



**DSM 2011**  
DEVELOPMENT SUPPORT MONITOR

# Unlocking the **African Moment**



african monitor  
African voices for Africa's development

Development Support Monitor 2011

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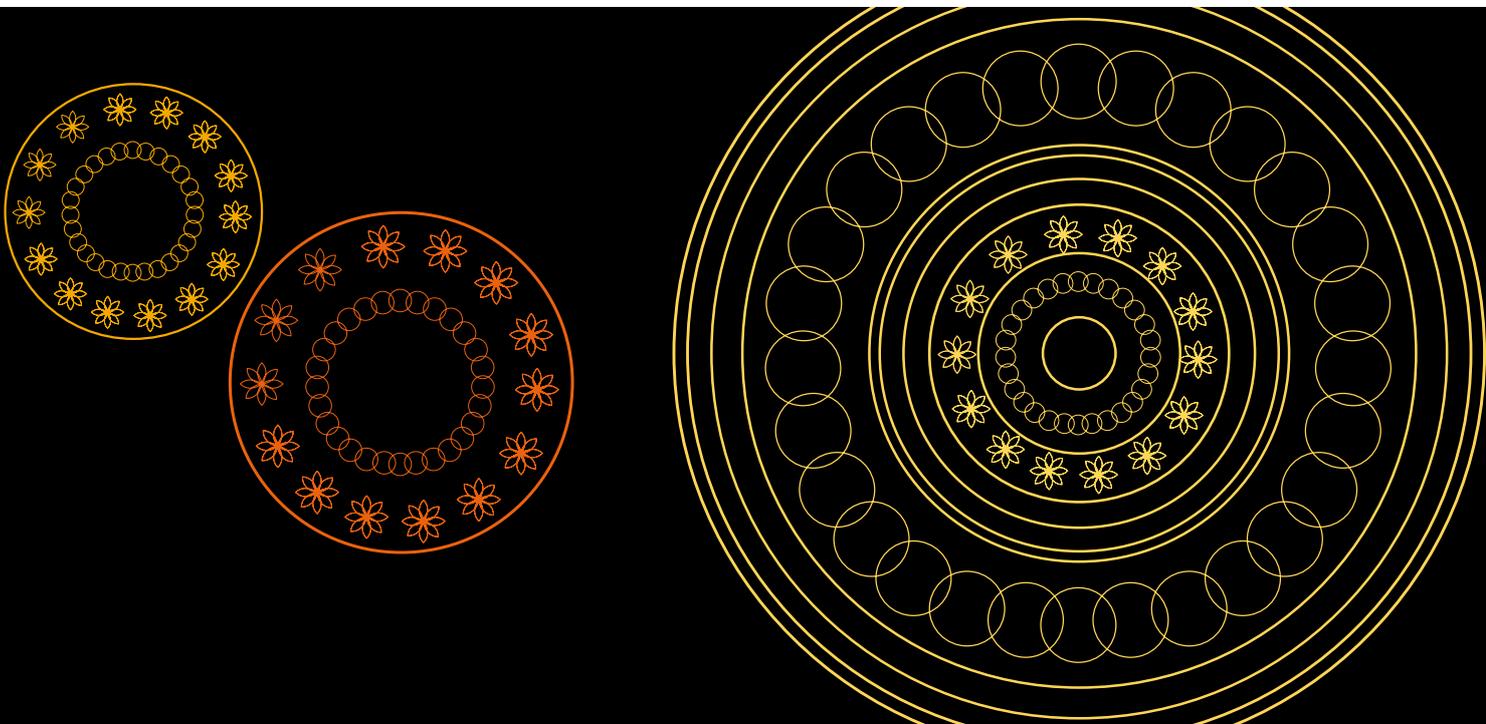
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# DSM 2011

DEVELOPMENT SUPPORT MONITOR

# Unlocking the African Moment



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# Foreword

by Archbishop Njongo Ndungane



In his book, *A Tale of Two Cities*, English novelist Charles Dickens writes, “*It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness.... it was the spring of hope, it was the winter of despair...*” How true this picture is for us in our continent at this time. What with the Arab Spring where we saw a revolution by young people – citizens taking the issue into their own hands to bring about a democratic dispensation!

Most importantly, we are at a point where there is a lot of excitement about the African Moment. Former South African President Thabo Mbeki has coined it “*a time of the African star rising*” whilst African Development Bank President Donald Kaberuka has said that Africa’s time is now. The fact that Africa’s time has come is based on a number of indicators, some of which include:

- Economic growth experienced over the last decade will, according to the IMF and World Bank, continue in spite of the world economic downturn.
- Natural resources, with which our continent is sufficiently endowed to cater for our needs.
- A young continent, with more than 60 percent of the population comprising of young people below the age of 35. We have the opportunity to take advantage of this demographic resource by enhancing the creativity and energy of our youth.
- Agriculture, which our leadership has recognised is key, given that over 60 percent of the population lives in rural areas and of those, 80 – 90 percent are in the agricultural sector. Initiatives like CAADP are testimony to the commitment of our leadership.
- To top it all, our continent successfully hosted the Soccer World Cup for the first time.

In spite of these possibilities and strengths, there are indications that the African Moment could pass us by. Some of these indications are:

- A failure by Africans to take ownership of their development agenda.
- The disproportionate power of the political elites that leads to lack of accountability and disempowered citizenry.
- The exclusion of the grassroots from economic participation.
- Increasing inequalities between the rich and the poor.
- The failure to create an environment where the aspirations of the poor and economic opportunities are realised.

The premise of African Monitor’s work is that ordinary citizens are a central and powerful stakeholder in Africa’s future. An African proverb goes, “those who accomplish great things pay attention to little ones”. The continued systematic exclusion of Africa’s poor means that Africa’s development agenda will continue to suffer from misdirection, limited impact and the trickle-down syndrome. Africa must find a way to develop and strengthen political, economic and

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social systems, which integrate the continent's grassroots populations into the mainstream. Key groups fall into this category: Africa's youth population currently making up the largest portion of the unemployed; Africa's rural population, largely men and women engaged in subsistence agriculture, who carry the greatest burden of poverty; and the urban poor.

In my interactions with the poor across this beloved continent, the loudest voices I have heard are grassroots communities who say they do not want handouts. Rather, they want the opportunities and capabilities to eke out their own livelihoods. We have learnt, at African Monitor, that grassroots communities are active, resilient and have largely sustained themselves through community knowledge and social networks for generations. What is missing are economic, political and social systems, created to support and strengthen already existing grassroots efforts.

At African Monitor we have developed a theme, *Unlocking the African Moment*: a grassroots-focused agenda. It is a theme that carries the vision and mission of unlocking Africa's mindsets towards ownership of its development agenda. The theme also seeks to promote the inclusion of all stakeholders, including the grassroots, in development processes. In time, the Development Support Monitor (DSM) will address the following:

- What are the structural economic, social and political fundamentals that will facilitate the inclusion of grassroots communities in Africa's development path?
- What policies, approaches and practice changes need to be made for sustainable development?
- How should development resources be generated and allocated to meet the imperatives for an inclusive development agenda for grassroots communities?

I commend the DSM 2011 as a vital tool to help towards the realisation of the African Moment. It introduces the initial steps that need to be taken in policy and practice to begin making a difference on the ground in Africa.

It is my hope that as you interact with this material you will be inspired to act.

I wish to express my gratitude to the African Monitor team, led by the Director, Mrs Namhla Mniki-Mangaliso, for working tirelessly to produce this year's issue. We also commend our Board and Togona members for all the support. Appreciation also goes to our partners who have provided us with resources, data, solidarity and advice.

***Archbishop Njongo Ndungane***

President and Founder, African Monitor

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# 1

# Introduction

## Has the African Moment Arrived?

©The theme of the 2012 AU Conference of Ministers of Economy and Finance, and the ECA Conference of African Ministers of Finance, Planning and Economic Development will be “Unleashing Africa’s Potential as a Pole of Global Growth.”

The effort to chart Africa’s development must be built on the improved understanding and appreciation of how the African economy works, and the current opportunities it presents for the broad citizenry.



### 1.1 Africa’s Opportunity is Real

There is renewed hope that Africa is on the brink of a major development breakthrough. It has been described as a new dawn or as Africa’s Moment. Leading African development institutions, such as the African Union<sup>①</sup> and the African Development Bank, have argued that the African Moment is imminent, and that this is not going to be yet another false dawn, as was the case in the 1970’s. In fact, Donald Kaberuka, President of the African Development Bank has proclaimed that “*the renewed momentum (in Africa) is, this time around, well-merited and anchored in solid foundations sufficient to carry the continent forward at the necessary pace*” (Kaberuka, 2010).

There is enough evidence to suggest that this optimism is merited. In the last decade, Africa has made encouraging progress in economic and social development, peace and security, and democratisation and governance. The Sub-Saharan African (SSA) economy has been growing by an average of 5.4 percent per annum in the period 2001 to 2008. During the height of the financial crisis, the region was able to record a 2.8 percent growth rate in 2009, whereas in 2010 it picked up momentum and recorded growth of 4.9 percent. It is also projected that the SSA economy will increase by 5.5 percent in 2011, while the trend is expected to continue to 2015 (IMF, 2011).

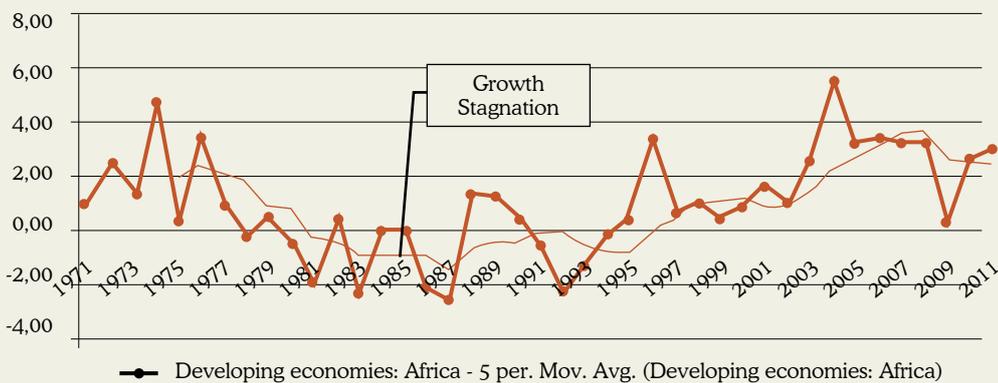
Furthermore, seventeen African countries have been identified as “*emerging economies*” and have experienced a sustained per capita growth of 3.2 percent for the period from 1996 to 2008 (Radelet, 2010). Six of the world’s ten fastest-growing economies were in sub-Saharan Africa, in the last 10 years up to 2010. This number is expected to rise to seven out of ten in the next five years, to include Ethiopia, Mozambique, Tanzania, Congo, Ghana, Zambia and Nigeria. Over the past decade the simple unweighted average of countries’ growth rates was virtually identical in Africa and Asia. However, over the next five years, Africa is likely to take the lead and outpace Asia (The Economist, 2011).

The sustained growth rate recorded for the period 2001-2008 indicates an end to two decades of stagnation. African growth rates since the 1960’s shows a u-shaped growth pattern (as illustrated on the next page), starting with a good performance in the 1960’s and falling steadily

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throughout the 1990's and rebounding strongly in 1994. While the real GDP per capita growth sharply declined to -1.1 percent in the 1980's, there was strong rebound in the mid-1990's, which pushed growth rate for the period of 2000-2008 to 2.9 percent. After a sharp drop in 2009, it regained its momentum in 2010 by growing at 2.7 percent.

Figure 1: Real GDP Per Capita Growth (1971-2011).



Source: World Bank Database, and IMF 2010

Africa's promising growth outlook is based on a number of growth drivers, ranging from the continent's enormous natural resources, the fastest-growing mobile telecom market, significant agricultural potential, large banking potential (80 percent of Africans are unbanked), rising middle class (which makes its consumer market more attractive), and the rising investment in infrastructure (Ruttman, 2011).

There have been various analytical viewpoints explaining the recent acceleration of growth in Africa (1995-2010). The analysis of Arbache et al (2008) confirms a trend break in the mid-1990's, identifying that the growth acceleration which the continent is experiencing is due, not only to favourable terms of trade and greater aid, but also to better policy. He argues that "the growth diagnostics show that more and more African countries have been able to avoid mistakes with better macro policy, better governance, and fewer conflicts. As a result, the likelihood

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of growth decelerations has declined significantly. Nonetheless, the sustainability of that growth is fragile, because economic fundamentals, such as savings, investment, productivity and export diversification, remain stagnant (Arbache and Page, 2008).

The progress is not limited to economic growth only, but also to trade and investment, which have doubled. School enrolments are rising and health indicators are improving. The share of people living in poverty has declined from 59 percent to 48 percent (World Bank, 2011). There is more access to technology; particularly the development in ICT (316 million new mobile phone subscribers since 2000), which has opened new possibilities for business as well social interaction and mobilisation. There has been apparent progress in ensuring peace and security in Africa, as the number of civil and armed conflicts has declined. There were 24 electoral democracies in 2008, whilst there were only 4 in 1991 (African Elections Database, 2011). Primary education enrolments have reached 128.6 million in 2008, an increase of 41 million from 2000. According to UNESCO, gross enrolment rates (GERs) in Africa are now over 101 percent (UNESCO, 2011).

Africa's other significant resource is its young population. On average 63 percent of its population is below the age of 24<sup>2</sup>. The continent accounts for 60 percent of the world's uncultivated arable land, whilst it shares in 50 percent of the world's gold reserves, 25 percent of the world's uranium resources, 33 percent of chrome reserves and 33 percent of the world's cobalt reserves (McKinsey & Co, 2010; Nwete, 2006).

## 1.2 Significant Threats to Africa's Opportunity

Amidst this clear progress, there is reason for real concern about whether the opportunities that Africa has at its disposal will lead to significant development and progress in African nations and real changes in the lives of the poor. There is strong evidence suggesting that Africa is at risk of missing the current opportunity because of a number of factors:

### **Exclusion from economic participation:**

There are indications that the growth recorded in the past decade could be another economic blip generated by exogenous factors such as the commodity boom and international trade. The sustainability

<sup>2</sup> This unweighted median of Africa's population under age of 24 is 63 percent. Population under the age of 24 (percentage of population) range from 69 percent in Uganda to 32 percent in Mauritius.



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of the economic performance will largely depend on the extent to which it is broad based and inclusive. A number of structural failures characterize Africa's economies: Firstly, the failure to convert Africa's demographic advantage into a dynamic economic force. Secondly, the failure to generate growth in agriculture and the informal sectors, which cumulatively support more than 80 percent of the continent's population. Thirdly, the failure to diversify the African economy and invest in productive sectors, e.g. manufacturing, pose risks to the durability and sustainability of the current economic performance.

## ***Increasing inequality between the rich and the poor:***

Income inequality is very high in sub-Saharan Africa. In fact, it's the second highest in the world after Latin America, with a median Gini index of 0.43 (Okojie and Shimeless, 2006). The high income inequality will continue to pose a significant risk to political instability in the region, which adds to the fragility of peace and security. The high levels of unemployment among the youth can turn the African demographic advantage into a curse. The youth make up 36.9 percent of the working age population, but 59.5 percent of those are unemployed, which is much higher than the world's average (ILO, 2006).

## ***Continued lack of participation of the poor in decisions affecting them:***

There has been a decline in the grassroots participation record<sup>3</sup> in a number of African countries in 2011. The Mo Ibrahim Index governance for 2011 indicates that participation levels have declined in 37 countries (out of 52) from their 2006 base line studies. In general, the overall record for participation in sub-Saharan Africa has declined by 5.7 points. Unless the limited grassroots involvement in decision making and the top-down approach in development are not reversed, this opportune moment could be lost. In the past, the top-down approaches to development have been conceived and perceived to be ideal ways of meeting peoples' needs and to improve their welfare, without necessarily involving them as would-be beneficiaries and as important stakeholders in the decision-making process. However, this approach of limited grassroots participation has been an important factor for the low rate of growth and development in Africa<sup>4</sup>.

The evidence, on the next page, shows that the current African Moment, like others before it, stands the risk of excluding the majority of African



<sup>3</sup> The participation component is composed of free and fair elections, political participation, electoral self determination and effective power to govern.

<sup>4</sup> Developing A Grassroots Focus Index For Africa (A Pilot Exercise) for further discussion.

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citizens, despite the opportunities outlined before. The exclusion of ordinary citizens from the gains Africa is making, is a definite route to instability and a stalled development agenda. A quick look at Africa's other developmental moments shows that these have largely been false starts, because they have not translated into real changes and improvements in the lives of the poor. Figure 2 below highlights the key turning points in Africa's history. These turning points have presented an opportunity for the continent to fast-track its development progress. However, these moments have not been optimally utilized.

**Figure 2: Evolution of development strategies**

Era	Plan	Focus	Context	Status
<b>1980's</b>	The Lagos Plan of Action (LPA)  The Berg Report	The LPA was an organization of the African Unity-backed plan to increase Africa's self-sufficiency. The Berg Report articulated an agenda for accelerated development in SSA, formulated by the World Bank and IMF, which led to the enforcement of the Structural Adjustment Programme (SAP) as a condition for securing loans from these IFIs.	Africa is facing a development crisis – continent marginalised (multiple global economic crises -1970's).  SAPS were imposed on African countries.	The abandonment of the LPA in favour of the SAPs deepened the development crisis in Africa.  The continent fell into the longest recession, humanitarian crises and a degeneration in social development (education and health, bad governance and conflict and instability).
<b>1990's</b>	The UN New Agenda for Development of Africa (UN NADAF)	A UN compact of mutual commitments by African countries and the international community for Africa's economic recovery.	Continued the social and economic crises.	Led to slow economic revival from 1995 onwards.
<b>2000's</b>	The New Partnership for Africa's Development (NEPAD)	To eradicate poverty and to place countries on a path of sustainable growth and development.  Africa takes responsibility for its development and seeks to ensure that favourable development partnership is created.	Slight economic recovery, coupled with moderate improvements in governance, peace and security. But the trend of impoverishment and marginalization continued.	Promising socio-economic progress, African economies have emerged from two decades of recession, there is improvement in social development, peace and security and governance.

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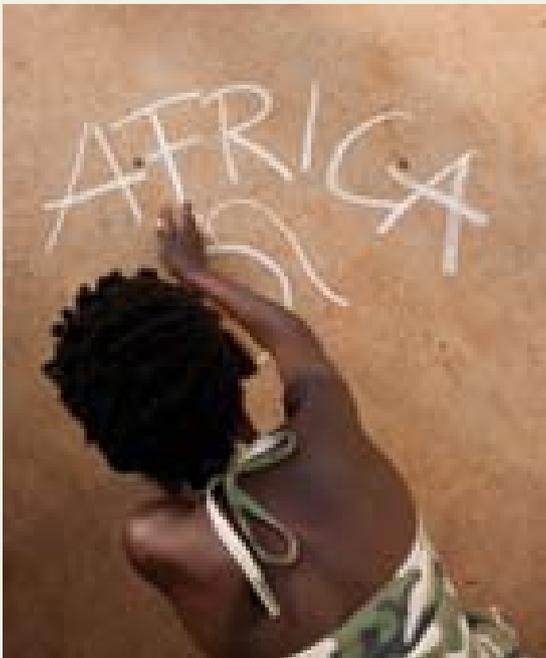
Africa's growth might at best be seen as a recurring pattern where intensive growth or increase in per capita income has occurred several times. However, Africa has experienced such growth episodes before, which were rooted in trade and world economy, but not on domestic reorganization of factors of production and investment and technology. Therefore, the validity of the recent optimism about Africa's sustained growth path needs to be critically evaluated. Jerven (2010) argues that the recent boom was based on strong external demand for natural resources. It was not associated with large improvements in human development and industrial growth. However, the boom was instead associated with orthodox macro-economic management and smaller debt burden and without propensity to rent seeking policies.

Paul Collier (2007) shares the same caution, asking the key question of whether the progress so far has been a real break from the past or a false alarm. He argues that the commodity boom has contributed to economic growth, but that the real issue is whether the revenues can be harnessed for something sustainable.

There is cause for a more realistic assessment of whether or not this African Moment will result in substantive real change for Africa's poor. Historical evidence shows that there is a high risk that this moment will also be a false dawn, unless real effort is made to ensure that the macro-economic gains lead to real change on the ground. African Monitor believes that the effort to chart Africa's development must be built on the improved understanding and appreciation of how the African economy works, and the current opportunities it presents for the broad citizenry. The drivers of the imminent development breakthrough need to include what often lies "below the radar" of the official statistics and projections. The real concerns and needs of grassroots communities often lie in the invisible aspects of the economy, such as smallholder farming; the rural and informal sectors, and people's resilience and social capital. While holding the optimism presented by current opportunities, it is necessary to ensure the drivers of imminent development breakthrough will see and take into account, the pillars which are critical for more inclusive development, this time round.



# Introduction



The Development Support Monitor 2011 is the first in a series of publications that will look at various questions to promote an inclusive agenda to achieve the African Moment for grassroots communities. Over a period of time, the DSM will seek to answer the following questions:

- What are the structural economic fundamentals that will facilitate the inclusion of grassroots communities in Africa's development path?
- What policies, approaches and practice changes need to be made for sustainable development?
- How should development resources be generated and allocated to meet the imperatives for an inclusive development agenda for grassroots communities?

In this issue, an attempt is made to define the African Moment from a grassroots perspective. Data from grassroots interactions is used to discern what an African Moment would look like, and what levers would enable Africa to achieve such a moment. Following this, an attempt is made to present a comprehensive policy agenda to unlock the African Moment for grassroots communities. Lastly, an effort is made to assess whether or not resource allocation in Africa aligns with the imperatives of unlocking the African Moment for grassroots communities.

# Unlocking the African Moment

# 2

## A Grassroots Perspective

*“The African Moment will materialize when a continent-wide movement, similar to that seen during the struggle for liberation, involving political leaders, business and the citizenry at large, engage in a collective effort to ensure that every African has a source of income, a roof over their heads, access to quality education and health care, and the capabilities and means to pursue their dreams in a peaceful environment.”<sup>5</sup>*

African Monitor reached this conclusion after a concerted effort was made to document the aspirations of grassroots communities, through various methods in each of the sub-regions in Africa.<sup>6</sup> The general message from the communities with whom African Monitor has worked, is that they are not willing to be passive recipients of development. They prefer to be actively involved in decisions and processes to generate their own sustainable livelihoods. This determination was aptly summarized in Kenya during one of the Poverty Hearings. A Commissioner who had been listening to testimonies made the following comments:-

*“We are encouraged to report that Kenyans are very hardworking people, taking personal initiative under extreme conditions and circumstances to earn a living. They are putting in due effort and diligence to earn a living and escape poverty. The informal sector; small scale farming, hawking, small and medium-sized businesses came out as the most common occupations for the majority of the Kenyan poor. Ordinary citizens engage in these businesses and enterprises to meet the basic needs of their households, such as food, water, education and health, as well as meeting their responsibilities as citizens through paying taxes”<sup>7</sup>.*

This summary provides an apt description of who grassroots communities are and how their livelihoods are generated. The next section expands on the nature of grassroots communities.

### 2.1 Who are the grassroots communities?

Ayittey (2005) depicts an instructive picture of who the grassroots in Africa are, who he refers to as the Atinga's (as they are called in Ghana):-

*“The average African is not an elite but a peasant – an illiterate, poor and rural person whose primary occupation is agriculture or such primary*

<sup>5</sup>See African Monitor, (2011). “Unlocking the African Moment” Concept Document.

<sup>6</sup> Poverty Hearings are citizen-wide engagements, where community members are invited to give testimony to their experience of development progress. Thus far, African Monitor has conducted Poverty Hearings in Kenya, South Africa, Mozambique and Liberia. Sub-regional Citizens' Consultations have been conducted in Nigeria, Ghana, Senegal, Kenya and South Africa; and grassroots monitoring programmes have been implemented in Ghana and Kenya.

<sup>7</sup>See Kenya Poverty Hearings, 2010.

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We need a life without illness, we need jobs, we need schools and access to them, we need money for living, many of us are good workers and peasants, but we need better seeds, markets to sell our products, we need means of conservation of our products like tomatoes, that here in Lichinga is scarce and very expensive.



*activities as fishing and lumber. Secondary activities, such as baking, sewing, trading and repair businesses are also common. Mentioned African has two wives, with eight children, and they all live under some traditional authority, such as a chief, in a village. He has much more respect and reverence for the chief than the central government seated hundreds of miles away in the capital city. The chief is closer to him, listens to him, and cares about his needs.*

*Atinga is well versed in and proud of his tribal customs, religion and philosophical beliefs, in which he has carefully instructed his children. Atinga has two plots of land, five acres each. He inherited one plot from his father and acquired the other from the village chief. His wives and daughters cultivate cassava and vegetables on one plot. Harvested produce is carried on the head to the homestead. Surpluses beyond the family's needs are taken, by the wives, to the village market for selling, which explains why village market activity is dominated by women. Atinga grows coffee on the other plot of land. The farming technique used in both food and cash crop cultivation is slash-and-burn, and the technology is primitive, restricted to such implements as the cutlass and the hoe.*

*The Atinga family goes about its economic activities using centuries old traditions and customs. They produce Africa's wealth – they farm the food and cash crops, and mine Africa's gold, diamonds, uranium and other minerals – the wealth that the elite plunder."*

There are many variations of this life for millions of ordinary Africans. While the Atinga, described above, lives in a rural area, many others live in semi-urban areas, others in urban areas and others still in slums. While this one is a male within a polygamous setting, many are men or women in monogamous settings, others are single parents, youth, or elders raising grandchildren. While this one engages primarily in agricultural activities, many have found other creative mechanisms for making a living outside of agriculture.

Take Humberto, for instance, a father of three from Mozambique. Humberto attended Poverty Hearing in 2010 held in Mozambique. He is a taxi driver who uses his bicycle to shuttle his clients within the city, or between the villages and the city. His income barely covers the family's basic needs. He complains that the roads are so bad that his bicycle

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often breaks down. When it needs repairs he has no source of income. Beauty, from West Point, Liberia is a single mother of 6 children and 2 grandchildren. They survive because she sells cold water for a living. She stands on the road and sells cups of water to passers by – an activity that often takes her into the middle of the night, just so she makes enough money every day to feed her children.

These stories are many, and varied in complexity and levels of difficulty. There are, however, common traits throughout. Ayittey argues that the ordinary African, the Atinga, is mostly found in the informal and traditional sectors, conjuring up creative ways to generate an income under difficult conditions. This assertion is put more clearly by Mbeki (2009) who refers to Africa's peasant population as forming part of the private sector. He correctly observes that Africa's peasant populations are smallholder farmers and other operatives in the informal sector who keep Africa's economies churning.

Africa's grassroots populations generally have no political voice about decisions affecting them.<sup>8</sup> They mostly have low levels of literacy, and those with children struggle to get them to school, or keep them there once they are in. A large portion of the grassroots is unemployed. They rely on family, tradition and social networks as a point of reference and support.

In order to make sense of the vast differences within Africa, Ayittey (2005) suggests that one should consider three broad types of Africa. The first is the traditional indigenous Africa – historically castigated as backward and primitive (ibid, 19). Ayittey argues that despite this perception of backwardness, traditional indigenous Africa works, as it has sustained generations throughout time. The second Africa is modern Africa – the Africa that has primarily sought to emulate development models from the West. This Africa is occupied by Africa's elite, and middle class. Last is the transitional sector, which is caught up between the traditional and modern sectors. Most Africans living in semi-urban or urban environments, engaged in the informal sector are in this category. Also linked to the transitional category is Africa's urban working class, which Mbeki argues is only present in countries like South Africa, where it is better organized into influential power groups such as trade unions.

<sup>8</sup>See Ayittey, 2005; Mbeki, 2009; Prah, 2009.



# Unlocking the African Moment

⑩ Unweighted median for 38 sub-Saharan African countries, where the data is available.

⑪ Unweighted median for 35 sub-Saharan African countries, where the data is available, is 34 percent of the urban population live in poverty. This is similar to the estimation by Ravallion, Chen, and Sangraula (2007) that a third of the urban population lives in poverty.

⑫ This unweighted median of the African population under the age of 24 is 63 percent. Population under the age of 24 (percentage of the total population) ranges from 69 percent in Uganda to 32 percent in Mauritius.

## More about the grassroots

*Grassroots communities consist of the rural subsistence farmers, the landless, the urban poor engaged in the informal sector and the unemployed and under employed, youth and women, minorities and indigenous people. In Africa 61 percent of the population reside in rural areas, mostly engaged in smallholder subsistence farming. There is a high incidence of poverty in the rural areas; the median poverty rate<sup>⑩</sup> in the rural areas is around 59 percent. The rapid urbanization in Africa is associated with increasing levels of poverty (Ravallion, et al, 2007). The median incidence of poverty<sup>⑪</sup> in urban areas is around 34 percent, which ranges from 62 percent in the DRC to 9 percent in Uganda. Africa has a young population, on average 63 percent<sup>⑫</sup> of the African population is below the age of 24. This demographic advantage could be turned to Africa's human wealth, if appropriate investment in human capital is made. Women constitute 70 percent of the world's poor and have limited access to basic services, such as education, health services, employment and control of their assets (UNIFEM, 2011). According to the UNDP, 75 percent of the world's women cannot get bank loans and are not entitled to property ownership.*

## 2.2 Why do they matter?

Simply put, the African development agenda is doomed without the sufficient engagement of the grassroots citizenry. It is accepted development practice that development interventions should and must engage those whom they are meant to benefit in their conception, design and implementation. Failure to do this leads to irrelevant, inappropriate and unsustainable interventions. Over and above engaging beneficiaries, development interventions must utilize the realities of the beneficiaries as a frame of reference, so that the scale, design and nature of the intervention are suitable to the context.

In addition, it is important to locate the development agenda within the realities of ordinary Africans, because this is a democratic imperative. In conceptions of democracy, citizens elect the state to be custodians of the nation's resources and to lead and coordinate the process of



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meeting citizens' needs. The state cannot do this successfully without listening carefully to what the grassroots are saying in order to gain a good understanding of the 'will of the people'.

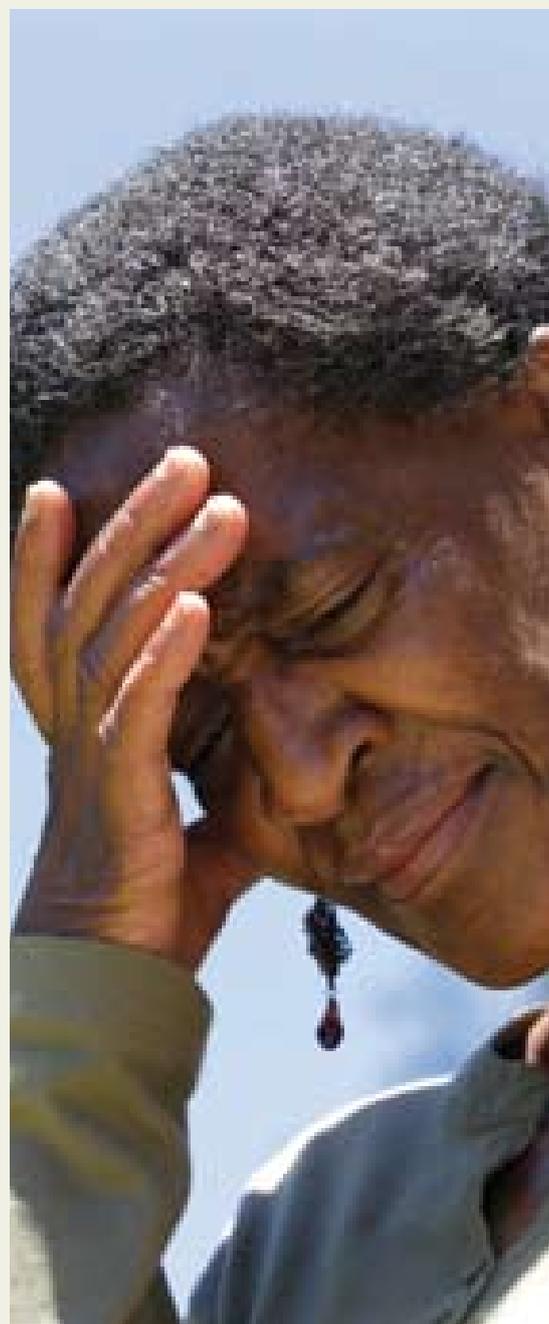
From a Pan-African perspective also, it is clear that home-grown solutions, indigenous solutions owned by the peoples of Africa must, by default, come from the peoples of Africa, not just the leaders. Adejumobi (2009) states that *“for meaningful regional and national economic and political integration to take place in Africa, people must be made the focus of the debate, institutions, processes and policy agenda. This must extend beyond the superficiality of advisory/consultative state organs”*.

The consequences of ignoring grassroots communities are far-reaching as evidenced by the stalled development agenda in Africa. Poorly developed economies lead the exclusion of the citizenry. As a result, Africa has the largest proportion of unemployed youth in the globe. The recent unrest in Tunisia and Egypt is indicative of the frustration and anger that young people can experience when excluded, and the expression of that anger. These and other incidents prove one thing: A citizenry that is not listened to will eventually rebel. This is well articulated by Ayittey (2005), as he talks about the wrath of the people, recounting instances where spontaneous violence has broken out in various parts of the continent.

## 2.3 Citizens' Aspirations for Africa's Moment

The new discourse on Africa's opportunities primarily focuses on leveraging Africa's endogenous resources, i.e. human, natural, social and cultural resources – to sketch a path for Africa's development. There is renewed optimism and hope as Africans are striving for a better future in their social and economic engagements. There is a sense that Africa has values that could become a base for a sustainable development ideal.

A critical question to ask then is, why is it that despite the real effort made to advance the African development agenda, it is at risk of being derailed? The answer is simple. The condition of grassroots populations in Africa – the plight of the ordinary African is dire, and worsening. Inequality levels are rising, the impact of poverty is deepening, and unemployment is



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increasing. The biggest weakness in the African development discourse has been its lack of substance and an appropriate frame of reference. Development is about people, for people, with people. This means the frame of reference for any development trajectory should be ordinary African people. Using ordinary African citizens as a frame of reference means beginning to see the reality of the African person and moving away from grandiose plans. Africa's propensity towards grandiose plans is a peculiar mystery that is worth exploring. For a continent that has more than 50 percent of the population living in rural areas; limited urban settlements with even more limited infrastructure; a workforce which is primarily unskilled (or semi-skilled) and illiterate (or semi-literate); yet most African countries' development strategies focus on the service sectors, IT, science, tourism, etc – having given up on labour intensive industries, like manufacturing.

The various grassroots interaction processes conducted by African Monitor and its partners throughout 2008 up to 2010, provide an informative picture of what ordinary Africans' dreams are. When communities are asked to share their dreams, the message is clear and can be summarized as follows: *"I would like to have a source of income, be able to provide for my family, be able to take my children to school, access health care facilities when the need arises; and I would like to have the capabilities and means to pursue my dreams."*

Elements of this are discernable in the quotes below from poverty hearing participants:

*"I have done everything to survive from the field; I have noticed there are many men and women dedicated to small businesses. It should be noted that the citizens are challenged every day to put their children in school. We know that there is a District Investment Fund initiative of 7 million per year, for citizens of the city to apply and start businesses, but we do not have access to this fund."*

*"The quality of education is not improving. In all fairness, we have many good and beautiful laws, but no one applies them properly. For this reason, there are frequent deaths, domestic violence against women and children, crime and prostitution are rising, because of the lack of jobs for young people."*

**The African Moment will materialize when a continent-wide movement – similar to that seen during the struggle for liberation – involving political leaders, business and the citizenry at large, engage in a collective effort to ensure that every African has a source of income, a roof over their heads, access to quality education and health care, and the capabilities and means to pursue their dreams in a peaceful environment.**

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*“Many young people do nothing and join others in the town to rob people. I have no job and am raising orphans; I used to sell charcoal, but the income is not enough to buy food for children. I have no house, on the other hand there is lighting roads problem in Sinacura.”*

*“Health services are good in affluent areas, but at grassroots level, there are problems.”*

*“We live with a lot of hardship at home, but since I am a man and do not want to steal, I am fighting to get a job. I was studying but I stopped because I had no one to buy me clothes, books and food. I started a business but later the business died.”*

*“When I finished basic education in agricultural production I did not have a job. I returned to my homeland and started cultivating a piece of land.”*

*“I have a farm of 12 hectare and I plant palm, cassava and pineapple. With profits from the farm, I built a pavilion for the hen’s breeding, and then I built a bakery. My kids are studying in some colleges and my husband is a trucker. I commend the effort of the government in combating poverty. The teachers have the capacity, but our education curriculum does not fit our reality. The government should rectify the curriculum.”*

*“We need a life without illness, we need jobs, we need schools and access to them, we need money for living, many of us are good workers and peasants, but we need better seeds, markets to sell our products, we need means of conservation of our products like tomatoes. Here in Lichinga it is scarce and very expensive.”*

What is distinctively different about these dreams is that they are localized. Most ordinary people talk about personal dreams and their dreams for their family. The dreams are also very tangible and practical. They are based on real needs. When an ordinary African dreams, she does not talk about acquiring copious amounts of wealth. She talks about feeding her family. In equal weight, ordinary African citizens rarely ever talk about economic growth, increased FDI or improved exports when discussing what they aspire to. This brings to bare the stark realization that all these macro level policy approaches are a means to an end, rather than an



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end itself. Once this is accepted, policy makers will be able to stand back and ask – what are the most effective and fastest mechanisms to secure livelihoods to the poor? Equally, they would be able to quickly adjust or abandon policies that do not serve the needs of the poor.

How then do we define the African Moment from a Pan-African perspective, derived from the dreams of ordinary citizens? This certainly requires substantive discussion and contemplation. It requires further interaction with ordinary Africans from various walks of life. However, an initial proposition can be suggested based on the evidence available through various efforts to talk to and listen to ordinary Africans. The African Moment will materialize when Africa's development stakeholders (decision makers, development institutions, citizens, civil society, business, political institutions) collectively engage to ensure that every African has a source of income, a roof over their heads, access to quality education and health care, and has the capabilities and means to pursue their dreams in a peaceful environment.

A number of levers were identified as critical in addressing some of the imbalances that grassroots communities struggle with.

## **Blockage to income-generating activities**

*“The government can do something for other people; we need the farm tractor to work the land so there will be development. How can we practice a commercialized agriculture with a small hoe? We need tractors to cultivate better. I ask the delegation to go and witness what I am doing on my farm; I cannot sit around waiting for the government loans.”*

Olomi (1999) makes the point that in the African context, the majority of the people do not have the knowledge, skills, or opportunities to secure gainful employment in established large corporations. For a start, industrialization in Africa has failed to a large extent (Ayittey, 2005; Prah, 2006), meaning that there is a limited number of corporates who can absorb unskilled and semi-skilled labour. As a result, employment opportunities in the continent have significantly declined. Olomi argues that *“there is no doubt that the broadest avenue for utilizing the abundant human resources in Africa is in small and micro-enterprises”* (1999, 55). This view is shared by Turner (2003) who states that *“small enterprises are a seedbed for indigenous entrepreneurship”* as they

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*“mobilize so far unutilized capacity”*. Small and micro industries are labour intensive; enhance indigenous technological learning; contribute to decentralization of industry; advance market competition; cater for the basic needs of the poor; and contribute to more equitable distribution of income and wealth.

It is clear that there are a number of important things to note about entrepreneurship in Africa. First, enterprise has always been part of village life. In the absence of jobs most African societies have retreated back to what is called income-generating activities and small business. This is a strength in African societies, not a weakness. Policy interventions should capitalize on this, because it means in most African societies people have the inherent drive and propensity towards enterprise. At the same time, it is fair to acknowledge that these enterprises cannot be defined in the conventional sense of entrepreneurial enterprises, which are formal and regulated. African indigenous enterprises are primarily informal and are difficult to regulate. Researchers are starting to admit that little is known about the informal sector in Africa and that more research work needs to be done (Kinunda-Rutashobya, 1999).

## **Limited Access to Quality Education**

*“But my appeal to you is that I want my children to go to school. They need scholarships to get them through school. I want my children to be educated.”*

*“I’ve been fighting to educate my children, but poverty wouldn’t allow me to. Every time I tried to send them to school, they never managed to complete the school year due to no money. My eldest daughter is in the 8th grade, but due to poverty she had to drop out of school and get in the bushes with her fiancé in order to make oil palm.”*

Access to education is a key driver for improved opportunities for employment or self-employment, and therefore better livelihoods. Since the advent of MDGs in 2000, there has been a strong drive to increase enrolment into schools throughout the continent. This is one of the areas that the continent has achieved encouraging results, as enrolment levels continue to improve, especially at primary school level. However, there is now increasing concern that the quality of education is inadequate to



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produce skills needed by the market. As a result, there are increasing numbers of matriculated youth and college graduates who cannot secure employment. As reflected in the quote on the previous page, the challenges grassroots are likely to face include access to education, quality of teaching and further education when needed.

## **Lack of Rural and Peri-urban Infrastructure**

*“We need improved seeds, because the seeds that we have here do not bring a good income. We need agricultural inputs, but what we want very urgently is a farm tractor. We want an irrigated field to stop depending on rain.”*

Within this cluster are concerns about lack of land ownership by grassroots communities, limited ownership rights for women; and lack of access to farming implements and irrigation systems. Grassroots communities have also shown interest in securing new technologies to enhance their farming outputs.

## **Lack of Income**

*“We want to be financially independent, know where to get money to buy food when necessary, and not have to rely on others to get something to eat.”*

*“I began to struggle by myself and decided to start a business. But whenever I go in search of loans, nobody is willing to give me loans, because you have to present a guarantee before anyone can give you loans.”*

*“How can you eat good food, pay rent and pay your child’s school fees, when there is no way of making money?”*

Lack of income is partially an outcome that results in lack of employment or absence of income-generating activities. At the same time lack of income is one of the instigators for poverty and hunger, lack of access to services, education and health.

The new discourse on Africa’s opportunities primarily focuses on leveraging Africa’s endogenous resources, i.e. human, natural, and social & cultural resources – to sketch a path for Africa’s development.

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## **Unemployment – especially among the Youth**

*“We have problems of access to higher education, there are many young people who successfully completed their secondary school education, yet failed to get jobs. We have youngsters who will meet the mandatory military service requirements, after that come home, and not have anything to do...There are young people who have nothing to do, so they are drinking alcohol throughout the day and late at night assaults happen.”*

Unemployment is a scourge that is now affecting virtually every country in Africa, and most to severe degrees. Particularly worrying is the fact that most of those who are unemployed are young people. Bloomberg Businessweek (2011,60) has warned that if youth unemployment is not curbed in various parts of the world, it would lead to more riots than have been recently seen in Cairo, the UK and Tunisia. They went further to state that society’s inability to secure employment for the youth is an indication of a deeper failure to find them a place in society; as well as failure by society to harness the energy, intelligence, creativity and enthusiasm of a younger generation (60). The World Bank recognizes the importance of creating employment, but also admits that it does not have the answer to this challenge: *“If we knew how to get growth right we’d win the Nobel Prize... The only sure-fire cure to youth unemployment is strong, sustained economic growth that generates so much demand for labour, that employers have no choice but to hire the young”* (Cunningham in Bloomberg Businessweek, 2011:63).



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## **Corruption**

*“We know that there is a District Investment Fund initiative of 7 million per year, for citizens of the city to apply and start businesses, but we do not have access to this fund.”*

*“I think that another reason for our poverty is that members of the National Legislature make wrong decisions that affect the lives of the people. Those poor decisions are the ones affecting the people, which are making them poor.”*

In many African countries independence came in name only, as control changed from white to black master, but the exploitation of the African peoples remained. Prah (2006, 339) argues that the political elites have, for decades, trampled on the human rights of the citizenry; colluded with economically rapacious international interests; and ultimately betrayed the trust of the masses who supported the struggle for colonial freedom.

It is important to highlight two factors which underlie the messages above. First is the strong call for an increase in economic opportunities for grassroots communities. Second is the emphases on right to self-determination and self-actualization, as communities express the need to independently and sustainably participate in development processes.

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# 3

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*“The most exciting prospect is the emergence of a progressive discourse on the African development path. People of Africa, including the youth, are regaining the conviction that they are the instruments of their own sustainable upliftment”.*

African grassroots communities are, on the whole, active opportunity and information seekers. Operating with limited resources, most communities still find a way to generate livelihoods, independent of government interventions. However, this capability is significantly limited by the harsh environment within which they operate. Economic and legislative environments block grassroots communities' ability to access economic opportunities.

African Monitor has identified a number of critical levers which, if unlocked, will increase the opportunity for grassroots communities to actively participate in their own development. This section highlights some of these levers, broadly grouped into three clusters: economic services; human development and grassroots participation. It is important to note that the levers identified and discussed here do not offer a comprehensive picture, as a number of factors are not addressed, such as creating an enabling legislative environment, or the accessibility of financing for grassroots communities.

This section will review the extent to which African countries and their development partners focus on these levers in their development policies, their commitments and the way they allocate resources.

### 3.1 Economic Infrastructure as a driver of Inclusive Economic Development

#### *Desired Policy and Practice Outcome:*

**African governments and their development partners understand the centrality of grassroots-orientated economic infrastructure in the activation of local economies, the reduction of poverty and the participation of the poor in development. They increasingly allocate resources and implement interventions to provide adequate and appropriate economic infrastructure, particularly targeting rural areas, peri-urban areas and urban slums.**

**Only 30 percent of the rural population in sub-Saharan Africa have access to all-season roads.**



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Inadequate infrastructure is a significant hindrance to the effective participation of ordinary citizens in economic, social and political activity. Amartya Sen argues that the systematic exclusion of the rural and urban poor, youth and women, from social and economic activities, reduces their capability to function as economic actors, which increases their vulnerability to poverty. This systematic exclusion is facilitated and sustained by the continued lack of access to economic infrastructure for the poor.

Torero and Chowdhury (2005) observe that inadequate and unreliable infrastructure services are common in the majority of rural communities in Africa. Rural households do not have access to safe drinking water, electricity, good transportation or modern communication. Kandiero (2009) notes that only 30 percent of the rural population in sub-Saharan Africa have access to all-season roads. Studies in Nigeria and Uganda have indicated that poor infrastructure provision is one of the main constraints for informal sector development (Dada, 1998).

Grassroots communities' ability to actively engage in economic activity can only increase with the improved provision of roads, electricity, water, technology, facilitative legal systems and enabling financial systems. Inadequate provision of these infrastructures limits their ability to enjoy benefits from government and donor development programmes, thereby generating the perception that they are "cut-off" from development.

### **Commitments from African Governments:**

NEPAD launched the Infrastructure Short-term Action Plan in 2002 to address the inadequacy of economic infrastructure and services in Africa. While this plan states poverty eradication as the overall goal of infrastructure development in Africa, the projects identified are grand projects, which aim to support the formal economy. Grassroots-orientated infrastructure, where the agricultural and informal sectors are supported for instance, is neglected.

The Comprehensive African Agricultural Development Program (CAADP) on the other hand has identified rural infrastructure as one of its key pillars.<sup>12</sup> The plan, which outlines African governments' commitment to agriculture and rural infrastructure, notes that "adequate and well-functioning infrastructure is essential for agriculture to be competitive",

<sup>12</sup> The AU has scheduled a Ministerial conference in November 2011 on rural infrastructure development in Africa.

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as it enables productivity by reducing the costs of delivering inputs and of taking produce out to markets (NEPAD, 2003). To deliver adequate rural infrastructure in Africa, the program estimated that investment required for rural infrastructure was US\$ 92 billion for the period 2003-2015, of which US\$ 62 billion would be for building rural roads whilst US\$ 2.8 billion was needed for trade-related capacities. In addition, the infrastructure investments would require additional allocations for continuing operation and maintenance, totalling some US\$ 37 billion over the period.

### **Commitments from Development Partners:**

Development partners have also undertaken to contribute towards Africa's infrastructure development, through their support to the CAADP and the Infrastructure Consortium for Africa (ICA). The ICA was launched in Gleneagles in 2005 to act as a catalyst to promote investment in infrastructure development in Africa. Further commitment to support infrastructure initiatives on the continent came from the G8 in subsequent summits, the European Union through the European Council and from China through the Forum on China-Africa Cooperation (FOCAC) conferences. At the fourth FOCAC conference (2009), China committed to allocate US\$ 10 billion of preferential loans to African countries, which will be used mainly to support infrastructure and social development projects.

### **Progress made on the commitments:**

African governments are the main source of finance to African infrastructure. Spending on this sector by African governments is estimated to be US\$ 29.8 billion annually, as of 2008 (Briceño-Garmendia, Smits, and Foster, 2008). Of this amount, US\$ 20.4 billion went to operation and maintenance whereas US\$ 9.4 billion was spent on capital expenditures.

Development partners' support to Africa's infrastructure development has reached US\$ 4.5 billion in 2009, a steady increase since 2005. The ICA (2009) report shows that total commitments for infrastructure in Africa in 2009, from all sources, amounted to US\$ 38.4 billion, up by 5 percent from US\$ 36.6 billion in 2008. ICA members contributed over half the amount – US\$ 19.5 billion. The private sector contributed US\$ 11.4 billion and other sources (such as the Arab funds, China and India) contributed US\$ 7.5 billion.

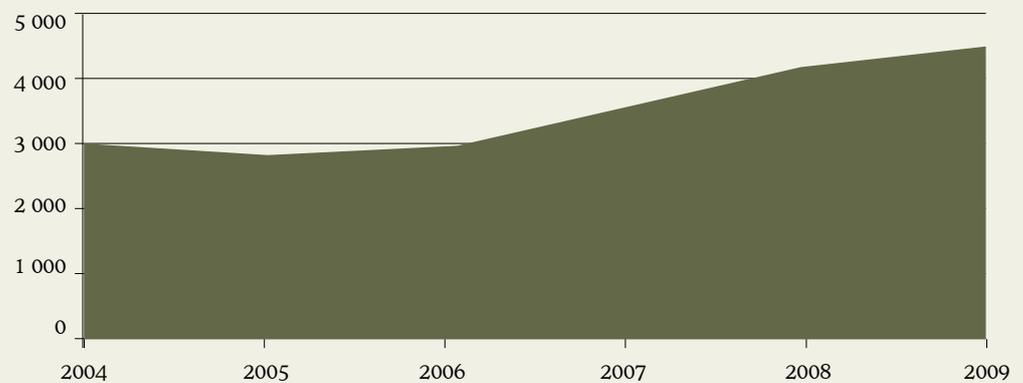
**Grassroots communities' ability to engage in economic activity can only increase with the improved provision of roads, electricity, water, technology, facilitative legal systems and enabling financial systems.**



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Figure 3: ODA disbursement to SSA Economic Infrastructure (US\$ millions - 2009 prices).



Source: OECD-DAC, 2010

Data on the allocation of resources towards grassroots-orientated infrastructure is not available. African Monitor believes that it is not enough to record the increase in infrastructure resources; it is equally necessary to indicate what impact these have had on grassroots communities.

In conclusion, African infrastructure is inadequate and disjointed. Evidence shows that AU structures do not have an integrated plan to develop infrastructure in the continent at the macro and micro levels. Massive investment is needed to address the infrastructure backlogs and to support accelerated economic development. The continental, regional and national infrastructure initiatives should include rural and semi-urban infrastructure for investment in development to be truly inclusive. The forthcoming Ministerial Conference on Rural Infrastructure should push for rural infrastructure to be integrated into the African Union's infrastructure programs. Development partners need to increase and refocus their support of rural and semi-urban infrastructure.

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### 3.2 Agriculture as a driver of Inclusive Economic Development

#### *Desired Policy and Practice Outcome:*

African governments and their development partners identify agriculture as a critical sector to facilitate the inclusion of grassroots communities in economic activity, to improve food security, to reduce hunger and poverty, and to manage the devastating effects of famine and climate change. African governments work with their development partners to:

- Invest in economic infrastructure that will support small scale and subsistence farmers;
- Activate initiatives that introduce new technologies to the formal and informal farming sectors;
- Actively support grassroots communities to develop capabilities to participate at different points in the agricultural value chain, from production, to distribution, to packaging, to market.
- Creatively use the agricultural sector to accelerate the achievement of MDG1, which is to halve the number of those living on less than \$1 a day; halve the proportion of those suffering from hunger; and achieve productive employment for all.

The need to support and modernize the agricultural sector was one of the key issues that emerged during African Monitor's work in a number of African countries. The agricultural sector is the mainstay for more than 415 million people in sub-Saharan Africa, which is equivalent to 55 percent of the sub-Saharan African population. The majority of them are engaged in subsistence and smallholder farming. Of concern however, is that the sector is still characterized by low agricultural productivity. This underperformance both in terms of agricultural GDP growth and the rate of productivity can be traced to among other things, limited availability and low usage of agricultural inputs such as fertilizers, improved seeds, extension services, rural infrastructure, agricultural machinery and agro-ecological conditions.

#### *Commitments from African Governments:*

At the 2003 African Union summit held in Maputo, African governments adopted the Comprehensive African Agricultural Development Program (CAADP), which seeks to achieve food security by 2015. African governments committed to increasing public investment in agriculture



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by a minimum of 10 percent of their national budgets and to raise the agricultural sector growth by at least 6 percent. The program focuses on improving food security, nutrition, and increasing incomes in Africa's largely farm-based economies.

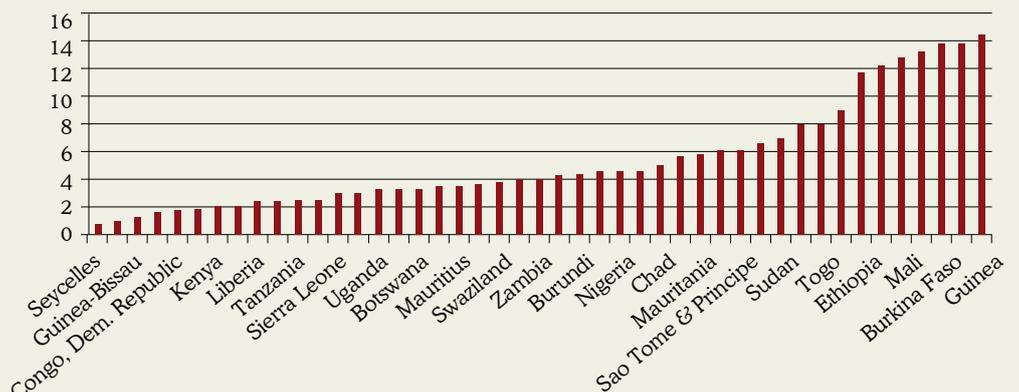
### **Commitments from Development Partners:**

In support of the program, development partners, through various G8 summits (2005 to 2007), have committed to increasing aid and investment in the agricultural sector. The G8 summit in Hokkaido, Japan committed over US\$ 10 billion to support food security. In 2009, the G8 launched the L'Aquila Food Security Initiative (AFSI) as a means to mobilize another US\$ 20 billion over a three-year period for sustainable agricultural development. The G8 summits at Muskoka and Deauville re-affirmed their commitments to the CAADP. AFSI stated that it "will disburse or allocate commitments in full by the end of our respective pledging periods" (Deauville 2011). At the EU-African Summit, the European Union and the European Council committed to provide support to the CAADP for the period 2005-2008.

### **Progress:**

In May 2011, 24 African countries signed and incorporated the CAADP into their agricultural agenda. These countries are: Benin, Burkina Faso, Burundi, Cape Verde, Côte d'Ivoire, Ethiopia, The Gambia, Ghana, Guinea, Kenya, Liberia, Malawi, Mali, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, Swaziland, Tanzania, Togo, Guinea-Bissau, Uganda and the Democratic Republic of Congo.

Figure 4: Public expenditure on agriculture as % of total government expenditure.



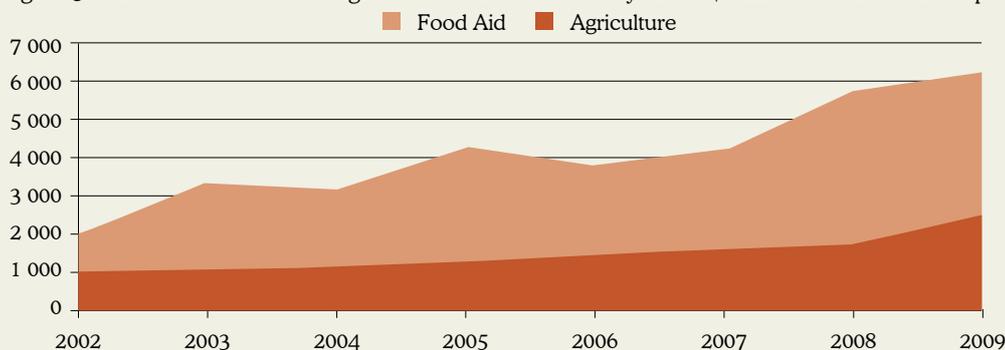
Source: Regional Strategic Analysis and Knowledge Support System, 2011

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African countries have been slow in meeting their targets to allocate 10 percent of their national budgets. Recent data indicates that only seven African countries (out of 45 countries where data is available) namely Burkina Faso, Ethiopia, Guinea, Mali, Malawi, Niger and Senegal, are spending over 10 percent of their total national budgets in the agricultural sector. Another ten countries are spending between 5-10 percent. The median expenditure in the agricultural sector is 4.1 percent of the total spending. Twenty-nine countries spent less than 5 percent of total expenditure on agriculture.

Figure 5: ODA Disbursement on Agriculture and Food Security - in US\$ million in 2010 constant prices.



Source: OECD-DAC and Development Initiatives, 2011

Aid to the agricultural sector from OECD Development Assistance Committee countries increased in 2008 and 2009, by 33 and 10 percent respectively. Recent aid increases from the donor community to the agricultural sector are in line with their aid commitments. However, it should be noted that food aid continues to account for 59 percent of the aid disbursed for agriculture and food security. While food aid is necessary, investment in agriculture should primarily be targeted at improving productivity and food security, which will then minimize the need for food aid in a sustainable way.

In summary, African governments have largely not met their budgetary commitments to the agricultural sector, and they have been slow to implement the CAADP. Development partners from 2008 onwards have shown increased commitment and improved delivery. However it is increasingly concerning that this support is in the form of food aid rather than sustainable investment that would lead to improved productivity in the agricultural sector.

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### 3.3 Informal Sector as a driver of Inclusive Economic Development

#### *Desired Policy and Practice Outcome:*

**African governments identify the informal sector as a critical sector to facilitate the inclusion of grassroots communities in Africa's development; to increase economic participation; and to increase the capability of grassroots communities to independently sustain their own livelihoods. African governments work with their development partners to:**

- **Invest in economic infrastructure that will support the informal sector;**
- **Activate initiatives that introduce new technologies to the formal and informal sectors;**
- **Actively support grassroots communities to develop capabilities to diversify and sustain their participation in the informal sector.**

<sup>③</sup> The physical input (electricity) method, the currency demand and the model (DYMIMIC) approach were used to estimate the size of the informal sector in developing countries.

According to Schneider (2002)<sup>③</sup>, the average size of the informal sector in Africa as a percentage of GDP was 42 percent in 2000, and accounted for 48 percent of the official labour force on the continent. Zimbabwe, Tanzania and Nigeria with 59.4, 58.3 and 57.9 percent respectively, have by far the largest informal economies. In the middle are Mozambique, Cote d'Ivoire and Madagascar with 40.3, 39.9 and 39.6 percent. At the lower end are Botswana with 33.4 percent, Cameroon with 32.8 percent and South Africa with 28.4 percent. Given the methodological and definitional difficulties in measuring this sector, these estimates merely give insight into the size of the informal sector in Africa. Chen (2001) in Xaba, Horn and Motala (2002), estimated that the informal sector provides 78 percent of non-agricultural employment and 61 percent of urban employment. He also argued that it creates 93 percent of new jobs. Attempts to measure the size and contribution of the informal sector are useful in understanding the demands for service delivery and resource allocation. It is a fact that this sector does not receive the proportional allocation of resources needed and services relative to its size.

The informal sector is generally small scale, labour intensive and employs low-skilled and semi-skilled workers. Most of the sector's operators depend on their own personal savings or equity as their primary source of start-up capital. The sector faces a variety of constraints, such



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as limited access to technology, credit, capital, skills, education and training. It is also largely excluded from economic infrastructure and service provision, and other development initiatives. Strengthening the capabilities of informal sector operators, by improving their access to technology and investing in economic infrastructure, will spur the dynamism of this sector, so that it becomes what Wolfgang Schneider-Barthold<sup>14</sup> calls 'organic industrial development'.

### **Commitments from African Governments:**

Through the Action Plan for the Accelerated Industrial Development of Africa (AIDA)<sup>15</sup>, African governments have shown their support for the informal sector. The plan calls on national industrial policies to prioritize the development of "small-scale and rural industries, including the informal sector" (AU, 2007). However, it is the Labour and Social Affairs Commission of the African Union that pays much more attention to the informal sector. It has adopted the Social Protection Plan for the Informal Economy and Rural Workers 2011-2015. The African Union Assembly has not adopted any stand-alone plan and commitments towards recognizing the informal sector as a legitimate economic activity.

### **Commitments from Development Partners:**

Development partners have made commitments to support small and medium-sized enterprises through various G8 summits from 2005 to 2010. Support to the informal sector comes mainly in the form of social protection. The informal sector is not seen as a legitimate economic activity.

### **Progress:**

Data that tracks delivery to the informal sector does not exist. This in itself an indication of the extent to which this sector is excluded in budgetary allocations and development interventions. The informal sector needs to be recognized as a legitimate economic activity which provides economic opportunities for a significant number of Africans. African governments must put policies in place that indicate the prioritization of the informal sector. Furthermore, they need to pledge direct financial support to the sector to develop facilitative infrastructure, provide financing, and to create a conducive legislative environment for informal traders to operate.

<sup>14</sup> See Africa's Aborted Industrialisation Modernisation Strategies Impede Organic Industrial Growth, D+C Development and Cooperation (No. 1, January/February 2002, p. 15-17).

<sup>15</sup> AU Conference of Ministers of Industry, 1st Extraordinary Session, 24-27 September 2007, South Africa.



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### 3.4 Technology as a driver of Inclusive Economic Development:

#### *Desired Policy and Practice Outcome:*

**African governments and their development partners are actively investing in the development, distribution and use of technologies among grassroots communities.**

Access to and acquisition of technology is a critical element to increase productivity in sectors where grassroots communities are engaged. Just as the introduction of appropriate technologies was an integral factor in the success of the Asian green revolution, the development and dissemination of agricultural technology<sup>16</sup> is pertinent to grassroots-based agricultural development. Byrnen and Strobl (2004) note that technology is a key determinant of income, productivity and employment in the informal sector. Yet, the informal sector has limited access to appropriate technologies.

#### **Commitments from African Governments:**

Through the adoption of the Africa Science and Technology Consolidated Plan of Action (2005), African governments committed to increased technological development in Africa. The focus areas of the plan are biodiversity, biotechnology and indigenous knowledge; energy, water and desertification material sciences; manufacturing, laser and post-harvest technologies information and communication technologies and space science and technologies.

The AU further committed to allocate at least 1 percent of GDP to research and development by 2010 (AU, 2006).

#### **Commitments from Development Partners:**

Development partners have made direct and indirect commitments towards technological transfer and development. The G8 has committed, through its various special initiatives, to support technological transfer on agricultural bio-technology and health-related technologies. Through the Africa-EU joint strategy (2007), the European Union committed to cooperation in Science, Technology and Scientific Research for Development. China committed to launch the China-Africa Science and Technology Partnership Plan to help African countries develop their own science and technology capacity. China has also agreed to partake in 100 joint research and demonstration projects over the next three years.

<sup>16</sup> The CAADP identifies the development and dissemination of agricultural technology as one of the four pillars of Africa's agricultural development.



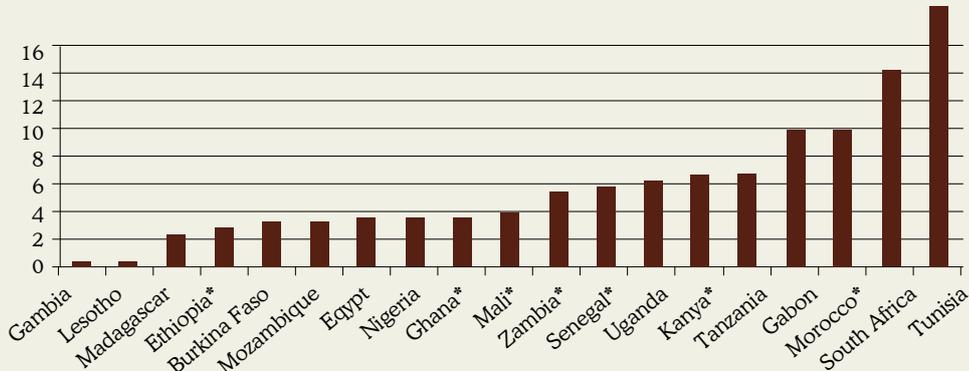
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### Progress:

On average, African countries spent 0.37 percent of GDP, from 2006-2009 on science and technology. This falls short of the 1 percent of GDP spend committed by African governments. The best performing countries are Tunisia and South Africa, who spent 1.2 and 0.9 percent respectively. A UNESCO report of 2010 noted that *“the continent has failed to invest in science, technology and innovation (STI), because of its short-term view of human development and its reliance on external financial support”*.

Figure 6: Public expenditure on science and technology as % of total government expenditure - 2009.



Source: UNESCO, 2010

Note: \*Denotes the latest data available for 2006-2008. Public spending in research and development is considered as a proxy for investment in science and technology.

Development partners' support for science, technology and innovation (STI) comes through technical cooperation and support to the agriculture and food security, health and education sectors. It is difficult to quantify the scale of aid for STI. However, available evidence indicates that only 3 percent of total aid has gone to research and development in least developed countries, for the period 2003-2005 (UNCTAD, 2007). Development partners have also provided support to tertiary institutions, national and regional research centres, such as the Consultative Group on International Agricultural Research (CGIAR).

Africa needs to develop and acquire appropriate technologies that increase productivity in the agricultural and informal sectors, fight tropical diseases and improve infrastructure development. African governments have recognised the need to invest in science, technology

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and innovation, but the investment is no more than 0.37 percent of their GDPs. Development partners' support for science, technology and innovation is only around 3 percent of total aid to LDCs. For African economies, the agricultural and informal sectors need to be transformed to highly productive sectors. It is thus imperative for African governments and development partners to invest in science, technology and innovation.

### **3.5 Education as a driver of Inclusive Economic Development:**

#### ***Desired Policy and Practice Outcome:***

**African governments and their development partners are allocating resources to the education sector. They are actively ensuring increased access to primary, secondary and tertiary education for the poor, especially girls; and are improving the quality of education.**

#### ***Commitments from African Governments:***

African governments have repeatedly acknowledged the central role of education in human development, through a variety of platforms. At the Second Conference of African Ministers of Education (April 2005) they committed to spend 20 percent of their national budgets on education. They also committed to provide free compulsory education to all children and to fast-track the Education for All initiative.

#### ***Commitments from Development Partners:***

Development partners committed, through the various G8 summits (Gleneagles to L'Aquila), the European Union through the Africa-EU Partnership and the European Council (2005-2010) to fully support the Education for All initiative and to increase aid for education.

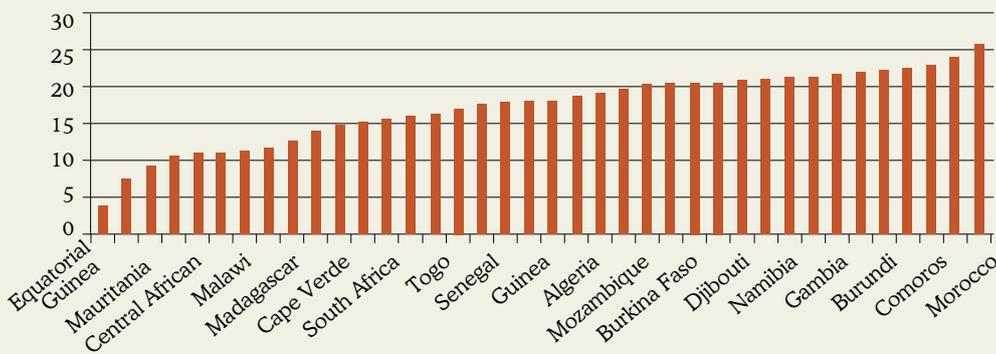
#### ***Tracking Progress:***

African countries have shown progress in educational spending. To date, 18 countries (among 36 African countries whose data is available) have allocated more than 20 percent of their total national budgets to the education sector. Tanzania and Morocco were the highest with 27 percent, while another 18 countries have allocated between 10 and 20 percent of their national budgets to the education sector. Only Equatorial Guinea and Congo allocated less than 10 percent of their national budgets to education.

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Figure 7: Public expenditure on education as % of total government expenditure



Source: UNESCO, 2010

It is encouraging that 35 African countries have allocated more than 10 percent of their national budgets to the education sector. A UNESCO report concurs that “in general, SSA countries have increased and maintained significant amounts of public resources in the education sector, since the launch of the ‘Education for All’ initiative in 2000”.

The Education for All initiative calls for access to quality education. The measurable indicators on the quality of education in SSA come from countries’ participation in the international testing program. The three African countries that participated in this testing program (Botswana, Ghana and South Africa) scored the lowest of all the participating countries. A regional initiative, the Southern and Eastern African Consortium for Measuring Educational Quality (SEACMEQ), has undertaken two rounds of testing of 6th graders (1995-1998 and 1999-2004) to assess their language and mathematical skills. It found that 78 percent of 6th graders are able to read at least at the “basic” level. The main factors that affect the quality of education are classroom size, quality of teachers’ training and the availability of text books and other pedagogical materials (UNESCO, 2011).

ODA to the SSA education sector from the DAC countries reached US\$ 4.8 billion in 2009, a 14 percent increase from the 2008 levels. The DAC increased their disbursement to basic education from US\$ 1847 million in 2008 to US\$ 2007 million in 2009. ODA to the sector increased by an average of 8.75 percent per annum during this period. It is a positive turnaround from a 1.74 percent decline in previous years. The ODA to basic education accounts for 47 percent of the total aid to education.

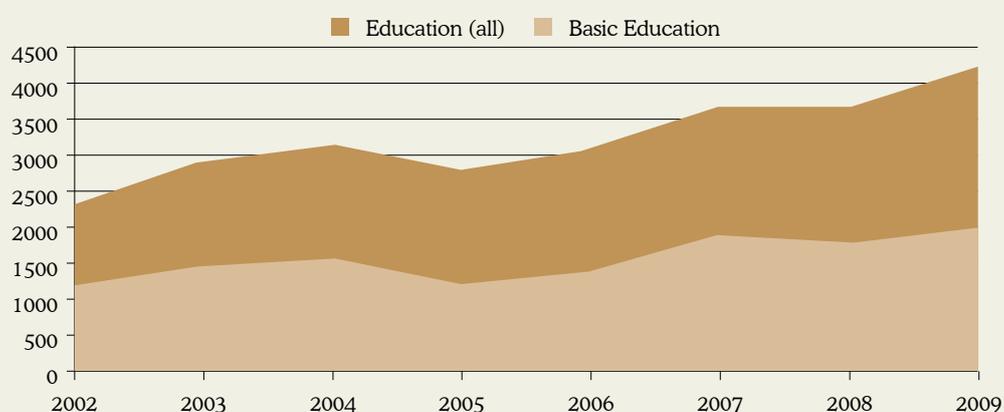
**In SSA enrolments in primary education increased from 87 million to 129 million (48 percent growth) between 2000 and 2008. Real expenditure on education has also increased on average by 6.1 percent per annum, since 2000 amongst 26 countries where data is available.**



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Figure 8: ODA disbursement to Education in SSA - US\$ million in 2010 constant prices .



Source: OECD-DAC and Development Initiative, 2010

It can thus be concluded that considerable progress has been made in the education sector in SSA, especially during the last decade. Supported by increased national and international commitments under the MDGs and EFA initiatives, a UNESCO report (2011) noted that enrolments in primary education increased from 87 million to 129 million (48 percent growth) between 2000 and 2008. Real expenditure on education has also increased on average by 6.1 percent per annum, since 2000 amongst 26 countries where data is available. Expenditure per primary pupil has increased in 13 out of 15 countries. ODA for education in the region increased from US\$ 1.1 billion in 2002 to US\$ 2.6 billion in 2008.

Despite notable growth in enrolment figures during the 2000s in SSA, the quality of education – as measured by students' learning achievements – has remained relatively low. More than 20 percent of students in grade 6 of primary education still do not master basic reading skills. This suggests a need for urgent action to improve the quality of education. There is a growing recognition that children can stay in school and not learn much, making completion of primary school a hollow achievement. It is therefore crucial that national and international partners work together to put the correct mechanisms in place to monitor the quality of education.

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### **3.6 Health as a driver of Inclusive Economic Development:**

#### ***Desired Policy and Practice Outcome:***

**African governments and their development partners actively provide improved access to primary and tertiary health care; and invest in systems to improve the quality of health care. This results in improved maternal health, reduced infant mortality, and prevents the spread of infectious diseases.**

Investment in health services is critical as a strategy to increase the capacity of grassroots communities to participate in their own development. African governments and development partners have made significant commitments to health.

#### ***Commitments from African Governments:***

At the AU summit held in Abuja (2001) African governments committed to allocating 15 percent of their total national budgets to health, as a means to allocate universal access to HIV/AIDS prevention, treatment and care by 2015. Furthermore, at the Special Summit of the African Union on HIV/AIDS, Tuberculosis and Malaria, in Abuja, Nigeria in 2006, African governments committed to reduce HIV prevalence by 25 percent. They also committed to extend access to HIV treatment to 80 percent for those who need it.

#### ***Commitments from Development Partners:***

At the G8 summits (Gleneagles to L'Aquila), development partners committed to provide support to strengthen health systems; contribute towards universal access in HIV prevention, care and treatment by 2010; and scale up malaria interventions to 85 percent of vulnerable people. They also committed to support the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), the Global Alliance for Vaccines and Immunisation (GAVI) and the Stop TB campaigns. At the Muskoka summit, the G8 committed US\$ 5 billion over a five-year period to support the Muskoka Initiative, which aims to accelerate progress towards significantly reducing the number of maternal, newborn and under-five child deaths in developing countries (MDGs 4 and 5). The Deauville summit in 2011 committed to continue supporting the GFATM, GAVI Alliance, and efforts of International facility for the purchase of



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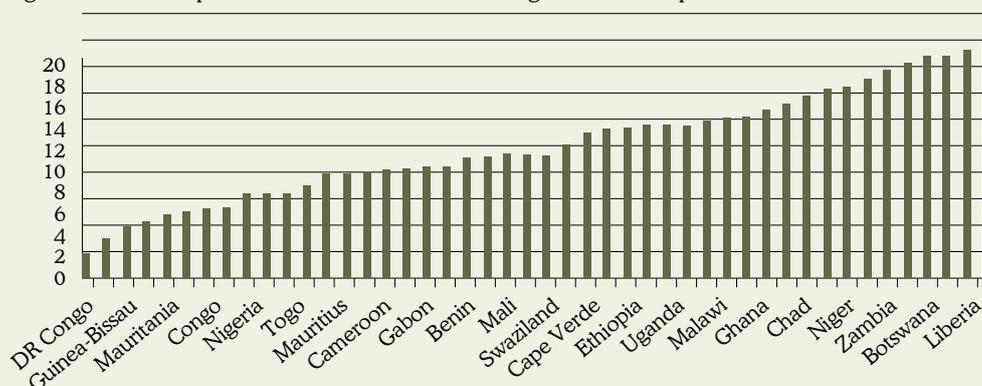
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drugs against HIV/AIDS, Malaria and TB (UNITAID). Their commitment to the Muskoka Initiative, to improve maternal health and reduce child mortality, was also reaffirmed.

### **Progress:**

African governments' performance has been weak in terms of meeting the target of 15 percent of total public expenditure to health. Only six countries (among 46 countries where relevant data is available) achieved their targets in 2009. The top performers in 2009 were Tanzania (18.10), Liberia (17.20), Rwanda (16.80), Botswana (16.70), Burkina Faso (16.30) and Madagascar (15.10).

Figure 9: Public expenditure on health as % of total government expenditure - 2009.



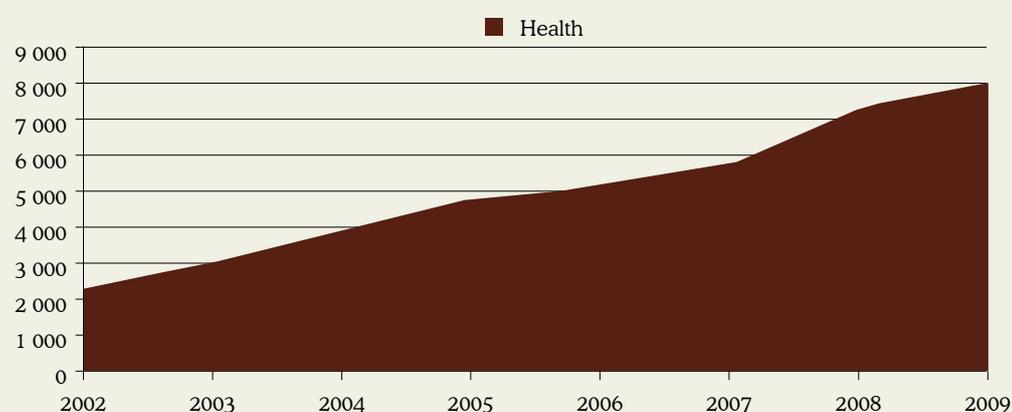
Source: WHO, 2011

Another 23 countries have spent more than 10 percent of their national budgets on the sector. The median spending is 10.2 percent of the public expenditure. There are eight countries which are spending less than five percent of their public expenditure on health.

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Figure 10: ODA Disbursement to Health in SSA - in US\$ millions in 2010 constant prices.



Source: OECD-DAC and Development Initiatives, 2010

The ODA (gross disbursement) to the health sector in sub-Saharan Africa experienced steady growth from US\$ 3.8 billion in 2004 to US\$ 8 billion in 2009. The ODA allocation to SSA has increasingly been in favour of fighting infectious diseases such as HIV/AIDS, Malaria and TB; whilst support to basic health services and strengthening of health systems have been comparatively low.

African governments and development partners have increased their health spending over the last few years. There has been real progress in the provision of health services, particularly in the roll-out of ARVs and insecticide-treated nets. This has resulted in reduced malaria-related morbidity and a decline in the incidence of HIV infection (by more than 25 percent in an estimated 22 countries). However health systems still reflect inadequate capacity. For instance, the availability of health workers and health facilities is very limited. For the majority of African countries, there is less than one health worker per 10,000 people. Immediate investment is therefore needed in order to strengthen the healthcare systems, to provide quality health services beyond the current fight against Malaria, HIV and TB; and to improve maternal and child health.



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### 3.7 Grassroots Participation and Influence

#### ***Desired Policy and Practice Outcome:***

**African governments and their development partners are increasingly adopting policies and implementing interventions that enhance the capacity of grassroots communities to influence Africa's development agenda. Legislative, political, social and economic systems are developed and put in place to support the active participation of grassroots communities.**

Unlocking the African Moment will require grassroots communities' involvement in the economic, social and political affairs of their countries. The importance of their involvement emerged during African Monitor's citizens' consultations where participants expressed that they do not have sufficient power to influence development programs policies.

#### ***Commitments from African Governments:***

African governments committed to democracy and popular participation through the African Charter on Democracy, Elections and Governance (2007), which recognised popular participation as an inalienable right of the people. The African Union Summit 2011, themed "Towards Greater Unity and Integration through Shared Values" has reiterated its commitments to popular participation.

#### ***Commitments from Development Partners:***

Development partners committed to support grassroots participation. The EU through the EU-Africa Joint Strategy Partnership, committed to supporting popular participation and democracy in Africa. Similarly, the G8 has committed to strengthening participation and democracy.

#### ***Progress:***

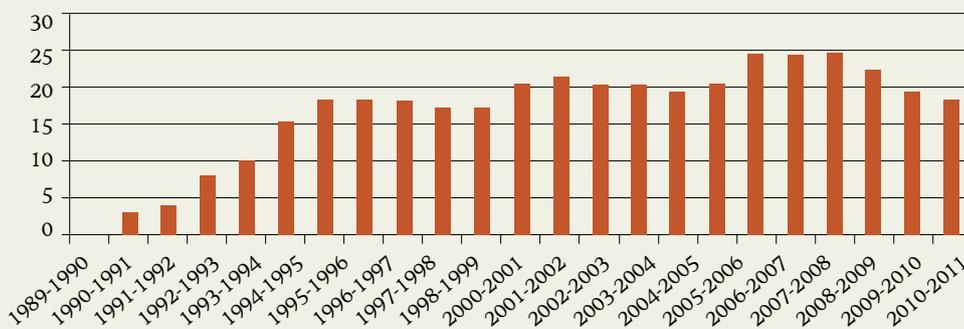
Citizens' participation has declined in 37 countries (out of 52) according to the Ibrahim Index of African Governance. Positive improvements have been evident in Liberia, Togo and Angola, whilst participation has deteriorated in Guinea-Bissau, Namibia and Madagascar. The recent political changes in North African countries have created a new dynamic, which could potentially improve grassroots participation in the region.



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Figure 11: Number of Electoral Democracies in Africa - 1990-2011.



*Source: African Elections Database 2011, based on Freedom House data*

The number of electoral democracies, used here as a measure of citizens' political participation, steadily increased until 2007/2008. Since then, as depicted in figure 11, democracy has regressed in countries like Madagascar, Niger, Burundi and Guinea-Bissau.

The decline of citizens' participation in countries across Africa is a significant cause for concern. As stated by the African Union, participation is an inalienable right of citizens. African nations who choose to ignore the rights of citizens to participate freely in political, social, and economic processes are acting in direct violation of this right. There is a clear need for the African Union to take a harsh stance on nations who choose to perpetrate these violations.

# 4

# Conclusion

This issue of the Development Support Monitor has primarily served to warn that if Africa's current development trajectory does not actively engage with the skills, knowledge base and experience of grassroots communities, the African Moment will not materialise. Messages from grassroots communities show that the dreams of many citizens in Africa are about accessing sustainable means to secure livelihoods; and gaining access to quality education, health, and other necessary services.

African Monitor has presented a comprehensive policy and practice agenda showing how African governments and their development partners can actively facilitate the inclusion of grassroots communities in Africa's development trajectory. African governments need to give equal focus to three broad areas, i.e. economic opportunities and services, human development, and grassroots participation.

The area of economic opportunities and services has not been sufficiently explored in efforts to create inclusive African economies. Economic services refers to a package of activities which create an enabling environment for grassroots communities to actively participate in the economy, with a specific focus on economic infrastructure, technology, the agricultural sector, and the informal sector.

Human development includes all those areas directly related to the Millennium Development Goals, e.g. education and health. While a lot of policy progress has taken place in these areas, it is evident that significant gaps remain in the implementation thereof, particularly in the allocation of resources for long-term sustainability and quality of services.

Lastly, the active participation of ordinary citizens in the development agenda is a critical element that will not only bring dignity to people's lives, but will also strengthen the effectiveness of policies and interventions.

This is the policy agenda to Unlock the African Moment for Grassroots Communities. All development stakeholders in Africa (policy makers, civil society, communities, business and development institutions) have a critical role to play in ensuring that Africa takes up the current opportunities and uses them for the benefit of all its citizens.



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# Acronyms

AFSI	–	L'Aquila Food Security Initiative
AfDB	–	African Development Bank
AMCOST	–	African Ministerial Council on Science and Technology
AIDS	–	Acquired Immune Deficiency Syndrome
AU	–	African Union
CAADP	–	Comprehensive African Agricultural Development Program
CGIAR	–	Consultative Group on International Agricultural Research
DAC	–	Development Assistance Committee
DRC	–	Democratic Republic of Congo
DSM	–	Development Support Monitor
EFA	–	Education For All
EU	–	European Union
FDI	–	Foreign Direct Investment
FOCAC	–	Forum on china-Africa cooperation
GAVI	–	Global Alliance for Vaccines and Immunisation
GFATM	–	The Global Fund to Fight AIDS, Tuberculosis and Malaria
G8	–	Group of Eight
GDP	–	Gross Domestic Product
GERs	–	Gross Enrolment Rates
GFI	–	Grassroots Focus index
HIV	–	Human Immunodeficiency Virus
ICA	–	Infrastructure Consortium for Africa
ICT	–	Information and Communications Technology
IFIs	–	International Financial Institutions
ILO	–	International Labour Organisation
IMF	–	International Monetary Fund
IT	–	Information Technology
LDCs	–	Least Developed Countries
LPA	–	Lagos Plan of Action
MDGs	–	Millennium Development Goals
NEPAD	–	New Partnership for Africa's Development
ODA	–	Official Development Assistance
OECD	–	Organization for Economic Co-operation and Development
SAPS	–	Structural Adjustment Programmes
SEACMEQ	–	Southern and Eastern African Consortium for Measuring Educational Quality
SSA	–	Sub-Saharan Africa
STI	–	Science, Technology and Innovation
TB	–	Tuberculosis
UK	–	United Kingdom
UNCTAD	–	United Nations Conference for Trade and Development
UNDP	–	United Nations Development Programme
UNESCO	–	United Nations Education, Science and Cultural Organization
UNIFEM	–	United Nations Development Fund for Women
UNITAID	–	International facility for the purchase of drugs against HIV/AIDS, Malaria and Tuberculosis
UN NADAF	–	United Nations New Agenda for Development of Africa

