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Introduction

Louis Kasekende

Africa's Economic Growth: Opportunities and Constraints

Paul Collier

Abstract: Africa's economies have diverged from other developing regions: over the past three decades growth has been much slower. In this paper I relate this to the region's distinctive physical and political geography. These features not only make Africa different from other regions, they make some parts of Africa radically different from others. Understanding these differences is critical because they imply equally substantial differences in opportunities and hence in the strategies likely to be effective for growth. No pan-African growth strategy offers a realistic prospect of success, nor can Africa simply copy the strategies of successful regions that have fundamentally different physical or political geography. I propose three strategies each of which is likely to be appropriate for a part of the region.

Stimulating Growth and Investment in Africa: From Macro to Micro Reforms

Alan Gelb, Vijaya Ramachandran and Ginger Turner

Abstract: How do we stimulate investment and growth in Africa? This paper focuses on low-income countries that are 'good performers' and not especially endowed with natural resources. Many of these countries have undertaken a set of economic reforms, and have recorded growth rates in per capita GDP of around 5 percent over the past 10 years. But some constraints to growth persist. We look at three things — how business environments create 'external costs' for firms and inhibit performance, how investors perceive the constraints to doing business, and the role of political economy factors especially in those countries with lagging indigenous business sectors. Our analysis of investment climate and other data leads us to several recommendations for governments, donors and the private sector itself, including the following: deepen macro reforms; build a strong, unified business forum; create incentives for more responsive governments; and improve risk mitigation and broaden this to domestic investors.

The Korean Experience and African Economic Development

Ji Hong Kim

Relaxing Export Supply Capacity Constraints and Promoting Export Expansion and Diversification in Africa: The Role of Special Export Development Strategies

T. Ademola Oyejide

Abstract: This paper examines the role of several export development strategies in relaxing export supply capacity constraints and promoting export expansion and diversification in Africa. It starts with a review of the analysis and recommendations in *Can Africa Claim the 21st Century?* ([World Bank, 2000](#)) and an identification of subsisting supply obstacles. This forms the background against which the paper discusses changes in the growth, structure and destination of African exports during 2000–2005; explores the use of export development strategies (such as supply chain management, networks and clusters, as well as branding); and discusses the enhancement of market access of African exports regionally and globally. The paper concludes with an analysis of the prospects for relaxing Africa's export supply response capacity constraints and the feasibility/viability of the suggested strategies for expanding and diversifying the region's exports.

La vulnérabilité économique, défi persistant à la croissance africaine

Patrick Guillaumont

Résumé: Alors qu'après une longue période de stagnation la croissance semble être revenue en Afrique, la question se pose de savoir si la nouvelle croissance africaine est durable. Cet article examine dans quelle mesure la croissance africaine est vulnérable aux chocs exogènes et quelles en sont les implications pour le financement international du développement. Il montre en premier lieu la persistance de la vulnérabilité des économies africaines au regard de l'indice de vulnérabilité économique des Nations unies (EVI), utilisant une première série rétrospective de cet indice. En second lieu, s'appuyant sur divers travaux récents, il souligne l'importance de la vulnérabilité structurelle pour la croissance et le développement, particulièrement en Afrique. Enfin il examine le rôle du financement international pour répondre à la vulnérabilité des économies africaines, suggérant de faire de la vulnérabilité structurelle un des critères d'allocation de l'aide de d'adapter les modalités de l'aide pour lui faire jouer de façon efficace un rôle d'assurance.

Abstract: While after a long stagnation growth seems to have come back in Africa, the issue remains to know whether the new African growth is sustainable. This paper examines to what extent African growth is vulnerable to exogenous shocks and what are the implications for international development finance. First it evidences the persistent vulnerability of African economies with regard to the U.N. Economic Vulnerability Index (EVI), using a first retrospective series of that index. Second, relying on several recent works, it underlines that structural vulnerability matters, in particular in Africa. Finally it considers how international development finance can be used to face the vulnerability of African economies, suggesting to use structural vulnerability as one of the aid allocation criteria and to adopt modalities of aid so that it can effectively serve as an insurance.

Investir sur le capital humain: éducation et santé

Abdoulaye Diagne

Résumé: Ce papier passe en revue les raisons d'investir dans le capital humain dans un pays en développement, évalue les performances accomplies au cours des années 1990 et 2000 en matière d'éducation et de santé, particulièrement dans les pays africains, et soumet à une analyse critique les réformes de politiques qui ont sous-tendu ces performances. Les contraintes et opportunités offertes par la mondialisation sont examinées dans le contexte des pays africains. Enfin, des recommandations sont faites pour accélérer l'accumulation d'un capital humain de qualité en Afrique à travers l'éducation et la santé.

Debt Relief and Social Services Expenditure: The African Experience, 1989–2003

Sylvain E. Dessy and Désiré Vencatachellum

Abstract: In June 2005 the G8 proposed the Multilateral Debt Relief Initiative (MDRI) with the goal of canceling all International Development Association (IDA), International Monetary Fund (IMF) and African Development Fund (ADF) debt claims on countries that have reached, or will eventually reach, the completion point under the enhanced Highly Indebted Poor Countries (HIPC) initiative. The objective is to help HIPC make progress towards the Millennium Development Goals. The G8 initiative is worth \$40 billion and would benefit 14 African countries immediately. It has the potential of freeing more resources than any past debt relief program. Between the 1988 Paris Club debt relief program up to 2003, Africa

earned debt relief worth \$65 billion. We take a critical look at the chances that the G8 initiative will reach its goals by empirically investigating the extent to which past debt relief granted to African countries did translate into a larger share of resources being allocated to social services expenditure. Our estimates indicate that debt relief provided to Africa between 1989 and 2003 had a positive impact on the share of a country's resources allocated either to public education or health in countries which have improved their institutions. Consequently, donors must address the need for institutional change as they grant debt relief to HIPC if the latter are to channel the freed-up resources to the social sector.

A Framework for the Strategic Design of Science and Technology Policy for African Development

O.A. Bamiro

Abstract: The key role of science and technology and the ways in which it can be developed and deployed to achieve the identified goals of development in Africa are articulated in this paper. Notable projects, programmes, declarations etc. addressing issues of development of Africa are: the Millennium Development Goals (MDGs), aimed at poverty reduction over a stipulated period of time with globally defined measurable indicators of progress; the World Summit on Sustainable Development (WSSD); the Blair Commission Report for Africa; and the New Partnership for African Development (NEPAD) targeted at repositioning Africa in the world economy. During the WSSD Summit process, the Johannesburg Plan of Implementation (JPOI) identified the three pillars of sustainable development as the *economic, environmental* and *social pillars*, and emphasized the fact that 'science and technology must be placed at the heart of policies to promote sustainable development'.