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UNITED NATIONS / NATIONS UNIES

ECONOMIC COMMISSION FOR AFRICA / COMMISSION ECONOMIQUE POUR L'AFRIQUE



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**MEETING OF EXPERTS ON THE ECONOMIC AND  
SOCIAL ISSUES IN AFRICAN DEVELOPMENT**

**STATEMENT**

**BY**

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**Addis Ababa, Ethiopia  
5 - 6 DECEMBER 1994**



Mr. Chairman,  
Ambassador Brownson Dede, Assistant Secretary General of the  
Organization of African Unity,  
Ladies and gentlemen,

It is indeed a pleasure and a privilege for me to address this expert group meeting on the economic and social situation in Africa.

We are gathered here today to assess the economic and social situation in Africa with a view to addressing the problems and relaunching development in Africa. This meeting is taking place at a very significant moment when Africa is facing a major development crisis. Time is running out. The challenge facing us is to urgently address Africa's domestic crisis and to prepare the continent for the intense competition of the twenty first century. Therefore, this session should provide an opportunity for us to reflect seriously on our achievements over the last three decades or so with a view to devising an actionable agenda for leading Africa into the next century.

In this regard, I must begin by admitting that looking back into the last three decades, our achievement might not have met our expectations in terms of sustained growth and sustainable development in Africa. As you are aware, after the initial modest growth rates of the 1960s and 1970s, Africa's economic performance has deteriorated significantly. On average, from 1980 to 1993, developing African economies grew by only 1.9 per cent (at 1990 prices). With an annual population growth rate of about 3 per cent over the period, this implies a decline of per capita income by about 1.1 per cent per annum. The results of such poor economic performance are falling educational standards, escalating unemployment and underemployment, high infant mortality rates, famine and hunger. In short, immiserization has been the lot of the vast majority of Africans since the end of the 1970s.

The factors responsible for Africa's poor socio-economic performance are multiple. The main external factors are the deterioration in Africa's terms of trade and protectionism against Africa's exports, particularly manufactures. In 1990 the terms of

trade was lower than in 1980 for every African country except Liberia, Mali, Senegal and Somalia. From 1990 to 1993, the terms of trade deteriorated on average by 6 per cent for African countries. The direct and indirect impact of this deterioration in terms of foreign exchange foregone and the deflationary effect on income generation have been quite significant. The excessive accumulation of external debt and the ensuing debt overhang, within the context of a serious deterioration in economic performance, have further intensified foreign exchange constraints. The stock of debt is now almost equivalent to the combined GDP of the region, while debt service has exceeded 25 per cent of exports earnings. In a number of countries debt service may have already surpassed export earnings. Data available at the UNECA indicate that over the last three years, official development assistance (ODA) to Sub-Saharan Africa has stagnated at around US\$17.4 billion dollars (at 1991 prices and exchange rates). Similarly, flows of FDI going to Africa have also declined from an average of US\$3 billion from 1986-90 to US\$2 billion in 1992. The adverse trends in aid and investment flows have made it impossible to offset the decline in export earnings, avoid import compression and current account deficits.

We must not lose sight of the more fundamental internal explanatory factors behind the development problematique of our continent. Today, the African economy is characterized by a disarticulate narrow production structure; low productivity due to an antiquated technology; excessive openness and external dependence especially for factor inputs; and weak human, infrastructural and institutional capabilities. The fragility of the domestic production structure is exposed by recurrent droughts which leave in their wake considerate losses in human life and livestock, and cause massive displacement of populations, serious environmental deterioration and rapid decline in the carrying capacity of the ecosystem. On top of these, inappropriate agricultural policies, combined with the scarcity of modern inputs, extension services, inadequate marketing structures and other structural factors have further lowered productivity in the agricultural sector. The process of development has also been handicapped by the worsening socio-political scene, through

political instability and turbulence, ethnic conflicts and lack of democratic governance. Often, the failure of public policy to redirect resources to ameliorate the problems of the disadvantaged has bred discontent, tension and conflict. The lack of an enabling social environment is, therefore, a root cause of the present seemingly intractable cycles of conflict and social disharmony. You will no doubt agree with me that for an effective socio-economic transformation of our continent and for Africa to be able to compete in the global economy of the twenty-first century, we will have to address the above lacunae to enhance productivity, revive economic activity, restore social harmony and attain external competitiveness.

What, in the light of the foregoing should be Africa's development policy agenda for the 1990s? To be sure, the major challenge that we face as a people is, as we approach the close of the twentieth century and the beginning of a new millennium, to revamp our existing economic and social structures and to construct new ones that will enable us to devote our vast but yet untapped potential of natural and human resources to the socio-economic transformation of our continent. For Africa not to be left further behind in the development race, it must master fully the strategy of managing its domestic economy as well as its economic relations with the rest of the world in the various areas of technology, finance, money, trade, etc., all in the genuine interest of the African population.

To achieve this, we must set in motion a development-oriented policy agenda, the early results of which must be visible and widespread pay-offs in the form of a faster rate of economic growth, reduction in the incidence of poverty at a significant and sustained rate, and increased capacity for greater productivity and competitiveness within the emerging global economy of the twenty-first century. We need to assiduously pursue a human-centred and self-sustaining growth strategy in which people are seen and focused upon as the goal as well as the means of development

Distinguished participants,

In the increasingly competitive world of today, it is becoming more and more apparent that no viable and effective African breakthrough can be achieved unless there is a genuine movement towards a new orientation in our international economic relations. The formation of regional trading blocs, such as the Single European Market and the North American Free Trade Agreement, and others in progress, are clear demonstrations of the need for Africa to hasten the process of regional economic integration. Regional economic integration and the creation of a single African market will no doubt spur intra-African trade, create economies of scale and boost African competitiveness in the new global economy. To this effect, our efforts at enhancing the capacity of the subregional economic communities should be sustained, we need to put more emphasis on the integration of physical, institutional and social infrastructures; the integration of production structures; participation of all socio-economic groups in the integration process; harmonization of common policies in the field of agriculture, industry, energy, transport and trade; and application of community laws at the national level. Economic integration programmes should be at the centre of development plans and strategies.

Secondly, Africa will have to exploit and develop its natural resources, with which it is generously endowed. It is high time to go beyond the exploitation of the rich natural endowment for export purposes only and to internalise the development process. What is actually needed is a deliberate policy to develop human capacities, to make the most effective use of resources and to harness them to Africa's development. The capacities of our regional and national institutions for the study and analysis of mineral content and utilization should be enhanced together with the morale of the experts working in the institutions. This will, no doubt, also require substantial increases in investment, both domestic and expatriate. To enhance the attractiveness of investment in the natural resources sector, special attention should be given to the development of supporting infrastructures not only in terms of transport facilities, but also

in the form of supply of energy and establishment of the research institutions.

The third building bloc in the African development agenda should be the interdependent development of agriculture, environment and industry. Agricultural productivity must be boosted substantially while the production-mix should focus more on meeting the internal development needs of the continent. This will involve, among other things, the transformation of the rural agricultural as well as non-agricultural sector. Food self-sufficiency and food security can, however, only be realized through significant transformation and considerable technological upgrading of the rural sector in general. This, with imaginative management of the environment will ensure the progressive enhancement of the carrying capacity of the environment and its eco-system in general. Industrial development, drawing on the natural resources, both mineral and agricultural, should be the natural progression of this complementarity and the surest support for positive interdependence between this crucial area of development on the continent.

The fourth building bloc will be the conscientious development of human resource capabilities, to be achieved through imaginative development and application of modern methods of education, institution-building, and science and technology. We will need to revisit our educational curricula, modernize our management institutions, and develop other centres of learning, particularly, with regard to research, development, and deployment (RDD). We will have to remember all along that the challenge of development and international competition could be won through manpower and technological competitiveness.

The fifth building bloc will be the creation of a harmonious social environment for development. Fundamental political reforms will be required to usher in democratic governance through the decentralization of power, and the integration of women, the youth and disadvantaged groups in the process of development. The emphasis, henceforth, must be on consensus-building, the politics of inclusion and mutual respect, and on how to make effective the

national and regional mechanisms for conflict prevention, conflict resolution and confidence building in Africa. Closely linked to this is the role of women in development. The Fifth African Regional Conference on Women held recently in Dakar, Senegal, within the framework of the preparatory arrangement for the United Nations Conference on Women to be held in Beijing, China, next year, has been a major landmark in articulating comprehensive strategies and actionable programmes for the advancement of women in Africa. This conference, as you know, adopted an African Platform for Action. This platform reaffirms the role of women as major agents and beneficiaries of peace and development, their rights, responsibilities and aspirations. Women, the primary actors in development and this role, must be recognized through the empowerment of women and improvement of their status. We should widen their opportunities and access to education and resources. I believe that considerable goodwill exists, particularly recently, for the enhancement of the status of women. But, unfortunately, this is not matched by action. It is time to act.

The sixth building bloc is the establishment of a systematic relationship between the public and private sectors. Indeed, both the public and private sectors are expected to contribute to the removal of economic constraints in Africa. The two sectors must be pragmatically related through the encouragement of productive intersectoral partnership by putting more emphasis on collaborative efforts, complementarities and efficiency. We will have to devise ways and means that could ensure the realization of an optimal relationship between these sectors. The government has to do everything that could foster the development of an enabling environment for the private sector and its prosperity. Therefore, new mechanisms and channels for increased collaborations between the people and their governments must be established. This could be achieved through the formulation and implementation of practical development plans which can bring the public sector, domestic private sector and foreign investors to form a strategic alliance in national development efforts. An effective symbiosis between these sectors is needed for the full realisation of development for the benefit of the entire population.

In this respect, I am pleased to inform you of UNECA's new initiative to promote such collaboration through its Investment Promotion Conference and the Action Plan that would emanate from the meeting, which is scheduled to take place next year. This project, which we have established with the support of our major institutional partners, will examine the modalities of attracting foreign and domestic investment and creating public-private partnership for a more attractive investment climate in Africa. The establishment of a productive symbiosis of the public and private sectors will require, in addition to the creation of a conducive macro-economic policy framework, explicit public policies in support of the private sector.

The seventh building bloc is the establishment of positive interdependence between Africa and its development partners with the view to enabling Africa successfully pass through its present transition to fast-economic growth. There is need to agree on the broad goals and objectives of development and establish a firm commitment to their fulfilment by all parties. Central to this compact for development is the respect for Africa's development objectives as spelled out by our Heads of State and Governments and elaborated in our various development fora. Ultimately, the goals of development efforts should be the full integration of Africa in the world economic system as an equal partner. This will require considerable adjustments to the world trading system in the post-Uruguay era and the regulations constraining the flow and use of financial resources and technology. Specifically, Africa will, no doubt, require significant international assistance to meet the adjustment costs and stem the inevitable negative consequences of the Final Act of the Uruguay Round. Our development partners should also boost net financial transfers to Africa and, through investment guarantee schemes, reduce foreign investors perceptions of risk in Africa. In the attempt to boost net transfers to Africa, the continent's debt burden should be eased or even totally unloaded once and for all. The commitment of the international community is vital and urgently called for. The UN system in particular, has a special role to play, together with the international community, in the realization of the United Nations Agenda for Development of Africa in the 1990s (UN-NADAF). With

this type of committed partnership, development should not elude Africa.

Ladies and gentlemen,

It must be pointed out that Africa's problems are daunting but not unsolvable, given the creativity and energy of the African people, the vast and largely untapped natural resources, and the promise of democratic governance in Africa. The fact that Africa has a future that is potentially as bright as, if not brighter than that of any other developing region should be a source of continuing hope, confidence and optimism about the future of this continent. We must never give up. And I urge the same of our development partners, some of whom are beginning to succumb to Afro-pessimism.

I thank you for your attention and wish you fruitful deliberations.