



Critical Economic Development Issues for Africa in the 21st Century

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Outline

- INTRODUCTION [The 20th century in retrospect]
- CRITICAL ECONOMIC DEVELOPMENT ISSUES (CEDI)
- SIGNS OF HOPE

The 20th Century in Retrospect

THE 3 PHASES OF THE 20th CENTURY FOR AFRICA

- Colonial Rule [1900-1950]
- Independence & Growth [1950-1970]
- The Lost Decades [1970-2000]

EXCEPTIONS

- The Success Stories: Botswana and Mauritius

CEDI (1)-ECONOMIC GROWTH

AFRICA'S GROWTH ENIGMA

- On average between 1980 and 1990, Africa's per capita output fell by 42.5% & domestic investment declined by 29.7%. Though GDP rose by 2.4% annually between 1990-2000, GDPC continued to fall because population grew by 2.6% annually
- Between 1980 and 1990, Africa's exports fell by 34.5%, per capita food production dropped by 12.2% and total external debt rose by 162% to a level as large as the region's total GNI.
- Africa's share of global GNI dropped from 2% in 1960 to 1% in 2000 and its share of LDC private investment dropped from 25% in 1970 to 4% in 2000.

Though economic growth is a necessary condition for development in Africa, it is not sufficient. Without addressing other critical issues in the 21st century, growth would still not be achieved and also economic development.

CEDI (2)-HUMAN CAPITAL ACCUMULATION

EDUCATION DILEMMA

LOW SCHOOL ATTAINMENT AND SCHOOL QUALITY

- Primary school enrollments and literacy rates in Africa are among the lowest in the world.
- Gender gap in education is as wide as it was a decade ago.
- Education in Africa is plagued by a lack of funds, teachers, textbooks and transparency

BRAIN DRAIN

Africa lacks the human capital it needs to harness its resources and keeps losing its educated professionals.

- Africa lost 60,000 professionals between 1985 and 1990.
- Roughly 30% of Africa's university trained professionals live beyond the continent's borders.
- Up to 50,000 Africans with PhDs are working outside the continent.

CEDI (3)- HEALTH & NUTRITION

AFRICA'S HEALTH CRISES

MALNUTRITION

In 2003 over 200 million severely malnourished people in Africa.

DISEASE

- Under five mortality rate highest in the world [174 per 1000] .
- Of the 40million people infected with HIV, 25million live in Africa.
- Malaria kills about 2million people in Africa every year.

Inadequate Healthcare Facilities and Professionals.

- The number of trained health workers has historically been inadequate in most of SSA.
- Many villages and towns lack clinics and hospitals and the few medical facilities that exist lack basic equipments.

CEDI (4) -YOUTH IDLENESS

THE AFRICAN YOUTH BOOM

There are about 200 million people between the ages of 12 and 24 living in Africa today.

THE CHALLENGE

- **UNEMPLOYMENT**

In 2003, more than 18 million youth in Sub-Saharan Africa, 21 % of the workforce—were unemployed. This figure rose 32.5 % between 1993 and 2003 .

- **INACTIVITY**

A large proportion of African youth are inactive. In over half of countries in Africa, at least 20 percent of youth are inactive.

CEDI (5)-THE ENVIRONMENT

ENVIRONMENTAL CONCERNS IN AFRICA

AIR POLLUTION

Concentrations of toxic metals in many ecosystems of Africa are reaching unprecedented levels. The ambient concentrations of toxic metals are now among the highest being reported anywhere.

WATER POLLUTION

- *Bacteriological contamination*
- *Typhoid fever and poisoned seafood risk from sewage runoff*
- *Agricultural runoff including fertilizers and pesticides*

DEFORESTATION & SOIL DEGREDEATION

Many African countries have had over three quarters of their forest cover depleted, and it is estimated that if current trends continue, a severe shortage of fuel wood is expected by 2025.

Ironically, Africa depends more than any other region in the world, on their depleting natural resource base for economic sustenance.



CEDI (6)-STABILITY & INSTITUTIONS

CONFLICT AND EXTRACTIVE INSTITUTIONS



The last decade of the 20th Century witnessed some of the most horrific conflict situations in Africa with hundreds of thousands of civilian casualties.

EFFECT OF CONFLICT

- PRIVATE INVESTMENT DECLINE
- THE DESTRUCTION OF THE ECONOMIC BASE
- ORPHANS AND REFUGEES [ECONOMIC LIABILITY]

STABILITY IS A MUST FOR AFRICA BUT CANNOT BE ACHIEVED WITHOUT A CHANGE IN INSTITUTIONS

SIGNS OF HOPE

Though the challenge in Africa seems great and the present situation seems bleak, there is hope.

- Developed Nations now realize that Africa's development is a must.
- Successful countries in Africa can create multiplier effects in other African countries in the future.
- International debt relief programs initiated.
- Internationally sponsored and locally administered programs have been initiated to deal with the CEDI's mentioned.