AFRICA’S EMERGENCE IN THE CONTEXT OF THE SDG

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THE ECONOMISTS CAPTIONS (2000-13) EXPLAIN THE TURNING POINTS OF AFRICA’S EMERGENCE

A Hopeful Continent
Dec 2010

A Hopeless Nation
May 2000

Africa Rising: Nov 2013
The Emergence Path: Growth dimension

**A. Background**

- **1980**
  - $g(Y) = 1.7\%$
  - **Two lost development decades**

- **2000**
  - $g(Y) = 1.7\%$

- **2015**
  - $g(Y) = 5.1\%$
  - **MDG era**
  - \[ C \text{ (consumption)} = \frac{1}{3} \]
  - \[ I \text{ (investment)} = \frac{1}{3} \]
  - \[ X-M \text{ (trade)} = \frac{1}{3} \]
  - **Growing middle class**
  - **Better governance**
  - **Commodity price boom**

- **2030**
  - **SDG era**
  - **Path A 10+ % Emergence trend**
  - **Path B 5% Present Trend**
  - **Path C 3% Commodity price bust trend**

**Y (GDP)**  
1980  2000  2015  2030  
$\uparrow$  $\uparrow$  $\uparrow$  $\uparrow$  
$\downarrow$  $\downarrow$  $\downarrow$  $\downarrow$  
$T$
The Emergence Path: HD and poverty reduction dimensions

A. Background

Two lost development decades

MDG era

|e|>1

SDG era

|e|>3

Growth is Not sufficiently inclusive compared to:
East Asia & Pacific -2.48
Latin America & Caribbean -3.08
Eastern Europe & Western Asia -4.22

Radical policies for inclusiveness needed

e = elasticity

e = elasticity

e = 0.328

e = 0.264

e = -0.522

e = -1.237

1990  2000  2015  2030

The Emergence Path: HD and poverty reduction dimensions
The UNDP Emergence Model

**Developmental State**
- A clear and shared vision
- Equipped & strong institutional capacity
- Attract investment to key sectors
- Basic socio-economic services
- Corrupt free state

**Changes in Production and Consumption Patterns**
- Industrialization
- Conducive climate for business
- Strong & competitive financial & banking system
- Technology & innovative driven economy
- Green economy
- Regional integration
- Expansive tax base/revenue

**Human Development**
- Improving rural incomes
- Creating social safety nets & cash transfers
- An education system that improves attitude & behavior
- Health planning systems
- Urbanization

**Steady State of Inclusive & Sustainable Development**
Examples of Emergence Paths in Africa

Lessons learned

Kinked path
- Côte d’Ivoire
- Rwanda
  (N.B. Sierra Leone, Guinea, and Liberia before Ebola)

i. Re-activation of under-utilized excess capacities
ii. Substantial improvement in productivity
iii. Strengthened resilience

Inflexion path
- Senegal
- Gabon
- Kenya
- Uganda

i.v. Sustained and deepened reforms until tipping point for inflexion is reached

Waves path
- Mauritius
- Cabo Verde
- Ethiopia

v. Activation of new engines and strategies of growth every cycle of 10 to 15 years
vi. Continuous improvement of competitiveness

vii. Leadership foresight and traction
Strategies and Policies of Emergence

D1. Governance, institutional policies, and the political economy of emergence

1. Strong correlation between good governance & supportive social norms; and between growth and human development

Most countries with strong control on corruption have high Human Development Index

Correlation between control of corruption and human development index
D. Strategies

Strategies and Policies of Emergence

D1. Governance, institutional policies, and the political economy of emergence

Most countries with high MPI have:

(i) Low HDI
(ii) High prevalence of conflicts

High correlation between MPI and:

(i) Human development
(ii) Intensity of conflicts

Correlation between HDI and MPI

\[ y = -0.0118x + 1.1015 \]

\[ R^2 = 0.7018 \]
Strategies and Policies of Emergence

D. Strategies

D.1 Governance, institutional policies, and the political economy of emergence (cont’d)

3 Setting up of strong institutional coordination and monitoring of emergence

- President’s Office in Senegal;
- National Steering Committee in Rwanda;
- National Planning Commission in Ethiopia, Tanzania;
- Vision Delivery Board in Kenya
- Operation Phakisa in South Africa (Malaysian experience)
- Big Results Now – BRN in Tanzania (Malaysian experience)

4 Setting up of specialized institutions to implement emergence

- Industrial Parks Development Corporation – and Metal and Engineering Corporation in Ethiopia
- Investment Promotion entities in Senegal (APIX) and Cote d’Ivoire (CEPCI)
- Special Economic Zones and Industrial and Manufacturing Zones in Kenya

5 Public sector reforms to reduce corruption, improve efficiency, ensure service delivery

- Performance Contracts in Kenya and Rwanda
- Using private sector to run government business enterprises – Rwanda
- High Authority Against Corruption - Cape Verde
- OFNAC (Anticorruption office) - Senegal
## Strategies and Policies of Emergence

### D.1 Governance, institutional policies, and the political economy of emergence (cont’d)

| 6 | Digital transformation | • Mobile money - Mpesa in Kenya  
• Commodities exchange - Ethiopia  
• Agriculture Cadastre - Cape Verde & Rwanda |
|---|---|---|
| 7 | Good participatory process | • National Umushyikirano Council – NUC (a forum that brings together the President of the Republic and citizens’ representatives to debate issues that affect the citizenry and the nation at large)  
• Citizen participation in policy formulation and budgeting in Kenya  
• Strong decentralization and devolution policies in Kenya and Senegal |
| 8 | The imperative of social contract | • Ihimigo Performance Contract (signed between the President and Local Government institutions) in Rwanda  
• Social Accountability Programme (holding local leaders and service providers accountable at the community level) in Tanzania |

*PWC: Disrupting Africa: Riding the wave of the digital revolution*
Enhanced framework for emergence

**Emergence is TAKING ROOT in Africa**
- Stronger developmental states
- Rapid structural economic transformation
- Positively impacting on human development

**BUT its LONG TERM VIABILITY requires**
- Expanding fiscal space for state to drive development forward
- Continuous innovation to lift productivity to higher plateau
- Regional integration and cooperation to promote regional goods and synergies

**The imperatives of its SUSTAINABILITY include**
- Greater citizen and non-state actors engagement
- Inclusive political dialogue with all actors to avoid disruptions by change of leadership
- Building sturdy social contracts with primary focus on eradicating Multidimensional poverty (MPI)

The imperatives of its SUSTAINABILITY include
UNDP’s Effort to sustain the emergence process

- ICEA I and II organized and III is scheduled for 2019 in Senegal
- Emergence Secretariat established in Abidjan
- Emergence Conference to hold biennially
- Partnership for South-South Exchanges on good practices on Emergence established
Thank you