The Future of Poverty and Development in Africa

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Abstract

This paper examines how the conceptualization of development has evolved and how, given emerging global economic trends, this might affect the development industry in Africa. It explores the interplay of ideas and practice, identifies key global drivers and considers their significance for Africa over the over the next generation.

Adopting a historical approach, the paper chronicles the changes in the epistemological foundations of development thinking over sixty years of development theory and practice. It also explores how concurrent changes in the international context for development have influenced both the thinking on and management of development.

It is shown that from an original grounding in historical realities the contemporary context of development is essentially aspirational. The paradigm codified in the Millennium Development Goals (MDGs), apprehends development success through the prism of some assumed universal norms. It views development in terms of attaining some minimum standards by a given date. This represents an epistemological shift from earlier views of development that derived from the experiences of successful developers, and success was envisaged in terms of the attributes that actually accompanied historically successful development stories.

The paper undertakes a scenario analysis in a search for an African development narrative that is more appropriate to the challenge of African prosperity over the next 20-30 years. That analysis suggests that if Africa is to be the “land of the future”, it must reject its portrayal as “victim” in the international community, replace the poverty ideology with one of prosperity as an attainable goal, and reject the condescension implicit in regarding Africa as a “special case” that requires continuing intervention. The message must exhort Africa to become globally competitive. The paper concludes with a summary of the main points.

I. Introduction

When Development studies emerged sixty years ago as a distinct field of study concerned with the structure and behavior of poor countries, the underlying framework was relatively simple for the economist. In the immediate aftermath of World War II, there was a measure of agreement that economic development meant the process whereby an economy's real national income increases over a long period of time. At the beginning of the so-called “Development Decade”, in the early Sixties, United Nations Secretary General U Thant, described development as growth plus structural change (United Nations, 1962). Since then, the notion of development has broadened substantially, even as full understanding of what needs to be done has remained rather elusive.

In September 2000, the Millennium Summit of the United Nations adopted the Millennium Declaration as an expression of commitment to global development and poverty eradication. Subsequently, the Millennium Development Goals (MDGs) were formulated as a quantifiable set of targets to fulfill the desires expressed in the Declaration. The MDGs are the culmination of
fifty years of thinking and policy about development. They also represent a shift from an original empirical grounding to a normative framing of the development question.

This paper deals with how thinking and practice on African development might evolve over the next 25 years and how the ‘development industry’ in Africa might change correspondingly. The paper’s premise is that the epistemological shift embodied in the MDGs is the outcome of the interplay between ideas and practice. Accordingly, it explores the significance of this continuing interplay for Africa over the next twenty to thirty years.

The next section provides a chronological sketch of the evolution of development thinking, ending with some thoughts on the epistemological context of the MDGs. Engaging the theme of this special issue of foresight, Section III considers the prospects for an alternative African development narrative, and outlines a possible scenario developed via a prosperity optic rather than one of poverty alleviation. Section IV concludes with a summary of the main messages.

II The Evolution of Development Thinking

The first forty years

The classical economists, located within the dramatic changes represented by the industrial revolution in Europe, were concerned to discover the "laws of motion" of the capitalist system. Their major concerns included analyzing how national incomes grew, what actions advanced this growth and with what consequences. Underpinning this paradigm was the idea of development as an open-ended process in which society was simply "becoming" or evolving towards a higher state of being. In the second half of the 19th century the concern of the classical economists with long term economic evolution was displaced by the marginal analysis of neoclassical economics whose main concern was the optimal allocation of a given combination of resources.

In the immediate aftermath of World War II, the foundation of a paradigm dealing with the development of low-income countries was laid in a series of overlapping processes. First, from the old classical framework came the understanding that economic development was the process by which an economy's real national income increases over a long period of time. Second, the contribution of the Marshall Plan to post-war recovery in Europe, the experience of wartime planning in the UK and the possibilities of state planning represented by the Soviet Union converged in the consensus that development could be attained through active government intervention. Third, the standards of living of the industrial economies were perceived and projected as the invariable future of the poor countries. This teleological conceptualization of development was reinforced by theoretical developments of the time in the work for instance, of Paul Rosenstein-Rodan (1943), Nurkse (1953), W. Arthur Lewis (1954), R.R. Nelson (1956), Harvey Leibenstein (1957), and Albert Hirschman (1958) and W.W. Rostow (1960).

Paul Krugman (1994), who calls them the "high development theorists", identified two critical dimensions of early development theory namely, that development is driven by external economies, and that a development program has to be initiated on a sufficiently large scale to be self-sustaining. The assignment to the state of an activist role in the development process was the major departure from the old classical notion of how the “wealth of nations” grew. Their view of
society “becoming” was replaced by the notion of society “arriving”. And the destination was an economy and society with the standards of living of the industrial world.¹

The theorist who best captured the promise of development at the time is perhaps, Alexander Gerschenkron with his work on the potential advantages of economic backwardness (Gerschenkron, 1962). His central thesis was that relative economic backwardness gave countries some latitude to find alternative drivers to substitute for the factors that had driven the industrial growth of the forerunners.²

Economic growth rates were respectable worldwide through the Sixties. However, poverty proved more recalcitrant. The continuing poor material conditions of majority of people in the developing countries prompted various re-conceptualizations of development that included equity and poverty issues. The “Redistribution with Growth” and the “Basic Human Needs” schools argued that growth was not enough and that development ought to be equally concerned with poverty, income inequalities and employment. This shift was manifest, notably in the work of the International Labour Organisation (ILO) and later, the World Bank (see, e.g., ILO 1972, Chenery et.al.1974).

In 1979, Margaret Thatcher became Prime Minister of the United Kingdom and Ronald Reagan became the 40th President of the US in 1981. This was the beginning of a radical monetarism in the West, and the launch of a "neoclassical counterrevolution" (Krugman 1994) in development economics. The outcome was the strong reassertion of the virtues of the market. The new ideology provided the theoretical underpinnings for the structural adjustment programs that took over Africa in the 1980s. The counterrevolution was given exceptional significance in the prescriptions of the International Monetary Fund (IMF) and the World Bank. The implementation of their programs in Africa and elsewhere invited intense criticisms that paved the way for a further broadening of the development agenda, and a re-conceptualization of development in the 1990s.

The counterrevolution argued that the policy-induced distortions of developing countries are largely responsible for their poor development performance, and insisted that development required only freely operating markets and a minimalist government.³ In this mode, a landmark World Bank publication (World Bank 1981) emphasized the importance of correct pricing policies and reduced government intervention as the key to a revival of growth in Africa. The neoclassical revival was further reinforced in the early 1980s by the increase in applications from developing countries for IMF assistance. The conditions that the IMF put on this assistance went beyond money supply to the removal of price controls and subsidies, foreign exchange controls,

¹ See Eisenstadt's definition of modernization as "the process of change towards those types of a social, economic and political systems that have developed in Western Europe and North America from the seventeenth century to the nineteenth" (1966, p.1).

² See Albert Fishlow (2003) for an excellent summary of the Gerschenkron model.

³ Among the “counterrevolutionaries”, Deepak Lal was, perhaps, the most polemical in his attack. He attacked development economics as "dirigist dogma" that have resulted in policy-induced distortions much more serious than market distortions. He therefore argue for a return to basic market principles in development theory and practice.
public sector intervention, and restrictions on foreign direct investments. This was the beginning of the structural adjustment programs that were to dominate development management in Africa for fifteen years.

By the early 1990s, criticisms of the neoclassical revolution and of structural adjustment were mounting, as economic conditions in Africa and elsewhere deteriorated. Paul Krugman for instance, called for a restoration of some of the distinctive focus that characterized development economics before the 1960s (Krugman 1992 and 1994). He insisted that the core ideas of the 1950s regarding external economies and strategic complementarities remain valid. He cautioned against carrying the free-market orthodoxy too far, arguing that since economic theory does not prove that free markets are always best, there is an intellectually solid case for some government promotion of industry (Krugman 1992, p.32).

The United Nations Children's Fund (UNICEF) was one of the most vigorous critics of structural adjustment programs for neglecting its social dimensions, particularly its effects on children and other vulnerable groups. Its Adjustment with a Human Face, (Cornia et al, 1987) argued how the programs promoted by the World Bank and the IMF showed little regard for their distributional or poverty implications (Cornia et al, p. 6-7). Based on ten country studies, Adjustment with a Human Face accepted that countries must adjust to exogenous shocks, whatever their source, to avoid substantial losses in output and human welfare. However, it argued that while growth-oriented adjustment was necessary, it was not sufficient to protect the welfare of children and other vulnerable groups. It called for targeted programs, and stressed the importance of foreign finance in easing the burden of adjustment (Cornia et al, chapter 5).

Structural adjustment programs were also widely criticized from a practical angle. For instance, Japan's Overseas Economic Cooperation Fund (OECF) challenged these programs’ wide-ranging deregulation as unlikely to bring about the expected big wave of investment. Rather, it preferred the promotion of investment through such measures as preferential tax treatment and development finance lending, as was done in the post-Second World War era in Japan (OECF 1991). Second, it cautioned against excessive reliance on trade liberalization based on static comparative advantage and argued for deliberate nurturing of high-value industries. Third, OECF considered lending at subsidized interest rates in developing countries essential. Lastly, OECF was concerned that privatization before adequate conditions were in place was risky.

UNICEF’s concerns with adjustment and poverty originated in a report entitled The Impact of World Recession on Children (UNICEF 1984), which presented a general framework of analysis and summarized country case studies covering both the developed and the developing countries. The Report showed that, with a few exceptions, children and women of poorer families were the hardest hit by recession. The Report also suggested actions to ameliorate the setbacks in human development and restore economic growth, giving priority to meeting human needs, especially of vulnerable groups (Cornia et al 1987, p.2).

Joseph Stiglitz, who was Chief Economist and Senior Vice President from 1997 to 2000, criticized structural adjustment programs on the grounds that they treated privatization and trade liberalization as ends in themselves, rather than as means to more sustainable, equitable, and democratic growth (Stiglitz, 1999). He noted that post-communist countries, which went from an over reliance on the state to an over reliance on the market failed to attain viable development. He also argued that the “East Asian Miracle” was actually accomplished by departing from Washington Consensus prescriptions in certain decisive ways (Martin 2000).  

The Current State of Development Thinking

In current thinking, development includes growth, human development, environmental protection, institutional transformation, gender equity, and human rights protection. But its core is the notion of poverty eradication. The “mainstreaming” of poverty reduction arose partly in the response of the Bretton Woods institutions to its critics. The 1990 World Development Report (World Bank, 1990), whose topic was poverty, was an occasion for the World Bank to take stock and reconsider strategy after a decade of structural adjustment. The report spoke of the eradication of poverty from the world as the fundamental objective of economic development. It recommended that growth strategies should be accompanied by policies that improved the access of the poor to education, health services and other social services. Such access would empower them to take advantage of the income opportunities generated by growth. More significantly however, it marked the beginning of counting the global poor and projecting reductions in that number. The report acknowledged that eliminating poverty altogether in ten years was not feasible. But, it concluded, the number of the poor in the developing world could fall by more than 300 million by the end of the century (World Bank, 1990:4). The World Bank began systematically requiring a poverty assessment of each country after this report.

While structural adjustment dominated development thinking and programs in the Eighties, Amartya Sen was re-examining the notion of poverty through a different prism. He described poverty as the failure to have certain "capabilities", not just a matter of low incomes (Sen, 1981, 1985). For him, the essence of development was the capacity of society to guarantee for its people the capability to lead worthy lives. The concept of human development has pushed to centre stage the notion of development as enhancing capabilities, or enlarging choices and opportunities. The Human Development Reports of the United Nations Development Programme (UNDP) have been the main vehicle to establish, deepen and give operational significance to the human development approach.

Significantly, the World Development Report 2000 (World Bank 2000) again chose poverty as its theme. By then, the Bank had also broadened its notion of poverty to include vulnerability and

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7 The first Human Development Report published in 1990, aimed to broaden poverty beyond the lack of income to include deficits in the capabilities for living a long and healthy life and being educated and well informed (UNDP 1990)
powerlessness. The report urged a broad global mobilization against poverty focusing on three priorities: opportunity, empowerment and security. It recommended broadening economic opportunity for poor people by stimulating economic growth, nurturing making markets and building up the assets of poor people; empowering them to shape decisions that affect their lives and removing all discrimination, and reducing their vulnerability to sickness, economic shocks and other natural or social hazards.

In Development as Freedom (1999), Sen considers development as a process of expansion of interconnected constructive freedoms. First, the process of development is the process of making the substantive freedoms we enjoy larger. Second, freedom of one kind tends to facilitate freedoms of other kinds. For example, economic opportunities, political liberties and social choices strengthen each other, in addition to each being directly important in increasing the individuals' freedoms. Third, the process of development involves the removal of various types of "unfreedoms" that leave people with little choice and little opportunity of exercising their reasoned agency. Major sources of unfreedom may include poverty, tyranny and systematic social deprivation (Sen, 1999, p.3).

Meanwhile, the Thirty-fourth High Level Meeting of the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD) held in May 1996, was the occasion for high-level reflection on development cooperation over the previous 50 years and considering strategies for the first part of the approaching century. The meeting considered the many targets that had been discussed and agreed at international forums, and adopted a limited number of measurable goals as reasonably feasible and appropriate for global development partnership. These goals, which were to become the starting point for the Millennium Development Goals included:

- a reduction by one-half in the proportion of people living in extreme poverty by 2015.
- universal primary education in all countries by 2015, and
- demonstrated progress toward gender equality and the empowerment of women by eliminating gender disparity in primary and secondary education by 2005.

Other goals were a reduction by two-thirds in the mortality rates, access to reproductive health services, and a reversal of the loss of environmental resources (OECD, 1996).

The international forums referred to in the OECD-DAC report are the series of United Nations (UN) conferences that had been convened to consider a broad range of issues of global development significance. The antecedents of the OECD-DAC recommendations may be found

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in the World Summit for Social Development held in Copenhagen in 1995 (the Social Summit). That Summit popularized the notion of poverty eradication, with participating governments committing to it "as an ethical, social, political and economic imperative" (Commitment 1 of the Copenhagen Declaration). The targets of the DAC Declaration were themselves drawn from the Copenhagen Commitments.\(^9\)

At the five-year follow-up Summit held in June 2000, UN Secretary General Kofi Annan launched the report, "A Better World for All." That report highlighted seven interrelated development goals: halving the proportion of people living on less than $1 a day; enrolling all children in primary school; empowering women by eliminating gender disparities in education; reducing infant and child mortality rates; reducing maternal mortality ratios; promoting access to reproductive health services; and promoting environmentally sustainable development (UN, World Bank, OECD and IMF, 2000). The report launched the inter-governmental process that culminated in the Millennium Declaration later that year.

The Millennium Declaration (United Nations 2000), adopted at the Millennium Summit of the United Nations was an embrace of perceived universal values and global citizenship obligations such as freedom from hunger and oppression, equal opportunity for development, fairness in the assignment of the costs and burdens of managing global challenges, tolerance of differences within and between countries, and respect for nature. Significantly, the Declaration contained a section on “meeting the special needs of Africa”, which promised to support Africans in consolidating democracy, and promoting peace, poverty eradication, sustainable development and integration into the global economy.

Following the Summit, UN officials produced the Millennium Development Goals (MDGs), as the targets ostensibly implied by the Declaration (see Table 1). Since then, the MDGs have served the international community as the vehicle for mobilizing development aid and have been advanced as the appropriate development planning framework for Africa in particular. This consensus represents the culmination of a sixty-year long process during which development thinking and policy moved away from their grounding in economic history and a concern with the evolution of national economies. Through the adding of new elements in a process that was fed from a specific normative universe, development became formalized as the desiderata called MDGs.

Discrimination, Xenophobia and Related Intolerance (Durban, August-September 2001), The International Conference on Financing for Development (Monterrey, March 2002), and The World Summit on Sustainable Development (Johannesburg, August-September 2002). These conferences brought together representatives from the majority of nations as well as representatives from the academic, civil society, non-profit, and business sectors, and established common goals, plans of actions, specific policy proposals, and specific responsibilities of various actors of the international system.

\(^9\) The Copenhagen commitments aimed for (1) an enabling environment for social development; (2) poverty eradication; (3) full employment; (4) promotion of social integration; (5) equality and equity between women and men; (6) universal and equitable access to high-quality education and health services; (7) acceleration of development in Africa and in the least-developed countries; (8) inclusion of social development goals in structural-adjustment programmes; (9) resources for social development; and (10) international cooperation for social development.
Table 1: The Millennium Development Goals

<table>
<thead>
<tr>
<th>Goal</th>
<th>Targets for 2015 (from 1990 level)</th>
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<tbody>
<tr>
<td>1 Poverty</td>
<td>Halve the proportion of those with income &lt; $1/day; Halve the proportion of those suffering from hunger</td>
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<tr>
<td>2 Education</td>
<td>Universal primary school completion</td>
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<tr>
<td>3 Gender equality</td>
<td>Eliminate gender disparity in schooling</td>
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<tr>
<td>4 Child mortality</td>
<td>Reduce the under-five mortality rate by 2/3</td>
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<tr>
<td>5 Maternal health</td>
<td>Reduce the maternal mortality rate by 3/4</td>
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<tr>
<td>6 Disease</td>
<td>Halt and begin to reverse spread of HIV/AIDS, malaria and other major diseases</td>
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<tr>
<td>7 Environment</td>
<td>Halve the ratio of people without access to safe drinking water; improve life of slum dwellers</td>
</tr>
<tr>
<td>8 Global partnership</td>
<td>7 targets related to: trade, debt, youth, technology, drugs affordability, and special needs of least developed, landlocked and small island states.</td>
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The epistemology of the MDGs in a historical context

There are two major differences between the contemporary picture of development and the way it was envisaged in the 1960s and 1970s (Gore 2009). The first is a shift from development as a process concerned primarily with the structure and dynamics of national economies to one focused on individuals. The accelerated growth ambitions of the First and Second Development Decades (the Sixties and Seventies) were efforts towards convergence: narrowing the gap between industrial and developing countries. The MDGs, emphasize the reduction in individual and household poverty, but provide no link to the processes of national economic growth. The second shift is from a maximal future horizon in which development means catching up with the living standards of the rich countries to a minimalist future in which the objective is the attainment of negotiated minimum standards of living, such as one dollar a day.

Perhaps the most important weakness of the MDG framework however, is its lack of an underlying theory of development. The expected mechanism to reduce poverty by half was not clear and no attention was paid to employment or equities considerations (as either good in themselves or as vehicles for development). Instead, it conveyed the impression that development is essentially a technocratic matter of exogenously providing say, health and
educational services. Indeed some of the MDGs’ most articulate advocates actually maintain that aid could help end poverty.

An even more serious weakness is not so much in the MDGs themselves as in the campaign for their implementation. In avoiding the question of appropriate policy choices, the MDGs were left open to capture by development demagogues who launched a campaign that brooked no dissent. Within the UN for instance, there was a huge initial burst of enthusiasm about the external financial possibilities presented by the MDGs. It was an enthusiasm that absolutely did not tolerate dissent or any attempt at introducing some reality checks.  

III: Towards an African Development Narrative.

The world is on the cusp of a new paradigm in development thinking and practice. The new paradigm will be the outcome of the contradictions that have emerged in implementing the MDG agenda against the backdrop of the dynamics of globalization. Already the new development narrative is taking shape and bringing back strong overtones of Gerschenkron’s perspective on the industrialization of late starters. The new narrative will reflect the positive and negative aspects of the current development consensus as well as the ongoing realignment of global social forces.

Beyond the MDGs

In September 2010, an MDG Review Summit, officially called the High-level Plenary Meeting of the General Assembly, will be convened by the United Nations to take stock of progress on the Goals, five years to the target date. The Summit hopes to boost governments’ commitment to the MDG agenda, even as changing global conditions become more unfavorable.

The Summit will note that significant advances have been made on several MDG indicators, but that most countries are not on track to achieve most of the MDGs by 2015. The draft of the secretary-General’s report for the summit acknowledges that progress has been highly uneven (see also Bourguignon, 2009). Due largely to rapid growth in the big countries of Asia, especially China and India, global income poverty has been reduced. In many other countries, poverty has not been reduced significantly and may even have increased due to stagnation, slow

10 This author was personally involved in the initial efforts to promote MDGs on the ground. He was the most senior UN official in an African country between 2000 and 2005, when MDG implementation was directed as the mantra of the entire UN family. At several regional forums, he witnessed top management peremptorily shoot down any attempt to voice the reservations that were being expressed by some African governments. The routine response was to: “get on with the job: all African governments have agreed to the MDGs”.

11 The draft Report of the Secretary General’s Report for the Summit states: “With five years to go to the MDGs target date of 2015, the prospect of falling short of the Goals due to lack of commitment is very real. This would be an unacceptable failure, moral and practical. If we fail, the dangers in the world – instability, violence, epidemic diseases, environmental degradation, runaway population growth – will all be multiplied.”
growth, and/or rising inequality. Sub-Saharan Africa has made remarkable improvements in child health and in primary school enrolment over the last two decades but most are not likely to meet most MDGs.

Despite good growth performance since 2000, sub-Saharan Africa continues to lag with respect to both income and non-income MDGs. The Secretary General’s report notes that there were still 1.4 billion people living in extreme poverty (less than $1.25 a day in 2005 prices) globally in 2008. In sub-Saharan Africa the number of poor went up by 92 million, (in West Asia by 8 million) during 1990-2005. The number of hungry people globally rose from 842 million in 1990-92 to 1.02 billion people during 2009, largely due to high food prices. The global financial and economic crisis has also led to lower incomes and higher unemployment. Rising global hunger has undermined progress in global poverty reduction. Significantly, most of the 20 countries with no visible progress towards the underweight children target are in Sub-Saharan Africa. The child mortality rate in developing countries stood at 72 per thousand in 2008, well short of the target of 33 per thousand live births). More than 72 million children of primary school age around the world remain out of school— about half in Sub-Saharan Africa, and dropout rates remain high in many countries. Maternal mortality has declined only marginally from 480 deaths per 100,000 live births in 1990 to 450 in 2005.

Broadly speaking it is not at all clear that the progress of the last ten years has been due substantially to the MDGs. The fact is that the MDGs are essentially just a list of targets that are not properly constituted into a development framework. Maxwell (2005) suggests that the MDGs have been the core of the “post-Washington Consensus” meta-narrative, but that it is much in need of improvement due to its revealed contradictions and the need for alignment with developments in the global political economy. His revised version would pay more attention to human rights, equity and social justice; the special problems of ‘infant economies’, and the need to improve aid policy and the aid architecture. Much as this revision is an improvement on the current development narrative, it is in the same tradition as the one that produced the MDGs ten years ago. It represents a view of the world through the lens of the rich countries, and is driven by an implicit ethic of charity, even as they speak of partnership. What is required to address the challenge of African prosperity over the next 20-30 years is an African development narrative generated endogenously and sustained by the energy of the continent’s people.

Scenario Analysis for a post-MDG Development Narrative for Africa

A recent scenario building exercise conducted under the auspices of the National Intelligence Center (NIC) of the US government (US-NIC, 2008) offers a depressing picture of an African future. Its answer to the question of Africa being the continent of the future seems unequivocally negative. It describes a continent of unremitting social, political, economic and environmental vulnerabilities. It foresees a continuing regime of poor economic policies and envisages

12 It is also not necessarily true, of course that the MDG campaign has not contributed to this progress, especially on the non-income indicators. What seems clear, however is that the remarkable growth in the last decade, which has yielded the significant reduction in income poverty, is not a result of the MDGs.
continuing intervention of the international development community in African political economy (see Box 1).

**Box 1: Sub-Saharan Africa: More Interactions with the World and More Troubled**

In 2025, Sub-Saharan Africa will remain the most vulnerable region on Earth in terms of economic challenges, population stresses, civil conflict, and political instability. The weakness of states and troubled relations between states and societies probably will slow major improvements in the region’s prospects over the next 20 years unless there is sustained international engagement and, at times, intervention. Southern Africa will continue to be the most stable and promising sub-region politically and economically.

Sub-Saharan Africa will continue to be a major supplier of oil, gas, and metals to world markets and increasingly will attract the attention of Asian states seeking access to commodities, including China and India. However, despite increased global demand for commodities, increased resource income may not benefit the majority of the population or result in significant economic gains. Poor economic policies—rooted in patrimonial interests and incomplete economic reform—will likely exacerbate ethnic and religious divides as well as crime and corruption in many countries. Ruling elites are likely to continue to accrue greater income and wealth, while poverty will persist or worsen in rural areas and sprawling urban centers. The divide between elite and non-elite populations is likely to widen, reinforcing conditions that could generate divisive political and religious extremism.

By 2025, the region’s population is expected to reach over one billion, notwithstanding the effects of HIV/AIDS. Over one-half of the population will be under age 24, and many will be seeking economic opportunity or physical safety via out-migration owing to conflict, climate change, or widespread unemployment. The earliest global effects of climate change, including water stress and scarcity, will begin to occur in Sub-Saharan Africa by 2025.

Today almost one-half (23 of 48) of the countries in Sub-Saharan Africa are classed as democracies, and the majority of African states are on a democratic path, but the most populous states in the region and those with high population growth could backslide.

Although Africa is already assuming more of its own peacekeeping responsibilities, the region will be vulnerable to civil conflict and complex forms of interstate conflict—with militaries fragmented along ethnic or other divides, limited control of border areas, and insurgents and criminal groups preying on unarmed civilians in neighboring countries. Central Africa contains the most troubling of these cases, including Congo-Kinshasa, Congo-Brazzaville, Central African Republic, and Chad.


A more positive and feasible future for Africa is not difficult to imagine. Engaging the theme of this special issue of foresight, this section attempts to develop such an alternative picture. It is important to bear in mind, however, that scenario development is, quintessentially, a group process that builds on the sharing of knowledge to elicit a deeper understanding of the core issues. To that extent, the narrative here should be regarded as merely indicative. We pose the following focal questions as a starting point for an informal scenario development process:

- How can Africa attain the requisite level of international competitiveness to create wealth and achieve prosperity over the next 25 years, given today’s fast-changing technological and geopolitical landscape?

- What are the political and governance challenges that must be addressed to ensure the sustainability of economic gains?
Even the most cursory of environmental scans, will highlight the following issues as among the most important that must be considered in developing a plausible narrative regarding Africa’s future: globalization (including competitiveness and the role of emerging global powers), HIV/AIDS, unemployment, conflict, energy, climate change and governance.

Globalization is the overarching context for Africa’s development efforts over the next several decades. An earlier US-NIC workshop (US-NIC 2005), predicted in 2005 that sub-Saharan Africa would become less important to the international economy over the next 15 years. It predicted that growth rates in Africa will fall far below the rates projected for the fast-growing East Asian nations, and will not match the growth rate projected for the global economy. Indeed, East Asian growth rates have continued to be unmatched by most African countries, except perhaps, Botswana, Equatorial Guinea and Mozambique. But in the global context, African growth rates have been quite respectable, even in the aftermath of the current global crisis.

Africa was among the fastest-growing parts of the world between 2001 and 2008, with average growth of 5.6 percent a year. Stable macroeconomic conditions and structural reforms underpinned this growth, although high commodity prices played a role (Kaberuka 2010). Growth performance fell to only 2 percent in 2009 due to the global crisis. However, the IMF (2010) has remarked on how well sub-the region has weathered the crisis, projecting growth rates of 4.75 percent and 6 percent in 2010 and 2011 respectively. The quick recovery reflects, of course, the region’s limited integration into the global economy, as well as the fact that remittances and aid did not decline as substantially as was expected. However, the solid economic management of over a decade is also a major factor.

Many Africa countries will continue to have difficulty attracting private foreign capital. Although foreign direct investment more than tripled in the last decade (Kaberuka 2010), resource-rich countries such as Nigeria and South Africa received most of it. However, investment interest is growing in non-resource sectors such as tourism, services and telecommunications. Moreover, several smaller but high-performing countries, including Ghana, Namibia, and Zambia, have been attracting serious investor interest. Africa will continue to be a major global supplier of hydrocarbons as new oil-exporting countries emerge on the continent. Asia, particularly China and India will likely emerge as the dominant clients for oil and other commodities.

Remittances from the African Diaspora in Europe and North America may be expected to increase. Furthermore, as Africans abroad become more involved in the economies of their various home countries a substantial proportion of these remittances will go into investment. But much will depend on the governance situation and the general perceptions of the long-term investment climate.

Globalization has generated intense competition that will only become fiercer over the next 25 years. The barriers to African industrialization are severe, and fostering international competitiveness will require tremendous creativity in economic policy. It will also require ensuring that the domestic environment is attractive to both domestic and foreign investors. In
the end Governance practices will be decisive. Corruption continues to pose serious challenges, but the trend is already discernible that Africa is installing mechanisms and processes that will considerably reduce corruption or, at least mitigate its most pernicious effects. Again, it will be a matter of robust and effective governance practices.

In the unfolding global context, one of the most significant elements for Africa is the growing role of emerging countries of the South such as Brazil, India and particularly, China. On current trends, Africa will witness a major role for these countries over the next twenty-five years. For instance, while China’s share of total foreign investment in Africa is still low compared to the US and Europe, it is growing very rapidly. Premier Wen Jiabao put China’s total FDI stock in Africa at $7.8 billion at the end of 2008 or only about 3 percent of total FDI in Africa. But others put it as high as at least $20 billion (Shinn 2010). More significantly, perhaps, China is promoting a development finance model that it has itself used successfully. For instance, just as China had earlier paid Japan in commodities, it is making large investment deals with African countries backed by oil and other mineral resources. China is also helping to build seven special trade and economic cooperation zones in Africa: two in Nigeria, the others in Egypt, Ethiopia, Mauritius, Zambia, and, possibly, Algeria (Brautigam 2010).

Not surprisingly, multilateral institutions are adapting, albeit slowly, to the evolving dispersal of power globally. The Group of Twenty (G-20), which brings together the most important industrial and emerging-market countries, is gradually overtaking the G-8 as the premier body for oversight of the global economic and financial system. It is also a reflection of the growing shift in world economic power that the Breton Woods institutions have been responding so positively to calls for reform of their governance structures. Indeed, the voting rights of China and India in the World Bank were increased at that institution’s Spring 2010 meetings. This realignment moves China to third place in voting power, behind the US and Japan and ahead of Germany, France and the United Kingdom. India is in seventh place behind these countries, from ninth place previously.

As these events unfold, Africa will see a significant expansion of its development policy space. First, these emerging powers are a new source of development finance, which suggests a growing potential to reduce dependence on the Breton Woods institutions significantly. Second, the possibility of improved policy space is enhanced by the growing influence of the emerging economies in the vehicles of global economic governance. Moreover the international financial institutions will increasingly have to accommodate the growing relative power of transnational corporations and financial institutions, private charities, religious organizations and other non-state actors. Third, the widening policy space will be further accentuated by the increase in sovereign wealth funds from several countries of the global South.

On the demographic and environmental front, a likely trend is that Africa will continue to be vulnerable in terms of population movements and climatic pressures. The population of sub-Saharan Africa is expected to exceed one billion by 2020, perhaps reaching 1.4 billion by 2035. About half of the continent’s population will be under the age of 24 (UN-DESA 2007). Widespread unemployment will remain a challenge and particularly creative policies will be required to absorb the masses of young people entering the labour market. Africa is also the most vulnerable to global climate change and it is expected these effects will have begun to show, including in water scarcity for agriculture (see, UNDP 2007).
HIV/AIDS will also continue to be a challenge, especially because the prospects of a vaccine or “cure” remain distant. Nevertheless, with currently available treatment options, managing the pandemic is definitely feasible, albeit at substantial cost to the public budget. One can also be optimistic that this would be an area of continuing support from foreign assistance. Ultimately, the future of HIV in Africa will be a matter of good public health management and effective resource use. Despite the heavy toll of the disease and continuing high prevalence levels, the feared collapse of African public services would appear to be unlikely.

On the positive side, the majority of African states will be democracies in 2035, although many will not be in the classic Western model. Indeed, many African countries will draw important lessons from the development model that China embodies. Nonetheless, a reasonably robust democracy would have taken root in Nigeria and Zimbabwe and reasonable stability will exist in the Sudan. Overall, vulnerability to civil conflict will have declined substantially as Africa’s regional and continental organizations assume dominant responsibility for peace building (although Central Africa, particularly the Great Lakes, may continue with significant tensions).

A specifically Africa narrative that explains globalization and development to Africans, using culturally appropriate symbols, signifiers and language is required. This is essential for the political consensus and the social understanding that development requires. As an illustration, the important issues described above may be clustered roughly into two groups of critical uncertainties as follows:

- **GOVERNANCE**: Conflict, Democratization, Corruption, HIV/AIDS.
- **COMPETITIVENESS**: Policy Space, Promoting Innovation, Primary Product Dependence, Energy, Infrastructure, Employment.

One major dimension of uncertainty about Africa’s future is *competitiveness* where we can envisage a policy spectrum that ranges from business-as-usual to business-unusual. The other dimension encompasses different possible *governance* structures ranging from substantial fragility to institutional robustness. These two dimensions—business as usual competitiveness policy vs. business unusual competitiveness policy, and fragility vs. robustness in governance—yield a scenario matrix on which four scenarios could be built.

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13 This scenario is drawn explicitly in contrast to that envisaged in Box 1. The growing dynamism of the African Union, the broad recognition that conflicts ultimately serve no one and the increasing willingness of leaders to ostracize heads of governments that are not democratically elected are good reasons to prefer this scenario.

14 An absence of strategy already seems to be the case in Africa’s engagement with China. In contrast to a well-articulated Chinese Africa strategy, there was no coherent or united policy on the African side, and no strategy for engaging China. African countries made no pledges, nor did they establish any benchmarks upon which they could be measured by 2012. Moreover there were no African entrepreneurs at the complementary Conference of Chinese and African Entrepreneurs. Around 300 Chinese companies were present but only a handful of African counterparts (see Emirates Business 24/7, [http://www.business24-7.ae/opinion/analysis/africa-needs-strategy-to-engage-china-2010-03-07-1.64611](http://www.business24-7.ae/opinion/analysis/africa-needs-strategy-to-engage-china-2010-03-07-1.64611))
These four possible scenarios, depicted by the four quadrants in Box 2 below, have been named: “Land of the Future”; “Shadowland”; “Wasteland” and “Abiku Country”. The remaining discussion describes the scenario “land of the future”, which is the result of the interplay of strong competitiveness policies and good governance.

**Box 2: An Illustrative African Future Scenario**

Towards a Strategy for the Land of the Future

Contrary to the implication of the MDGs, Africa requires a message of prosperity, not one of “making do”. The developmental success of Asian countries was not based on “poverty eradication” but on the positive messages of building wealth and aiming to attain the living standards of the West and Japan. The “Asian Tigers” succeeded by promoting these messages aggressively and implementing economic policies that were not constrained by the strictures of neoclassical economics. Indeed, their policies were “inappropriate”, or at least unorthodox, in the context of the prevailing theories at that time (Chang 2007, Lin 2009).

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15 Abiku is a Yoruba word for the spirit child that keeps coming and going, born to die and be reborn. Sometimes the spirit child decides to stay. More often than not, he keeps coming and going.
An important lesson for Africa to draw from the East Asian experience and the more recent Chinese success is the importance of opportunism and pragmatism. The World Bank’s Chief Economist observed recently how the current global crisis has soundly repudiated the thesis that markets always deliver socially superior outcomes, pointing out that even in industrialized countries, the most successful in dealing with the global crisis have been those that adopted pragmatic approaches to economic policy (Lin 2009).

Raising African competitiveness requires, *inter alia*:

- Reforming property rights regimes to reduce business transactions costs;
- Establishing institutions to ensure transparency and accountability in the management of public resources;
- Creating innovative financing instruments for large private sector projects;
- Drawing on the Diaspora and instituting incentives to reduce the brain drain;
- Investing massively in infrastructure, with heavy involvement of governments and development finance agencies;
- Actively promoting the exploration of potential sources of comparative advantage;
- Promote new industries by incubation, subsidizing local entrepreneurs and/or attracting foreign direct investment\(^\text{16}\);
- Subsidizing, in general, activities that produce significant externalities.

Pragmatism will mean the creative deployment of these policies. Fundamentally, however, leadership will be the key determinant of Africa’s development prospects over the next 25 years. The tendency to date has been for these leaders to view the glass of globalization as half-empty. The discourse has tended to be dominated by the many difficulties globalization poses for the continent, not what opportunities it offers. Even as the international financial institutions herald them for having undertaken appropriate policy reforms, African countries still do not appear to have formulated a convincing story of Africa’s future.\(^\text{17}\) African leaders need to fully understand

\(^{16}\) Even in the US, new ventures have been promoted through science and technology parks and business incubators, where entrepreneurs, scientists, product developers, and venture capitalists are clustered together and can work together. China’s economic zones are also an example of networks where innovations can be developed and brought to market.

\(^{17}\) The IMF (2010) for instance, finds that while Africa’s limited integration into the global economy may have helped a little to shield it from the crisis, it is the stronger macroeconomic position of most countries in the region that is mainly responsible for containing the dislocation.
globalization and mobilize the populace to achieve the necessary international competitiveness.\textsuperscript{18} The role of powerful leaderships and/or special interests in leading the development process is one of the most important lessons of history. Development requires a leadership that is able to look beyond personal and parochial interests, and short-term considerations to the long-term welfare of the nation. There must exist a class of change agents, such as a bureaucracy or a business class that is highly competent and fully dedicated to the pursuit of this long-term goal. The leadership for the “Land of the Future” must be capable of weaving the following core messages into its development narrative:

- Africa must reject self-portrayal and portrayal by others as a “victim”, rather than an equal player in the international system. It must replace the ideology of poverty with one of prosperity as an attainable goal. It must reject the condescension of the international community implicit in recurrent references to Africa as a “special case” that requires continuing international intervention.

- Africa must become globally competitive or consign itself to oblivion. It needs to build the capacity to produce, access and use cutting edge technology. It must foster effective national systems of innovation. In short, \textit{Africa must innovate or die}. It must be competitive in low-end manufacturing. It must aggressively seek to exploit indigenous knowledge to locate higher in the value chain in key industries (like pharmaceuticals). It must nurture entrepreneurship and enterprise networks and build a strong infrastructure.\textsuperscript{19}

The leadership that will pursue these messages must gain the trust and respect of the people, lead by example, be willing to sacrifice, able to put national interests ahead of parochial interests, create a vision that resonates with citizens. The leadership will promote democratic institutions, be transparent in actions and accountable to the public. It will nurture legitimacy and fairness in electoral processes, ensure access to basic social services and be aggressively committed to raising living standards. The region’s prospects over the next twenty years will depend primarily on the extent to which the continent’s leaders take full responsibility for it.

\textsuperscript{18} It may appear that the New Partnership for Africa’s Development (NEPAD) was such an African narrative. But it was too self-consciously a response to, and an embrace of the international development agenda at the turn of the century (see Ohiorhenuan 2002)

\textsuperscript{19} In its April 3\textsuperscript{rd} 2010 special report on rebalancing the US economy, \textit{The Economist} warned American businesses to “export or die”. That slogan has been used in export campaigns from Asia to Jamaica over the last forty years. It applies strongly to Africa today. But the difference today is that, with large Asian countries dominating low-end manufacturing globally, African countries must innovate (through process, institutions and/or technology) to be competitive even in their home markets.
IV Conclusion

This paper has examined how the conceptualization of development has evolved in the last sixty years, and how the ‘development industry’ in Africa might change over the next twenty-five years horizon, given global trends and emerging realities. It explored the interplay of ideas and practice, identified key global drivers and considered their significance for Africa over the over the next generation. It asked what, beyond the MDGs, should be the Africa development narrative for the next few decades.

Adopting a historical approach, the paper chronicled the changes in the epistemological foundations of development thinking over sixty years of development theory and practice. It also explored how concurrent changes in the international context for development have influenced both the thinking on and management of development.

It was shown that from an original grounding in historical realities the contemporary context of development is based on aspirations. The ends of development used to derive from the experiences of successful developers, and success was envisaged in terms of the attributes that actually accompanied historically successful development stories. The current paradigm, codified in the MDGs, apprehends development through the prism of assumed universal norms, and aims for the time-bound attainment of some minimum standards.

Broadly, the post-MDG development narrative will remain on the same path because it is coming out of the same process. To address the challenge of African prosperity over the next 20-30 years requires an African development narrative generated endogenously. A scenario analysis was undertaken to identify the possibility for Africa as “the land of the future”. The core messages include Africa rejecting its portrayal as “victim” in the international system and replacing the poverty ideology with one of prosperity as an attainable goal. It must also reject the condescension implicit in regarding Africa as a “special case” that requires continuing international intervention. The message must exhort Africa to become globally competitive: it must innovate or die.

Successful African development will depend on the energy of all Africans and the ability of its leadership to generate extraordinary performance from an apparently ordinary combination of circumstances. The leadership that will pursue this message must, among other attributes, gain the trust and respect of the people, be willing to sacrifice and be able to create a vision that resonates with citizens. The leadership will be transparent in actions and accountable to the public. It will ensure access to basic social services and be aggressively committed to raising living standards.
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