Long-term development planning: A foundation for achieving the Sustainable Development Goals in Africa

1. Introduction

Sustained economic growth, which is a foundation for poverty reduction and social development, occurs within the framework of good planning, with strong leadership and institutions. Sustained and inclusive growth in Africa is needed to ensure that the continent’s approximately 1.1 billion people have sufficient food, acquire a good education, are healthy and productive and live to their full potential. According to the latest estimates, about 43 per cent of people in Africa lived in poverty in 2012, an improvement from 56 per cent in 1990. But because of population growth, there were about 389 million poor people in 2012 (an increase of almost 40 per cent from 280 million in 1990) (Beegle and others, 2016). In addition, endemic income inequality in Africa as well as inequities in access to basic social services pose a challenge and require careful planning to achieve inclusive growth and social cohesion. Out of the 10 countries with the highest inequality globally, 7 are located in Africa. Income inequality, measured using the Gini coefficient, ranges from 31 per cent in the Niger and Sao Tome and Principe to 63 per cent in South Africa (Beegle and others, 2016). And these averages and broad ranges mask the large gaps in both poverty and inequality, both within and between countries.

Sustained growth requires a long-term commitment by political leaders, a commitment pursued with patience, perseverance and pragmatism (Commission on Growth and Development, 2008). From the 1940s and 1950s onwards, development economists identified a strong role for the State in planning for economic development and structural transformation (ECA and African Union, 2011). The sustained high growth recorded in Europe after the Second World War is in part attributed to the strong role played by the State through planning (Commission on Growth and Development, 2008). As noted by Chang (2010), the whole world lives in planned economies, and economy-wide or sectoral planning is undertaken in virtually all economies across the world to promote sustained growth. This can be achieved through long-term policy pronouncements or deliberate development plans. The experience of Asian countries shows that development plans do achieve their goals even under top-down or managed processes. Owing to nascent and weak institutions and market failures in the developing countries, and particularly in Africa, the role of development planning in fostering inclusive and transformative growth cannot be overemphasized (ECA, 2016b). Many African countries have low savings and investment rates and weak infrastructure, and foreign
investment is largely concentrated in the extractive sectors, which are mostly export-oriented.

Long-term comprehensive development frameworks or visions, at both the international and national levels, are crucial for inclusive and sustainable development and transformation. From the Millennium Development Goals to their successor global development framework, the Sustainable Development Goals, and regional development frameworks such as Africa’s Agenda 2063 and national development visions, long-term planning provides the framework for designing medium-term strategies and plans, which are critical to implementing the long-term development vision.

While focusing on eliminating poverty, long-term development plans or visions also underscore the interdependence of key sectors of economic and social development - environment, financial markets, governance, human capital, institutions, private actors and political sectors (ECA and African Union, 2011; World Bank, 2000) - as well as environmental sustainability. Long-term national visions are important in rallying national governments, civil society and the international community to mobilize resources to achieve the goals underscored in the vision.

The Economic Commission for Africa (ECA) and the African Union (2011) underscore the role of a developmental State in economic growth and development through open and strong economic, political and social institutions. A 2014 ECA study on Planning for Africa’s Development (ECA, 2016b) describes the importance and history of development planning and measures to strengthen it in Africa. This policy note, which is informed by the 2014 report as well as the Economic Report on Africa 2011 (ECA, 2011), summarizes the key issues in development planning, highlights the need to align national development plans with regional and global development frameworks and points out key actions that national governments and development partners can implement to promote development planning.

2. Why is development planning important?

The East Asian miracle demonstrates the importance of development planning in delivering economic and social progress in a relatively short period (ECA, 2016b). Long-term planning or national visioning is important as a step towards setting and achieving national long-term economic goals and avoiding market failures. What is critical in designing a good futuristic plan is to ensure inclusiveness through participatory approaches, consistency in implementation and strong monitoring and efforts to address bottlenecks along the way.

Development planning helps to identify a national vision and development goals for economic and social transformation. Planning underscores the interlinkages in the economic, environmental and social dimensions of development, as well as the required infrastructure and governance approaches (ECA, 2016b). Long-term vision-setting and strategies underscore comprehensiveness and balance between macroeconomic concerns and social, structural and institutional issues (World Bank, 2001).

Development planning undertaken through consultative and participatory processes is crucial to rallying key stakeholders to the national vision and development objectives (ECA, 2016b). The population, national institutions, the private sector, non-governmental organizations and development partners are all encouraged to support the development goals, knowing that the benefits will accrue to the wider society. The experience of African countries during the 1960s and 1970s and that of Asian countries attest to this.

Addressing market failures is an important function of development planning, through facilitating the allocation of scarce resources to development priorities and addressing institutional weaknesses. In the context of developing economies with weak institutions and systems, balanced resource allocation and systems development is critical to triggering overall economic development and social change.

As current experience shows, development planning is an important mechanism for resource mobilization and allocation. Good and inclusive development plans that promise transformation can help governments to mobilize domestic resources for their implementation. In addition, development partners are attracted to support countries with comprehensive and inclusive development plans. These guide public resource
Development planning is critical for inclusive growth and orderly economic and social transformation as well as sustainability. Growth entails structural transformation of the economy, from agriculture to manufacturing and the service sector, from rural to an urban one (Commission on Growth and Development, 2008). Such growth and transformation is the result of competitive pressure and rational decision-making by individuals looking for better opportunities in manufacturing and the service sector, largely in urban areas. Governments therefore need to plan ahead for the transformation and the orderly movement of factors of production, creating jobs, and for new firms and technologies to emerge while obsolete ones exit. The transformation itself should further benefit growth.

References


countries initiated longer-term visioning, with medium-term plans to operationalize the visions, coming back full circle to development planning as in the 1960s and 1970s. This time round, the plans are more forward-looking, underscored by global and regional development frameworks, and national governments have stronger control of the process and the plans. Many of the long-term planning visions adopted by African countries over the past decade identify sustainable development as a pillar of their national development strategy, along with more inclusive growth and better governance (United Nations Educational, Scientific and Cultural Organization, 2015). Some of the national visions, including those for Cameroon, Nigeria and Uganda, aim to go beyond poverty eradication to ensure economic transformation, equitable social development, employment growth, human and natural resource optimization and wealth creation.

The resurgence of long-term visionary national planning, underscored by global and regional development frameworks, promises hope for Africa. As can be noted, most of the national visions are home-growth aspirations for long-term development, identifying the critical sectors for public investment. While looking broadly at all aspects of economic and social development, development planning should help to identify growth poles or areas of competitive advantage in which countries could prioritize investment. However, the capacity of institutions to design, implement and monitor development plans remains low. Financing for planning institutions is a challenge, and so is political leadership. As African countries look forward to a more sustainable future, it is evident that countries which have embarked on longer-term development planning since the late 1990s with strong political leadership are showing strong progress in terms of economic growth. While reform of the education system to ensure better future need to be credible (Commission on Human Development, 2005). The political leadership needs to work with technical leadership to design and communicate political stability, the regulation of labour and other regulatory bodies and those that equitably enforce the law, including property rights (Nkandoze, 2009). Appropriate and strong institutions facilitate private investment and capital flows as well as their impact on economic growth and the business environment, political stability, the regulation of labour and markets, etc. (ECA, 2006). Governments should therefore strengthen inclusive institutions to provide equal opportunities, allowing for fair competition to drive shared and sustained growth. The United Nations and other international organizations can support countries in assessing existing institutional arrangements and strengthening capacities. Effective planning requires strong coordination and priority-setting to achieve stated goals (ECA, 2016b).

Financing for implementation of visions and strategies is crucial. Governments need to prioritize and coordinate their efforts, with the private sector critical for building capacity and an effective environment for business to thrive. This will require freeing domestic resources, mobilizing and leveraging additional resources from development partners and the private sector. Effectiveness in implementation, donor resources should be the first priority, with external resources only considered as additional. Most countries require support in order to link their long-term strategy formulation processes and their expenditure priorities to the global and regional long-term development frameworks. The World Bank’s Comprehensive Development Framework underscores the need to enhance the effectiveness of development partners in supporting development outcomes.

Open and integrated economic and social policies allow for knowledge acquisition, competition, innovation and growth. Openness to new ideas, technologies and know-how from the rest of the world through foreign direct investment, etc. can benefit countries in the short and long term. Stronger leadership is needed at the political and technical levels to drive the vision for shared growth and development. Development planning requires good leadership to envision the future direction for the country and influence everyone to take action towards achieving the planned results (Quinn 2005; Collins 2005). The political leadership needs to work with technical leadership to design and communicate the vision and mobilize the population towards its implementation. Such a vision and promises for a better future need to be credible (Commission on Human Development, 2008), and leaders need to live by example. Human resources. To achieve these results, a strong cadre of human resources both within and outside the public sector is needed to coordinate resources and drive institutions to implement the plans, policies and strategies. Governments must attract and retain capable individuals, continuously build their capacity and provide them with the tools required. Periodic reviews of public service salaries and terms are needed. Reform of the education system to ensure appropriate skills training commensurate with demand is needed.

A robust monitoring and reporting framework is needed in order to assess progress, identify bottlenecks and design corrective actions along the way. Indicators with baselines and targets as well as means of verification need to be established upfront. The indicators and monitoring frameworks need to be aligned to the regional and global development agendas for consistency and ease of