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**UNITED NATIONS DEVELOPMENT PROGRAMME**

**Conference of Planning Ministers  
and Resident Representatives**

**Statement By**

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**Under Secretary-General, Executive Secretary  
of the Economic Commission for Africa**

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**Your Excellency, Mr. Zéphirin Diabré, Minister of the Economy, Finance and Planning of the Republic of Burkina Faso;**

**Your Excellency, Mr. Chairperson;**

**Your Excellencies, Africa's Ministers responsible for Planning;**

**My colleague and dear friend, Ms. Ellen Johnson-Sirleaf,  
Assistant Administrator and Regional Director of  
UNDP's Regional Bureau for Africa;**

**Colleagues and partners in Africa's development,**

I am greatly privileged to have been given an opportunity to participate in this Conference organized by the Regional Bureau for Africa of the UNDP. Allow me, first, to pay my respects to His Excellency Mr. Zéphirin Diabré, Minister of the Economy, Finance and Planning of the Republic of Burkina Faso, and through him to the President and people of Burkina Faso.

I attach a great value to this Conference -- for two reasons. First of all, your Excellencies, the Ministers responsible for economic and social development and planning in Africa collectively constitute the legislative organ of the Economic Commission for Africa. It is under your guidance that I must exercise my stewardship of the Commission, which is mandated to promote the development of Africa. Since my appointment as Executive Secretary, I have met some of you individually on different occasions, and I have worked closely with the Bureau of the Commission which you elected last year. But this is my first opportunity to meet you assembled as a body under one roof. I am pleased to report to you, that we are in the throes of self-examination in Addis Ababa with a view to revitalizing ECA to serve Africa better. Secondly, this Conference is an opportunity to strengthen the

ties between ECA and UNDP in the two institutions' common task of promoting sustainable human-centred development in this region.

### **Excellencies,**

The timing of this Conference -- practically at the mid-point of the last decade of the Twentieth Century -- gives it great significance. As you no doubt recall, this decade was welcomed with much eagerness, in the hope that, after the dismal 1980s, it would bring relief and recovery.

Over the 1980s, African gross economic output, including that of the Republic of South Africa, grew at an average annual rate of barely 1.8 per cent. Sub-Saharan countries as a group (not including South Africa) matched average continental performance. ECA estimates on a provisional basis that, since 1990, on average, African economic output has grown by a meager 1.5 per cent annually, with the Sub-Saharan countries under-performing even this. The paucity of these rates is even more striking when they are weighed against the population growth rate, which is now estimated to be slightly below 3 per cent. It means that, at the end of 1995, African per-capita income was just 93 per cent of what it was at the end of 1990 and a mere 78 per cent of what it was in 1980. It is not surprising that both the incidence and the severity of poverty have increased across Africa!

The economic and social picture in the first half of the 1990s, however, is not uniformly gloomy as in the 1980s. If anything, it is a rather mixed one. Where protracted conflicts have at last been resolved amicably and the people have chosen their leaders through free and fair elections, the peace dividend has invariably translated into a resurgence of economic activity. A small but significant band of countries which have embraced reforms with commitment and innovative pragmatism, while taking care to cushion the poorer segments of society against the

costs of adjustment, have sustained significant real per-capita economic growth. An even smaller band from the few countries which managed to weather the storm in the 1980s relatively well by exercising prudence, have continued to grow impressively. Indeed, in recent years, some 25 African countries have posted growth rates of at least 3 per cent. A half of them have achieved over 6 per cent.

Even where growth has rebounded, economic fundamentals are still fragile and future prospects remain uncertain, still hostage to the ups and downs of external conditions which are beyond Africa's control -- such as the weather and world commodity prices. Moreover, the improvement in economic performance, modest as it has been, has yet to translate into a significant reduction in the ranks of the unemployment or in the incidence or severity of poverty. The living conditions of the majority of the people have not improved much.

### **Excellencies;**

Africa therefore continues to face acute challenges. There is not a single country which can afford to be complacent. The certainties of the Cold War geopolitical and economic order, where strategic considerations and political alliances dominated economic interests and where international trade and finance remained hobbled by numerous restrictions and protectionist barriers, have given way to a new world order.

A remarkable consensus has taken shape across the world on some key questions in political economy : the ownership of the means of production; the role of markets *vis à vis* the role of governments; the necessity of open international trade and the role of a universally agreed multilateral regime for regulating trade; the importance of social equity (including gender equity) -- indeed, the primacy of the

objective of eradicating absolute poverty in all its manifestations; and the paradigm of economic and environmental sustainability

We must recognize, however, that the new world order poses grave difficulties for countries and communities that fail to adjust rapidly enough in response to shifts in global patterns of demand and supply. In this regard, of all countries and communities in the world, the ones in Africa appear to be the most vulnerable. This observation is easily arrived at from an objective review of our countries' comparative economic performance over the last two or three decades, as well as from a candid analysis of the myriad factors that underlie Africa's lack of economic dynamism. The following factors come to mind.

- the **smallness of our markets** which precludes specialization and interdependence through trade;
- the **extreme risk-aversion** that keeps agents in our societies from seeking and harnessing innovations derived from applications of **science and technology**;
- the **inadequacy of the economic institutional frameworks** (both public and private) in many of our countries, and
- the **inadequate development of human capital** -- yet it is the most vital input of all in any socio-economic production process.

As long as these factors prevail, our countries and societies clearly will remain unprepared for the new world order and, by implication, for the Twenty-first Century which is now just four years away. But do we have any other choice -- apart, of course, from the possibility of being marginalized, by-passed, and excluded by the other more aggressive players?

## **Excellencies;**

There are a number of other related challenges that our countries (and even individual local communities) must gear themselves up to face in preparation for the emerging new world. In the paper that I have prepared for this Conference on the theme “Development Challenges of the Twenty-first Century”, I have grouped these challenges under seven headings :

1) the demographic challenge. The African population is currently estimated to be growing at an annual rate of 2.9 per cent. This rate is not expected to slow to 2.0 per cent well into the first quarter of the next century. How, therefore can African countries cope with a fast-growing population ? About half of the population is younger than 15. How can we create employment opportunities at a rate fast enough (3-5 per cent annually) to absorb new job seekers ? Can this youthful profile be turned from a negative to a plus ? How shall we meet the nutritional needs of the growing population ?

2) the second challenge is the environment’s carrying capacity. With the exception of perhaps Australia, Africa is the driest continent. In view of the fast growing population, water will increasingly become scarce. How can African countries cooperate to manage the river basins better? Another population-environment nexus involves energy. What is the feasibility of rural electrification by 2025 ? Expanding agricultural and food production without boosting productivity will exert pressure on the environment. Economic growth in the coming years will involve industrialization. This too, poses problems for environmental sustainability. Can Africa leapfrog a century or more of destructive technologies ?

3) the third challenge we face is how to harness market forces to the objective of sustained poverty reduction. But before market forces can be harnessed to Africa’s

development, our economies must be rid of distortions. How can the poorest and most vulnerable segments of society be cushioned from the costs of adjustments ? How can an integrated market be created out of Africa's traditional and modern economies, rural and urban economies with poorly developed linkages ?

4) the fourth challenge is that of integrating Africa into the global economy, which will be highly integrated and competitive. It will be driven by technological innovations and knowledge-intensive. How, therefore, will Africa be able to compete in the new world ? Can Africa close the wide technology gap between it and the more dynamic economies? Can African exporters match international competition on quality, reliability, timeliness and price ?

5) regional integration in Africa is our fifth challenge. The integration of African countries into a single economic space has been the goal since African Leaders signed the Charter of the Organization of African Unity on May 25, 1963. The Lagos Plan for Africa (Final Act of Lagos) set the year 2000 as the target date for the establishment of the African Economic Community. Now, the Abuja Treaty proposes that the Community be established over a 34 year period to 2025. But why has the goal of African integration proved so elusive ? Is it because there is not enough political commitment ? Could it be because regional integration strategies in the past have not given enough consideration to the direct involvement of private sector economic interests in the process as the main implementers and beneficiaries?

6) introducing democracy and decentralizing power while, at the same time, implementing far-reaching economic structural adjustments and opening African economies to external competition poses the sixth challenge. How can painful but necessary socio-economic structural reforms be implemented by governments? In poor societies, how can individual human rights be reconciled with group rights ? Is

the preservation of ethno-cultural, linguistic, religious and other forms of diversity compatible with building viable nation-states ?

7) it is not possible to meet all of the development challenges, accelerate growth and structural transformation, and improve human living conditions without mobilizing the large amounts of financial resources that are required. Mobilizing financial resources and managing external obligations poses a formidable seventh challenge. How can African countries boost their domestic savings rates ? How can investments be made more productive ? How can they attract foreign investment flows, especially foreign direct investment (FDI), in the face of stiff world competition ?

Intractable as these issues are, they are by no means impossible to confront. There are useful lessons in this that we can learn from the dynamic economies of South-East Asia which have traveled from wide-spread absolute poverty to a measure of universal social well-being along the road of export-led growth and progressive integration into the world economy. For example, China, which is also a low-income country, has seen its per-capita income grow by over 50 per cent since 1990, driven by an open-door policy to foreign investors, booming trade, and economic liberalization. At this rate, it will not be a low-income country for long!

There is a wealth of experience -- both African and external -- from which policy-makers should benefit. In the on-going re-examination of ECA's role to the year 2001, facilitating member States to learn from one another as well as from the rest of the world has emerged as an important task that the Commission should take on.



In meeting these challenges, the primary responsibility rests with our countries and communities, of course. But Africa cannot meet this challenge on its own. Sustained support from Africa's partners is essential.

Secretary-General Boutros Boutros-Ghali's **Special Initiative for Africa**, which I am privileged to co-chair with my friend and colleague, Mr. James Gustave Speth, the Administrator of UNDP, provides a pioneer framework of support for sustainable human-centred development and poverty eradication in Africa. It aims to mobilize US\$ 24 billion of external resources to be disbursed over a period of 10 years in support of crucial capacity-building priorities : basic education; primary health care and public health systems; family planning services; safe water supplies; sanitation; food security; basic infrastructures, particularly in rural areas; small and micro enterprises; good governance; and gender equity. The World Bank and agencies of the United Nations are equal collaborators in this initiative. It is a sterling demonstration of the possibilities of partnership within the extended UN family in promoting sustainable human-centred development.

### **Excellencies;**

We are determined to revitalize ECA, your Regional Commission. In consultation with all stakeholders, we are in the process of refocusing our mandate to take advantage of our comparative advantages. We are determined to strengthen our collaboration with all the major partners in Africa's development.

In this regard, I see numerous opportunities for a fruitful partnership between UNDP and ECA in the service of the people of Africa. Our mandate is regional in scope, while UNDP's Regional Bureau for Africa has a country-focused mandate. There are strong complementarities between the two mandates. Furthermore, I am determined to strengthen ECA as a vital "centre of excellence" dedicated to finding

viable solutions to problems in Africa's development. I wish UNDP to know that our technical resources are fully at its disposal. In return, in order to better serve ECA's clients in each member State, we intend to make fuller use of the Office of the Resident Coordinator of the United Nations system. More often than not, this is also the Office of the UNDP Resident Representative. We are opening an exciting new chapter in our relationship. I am convinced that this is what our member States want from us -- not senseless rivalry.

**Excellencies;**

**Colleagues;**

**Ladies and Gentlemen;**

The task before us all -- each one of us in his or her own specific capacity -- is a daunting one. But I happen to believe passionately that poverty can be eradicated from Africa within one generation. Let us all put our heads together : governments, private sectors, civil society, United Nations, Bretton Woods institutions, bilateral partners, external investors. Let us work together to make Africa viable in the highly competitive world of the Twenty-first Century. We know that it can be done!

I thank you for your kind attention.

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