case the challenge for them is to maintain momentum. The African countries that are below the benchmark should step up both the volume and efficiency of energy use.

For roads, Mauritius, Seychelles, Comoros, Sao Tome and Principe, Cape Verde, Egypt and Morocco have met the benchmark. All other countries should raise the proportion of paved roads substantially to ensure that Africa

meets the global growth pole imperatives in the next two decades (annex table 3.5).

On telecommunications, all African countries are yet to meet the benchmark for telephone lines per 100 persons (annex table 3.5), though quite a number have met the benchmark for Internet users per 100 persons. Similarly, several African countries have met the benchmark for mobile cellular coverage.

In a nutshell, African countries should invest aggressively in infrastructure upgrading to meet the infrastructure imperatives of a global growth pole by the mid-2030s.

Human resources

Like infrastructure, a well-educated, enlightened and healthy human resource base is a key imperative for a global growth pole. Such a human resource base is required for efficient production, knowledge transfer and technological adaptation and innovation. A high-quality human resource base is the foundation for ensuring local capacity to interact, collaborate and partner with foreign investors, maximizing the linkages and spillovers for the domestic economy. Similarly, this human resource base is required to ensure that migration plays its role in knowledge transfer and technological adaptation from the global to the local economy—and vice versa. Indices that represent key imperatives of quality human resources are tertiary, secondary and primary enrolment rates, adult and youth literacy rates, life expectancy, infant mortality rate and survival rate to age 65.

In education, most African countries have met the benchmark for primary enrolment (annex figure 3.1 and annex table 3.6). But only a few African countries have met that for secondary enrolment, and Egypt is the only country to have met the benchmark for tertiary enrolment (annex figures 3.2 and 3.3). As African countries strive to meet these imperatives, the issue of quality of education at all

levels should be addressed. Similarly, very few African countries have met the benchmarks for adult and youth literacy rates (annex figures 3.4 and 3.5).

In health, only Cape Verde, Egypt and Morocco have met the benchmark for life expectancy (annex figure 3.6 and annex table 3.7), while no African country has met the benchmark for the infant mortality rate (annex figure 3.7). Only Cape Verde, Egypt and Morocco have met the benchmark for the male survival rate to age 65 (annex figure 3.8).

All African countries should strive to reduce the burden of disease, especially HIV/AIDS and malaria, which undermine the benefits of high-quality health services and higher education. African countries have to invest heavily in these areas in order to prepare its human resource base to become a global growth pole.

An indigenous entrepreneurial class

A global growth pole will interact with the other economies to the advantage of the domestic and global economy if it can organize a strong and efficient domestic production platform that can partner on mutually beneficial terms with counterparts from the rest of the world. In addition to the growth, output structure, trade, infrastructure and human resources imperatives described above, a virile indigenous entrepreneurial class is another imperative for a global growth pole.

Researchers have yet to identify a suitable index to develop a benchmark. Yet there is no doubt that—apart perhaps from Mauritius and to some extent South Africa, Egypt and Tunisia—many African countries have a dearth of local entrepreneurs who can work with foreign counterparts on mutually beneficial terms. African governments should therefore vigorously nurture and support an indigenous entrepreneurial class, so that the continent can become a global growth pole in the next two decades.¹⁷

3.3 Capitalizing on opportunities and managing risks

THERE IS GENERAL agreement that the world economy has become multipolar, one in which more than one country is helping to drive the growth process in

other countries.¹⁸ Since the beginning of the century, the dominance of the US and Europe as drivers of the global economy has declined significantly, especially in

the second half of the decade. Indeed, China and India have joined the league of global growth drivers.

This shift in global economic power is associated with a shift in global balance. Of the top 15 global growth drivers, only six have a current account surplus—Germany is the only one in Europe and the rest are Asian (table 3.2).

This suggests that the economic power has shifted to the South, a view expressed by Cilliers, Hughes and Moyer (2011) and the McKinsey Global Institute (2010), among others. Africa has to capitalize on the key opportunities—and manage the risks—of this shift, and of its own recent improvement.

Table 3.2

Polarity indices and current account balance, top 15 growth poles, 2010

Country	Polarity index	Current account balance
China	82.13	2.9
United States	81.98	-3.1
Japan	63.77	2.4
India	23.22	-3.5
Germany	18.50	5.2
Brazil	16.87	-2.2
Korea, Rep.	12.12	2.0
Argentina	9.79	-0.3
Mexico	9.41	-1.9
Turkey	8.55	-9.8
Canada	6.59	-2.7
Singapore	5.78	17.7
France	5.40	-2.4
United Kingdom	5.22	-1.5
Hong Kong SAR, China	4.30	4.2

Source: Polarity indices are computed from World Bank (2011a); current account balances are from *The Economist*, 17 December 2011.

Macroeconomic management

African countries need to capitalize on their recently improved macroeconomic management and ensure that the associated resource inflows are well invested in the key areas of infrastructure, science and technology, human resources and development of the local entrepreneurial class.

A major macroeconomic risk is managing external reserves and public expenditure, especially controlling corruption and waste. Poorly managed reserves can cause the exchange rate to appreciate, hurting exports. If corruption is not controlled, expenditure on these key areas

will be inefficient. Weak capacity of the State bureaucracy to manage public expenditure in general and in these particular areas will undermine the benefits of the opportunities mentioned.

In order to maximize the opportunities and manage the risks, therefore, it is imperative for African governments to articulate and then effectively carry out medium-term development plans for their long-term visions. They should consider the tenets of the developmental State articulated in the *Economic Report on Africa 2011* (UNECA and AUC, 2011), and control corruption, strengthen macroeconomic

management and develop an indigenous entrepreneurial class. Such an approach will speed up structural

Demand for primary resources

One of the major opportunities presented to Africa by the contemporary multipolar world is increased demand for primary commodities. At early stages of development, production in emerging economies tends to be primary product-intensive. This intensity generally declines as development proceeds and as the economy moves towards knowledge-intensive goods.

The preponderance of developing countries among the new global growth drivers presents opportunities for African countries, the majority of which produce and export

Cheap manufactured imports

International prices of manufactured goods are falling steadily (Kaplinsky, Robinson and Willenbockel, 2007). A major benefit, especially for low-income African countries, is access to affordable imports of manufactured goods, which should help in reducing poverty. With the dominance of finished manufactured goods in Africa's imports, African consumers are at first glance the real beneficiaries of the falling international prices of manufactured goods.

But a major risk is deindustrialization, as local producers lose market shares to cheaper imports. Moreover, in a competitive environment, African manufactured exporters based on small and medium-sized firms are unlikely to be able to compete with increasingly large producers operating complex global production networks based on imported industrial intermediates and components from the most cost-effective sources (Finger and Low, 2012). The associated loss of income and employment is a major concern in an environment already with high unemployment.

Another risk associated with cheap imports is low quality and the consequent health hazards. Low-quality goods are also likely to require frequent and costly maintenance. When such goods are imported for production and export of value added goods, they may not meet increasingly

transformation, residualizing primary production and export as drivers of growth (chapter 4).

primary commodities. World prices of these primary commodities are likely to remain high for some time mainly because of the heavy demand from emerging markets but also because of the recovery of Africa's traditional trading partners. Thus resource-rich African countries and producers of primary agricultural commodities are likely to enjoy a favourable balance of trade and comfortable external reserves for some time. Moreover, resource-rich African countries are expected to continue attracting FDI into the extractive industries.

stringent standards, adversely affecting the acceptability and access of products in local and international markets.

Cheap imports also run the risk of Africa's continued specialization in production and export of primary products and excessive economic concentration. Apart from going against the transformation imperatives, such specialization will make Africa more vulnerable to terms-of-trade shocks.

African countries should respond in three ways. To maximize the benefits of falling international prices of manufactured goods, they should restructure their imports

African governments should subject all foreign investment proposals to rigorous value-chain analysis and insist on local processing of primary commodities.

in favour of imports of cheaper capital goods needed to process the primary agricultural and mineral products at lower cost, for the export and domestic markets. To avoid the risk of low-quality imports, they should develop and enforce appropriate standards, and build the necessary quality assurance organizations. Finally, to mitigate the risks of deindustrialization, they should develop and nurture indigenous entrepreneurs capable of partnering with their foreign counterparts. This can help insert African countries in the global production networks at the higher end of the value chain. Such moves should be

accompanied by incentives necessary to attract foreign investors.

One attribute of moving to a global growth pole and eventual graduation to a knowledge economy is low and falling reliance on primary commodities as inputs, as efficiency rises and as the benefits of intensive research and development feed through. In essence, African primary producers and exporters benefiting from impressive growth should take full advantage of these—possibly short-term—opportunities.

An industrial policy for diversified FDI

One benefit of the multipolar world is the diversified sources of FDI, which can help countries to avoid the “race to the bottom”, given that African countries can now seek particular types of FDI without fear of other collusive foreign investors abandoning them. Consequently, African countries are now in a better position to negotiate favourable terms with foreign investors, including in areas such as joint ventures and outsourcing important operations to local businesses.

foreign investors by articulating clear industrial policies compatible with economic transformation, and by encouraging FDI that will complement such transformation. (Developing indigenous entrepreneurs is a prerequisite.)

One risk is that African leaders may fail to press on with further governance reforms, as most foreign investors may not insist on good governance and control of corruption. This may create opportunities for massive illicit capital flight thus curtailing the benefits of foreign investment (chapter 5).¹⁹ Another risk is continued concentration of foreign investment in resource extraction rather than a shift to manufacturing. Also, some foreign investors may not use the best technology to minimize the environmental impact of operations. In addition, foreign investment—even outside the extractive industries—may target primary production aimed at guaranteeing the supply of agricultural raw materials for processing and adding value in the home country, rather than in Africa. Such FDI may insert Africa into the low end of production networks with limited linkage and spillovers to the rest of the economy.

All African governments should subscribe to the African Peer Review Mechanism (APRM) of AU/NEPAD (chapter 4), in order to mitigate the risks of poor governance, corrupt practices and associated illicit capital flight. On environmental damage, they should insist on environmental impact assessments as a condition for licensing all operations by investors, local or foreign. They should also ensure regular monitoring of the environmental impact of operations and that investors use the best technology for minimum environmental impact. Also, they should require all operators to undertake adequate restoration and restitution activities to deal with the inevitable damage to the environment. Licences should be subject to renewal at reasonable intervals, affording an opportunity to check compliance with environmental standards.

To offset these risks, African countries have various options. They should capitalize on the enlarged pool of

Finally, to mitigate the risks associated with inserting Africa into the wrong end of the international production network, Africa's governments should subject all foreign investment proposals to rigorous value-chain analysis and insist on local processing of all primary commodities, including mineral products before export. This way Africa will also export industrial intermediates and not just primary commodities—a move compatible with the transformation imperatives discussed earlier.

Infrastructure development with support of traditional and new partners

As with FDI, the emergence of a multi-polar world also diversified the prospective partners in developing infrastructure. One benefit of this is the falling cost of doing this, though low quality is a risk alongside a preponderance of turnkey systems, which together entail high maintenance costs and hence, possibly, scrapping the project.

Diasporas

Africa is a source of skilled and unskilled migrants and recipient of unskilled migrants from other regions (Ajakaiye, Lucas and Karugia, 2006). While skilled workers migrate because of a poor working environment and poor living conditions, unskilled migrants do so out of restricted opportunities for employment. Migration is one of the key channels through which a global growth pole can interact with other economies through transfer of knowledge and technology.

To mitigate these risks, African countries should develop local entrepreneurs in infrastructure construction and maintenance, and insist on partnerships between foreign and local firms in infrastructure projects. They should also develop capacity to design such projects and monitor construction. These measures call for a capable developmental State (UNECA and AUC, 2011).

African countries benefit from remittances (Ratha et al., 2011), but the apparent neglect of potential spillovers from returning skilled migrants should not continue. Most African leaders try to meet some of their citizens in diasporas when they visit the host countries. Such efforts should be complemented by more carefully targeted incentives to attract skilled emigrants back home, as this will facilitate the imperatives for knowledge and technology transfer.

3.4 Conclusions and recommendations

AFTER STAGNATING FOR much of its post-colonial history, Africa has witnessed a growth resurgence, especially in 2002–2008, making it the second-fastest-growing region in the world which, in 2010, contained 10 of the world's 15 fastest-growing economies. The growth resurgence is not limited to the resource-rich countries.

This resurgence is giving rise to Africa's growing recognition as an emerging market and a potential global growth pole. For Africa to become a global growth pole, this chapter has presented options—or imperatives—for the continent.

Generally, African countries need to address development deficits in the structural transformation of output and trade, infrastructure, human resources and science and technology; and capitalize on the opportunities and manage the risks in the emerging multipolar world and the shift in the resource balance to developing regions.

More specifically, to achieve global growth pole status Africa should sustain its 2000–2008 growth momentum (while the rest of the world maintains its rate of that period). If it does this, Africa will account for at least 5 per cent of world GDP by 2034.

Associated structural transformation targets, to be met by 2034 or earlier, include the following:

- ▶ African countries should reduce the share of agriculture in GDP to 15 per cent at most, increase the share of manufacturing to at least 25 per cent and restructure services from distributive trades towards more modern services.
- ▶ African countries should diversify their trade and render it more sophisticated, so that the shares of agricultural raw materials, fuel and ores and metals do not exceed 1 per cent, 6 per cent and 4 per

cent, respectively, of total exports, while the share of manufacturing exports should be at least 82 per cent. The shares of fuel and ores and metal in total imports should hover around 23 per cent and 7 per cent, while the composition of manufactured imports should change towards capital goods, industrial intermediates and components.

- ▶ Per capita electricity consumption and GDP per unit of energy use should be 1,129 kWh and 4 at least; the share of paved roads should be at least 44 per cent; telephone lines per 100 persons and Internet user per 100 persons should not be less than 16 and 6, respectively, in any African country.
- ▶ Secondary and tertiary enrolment should not be less than 16 per cent and 64 per cent, accompanied by quality assurance mechanisms.

- ▶ Adult and youth literacy rates should not be less than 77 per cent and 90 per cent, respectively, in any African country.
- ▶ Life expectancy should be 68 years at least and infant mortality rate should be 37 per 1,000 live births at most in any African country.
- ▶ All African countries should develop, nurture and support indigenous entrepreneurs capable of working with their foreign counterparts.

All these measures require collaboration among all stakeholders under the leadership of a developmental State. In that way, Africa can unleash its development capacity—as now discussed in detail.

Annex tables and figures

Annex table 3.1

Imperatives of changes in structure of output for Africa as a global growth pole

S/N	Country name	Agriculture (% of GDP)		Industry (% of GDP)		Services (% of GDP)		Manufacturing (% of GDP)	
		Value (2010)	%Change	Value (2010)	%Change	Value (2010)	%Change	Value (2010)	%Change
SOUTHERN AFRICA									
Upper Middle Income									
1	Botswana	2.9	16.5	45.3	-16.7	51.9	13.6	3.1	795.5
2	Mauritius	4.2	-21.3	28.6	31.8	67.2	-12.2	19.1	44.4
3	Namibia	7.5	-55.6	19.6	92.2	72.9	-19.1	7.7	257.2
4	South Africa	3.0	9.5	31.3	20.5	65.7	-10.2	15.2	81.6
Lower Middle Income									
5	Angola	10.0	54.7	62.9	-39.9	27.1	72.3	5.8	313.3
6	Lesotho	7.9	95.7	34.2	10.5	57.9	-19.3	15.7	53.0
7	Zambia	9.2	68.9	37.2	1.4	53.6	-12.7	9.2	161.5
Low Income									
8	Mozambique	31.9	-51.4	23.4	61.4	44.8	4.5	13.1	83.1
9	Malawi	30.5	-49.3	16.1	134.3	53.4	-12.3	10.0	138.3
10	Zimbabwe	17.4	-11.3	29.2	29.3	53.4	-12.3	14.9	60.6
EAST AFRICA									
Upper Middle Income									
11	Seychelles	1.9	70.9	19.1	97.3	78.9	-25.3	11.4	141.5
Lower Middle Income									
12	Djibouti	3.9	301.2	16.9	123.6	79.3	-41.0	2.5	877.4
Low Income									
13	Burundi	34.8	-55.6	20.0	88.7	45.1	3.6	8.8	171.2
14	Comoros	46.3	-66.6	12.1	211.8	41.6	12.5	4.3	458.0
15	Eritrea	14.5	6.5	22.4	68.2	63.0	-25.8	5.7	323.9
16	Ethiopia	47.7	-67.6	14.3	164.3	38.0	23.0	5.2	356.8
17	Kenya	19.4	-20.2	13.8	173.2	66.8	-30.0	7.7	212.9
18	Madagascar	29.1	-46.9	16.0	135.9	54.9	-14.8	14.1	69.4
19	Rwanda	33.9	-54.3	14.4	162.3	51.8	-9.6	6.4	276.6
20	Somalia	63.6	-75.7	10.1	273.1	27.5	70.0	4.5	426.8
21	Tanzania	28.1	-45.0	24.5	53.8	47.3	-1.1	9.8	143.6
22	Uganda	24.2	-36.2	25.5	48.3	50.3	-7.0	8.3	188.1
23	Congo, Dem. Rep.	42.9	-63.9	24.0	57.0	33.0	41.5	5.5	336.0
CENTRAL AFRICA									
High Income									
24	Equatorial Guinea	3.2	4.6	92.6	-59.3	4.2	1297.9	13.6	102.7
Upper Middle Income									
25	Gabon	4.4	-23.6	53.5	-29.6	42.1	40.0	3.7	638.5
Lower Middle Income									
26	Cameroon	19.5	-20.5	30.6	23.2	49.9	-6.2	16.5	45.1
27	Congo, Rep.	3.9	301.4	80.2	-52.9	15.9	193.6	3.8	523.1

S/N	Country name	Agriculture (% of GDP)		Industry (% of GDP)		Services (% of GDP)		Manufacturing (% of GDP)	
		Value (2010)	%Change	Value (2010)	%Change	Value (2010)	%Change	Value (2010)	%Change
28	Sao Tome and Principe	16.8	-8.0	20.5	83.9	62.7	-25.4	6.4	275.8
Low Income									
29	Central African Republic	56.5	-72.6	14.8	154.9	28.7	62.9	7.6	214.8
30	Chad	13.6	13.5	48.8	-22.7	37.5	24.6	6.6	265.2
WEST AFRICA									
Lower Middle Income									
31	Côte d'Ivoire	22.9	-32.6	27.4	37.9	49.7	-5.8	19.2	24.5
32	Cape Verde	8.9	72.9	19.7	92.0	71.4	-34.5	6.6	263.5
33	Ghana	30.2	-48.8	18.6	102.5	51.1	-8.5	6.5	270.2
34	Nigeria	32.7	-52.7	40.7	-7.1	26.6	75.6	2.6	828.2
35	Senegal	16.7	-7.4	22.1	70.5	61.1	-23.5	12.8	87.6
Low Income									
36	Benin	32.2	-52.0	13.4	181.4	54.4	-14.0	7.5	218.8
37	Burkina Faso	33.3	-53.5	22.4	68.8	44.4	5.5	13.6	75.8
38	Guinea	13.0	18.8	47.4	-20.3	39.6	18.2	4.8	403.2
39	Gambia	26.9	-42.6	15.7	140.0	57.3	-18.4	5.0	382.4
40	Guinea-Bissau	57.3	-73.0	13.1	187.3	29.6	58.2	10.6	125.8
41	Liberia	61.3	-74.8	16.8	124.7	21.9	113.6	12.7	88.6
42	Mali	36.5	-57.7	24.2	56.1	39.1	19.8	3.1	670.9
43	Niger	39.6	-61.0	17.1	120.5	43.2	8.2	6.3	277.2
44	Sierra Leone	49.0	-68.4	20.7	82.7	30.4	54.0	3.7	551.5
45	Togo	43.5	-64.4	23.9	58.0	32.6	43.5	10.1	136.9
NORTH AFRICA									
Upper Middle Income									
46	Algeria	11.7	-71.6	54.5	-30.9	33.7	74.8	6.1	353.3
47	Libya	1.9	78.6	78.2	-51.8	19.9	195.8	4.5	513.3
48	Tunisia	8.0	-58.4	32.3	16.8	59.7	-1.3	18.0	53.2
Lower Middle Income									
49	Egypt	14.0	10.6	37.5	0.6	48.5	-3.5	15.8	51.6
50	Morocco	15.4	0.6	29.7	27.3	55.0	-14.9	15.3	56.5
51	Mauritania	20.2	-23.3	37.0	2.0	42.8	9.2	4.0	506.0
52	Sudan	23.6	-34.5	33.0	14.3	43.3	8.0	5.6	326.3

Source: Computed based on data from World Bank (2011a).

Note: All values are for 2010 or latest available. South Sudan became an independent State on 9 July 2011. Separate data for the country is not yet available hence it is still combined with the Sudan. %Change is the percentage difference between the actual value for each country and the relevant benchmark.

Annex table 3.2**Imperatives of structure of merchandise exports for Africa as a global growth pole**

S/N	Country Name	Food exptors (% of merchandise exports)		Agric. raw materials exports (% of merchandise exports)		Fuel exports (% of merchandise exports)		Ores and metals exports (% of merchandise exports)		Manufactures exports (% of merchandise exports)	
		Value (2010)	%Change	Value (2010)	%Change	Value (2010)	%Change	Value (2010)	%Change	Value (2010)	%Change
SOUTHERN AFRICA											
Upper Middle Income											
1	Botswana	5.1	-79.2	0.2	320.5	0.4	1428.7	14.5	-88.3	79.5	14.2
2	Mauritius	37.2	-97.2	0.5	53.2	0.0	908560.2	0.4	379.4	60.2	51.0
3	Namibia	22.5	-95.3	0.4	86.7	0.5	1038.5	31.3	-94.5	44.7	103.3
4	South Africa	8.7	-87.9	1.9	-58.9	9.9	-45.1	32.7	-94.8	46.6	95.1
Lower Middle Income											
5	Angola	0.3	1893.8	0.0	47857.5	94.8	-93.3	4.9	-6.3	0.0	4464917.4
6	Lesotho	13.5	-54.9	9.1	-90.1	0.4	1660.8	2.5	84.5	74.4	9.5
7	Zambia	5.9	3.3	1.0	-7.7	0.5	1135.8	86.0	-94.7	6.3	1195.8
Low Income											
8	Mozambique	15.7	-61.3	4.4	-79.5	19.7	-67.9	54.4	-91.6	2.0	4026.5
9	Malawi	76.4	-92.0	3.3	-73.3	0.2	3300.0	11.1	-58.9	9.0	809.5
10	Zimbabwe	20.1	-69.7	7.0	-87.2	1.6	294.1	34.9	-87.0	36.4	123.7
EAST AFRICA											
Upper Middle Income											
11	Seychelles	58.5	-98.2	0.0	1790.6	0.0	227678.8	0.0	42764.9	2.4	3686.7
Lower Middle Income											
12	Djibouti	0.4	1322.6	0.0	9274.0	6.5	-2.5	0.3	1327.3	90.7	-10.2
Low Income											
13	Burundi	81.4	-92.5	4.9	-81.7	2.3	171.6	5.2	-12.9	5.9	1273.7
14	Comoros	13.8	-55.8	0.0	3527.0	0.0	134271.3	0.1	2940.2	6.3	1187.8
15	Eritrea	42.0	-85.5	26.0	-96.6	0.0	34655.1	1.8	159.2	30.3	169.3
16	Ethiopia	77.5	-92.1	11.9	-92.5	0.0	735453.9	0.8	492.2	8.7	841.6
17	Kenya	47.9	-87.3	10.9	-91.8	4.3	46.8	2.0	124.0	34.7	135.0
18	Madagascar	26.7	-77.1	3.2	-71.7	6.7	-5.1	9.5	-51.9	48.2	68.9
19	Rwanda	52.4	-88.4	3.1	-70.9	0.0	120390.5	36.9	-87.7	7.6	966.1
20	Somalia	93.7	-93.5	0.7	31.4	1.1	464.8	0.0	12481.0	1.3	5985.4
21	Tanzania	31.9	-80.9	7.4	-87.9	2.5	149.5	33.7	-86.5	24.1	238.6
22	Uganda	66.8	-90.9	7.2	-87.6	1.2	421.8	1.9	138.8	22.8	256.6
23	Congo, Dem. Rep.	32.5	-81.2	7.8	-88.6	1.3	379.7	51.8	-91.2	4.8	1580.8
CENTRAL AFRICA											
High Income											
24	Equatorial Guinea	57.9	-98.2	30.0	-97.3	1.7	219.4	7.5	-77.1	4.0	2185.9
Upper Middle Income											
25	Gabon	0.8	39.9	8.9	-91.0	83.1	-93.4	3.0	-43.7	4.2	2069.1
Lower Middle Income											
26	Cameroon	24.4	-75.0	14.8	-93.9	49.5	-87.3	3.0	53.6	7.5	981.0
27	Congo, Rep.	1.0	505.6	8.3	-89.2	87.6	-92.8	0.3	1299.1	2.7	2907.0

S/N	Country Name	Food exptors (% of merchandise exports)		Agric. raw materi-als exports (% of merchandise exports)		Fuel exports (% of merchandise exports)		Ores and metals exports (% of mer-chandise exports)		Manufactures exports (% of mer-chandise exports)	
		Value (2010)	%Change	Value (2010)	%Change	Value (2010)	%Change	Value (2010)	%Change	Value (2010)	%Change
28	Sao Tome and Principe	94.6	-93.6	0.7	33.6	0.0	-	0.0	30974.0	4.7	1646.8
Low Income											
29	Central African Republic	3.6	71.2	31.6	-97.2	0.0	25738.2	62.0	-92.7	2.7	2941.1
30	Chad	16.2	-62.2	66.9	-98.7	7.9	-20.5	0.8	452.4	7.7	956.3
WEST AFRICA											
Lower Middle Income											
31	Côte d'Ivoire	49.5	-87.7	9.6	-90.7	24.1	-73.8	0.3	1326.5	16.2	403.8
32	Cape Verde	81.6	-92.5	0.0	1989.8	0.0	-	0.9	413.0	17.5	365.5
33	Ghana	60.7	-89.9	6.9	-87.1	0.3	1851.5	11.2	-59.6	20.7	294.0
34	Nigeria	3.3	82.7	1.6	-45.1	87.1	-92.8	1.1	320.5	6.7	1118.7
35	Senegal	28.6	-78.6	1.4	-37.4	26.1	-75.8	3.8	20.8	40.1	103.1
Low Income											
36	Benin	40.6	-85.0	44.3	-98.0	0.4	1506.2	0.7	586.6	14.1	476.6
37	Burkina Faso	33.3	-81.7	55.9	-98.4	0.1	11975.6	1.6	176.4	9.1	797.8
38	Guinea	2.5	145.0	4.9	-81.8	1.5	317.4	59.2	-92.3	31.9	155.6
39	Gambia	53.0	-88.5	1.0	-13.3	0.0	106500.1	6.8	-33.6	39.1	108.3
40	Guinea-Bissau	98.7	-93.8	0.2	318.2	0.8	679.5	0.6	623.3	0.1	99459.3
41	Liberia	8.6	-28.7	25.6	-96.5	0.0	151787.2	64.8	-93.0	0.4	21433.6
42	Mali	29.8	-79.5	48.0	-98.1	0.1	4863.2	0.7	582.9	20.2	303.5
43	Niger	21.1	-71.1	2.8	-67.9	1.9	240.9	59.6	-92.4	14.1	479.5
44	Sierra Leone	91.6	-93.3	0.8	13.6	1.6	307.2	0.1	3854.9	7.5	992.4
45	Togo	15.0	-59.4	4.9	-81.8	0.1	4909.2	5.6	-18.9	74.2	9.8
NORTH AFRICA											
Upper Middle Income											
46	Algeria	0.6	88.6	0.0	4968.8	97.3	-94.4	0.3	486.0	1.8	4985.6
47	Libya	0.5	101.3	0.2	352.2	92.6	-94.1	0.0	7659.6	6.7	1263.3
48	Tunisia	7.7	-86.3	0.5	59.8	14.2	-61.5	1.6	9.1	76.0	19.5
Lower Middle Income											
49	Egypt	17.2	-64.5	3.0	-70.3	29.8	-78.8	6.3	-27.3	43.4	87.7
50	Morocco	19.0	-67.9	1.7	-48.4	1.1	488.5	11.7	-61.0	66.3	22.8
51	Mauritania	57.8	-89.4	0.1	774.5	0.0	381452.2	30.4	-85.1	0.0	1731148.9
52	Sudan	5.6	9.6	1.4	-35.7	92.1	-93.1	0.3	1717.6	0.4	19197.9

Source: Computed based on data from World Bank (2011a).

Note: All values are for 2010 or latest available. South Sudan became an independent State on 9 July 2011. Separate data for the country is not yet available hence it is still combined with the Sudan. %Change is the percentage difference between the actual value for each country and the relevant benchmark.

Annex table 3.3**Imperatives of structure of merchandise imports for Africa as a global growth pole**

S/N	Country Name	Food imports (% of merchandise imports)		Agric. raw materials imports (% of merchandise imports)		Fuel imports (% of merchandise imports)		Ores and metals imports (% of merchandise imports)		Manufactures imports (% of merchandise imports)	
		Value (2010)	% Change	Value (2010)	% Change	Value (2010)	% Change	Value (2010)	% Change	Value (2010)	% Change
SOUTHERN AFRICA											
Upper Middle Income											
1	Botswana	12.4	-64.1	0.8	134.9	14.7	73.6	2.0	245.8	68.5	-11.1
2	Mauritius	21.1	-79.0	2.2	-10.5	19.3	32.0	1.1	537.1	56.4	7.9
3	Namibia	13.9	-68.2	0.7	183.2	13.7	85.6	1.0	565.1	70.3	-13.4
4	South Africa	5.8	-24.0	0.9	115.9	19.7	28.9	1.5	340.4	65.4	-6.9
Lower Middle Income											
5	Angola	32.5	-88.9	0.8	273.8	0.2	9316.3	1.4	411.0	65.1	-3.8
6	Lesotho	20.2	-82.1	1.9	56.9	10.5	120.3	0.8	736.5	53.3	17.5
7	Zambia	4.7	-23.2	0.6	424.7	11.6	99.2	21.0	-67.1	61.6	1.6
Low Income											
8	Mozambique	11.6	-68.9	1.0	197.2	19.9	16.0	0.5	1257.9	49.6	26.3
9	Malawi	13.6	-73.4	1.1	167.4	10.0	131.9	1.0	580.7	74.1	-15.5
10	Zimbabwe	18.8	-80.8	2.6	15.5	11.2	106.1	13.8	-50.1	52.2	20.0
EAST AFRICA											
Upper Middle Income											
11	Seychelles	17.2	-74.1	2.1	-6.9	12.4	105.4	0.6	951.5	47.8	27.4
Lower Middle Income											
12	Djibouti	29.3	-87.7	0.6	415.7	6.5	258.1	0.8	817.6	62.4	0.3
Low Income											
13	Burundi	13.7	-73.6	1.4	109.2	2.1	993.0	0.7	943.7	81.6	-23.3
14	Comoros	19.5	-81.5	0.2	1161.5	0.7	3239.6	0.2	4338.7	53.5	17.0
15	Eritrea	45.6	-92.1	0.9	229.9	0.8	2646.5	0.9	651.3	51.7	21.1
16	Ethiopia	10.9	-66.7	0.5	487.6	15.9	45.9	1.2	468.0	71.5	-12.4
17	Kenya	12.0	-70.0	1.5	94.6	22.1	4.7	1.5	357.3	62.7	-0.2
18	Madagascar	13.6	-73.5	1.0	212.6	15.2	52.4	0.4	1576.3	69.5	-9.9
19	Rwanda	13.2	-72.6	1.6	83.0	8.1	186.5	1.2	462.3	75.6	-17.2
20	Somalia	22.4	-83.9	7.1	-57.3	12.4	85.9	0.4	1486.4	54.7	14.5
21	Tanzania	10.0	-63.7	0.9	252.7	27.6	-16.2	1.0	561.1	60.4	3.6
22	Uganda	12.4	-70.9	1.1	182.9	20.0	15.8	1.3	452.4	65.1	-3.8
23	Congo, Dem. Rep.	20.6	-82.4	1.8	68.2	9.9	132.9	1.2	461.5	65.6	-4.5
CENTRAL AFRICA											
High Income											
24	Equatorial Guinea	31.8	-86.0	0.2	973.4	2.7	826.1	1.0	571.4	64.2	-5.2
Upper Middle Income											
25	Gabon	17.1	-74.1	0.4	350.0	7.3	246.9	1.0	579.0	73.8	-17.5
Lower Middle Income											
26	Cameroon	17.7	-79.6	1.6	91.5	27.5	-15.7	0.8	719.8	52.4	19.5
27	Congo, Rep.	20.8	-82.6	0.9	249.8	19.6	18.3	0.8	795.1	58.0	8.0

S/N	Country Name	Food imports (% of merchandise imports)		Agric. raw materials imports (% of merchandise imports)		Fuel imports (% of merchandise imports)		Ores and metals imports (% of merchandise imports)		Manufactures imports (% of merchandise imports)	
		Value (2010)	% Change	Value (2010)	%Change	Value (2010)	% Change	Value (2010)	% Change	Value (2010)	% Change
28	Sao Tome and Principe	29.8	-87.9	0.8	289.2	16.1	43.7	1.1	537.3	52.0	20.5
Low Income											
29	Central African Republic	39.3	-90.8	2.3	32.9	0.6	3581.3	1.7	310.9	55.9	11.9
30	Chad	24.3	-85.1	0.6	402.5	17.9	29.0	0.6	1008.3	56.1	11.7
WEST AFRICA											
Lower Middle Income											
31	Côte d'Ivoire	19.2	-81.2	0.9	251.7	23.7	-2.5	1.2	495.9	54.6	14.7
32	Cape Verde	27.7	-87.0	1.3	130.4	11.9	93.8	1.1	506.1	57.8	8.3
33	Ghana	15.3	-76.4	1.1	178.0	1.0	2273.6	1.2	496.0	81.1	-22.7
34	Nigeria	10.2	-64.7	0.8	287.9	1.4	1550.5	1.1	534.9	86.4	-27.6
35	Senegal	22.4	-83.9	1.5	98.8	29.9	-22.7	1.7	307.5	44.4	41.1
Low Income											
36	Benin	30.7	-88.2	4.6	-34.3	21.6	6.9	1.0	599.0	41.8	49.8
37	Burkina Faso	15.1	-76.1	0.7	306.2	22.0	5.2	0.9	686.2	61.0	2.6
38	Guinea	13.2	-72.7	0.4	707.0	33.0	-29.8	0.2	3232.0	53.2	17.7
39	Gambia	35.2	-89.7	0.7	312.8	20.5	13.0	0.7	878.5	42.9	45.9
40	Guinea-Bissau	50.7	-92.9	0.6	397.7	16.6	38.9	0.1	7192.0	31.1	101.2
41	Liberia	25.0	-85.6	0.4	592.2	19.7	17.1	1.3	422.5	53.0	18.2
42	Mali	11.6	-68.9	0.5	567.9	26.0	-11.0	0.6	997.2	61.2	2.4
43	Niger	15.1	-76.1	2.1	44.2	12.5	84.9	0.9	659.3	69.4	-9.7
44	Sierra Leone	22.5	-84.0	7.6	-60.1	39.7	-41.7	0.8	744.4	29.3	113.6
45	Togo	15.7	-76.9	1.4	122.1	13.9	66.1	1.9	268.7	67.2	-6.8
NORTH AFRICA											
Upper Middle Income											
46	Algeria	16.3	-72.8	1.6	20.7	2.1	1093.9	1.5	346.5	78.4	-22.4
47	Libya	16.8	-73.5	0.6	247.2	0.7	3596.6	0.9	641.2	81.1	-24.9
48	Tunisia	9.3	-52.5	2.1	-9.2	12.6	101.8	3.6	90.2	72.3	-15.8
Lower Middle Income											
49	Egypt	19.1	-81.1	3.2	-6.1	13.4	72.1	4.1	67.5	60.1	4.3
50	Morocco	11.4	-68.4	2.2	39.4	23.1	0.3	3.3	111.6	58.8	6.6
51	Mauritania	19.4	-81.4	0.5	505.5	26.4	-12.5	0.2	3270.1	52.9	18.4
52	Sudan	14.9	-75.8	1.1	179.1	4.0	473.9	0.9	662.6	77.8	-19.5

Source: Computed based on data from World Bank (2011a).

Note: All values are for 2010 or latest available. South Sudan became an independent State on 9 July 2011. Separate data for the country is not yet available hence it is still combined with the Sudan. %Change is the percentage difference between the actual value for each country and the relevant benchmark.

Annex table 3.4**Imperatives of energy use for Africa as a global growth pole**

S/N	Country Name	Electric power consumption (kWh per capita)		GDP per unit of energy use (PPP \$ per kg of oil equivalent)	
		Value (2010)	%Change	Value (2010)	%Change
SOUTHERN AFRICA					
Upper Middle Income					
1	Botswana	1503.3	419.1	12.6	-58.5
2	Mauritius		-	12.4	-57.8
3	Namibia	1576.2	395.1	8.2	-36.1
4	South Africa	4532.0	72.2	3.5	47.6
Lower Middle Income					
5	Angola	202.2	458.5		-
6	Lesotho		-		-
7	Zambia	635.0	77.8	2.4	65.5
Low Income					
8	Mozambique	453.4	149.0		-
9	Malawi		-		-
10	Zimbabwe	1026.2	10.0		-
EAST AFRICA					
Upper Middle Income					
11	Seychelles		-	8.9	-41.1
Lower Middle Income					
12	Djibouti		-		-
Low Income					
13	Burundi		-		-
14	Comoros		-		-
15	Eritrea	51.0	2113.7		-
16	Ethiopia	45.8	2367.3		-
17	Kenya	147.4	665.8		-
18	Madagascar		-		-
19	Rwanda		-		-
20	Somalia		-		-
21	Tanzania	85.7	1217.8	3.0	32.3
22	Uganda		-		-
23	Congo, Dem. Rep.	103.9	987.1	0.9	324.2
CENTRAL AFRICA					
High Income					
24	Equatorial Guinea		-		-
Upper Middle Income					
25	Gabon	922.5	746.0		-
Lower Middle Income					
26	Cameroon	271.2	316.2		-
27	Congo, Rep.	146.4	671.2		-
28	Sao Tome and Principe		-	5.9	-33.6

S/N	Country Name	Electric power consumption (kWh per capita)		GDP per unit of energy use (PPP \$ per kg of oil equivalent)	
		Value (2010)	%Change	Value (2010)	%Change
Low Income					
29	Central African Republic		-		-
30	Chad		-		-
WEST AFRICA					
Lower Middle Income					
31	Côte d'Ivoire	203.5	454.9		-
32	Cape Verde		-		-
33	Ghana	265.1	325.9		-
34	Nigeria	120.5	836.9	3.2	22.4
35	Senegal	196.0	476.0	7.8	-49.6
Low Income					
36	Benin	91.3	1137.1		-
37	Burkina Faso		-		-
38	Guinea		-		-
39	Gambia		-		-
40	Guinea-Bissau		-		-
41	Liberia		-		-
42	Mali		-		-
43	Niger		-		-
44	Sierra Leone		-		-
45	Togo	110.8	918.8	2.2	78.4
NORTH AFRICA					
Upper Middle Income					
46	Algeria	971.0	703.7		-
47	Libya	4170.1	87.1		-
48	Tunisia	1311.3	495.1	10.5	-50.2
Lower Middle Income					
49	Egypt	1548.6	-27.1		-
50	Morocco	755.6	49.4		-
51	Mauritania		-		-
52	Sudan	114.3	888.0	5.9	-33.5

Source: Computed based on data from World Bank (2011a).

Note: All values are for 2010 or latest available. South Sudan became an independent State on 9 July 2011. Separate data for the country is not yet available hence it is still combined with the Sudan. %Change is the percentage difference between the actual value for each country and the relevant benchmark.

Annex table 3.5**Imperatives of roads and telecommunications for Africa as a global growth pole**

S/N	Country Name	Roads, paved (% of total roads)		Telephone lines (per 100 persons)		Mob cellular subsc. (per 100 person)		Internet users (per 100 person)	
		Value (2010)	% Change	Value (2010)	% Change	Value (2010)	% Change	Value (2010)	% Change
SOUTHERN AFRICA									
Upper Middle Income									
1	Botswana	32.6	135.6	6.8	625.2	117.8	-32.4	6.0	1097.2
2	Mauritius	98.0	-21.6	30.3	64.1	93.0	-14.3	25.2	184.5
3	Namibia	12.8	500.2	6.3	686.3	67.2	18.5	6.5	1005.1
4	South Africa	17.3	344.0	8.5	487.6	100.8	-21.0	12.3	482.3
Lower Middle Income									
5	Angola	10.4	322.1	1.6	890.1	46.7	-58.9	3.9	41.5
6	Lesotho	18.3	139.9	1.8	780.4	32.2	-40.3	3.9	43.0
7	Zambia	22.0	99.5	0.7	2157.1	38.3	-49.8	6.8	-19.1
Low Income									
8	Mozambique	20.8	111.2	0.4	4078.7	30.9	-37.8	4.2	32.3
9	Malawi	45.0	-2.5	1.1	1364.2	20.4	-5.8	2.3	144.2
10	Zimbabwe	19.0	131.0	3.0	421.8	59.7	-67.8	11.5	-52.0
EAST AFRICA									
Upper Middle Income									
11	Seychelles	96.5	-20.4	25.5	94.9	135.9	-41.4	39.8	80.5
Lower Middle Income									
12	Djibouti	45.0	-2.5	2.1	656.8	18.6	3.1	6.5	-15.1
Low Income									
13	Burundi	10.4	320.5	0.4	3945.4	13.7	39.9	2.1	162.8
14	Comoros	76.5	-42.6	2.9	449.5	22.5	-14.6	5.1	8.2
15	Eritrea	21.8	101.4	1.0	1424.0	3.5	444.6	5.4	2.2
16	Ethiopia	13.7	221.0	1.1	1335.8	7.9	144.4	0.8	635.7
17	Kenya	14.1	210.9	1.1	1285.2	61.6	-68.8	25.9	-78.7
18	Madagascar	11.6	278.4	0.8	1792.6	39.8	-51.7	1.7	224.6
19	Rwanda	19.0	131.0	0.4	4113.9	33.4	-42.5	7.7	-28.3
20	Somalia	11.8	272.0	1.1	1368.0	6.9	176.5	1.2	375.4
21	Tanzania	7.4	494.8	0.4	3942.5	46.8	-59.0	11.0	-49.8
22	Uganda	23.0	90.8	1.0	1507.5	38.4	-50.0	12.5	-55.9
23	Congo, Dem. Rep.	1.8	2311.8	0.1	24615.2	17.2	11.6	0.7	666.4
CENTRAL AFRICA									
High Income									
24	Equatorial Guinea		-	1.9	2469.4	57.0	39.7	6.0	1097.2
Upper Middle Income									
25	Gabon	10.2	652.4	2.0	2360.8	106.9	-25.5	7.2	893.5
Lower Middle Income									
26	Cameroon	8.4	424.4	2.5	521.0	41.6	-53.8	4.0	37.9
27	Congo, Rep.	7.1	515.7	0.2	6372.4	94.0	-79.6	7.3	-24.4
28	Sao Tome and Principe	68.1	-35.5	4.6	239.8	62.0	-69.0	18.8	-70.6

S/N	Country Name	Roads, paved (% of total roads)		Telephone lines (per 100 persons)		Mob cellular subsc. (per 100 person)		Internet users (per 100 person)	
		Value (2010)	% Change	Value (2010)	% Change	Value (2010)	% Change	Value (2010)	% Change
Low Income									
29	Central African Republic	2.7	1525.7	0.3	5669.9	23.2	-17.1	2.3	139.9
30	Chad	0.8	5386.9	0.5	3348.0	23.3	-17.5	1.7	224.6
WEST AFRICA									
Lower Middle Income									
31	Côte d'Ivoire	7.9	453.6	1.1	1291.2	75.5	-74.6	2.6	112.2
32	Cape Verde	69.0	-36.4	14.5	8.4	75.0	-74.4	30.0	-81.6
33	Ghana	14.9	194.0	1.1	1280.9	71.5	-73.1	8.6	-35.5
34	Nigeria	15.0	192.6	0.7	2273.1	55.1	-65.1	28.4	-80.6
35	Senegal	29.3	50.0	2.7	472.2	67.1	-71.4	16.0	-65.5
Low Income									
36	Benin	9.5	362.1	1.5	943.5	79.9	-76.0	3.1	76.3
37	Burkina Faso	4.2	952.6	0.9	1699.7	34.7	-44.6	1.4	294.1
38	Guinea	9.8	348.4	0.2	8624.0	40.1	-52.1	1.0	474.8
39	Gambia	19.3	127.2	2.8	457.5	85.5	-77.5	9.2	-40.0
40	Guinea-Bissau	27.9	57.1	0.3	4667.6	39.2	-51.0	2.5	125.2
41	Liberia	6.2	608.0	0.1	10599.2	39.3	-51.2	0.1	7782.7
42	Mali	19.0	130.6	0.7	2013.3	47.7	-59.7	2.7	104.4
43	Niger	20.7	112.6	0.5	2819.4	24.5	-21.7	0.8	564.8
44	Sierra Leone	8.0	448.7	0.2	6493.5	34.1	-43.7	0.3	2022.3
45	Togo	21.0	109.0	3.5	343.7	40.7	-52.8	5.4	2.6
NORTH AFRICA									
Upper Middle Income									
46	Algeria	73.5	4.6	8.2	502.6	92.4	-13.8	12.5	474.6
47	Libya	57.2	34.3	19.3	156.9	171.5	-53.6	5.7	1155.8
48	Tunisia	75.2	2.2	12.2	306.2	105.4	-24.4	36.6	96.5
Lower Middle Income									
49	Egypt	86.9	-49.5	11.9	32.7	87.1	-78.0	26.7	-79.4
50	Morocco	67.8	-35.2	11.7	34.1	100.1	-80.8	49.0	-88.7
51	Mauritania	26.8	63.5	2.1	660.5	79.3	-75.8	2.9	90.3
52	Sudan	36.3	20.9	0.9	1728.6	40.5	-52.6	10.2	-45.7

Source: Computed based on data from World Bank (2011a).

Note: All values are for 2010 or latest available. South Sudan became an independent State on 9 July 2011. Separate data for the country is not yet available hence it is still combined with the Sudan. %Change is the percentage difference between the actual value for each country and the relevant benchmark.

Annex table 3.6**Imperatives of human development for Africa as a global growth pole (education)**

S/N	Country Name	School enrolment, tertiary (% gross)		School enrolment, secondary (% gross)		School enrolment, primary (% gross)		Lit. rate, adult total (% of people ages 15 and above)		Lit. rate, youth total (% of people ages 15-24)	
		Value (2010)	% Change	Value (2010)	% Change	Value (2010)	% Change	Value (2010)	% Change	Value (2010)	% Change
SOUTHERN AFRICA											
Upper Middle Income											
1	Botswana	7.4	1157.3	80.0	21.9	107.7	-5.7	84.1	-8.6	95.2	-5.5
2	Mauritius	24.9	276.0	89.4	9.1	99.4	2.2	87.9	-12.6	96.5	-6.8
3	Namibia	9.0	943.9	64.0	52.3	107.5	-5.5	88.5	-13.2	93.0	-3.2
4	South Africa	15.0	521.4	93.8	3.9	101.7	-0.1	88.7	-13.4	97.6	-7.8
Lower Middle Income											
5	Angola	3.7	307.3	31.3	102.8	124.5	-10.6	70.0	9.8	73.1	23.1
6	Lesotho	3.5	329.5	46.4	36.9	103.2	7.7	89.7	-14.3	92.0	-2.1
7	Zambia	2.4	527.6	20.4	211.8	115.3	-3.5	70.9	8.4	74.6	20.7
Low Income											
8	Mozambique	1.5	935.0	25.5	149.5	115.1	-3.3	55.1	39.5	70.9	27.0
9	Malawi	0.5	2862.7	32.1	97.7	135.5	-17.9	73.7	4.3	86.5	4.1
10	Zimbabwe	6.2	144.2	44.7	42.2	102.4	8.6	91.9	-16.4	98.9	-9.0
EAST AFRICA											
Upper Middle Income											
11	Seychelles	-		114.7	-14.9	116.8	-13.0	91.8	-16.3	99.1	-9.2
Lower Middle Income											
12	Djibouti	3.4	338.3	30.2	110.3	54.5	104.0	-		-	
Low Income											
13	Burundi	3.2	365.4	24.8	156.2	156.3	-28.8	66.6	15.4	76.6	17.5
14	Comoros	7.9	90.8	46.3	37.0	104.3	6.7	74.2	3.6	85.3	5.5
15	Eritrea	2.0	658.0	31.9	98.8	44.6	149.4	66.6	15.4	88.7	1.5
16	Ethiopia	5.5	176.7	35.7	77.8	101.6	9.5	29.8	157.7	44.6	101.8
17	Kenya	4.0	275.3	60.2	5.5	113.3	-1.8	87.0	-11.7	92.7	-2.9
18	Madagascar	3.7	309.2	31.1	104.2	148.6	-25.1	64.5	19.2	64.9	38.6
19	Rwanda	4.8	213.8	32.2	97.4	142.6	-22.0	70.7	8.7	77.2	16.5
20	Somalia	2.6	487.7	7.8	715.2	32.5	242.7	-		77.4	16.2
21	Tanzania	1.5	934.8	27.4	131.7	102.3	8.7	72.9	5.4	87.4	3.0
22	Uganda	4.2	260.8	28.1	126.1	121.1	-8.2	73.2	5.0	67.7	33.0
23	Congo, Dem. Rep.	6.2	144.0	37.9	67.5	93.2	19.3	67.0	14.7	97.9	-8.1
CENTRAL AFRICA											
High Income											
24	Equatorial Guinea	3.3	2737.6	27.5	254.7	86.6	17.3	93.3	-17.7	97.6	-7.8
Upper Middle Income											
25	Gabon	7.0	1227.0	53.1	83.7	132.4	-23.3	87.7	-12.4	83.1	8.3
Lower Middle Income											
26	Cameroon	11.5	31.7	42.2	50.5	119.8	-7.1	70.7	8.7	80.5	11.8
27	Congo, Rep.	5.5	174.3	44.6	42.3	115.0	-3.3	-		-	
28	Sao Tome and Principe	4.5	237.6	50.9	24.7	130.7	-14.9	88.8	-13.4	95.3	-5.6

S/N	Country Name	School enrolment, tertiary (% gross)		School enrolment, secondary (% gross)		School enrolment, primary (% gross)		Lit. rate, adult total (% of people ages 15 and above)		Lit. rate, youth total (% of people ages 15-24)	
		Value (2010)	% Change	Value (2010)	% Change	Value (2010)	% Change	Value (2010)	% Change	Value (2010)	% Change
Low Income											
29	Central African Republic	2.6	488.0	12.6	403.5	93.4	19.1	55.2	39.1	64.7	39.2
30	Chad	2.2	596.9	25.7	147.3	90.0	23.6	33.6	128.6	46.3	94.6
WEST AFRICA											
Lower Middle Income											
31	Côte d'Ivoire	8.9	70.4	27.1	134.0	79.1	40.6	55.3	39.0	66.6	35.2
32	Cape Verde	17.8	-15.3	87.5	-27.4	109.6	1.5	84.8	-9.4	98.2	-8.3
33	Ghana	8.8	71.7	58.3	9.0	106.3	4.6	66.6	15.3	80.1	12.4
34	Nigeria	10.3	47.3	44.0	44.2	83.3	33.6	60.8	26.3	71.8	25.3
35	Senegal	7.9	90.8	37.4	69.7	86.8	28.1	49.7	54.6	65.0	38.4
Low Income											
36	Benin	6.0	150.4	37.1	71.3	125.9	-11.6	41.7	84.5	54.3	65.6
37	Burkina Faso	3.3	353.7	20.7	206.5	75.6	47.1	28.7	167.5	39.3	129.2
38	Guinea	9.5	59.8	38.1	66.8	94.4	17.8	39.5	94.7	61.1	47.4
39	Gambia	4.1	267.0	54.1	17.4	82.6	34.6	46.5	65.3	65.5	37.5
40	Guinea-Bissau	2.7	455.2	36.0	76.3	123.1	-9.7	52.2	47.2	70.9	27.0
41	Liberia	16.1	-6.2	34.8	82.4	96.0	15.8	59.1	30.1	75.6	19.0
42	Mali	5.8	160.6	37.7	68.4	80.4	38.3	26.2	193.5	38.8	131.8
43	Niger	1.5	935.1	13.4	375.0	66.3	67.8	28.7	168.0	36.5	146.2
44	Sierra Leone	2.1	619.5	27.6	130.0	85.8	29.7	40.9	87.8	57.6	56.2
45	Togo	5.9	157.0	50.9	24.9	139.6	-20.4	56.9	35.1	76.5	17.7
NORTH AFRICA											
Upper Middle Income											
46	Algeria	30.8	203.9	94.9	2.7	110.2	-7.8	72.6	5.8	91.8	-1.9
47	Libyan Arab Jamahiriya	54.4	72.0	93.4	4.4	114.2	-11.1	88.9	-13.5	99.9	-9.9
48	Tunisia	34.4	171.8	90.5	7.8	108.8	-6.6	77.6	-0.9	96.8	-7.0
Lower Middle Income											
49	Egypt, Arab Rep.	30.4	-50.4	84.7	-25.1	105.7	5.2	66.4	15.8	84.9	6.0
50	Morocco	13.2	14.3	56.1	13.2	111.4	-0.1	56.1	37.0	79.5	13.2
51	Mauritania	4.4	246.8	24.4	159.8	102.0	9.1	57.5	33.7	67.7	33.0
52	Sudan	6.1	148.2	39.0	62.9	72.7	53.0	70.2	9.4	85.9	4.7

Source: Computed based on data from World Bank (2011a).

Note: All values are for 2010 or latest available. South Sudan became an independent State on 9 July 2011. Separate data for the country is not yet available hence it is still combined with the Sudan. %Change is the percentage difference between the actual value for each country and the relevant benchmark.

Annex table 3.7**Imperatives of human development for Africa as a global growth pole (health)**

S/N	Country Name	Life expectancy at birth, total (years)		Mortality rate, infant (per 1,000 live births)		Survival to age 65, male (% of cohort)	
		Value (2010)	% Change	Value (2010)	% Change	Value (2010)	% Change
SOUTHERN AFRICA							
Upper Middle Income							
1	Botswana	53.0	48.0	36.1	-87.5	41.7	93.5
2	Mauritius	72.9	7.6	13.0	-65.4	66.5	21.4
3	Namibia	61.6	27.3	29.3	-84.6	54.7	47.5
4	South Africa	51.6	52.0	40.7	-88.9	32.0	151.9
Lower Middle Income							
5	Angola	50.3	34.9	97.9	-61.2	38.1	73.3
6	Lesotho	46.7	45.2	64.6	-41.3	25.4	159.6
7	Zambia	47.8	41.7	68.9	-44.9	33.9	94.7
Low Income							
8	Mozambique	49.3	37.5	92.2	-58.8	36.3	81.7
9	Malawi	52.7	28.6	58.1	-34.7	44.9	47.0
10	Zimbabwe	48.5	39.9	50.9	-25.4	26.4	150.0
EAST AFRICA							
Upper Middle Income							
11	Seychelles	73.0	7.4	11.7	-61.5	-	-
Lower Middle Income							
12	Djibouti	57.1	18.6	73.0	-48.0	48.2	36.9
Low Income							
13	Burundi	49.4	37.1	87.8	-56.8	42.6	54.8
14	Comoros	60.2	12.5	62.8	-39.6	63.3	4.2
15	Eritrea	60.6	11.9	42.3	-10.3	47.1	40.0
16	Ethiopia	58.1	16.6	67.8	-44.0	49.6	32.9
17	Kenya	55.8	21.4	55.1	-31.1	47.5	38.8
18	Madagascar	66.2	2.4	43.1	-11.9	57.8	14.2
19	Rwanda	54.7	24.0	59.1	-35.8	41.0	60.9
20	Somalia	50.6	33.8	108.3	-65.0	42.3	55.8
21	Tanzania	56.6	19.8	50.0	-24.1	49.6	33.1
22	Uganda	53.1	27.7	63.0	-39.8	45.3	45.5
23	Congo, Dem. Rep.	47.8	41.8	111.7	-66.0	38.8	70.1
CENTRAL AFRICA							
High Income							
24	Equatorial Guinea	50.5	55.2	80.5	-94.4	42.9	88.0
Upper Middle Income							
25	Gabon	61.8	26.8	54.4	-91.7	56.4	43.0
Lower Middle Income							
26	Cameroon	50.6	34.0	84.4	-55.0	43.3	52.4
27	Congo, Rep.	56.6	19.8	60.8	-37.6	46.2	42.6
28	Sao Tome and Principe	64.1	5.7	53.1	-28.5	67.7	-2.6

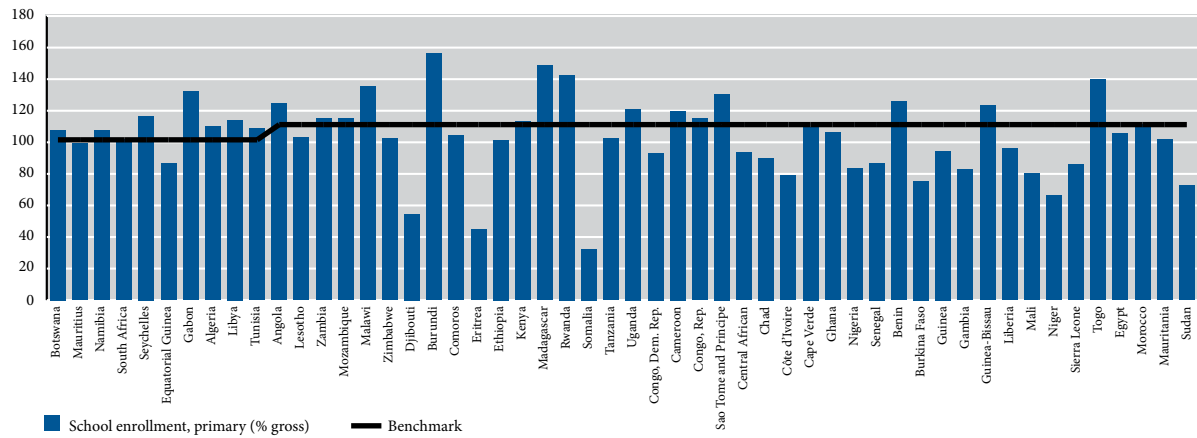
S/N	Country Name	Life expectancy at birth, total (years)		Mortality rate, infant (per 1,000 live births)		Survival to age 65, male (% of cohort)	
		Value (2010)	% Change	Value (2010)	% Change	Value (2010)	% Change
Low Income							
29	Central African Republic	46.9	44.5	106.0	-64.2	36.4	81.0
30	Chad	48.9	38.6	98.9	-61.6	42.2	56.5
WEST AFRICA							
Lower Middle Income							
31	Côte d'Ivoire	54.1	25.4	85.9	-55.8	54.1	21.9
32	Cape Verde	73.6	-7.9	29.2	30.0	72.1	-8.6
33	Ghana	63.4	6.9	50.0	-24.1	51.9	27.0
34	Nigeria	50.9	33.0	88.4	-57.1	39.9	65.2
35	Senegal	58.6	15.6	49.8	-23.8	48.2	36.8
Low Income							
36	Benin	55.2	22.8	73.2	-48.2	62.6	5.3
37	Burkina Faso	54.5	24.4	92.6	-59.0	46.0	43.5
38	Guinea	53.2	27.5	81.2	-53.3	55.9	18.0
39	Gambia	57.8	17.2	56.9	-33.3	48.5	36.0
40	Guinea-Bissau	47.3	43.2	92.0	-58.8	39.4	67.4
41	Liberia	55.5	22.2	73.6	-48.4	56.9	15.9
42	Mali	50.5	34.1	99.2	-61.7	39.5	67.1
43	Niger	53.8	25.9	72.5	-47.7	44.7	47.5
44	Sierra Leone	47.0	44.3	113.7	-66.6	30.2	118.5
45	Togo	56.2	20.6	66.0	-42.5	61.9	6.6
NORTH AFRICA							
Upper Middle Income							
46	Algeria	72.6	8.0	30.5	-85.2	78.6	2.7
47	Libya	74.5	5.2	13.4	-66.4	75.7	6.6
48	Tunisia	74.5	5.3	13.8	-67.4	78.6	2.6
Lower Middle Income							
49	Egypt	72.7	-6.8	18.6	104.0	72.4	-8.9
50	Morocco	71.6	-5.3	30.4	24.8	74.6	-11.6
51	Mauritania	57.9	17.0	75.3	-49.6	50.5	30.6
52	Sudan	60.8	11.5	66.4	-42.8	53.9	22.4

Source: Computed based on data from World Bank (2011a).

Note: All values are for 2010 or latest available. South Sudan became an independent State on 9 July 2011. Separate data for the country is not yet available hence it is still combined with the Sudan. %Change is the percentage difference between the actual value for each country and the relevant benchmark.

Annex figure 3.1

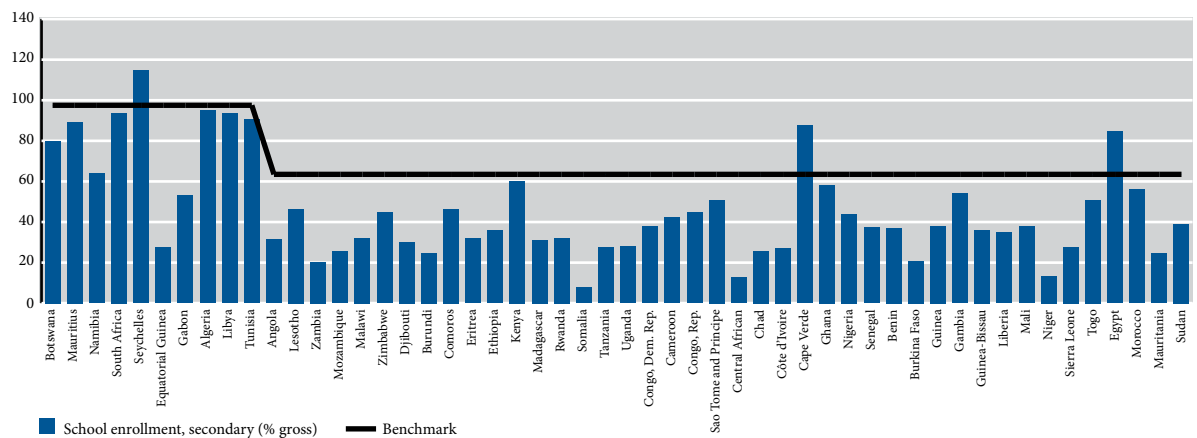
Imperatives of primary enrolment for Africa as a global growth pole



Source: World Bank (2011a).

Annex figure 3.2

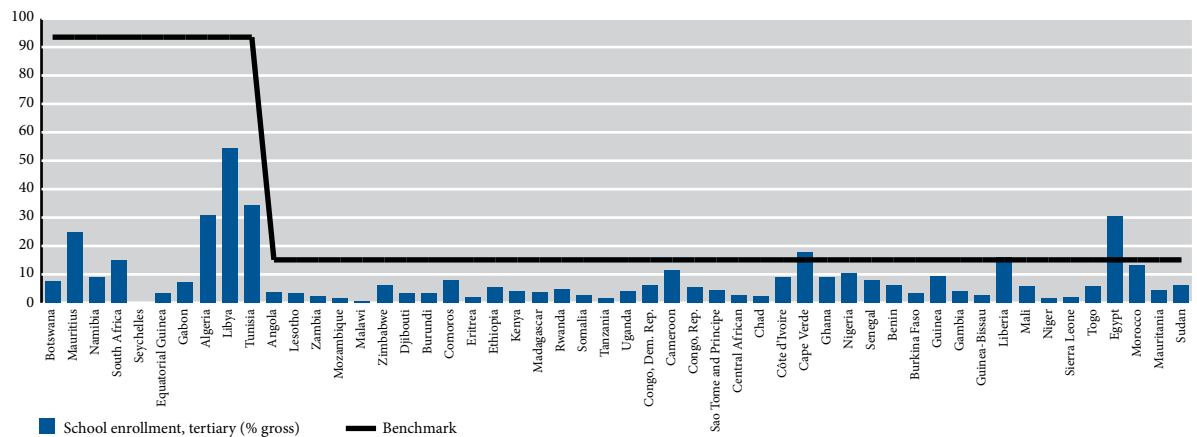
Imperatives of secondary enrolment for Africa as a global growth pole



Source: World Bank (2011a).

Annex figure 3.3

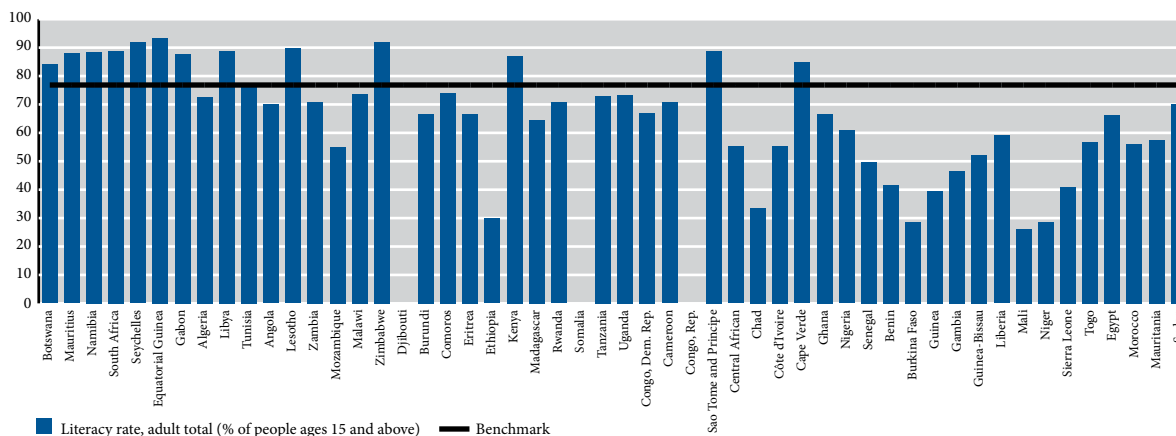
Imperatives of tertiary enrolment for Africa as a global growth pole



Source: World Bank (2011a).

Annex figure 3.4

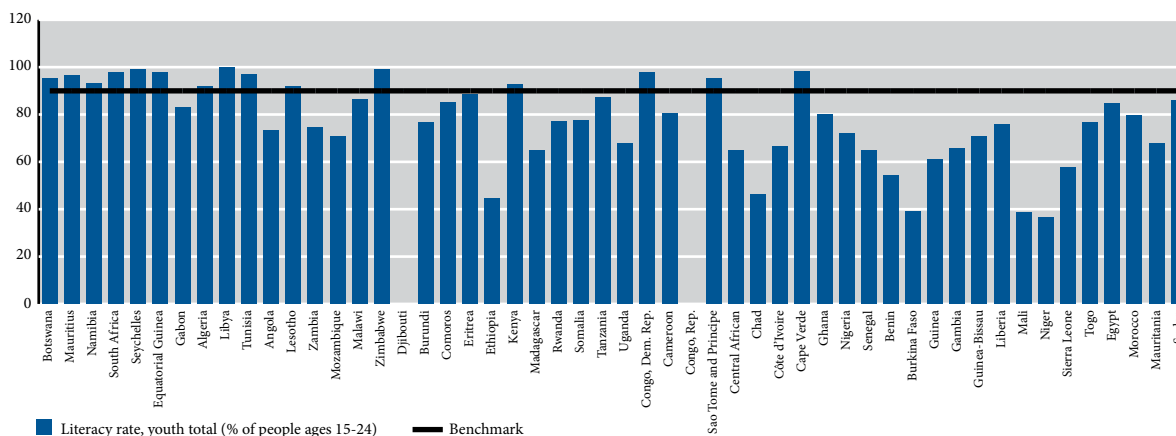
Imperatives of the adult literacy rate for Africa as a global growth pole



Source: World Bank (2011a).

Annex figure 3.5

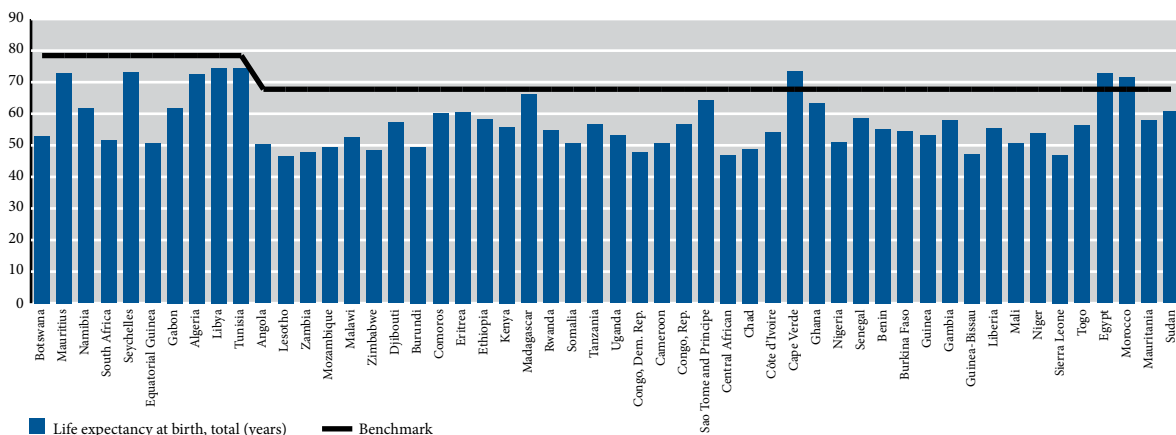
Imperatives of youth literacy rate for Africa as a global growth pole



Source: World Bank (2011a).

Annex figure 3.6

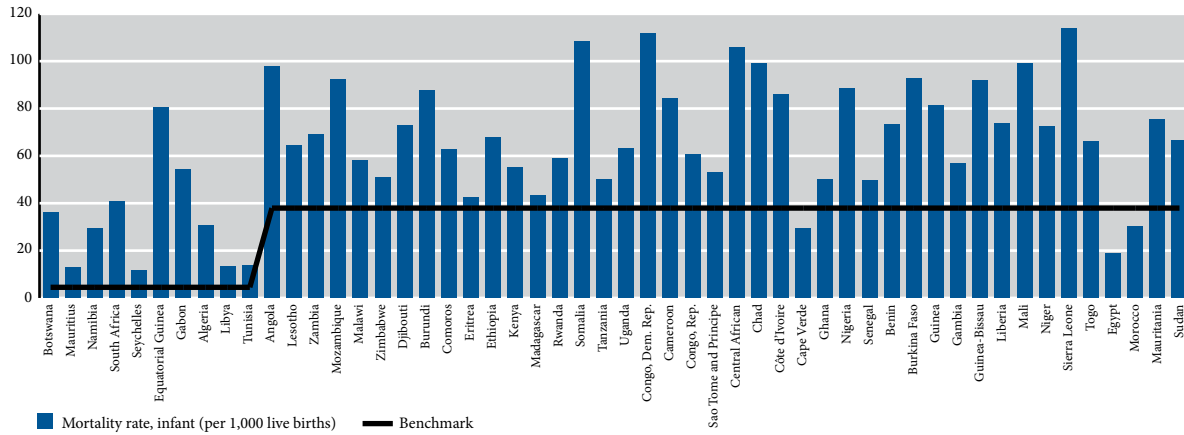
Imperatives of life expectancy at birth for Africa as a global growth pole



Source: World Bank (2011a).

Annex figure 3.7

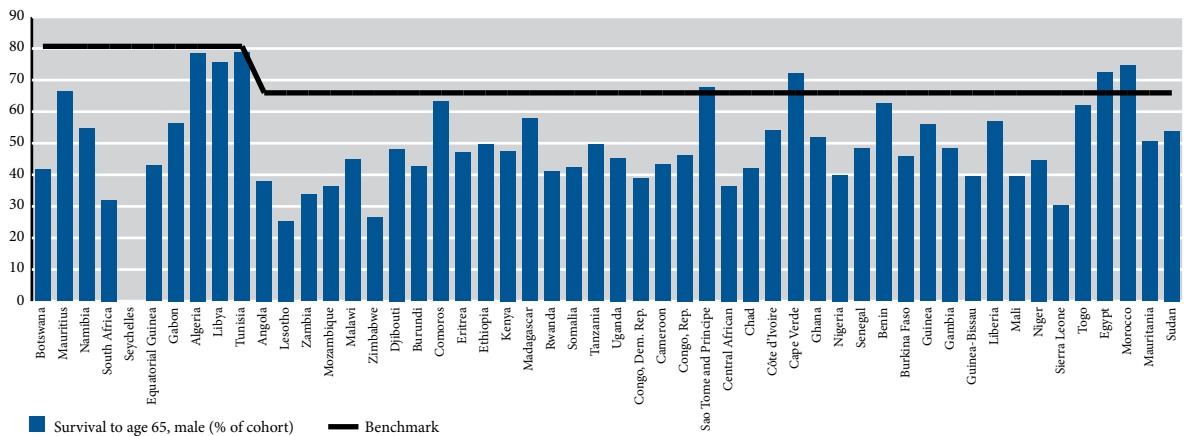
Imperatives of infant mortality rate for Africa as a global growth pole



Source: World Bank (2011a).

Annex figure 3.8

Imperatives of survival to age 65 for Africa as a global growth pole



Source: World Bank (2011a).

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Notes

1 ISI in Africa generally involved the following elements: restriction of imports to intermediate inputs and capital goods required by domestic industries; extensive use of tariff and non-tariff barriers to trade; currency overvaluation to facilitate the import of goods needed by domestic industries; subsidized interest rates to make domestic investment attractive; direct government ownership or participation in industry; and provision of direct loans to firms as well as access to foreign exchange for imported inputs (Mkandawire and Soludo, 1999; UNCTAD and UNIDO, 2011).

2 In particular, the focus of ISI was more on setting up factories than building the entrepreneurial capabilities that would foster industrial dynamism and the development of competitive export sectors. In addition, the domestic economic policies adopted during the period implicitly taxed agriculture and exports, so reducing foreign exchange earnings.

3 This negates the initial premise of the ISI strategy to reduce foreign dependency through local production of industrialized products. The gap between import and export shares in GDP, which was gradually

closing between 1960–1965 and 1966–1970, started widening, with imports rising steadily but exports rising more slowly.

4 The policy conditions included deregulating interest rates, liberalizing trade, privatizing SOEs (parastatals), withdrawing government subsidies and devaluing the currency. One of the key objectives of SAPs was to reduce the role of the state in the development process and give market forces more room in allocating resources. The assumption was that markets are more efficient than the state in this and that the appropriate role of the state should be to provide an enabling environment for the private sector to flourish in.

5 The most detailed analysis of the major flaws of SAPs was contained in the UNECA (1990) African Alternative Framework to Structural Adjustment Programmes (AAF-SAP).

6 Discussed in detail in chapter 4, these include reducing transaction costs for private enterprises, supporting innovation and improving skills and institutional capacity (Ndulu et al., 2007).

- 7 Also analysed in chapter 4, responses include increasing agricultural productivity to support industrialization.
- 8 Including integrating its small, national markets to create a larger, pan-African market—chapter 4.
- 9 Under the title “Africa’s Voice on Development: Proposals for G-20 Summit”
- 10 See, for instance, World Bank (2011), McKinsey Global Institute (2010) and Institute for Security Studies (2011).
- 11 In his address to the AU Executive Council in Malabo, Equatorial Guinea, June 2011.
- 12 The others are Brazil, Indonesia and Russia. The six are referred to as the BRIICKs (World Bank, 2011). The benchmarking approach to specifying the imperatives is similar to the idea first proposed and applied to Uganda by Bevan et al. (2003) and subsequently applied to Tanzania by Moyo et al. (2011) and recently applied by Page (2011) in a multi-country context.
- 13 Computation of the growth polarity index proposed by Adam-Kane and Lim (2011) is $P_t = \frac{y_{i,t}}{Y_t} \cdot \frac{\Delta y_t}{y_{i,t-1}} \equiv s_{i,t-1}^y \cdot g_{i,t-1}^y$ where y_{it} is the GDP of country i at time t , $Y_t = \sum_j y_j$ is global GDP which simply aggregates GDP for all $N \in C$ countries, and $\Delta y_t = y_t - y_{t-1}$ is the change in GDP of economy i . s_i^y and g_t^y are the output share and growth rate of country i at time t , which means that a growth pole is simply the size-adjusted growth rate of the economy.
- 14 This is consistent with the proposition that in order to sustain their growth momentum and serve as global growth poles, emerging economies should undertake structural changes that will generate self-sustaining, internally driven growth through a combination of sustained productivity advances and robust domestic demand (World Bank, 2011).
- 15 This requires all components of GDP to grow but the growth rate of the other sectors will be higher than that of agriculture such that their shares in total GDP will be higher than that of agriculture over time.
- 16 This is without prejudice to Africa maintaining its comparative advantage in producing these commodities. Indeed, as industrialization proceeds, its demand for these commodities will be so large that imports may be necessary to complement domestic production
- 17 The SOEs in resource-rich African countries are not really involved in exploring, extracting and exporting minerals, unlike those in Brazil, Malaysia and Jamaica, where indigenous enterprises are some of the industry’s global players.
- 18 The discussion in this section is inspired by the scoping studies, in-depth country case studies and policy briefs that emanated from the AERC Collaborative Research on China–Africa Economic Relations led by Ajakaiye, Kaplinsky, Mlambo, Mwega, Morris and Oyejide between 2006 and 2010, as well as by the various presentations on this project at seminars and workshops by project leaders and case study authors.
- 19 Ndikumana and Boyce (2008), for example, estimate that illicit capital flight from sub-Saharan Africa in 1970–2004 was nearly 82 per cent of 2004’s GDP; Ndikumana and Boyce (2008) and Kar and Cartwright-Smith (2008) identified that the top 14 countries in illicit capital flight are resource-rich countries to some degree. Examples include the leasing of large parcels of land by investors from the Middle East, in particular for producing agricultural commodities that are exported in their crude forms to processors back home. This business practice essentially makes such FDI an enclave, like those in extractive industries.