

Malawian President urges Finance and Development Ministers to Promote Sustainable Growth before Macro-economic stability

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Lilongwe, 29 March 2010 - The Malawian President and Chairperson of the African Union, Dr. Bingu Wa Mutharika, stated that "Africa must grow first and then stabilize". He explained that "what Africa needs today is not macroeconomic stability" but a "rapid and sustainable level of economic growth within a stable political and economic environment" which encompasses democratic governance, rule of law, safeguarding human rights and holding regular elections, among others.

President Mutharika was addressing the ministerial session of the 2010 Joint annual meetings of the African Union Conference of Ministers of Economy and Finance and the Economic Commission for Africa Conference of African Ministers of Finance, Planning and Economic Development which is being held from 29 to 30 March 2010 in Lilongwe (Malawi). The theme of this year's ministerial session is: "promoting high-level sustainable growth to reduce unemployment in Africa".

In his opening remarks, the Chairperson of the African Union urged African Ministers to take steps, as Malawi did, towards subsidizing poor farmers so that they can grow enough food beyond subsistence. In this regard, he welcomed the decision made by the G8 at L'Aquila to assist Africa, not through the traditional food aid but by increasing food production capacity. This paradigm shift, he said, will "not only guarantee food security, but will also increase employment, especially in the rural communities who are generally considered as unemployable".

Unemployment remains a key challenge for most African countries, despite increased growth rates witnessed over the last decade, prior to the outbreak of the financial and economic crisis. According to studies conducted by ECA, the continent still has the highest and alarmingly vulnerable employment rates among developing regions.

In his address to the ministerial session, the UN Under-Secretary-General and ECA's Executive Secretary Mr. Abdoulie Janneh warned that: "Overcoming jobless growth in Africa would require strategies to increase agricultural productivity and manufacturing value-added." He expressed concern on the fact that: "we very often draw a direct link between growth and poverty reduction but sometimes overlook the direct and critical role of employment in increasing household earnings and its dynamic function in providing modern skills and contributing to increased output". Mr. Janneh concluded that "our collective exertions to promote growth and development will begin to show desired results when the vast majority of Africans are gainfully employed".

This is the third time the African Union Commission and the Economic Commission for Africa are jointly holding the annual meetings of finance, planning and economic development ministers.

While commending the timeliness of the theme of this year's meetings, the Chairperson of the African Union Commission, Mr. Jean Ping pointed out the poor degree of policy implementation as a serious impediment to the mobilization for development and people's welfare. The Chairperson of the AUC noted that: "There is no genuine dynamic for speeding up the transformation and growth of African economies, for creating new job opportunities and containing the scourge of unemployment, all of which are compounded by the undiversified nature of our national economies and, by implication, our sources of economic growth".

Ministers are expected to issue a ministerial statement outlining policy options that would enhance responsiveness of employment to growth in Africa.

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