African Economic Development Dilemma: Prospects Before the End of the Twenty-First Century

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Abstract: Today, Africa, particularly sub-Saharan Africa falls among the less-developed countries (LDCs) of the world. This view has been substantiated with different data from diverse research works. As the 21st Century is less than two decades old, what will be the fate of Africa at the end of the Century? Will the status-quo remain; or will there be hope for the continent to meet up with the challenges of development? Using the perspective of modernization theory of development, this paper highlights briefly the concept of economic development. It analyses problems inhibiting African economic development, but differs from the views of the political economy theorists, by arguing that current problems of underdevelopment are due to internal socio-economic and political factors inherent in Africa. It examines prospects of African economic development in the 21st Century, and concludes by stressing that ‘purposeful leadership’ is the principal panacea to the question of Africa’s economic development.

Keywords: Economic development; Sub-Saharan Africa; Problems; Prospects; and 21st Century.

1. INTRODUCTION

Much has been written by scholars from different disciplines, especially the Social Sciences and Humanities on the problem of economic development of Africa. Most of these works focused on the structure of political and economic relations between “dominant and dominated countries.” Their underlying assumption (based on the political economy theories) was that the poverty of African countries is the outcome of a world-wide network of intrusion by the developed countries of the world particularly Western European nations.

These scholars concluded that this intrusion led to the development of underdevelopment in Africa that has been sustained by these developed nations till date. For instance, the works of Ake (1983), Brett(1973), Falola(1987), Onimode(2000), and Rodney(1972), among many others, have blamed the present low level of African economic development on past centuries of unequal relationship between Africa and the developed countries of the world particularly Western European nations.

The general focus of their conclusion is based on “historical materialism”, which implies a methodological review of the African past. Although, it is true that Africa had unequal relationship with Europe that led to the slave trade, imperialism and colonialism; but how has African states fared since the 1960s when most of them achieved their independence from foreign rule? The answer is obvious; Africa has not fared well, as its states fall among the underdeveloped or less-developed countries (LDCs) of the world. Thus despite political independence, the circle of poverty and underdevelopment remained the principal feature of Africa throughout the 20th century.

Specifically, towards the end of the last Century, a summary of the United Nations Development Programme's Human Development Index (HDI) of 1995 shows that, out of the six less-developed regions of the world, Sub-Saharan Africa scored the least percent (UNDP, 1996). Given the above scenario, this paper argues that Africa should stop bemoaning its past, because its current level of underdevelopment in the past five decades has been caused mainly by internal socio-economic and political problems within the continent.
These problems have retarded the economic transformation of Africa and can only be corrected if proactive measures are implemented by African states before the end of the 21st century. Thus, for purpose of analysis, our emphasis is sub-Saharan Africa (this excludes the core Afro-Arab states in North Africa). Similarly, for clarity purpose, this paper is divided into four sections, these are: an overview of the concept of economic development and the status of Africa; current problems inhibiting African economic development; prospects of African economic development; and a conclusion.

2. AN OVERVIEW OF THE CONCEPT OF ECONOMIC DEVELOPMENT AND THE STATUS OF AFRICA

Scholars are agreed that the pair of economic growth and economic development share one of the most striking semantic similarities. For this reason, any discourse on development should highlight growth, even if very briefly. Growth is seen as a fore-runner to development and it deals strictly with economic variables within a society at a given point in time. It is defined as “the quantitative increase in the volume of output in an economy over a given period in time”. Although at times, growth may be rapid within an economy, but it does not occur all the time. The major character of growth is that it is undimensionally economic in nature and does not incorporate the welfare of citizens within the country.

On the other hand, economic development is growth plus structural, technological and physical changes in all segments of the society. It is a multidimensional process involving the re-organization and re-orientation of the entire economic and social systems (Todaro, 1977: 90). Economic development also embraces such features as equal opportunity for all the citizens, full employment, general availability of social services and equitable distribution of resources among the populace, and basic political freedom. Generally, economic development is concerned with the effects of the expansion of output (growth) on the quality of life. It impacts positively on all sectors within an economy and there exists interdependence among the sectors, which leads to the availability of jobs because all the sectors are fully activated and functional.

Specifically, Rodney (1972) argues that at the level of the individual, economic development implies increased skill and capacity, greater freedom, creativity, self-discipline, responsibility, and material well being. Furthermore, he stresses that a society develops economically as its members increase jointly their capacity for dealing with the environment. This denotes meaningful exploitation of the environment for productivity purposes. On his part, Seers (1972:21) observes that development connotes the condition for the realization of the human personality based on three economic criteria. These are: whether there has been a reduction in (I) poverty, (II) unemployment, and (III) inequality. Seers opines further that economic development must be visible at the family level based on nutrition, access to qualitative health, decrease in infant mortality, access to qualitative education and political participation.

From the point of view of Goulet(1971), development has three basic components: life sustenance, self esteem, and freedom. Accordingly, he stresses that life sustenance is concerned with provision of basic needs; implying that the major objective of economic development must be to raise people out of primary poverty and to provide basic needs simultaneously. Self esteem is concerned with the feeling of self respect and independence. Thus, no country can be regarded as developed if it is exploited by others and associated with inferior economic status. He refers freedom to liberation from the three evils of: want, ignorance, and squalor.

Writing along the same framework, Sen(1984) opines that economic development consists of the removal of various forms of "un-freedom" that leave people with little choice and opportunity. Major categories of "un-freedom" includes famine, undernourishment, poor health, and lack of basic needs; lack of political liberty and basic civil rights, and the existence of economic insecurity. No doubt, all the above "un-freedom" prevails in Africa till date, implying that Africa remains economically undeveloped.

The status of African economic development at the close of the last century was highlighted by the United Nations Development Programme(UNDP), using its Human Development Index (HDI). The Human development index is based on three variables: life expectancy at birth, literacy rate, and standard of living measured by per capita income. Thus, a summary of global HDI for 1999 shows that none of the sub-Saharan African countries was on the list of the high
human development index countries of the world. The best it had was the 94th position of South Africa as a medium human development index country. Among the low human development index countries were Nigeria in the 136th position, Ethiopia in the 158th position; while Sierra-Leone was at the rear in 162nd position (UNDP, 2000).

To make matters worse for the continent, there exists now an increasing differentiation among less-developed countries. This is as a result of the emergence of the East Asian newly industrialized countries (during the last two decades of the twentieth century), and the continued stagnation of the least developed countries of sub-Saharan Africa. With this development, there is nothing like a homogeneous Third World or developing nations again; as sub-Saharan Africa has remained the least developed section of the world (the table below explains further).


<table>
<thead>
<tr>
<th>SSA</th>
<th>East Asia/ Pacific</th>
<th>M/East/ N Africa</th>
<th>Latin America/ Caribbean</th>
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<tbody>
<tr>
<td>% Enrolment in primary education</td>
<td>50</td>
<td>66</td>
<td>88</td>
</tr>
<tr>
<td>% Enrolment in secondary education</td>
<td>7</td>
<td>18</td>
<td>24</td>
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<tr>
<td>% Enrolment in tertiary education</td>
<td>1</td>
<td>2</td>
<td>4</td>
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<tr>
<td>Population per physician</td>
<td>31,720</td>
<td>19,690</td>
<td>5090</td>
</tr>
<tr>
<td>Life expectancy at birth (1992)</td>
<td>52</td>
<td>68</td>
<td>64</td>
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Why did sub-Saharan Africa find itself in this precarious economic situation despite more than fifty years of political independence in most of the states? No doubt, some of the states had tried to transform their economies; many embraced African re-generation (as practiced in Tanzanian Ujamaa African socialism of the 1960s up to the 1980s). However, these efforts were hampered by many factors such as the colonial heritage, neo-colonialism; and principally by contemporary socio-economic and political problems that originated in Africa. These will form the basis of our analysis in the next section of this paper.

3. CURRENT PROBLEMS INHIBITING AFRICAN ECONOMIC DEVELOPMENT

The summary of our over-view in the preceding section shows that economic development denotes changes in a country's economy that involves qualitative and quantitative improvements in all segments of the society. In relation to Africa, many writers and commentators have continued to blame its underdeveloped economies on external factors. However, it is this paper's view that the current economic underdeveloped status of Africa was caused by many economic, social and political factors inherent in the continent. These include: low economic growth; low capital formation/low investment rates; capital flight; inappropriate development policies; socio-political factors: the attitude of governments in Africa; too much dependence on foreign aids, and political instability.

Sub-Saharan African states began to experience negative growth rates in the immediate post-independence years of the 1960s. This trend continued till date due to the small size of productive outputs (especially in the secondary and tertiary sectors) of the states. Even in the primary sector, it has been observed that agricultural productivity in most of the countries is highly inefficient, and generally, social, cultural and institutional patterns make advance in any field extremely difficult (Mountjoy, 1966).

Gambia's growth rate of 60% during the period added $20 to its per capita GNP; in contrast, a 1% growth rate in the U.S.A within the same period added $218 to its per capita GNP. Stutz and De-Souza (1998:418) share similar view. In their comparison of economic growth in Ghana and South-Korea between the 1960s and the 1990s, they concluded that South-Korea performed better. They observed that in the 1960s, South-Korea was a land of traditional land farmers, whose GNP per capita was $230; same with Ghana during the period. However, by 1993, Ghana's GNP per capita rose to just $430; while South Korea's GNP had risen to $7,670 and over 70% of the population resided and worked in towns rather than in farms. In the case of Ghana, as at 1993, more than 70% of its population remained and worked in the agricultural sector.

It is obvious that most Africans states are under equipped with capital in relation to their populations and natural resources. In like manner, heavily increasing populations laying increasing claims to very limited supply of capital also inhibit African economic development. Similarly, African states suffer from a lack of capital accumulation in the form of machinery, equipments, and infrastructure in general. African states also find it difficult to accumulate capital for investment due to their inability to save. The general non-availability of capital is as a result of the 'vicious circle of poverty' inherent in sub-Saharan Africa.

Many factors inhibit savings and investment in sub-Saharan African states. These are: political instability, the expenditure pattern of the government and few wealthy citizens; difficulty in securing funds for investment, limited domestic market; and at the individual level the extended family system common in Africa. The above is as a result of the observed 'vicious circle of poverty' in form of the complex interplay of forces such as low productivity, deficiency of capital, market imperfections etc that tend to keep Africa in a perpetual state of poverty and underdevelopment.

African states have also suffered from capital flight, which occurs in form of illegal export of a nation's currency and foreign exchange. This trend became very common as from the 1980s. The perpetrators of these acts are government officials and patrons (mainly contractors and other associates of Governments). The consequences of capital flight are: shortage of capital, which prevent African states from paying accumulated interests on their foreign debts; non provision of basic infrastructure and limited fund for further investment in vital sectors like education. Nigeria has experienced series of strikes by its lecturers at the tertiary level, especially the universities.

For instance, one of the reasons given by Nigerian University teachers for embarking on their strike which lasted more than six months in 2013 was the poor funding of the educational sector by the Nigerian government. At other times capital flight occurs because some firms (especially foreign firms) have no confidence in the government or the future of the economy of African countries. Commenting on the adverse impact of capital flight, Stutz and De-Souza (1998:533) argue that at times the inflows of foreign aids and bank loans were almost completely off-set by capital flight. No doubt this trend has continued to affect the economic transformation of sub-Saharan African states.

Another noticeable factor that inhibits African economic development is inadequacy of technological base. Generally, African states lack the basic technological advances necessary for applying methods to increase productivity and accumulate wealth. African states also lack high level of technical skills needed to build an industrial base. In addition, most of the states cannot afford the finances to train skilled engineers, technologists and scientists. The result has been a strong inertia to maintain traditional production methods in agriculture and industry. Consequently, African states lack the basic sufficient skilled personnel that could propel the initial technological take-off that would boost their economic development. Although, there exist little skilled manpower, but due to the general problem of underdevelopment the services of these highly needed skilled personnel have been lost to the industrial advanced countries as a result of the phenomenon of 'brain drain', thereby further jeopardizing the prospects of African economic development.

The problem of high debt profile of sub-Saharan African states is worthy of mention here. The persistent debt crisis is often blamed on weak economic growth caused by poor domestic economic management. Most of the debts are owed to foreign governments, private banks, and international finance institutions such as the International Monetary Fund (I.M.F.) and the World
The consequence of the high external debts is that it has negative impact on capital formation that could have facilitated investment. The high debt burden also had adverse effects on both the oil- producing and non-oil producing states of Africa. It was even worse for an oil- producing state like Nigeria, due to recklessness in economic management, miscalculation and inability to save for further investment. For instance, despite the surplus gains accrued to Nigeria in the 1970s as a result of its oil exports, she could not properly utilize the accrued wealth for meaningful development. Rather, her external debt burden rose from just over $ 1 billion in 1973 to over $ 18 billion in 1984 (Tiepoh, 2000:38-39). Part of this increase was as a result of rise in the import of wheat and flour, from 400,000 to 1.3 million tons between 1971 and 1978. Similarly, the importation of rice rose from 50,000 to over 500,000 tons during the same period.

Although, many Africa states were able to re- write and reschedule their debts for longer periods, as long as their governments agreed to implement austerity measures; but in order to invoke austerity measures, sub- Saharan Africa states such as Ghana, Nigeria and Zambia had to reduce imports and expand exports (even though prices of their export products were determined by situations in the global market). The measures further reduced the standard of living of the populace; thereby, perpetuating underdevelopment.

Another problem that inhibits African economic development is inappropriate development planning policies. Two major aspects of planning are: plan formulation and plan implementation or execution. This problem becomes visible due to the non -availability of reliable data on the sectors of the economy. The result of this is a divergence between the actual needs and what the statistical offices make available for planning. Related to this is the lack of efficiency and promptness in the administrative machinery concerned with planning and the subsequent implementation of such plans.

Over the years, countries in sub- Saharan Africa have put in place development plans (mostly for five- year periods), but these plans end up not achieving the desired goals in their implementation. It has also been observed that most often, the plans failed woefully to cater for the needs of the populace due to wrong focus of the governments. Commenting on the above trend, Lipton (1977) observed that the "urban-biased" polices of successive governments in Africa has contributed to the low level of the continent's economic progress. This implied emphasis on development of the urban areas to the detriment of the rural sector; that is supposed to be the stepping stone to African economic development.

Political factors observed in the attitude of governments in Africa, too much dependence on foreign aids, and political instability are among problems that have inhibited African economic development. Generally, petty politics and inept social administration create certain problems that have adverse effects on African economies. In Nigeria, for instance, 20% of the oil profits are stolen every year (Stutz and De- Souza, 1998:534). The above trend, no doubt, is as a result of the nature of political leadership.

Most previous and present African political leaders lack proper management of resources; many were involved in avarice and financial impropriety. Dishonest administration- the hallmark of African political leadership slows down economic development. Corruption at high levels is prominent and some officials of African governments steal money and lavish these on personal living. It is common for political leaders in Africa to utilize state apparatus, its institutions, organs and agencies as instruments for the plunder of public resources for personal enrichment. This mismanagement of resources by the political leaders has continued to undermine African economic development.

Related to the above is the unashamedly demands for foreign aids by sub-Saharan African leaders. Some of the African states have laid so much emphasis on financial aids and technical assistance from the developed nations; to the extent that they make little or no efforts towards the economic transformation of their countries. Accordingly, Wolde- Mariam (1999) argues:

*The tendency of continued dependency in the guise of humanitarian assistance, especially when it is institutionalized and almost permanent serves to weaken, not to strengthen, to impoverish, not to enrich, to create dependency, not freedom for African societies.*
For instance, in the past three decades, successive regimes in Ethiopia demand humanitarian assistance as a matter of right. Very often, donor agencies are chastised for failing to deliver in time (Wolde-Mariam, 1999: 107). It is ironic that despite these flows of aids, Ethiopia remains one of the poorest nations in the world. Political instability is also a contributory factor that has undermined African economic development. Constant changes of governments (rampant between the 1960s and early 1990s) had adverse effects on African economies. Such constant changes inhibited long-term planning and prevented foreign direct investment as a result of insecurity. The problems of inter-ethnic crises, crimes and inter-religious crises often deter foreign direct investment from African states.

Similarly, internecine and seemingly intractable wars, border disputes and several political crises as evident in Somalia have generally undermined economic programmes. The current political situation in Somalia has gotten to the extent that its economy is near comatose; and as at mid-December 2006, Somalia fell short of nothing than a failed state. Economic development in this circumstance and in other crisis-ridden states in sub-Saharan Africa such as Democratic Republic of Congo and Chad can be imagined.

Political instability in Africa has led to the diversion of resources meant for development and life sustenance to other uses. For instance, the inherent and persistent instability of majority of states in the Horn of Africa has meant the establishments of Armed forces of relatively large size to enable regimes defend their countries against claims of neighbouring states. This tendency of increase in armed forces is very visible in Eritrea (with a population of 3.8 million) that had armed forces that numbered 210,000 in 1999 (Kebede, 2003:40).

The above entailed an increased economic burden, with negative effects on social programmes - education, health and nutrition, while development of infrastructure remained stagnant. Generally, the preceding problems in Africa led to mass poverty, which remains the most important world development problem of our time. It affects all but a few in countries of sub-Saharan Africa. The highlighted problems are also the major reasons for Africa’s economic stagnation and underdevelopment.

4. PROSPECTS OF AFRICAN ECONOMIC DEVELOPMENT IN THE TWENTY-FIRST CENTURY

Despite the gloomy picture of the preceding section, there is still hope for Africa to make economic progress and attain some level of economic development before the end of the twenty-first Century. This will be possible if the under-listed proactive measures can be implemented by sub-Saharan African states. These are: appropriate/functional education that will be technologically biased; diversification of African economies that will entrench sectoral interdependence; improved/functional infrastructure; conditions vital for internal formation of capital/effective saving; proper utilization of indigenous resources; entrenchment of true democracy that will lead to the empowerment of the citizenry and sustain political stability; and effective regional cooperation among African states.

Sub-Saharan Africa states need to put in place functional educational system that will benefit the populace. This should be qualitative and affordable from the primary to the tertiary level. The more men and women who attend school, usually, the higher the level of economic development in a country. The World Bank (1984: 87-88) supports this view by observing that education plays a complex role in development. It acts as an economic investment and its impact extends beyond the traditional production sectors into households. The education sector should have a bias for science and technology that would produce the required skilled manpower for the desired development in all sectors. Economic development in Africa requires accelerated development of human resources; the provision of better functional formal schooling and intensified training should be a priority for African states.

There is also need for the diversification of their economies. This implies that all sectors must be transformed to make it possible for the linkage-effects from one sector (such as agriculture) to positively affect other sectors. The diversification of the economy will certainly activate all the sectors and create job opportunities. The subsequent application of science and technology will lead to effective utilization of labour and resources that will raise productivity because all the sectors will be functional.
Sub-Saharan African states must improve their infrastructure for the desired economic development to manifest. Energy must be provided, and there should be functional water supply; followed by good road network that will facilitate the movement of goods and services. Generally, adequate transport infrastructure (that includes functional rail network system) must remain an indispensable part of economic development; while cheap available electricity power is an important aid to industry. There is also need for an improved inter- African infrastructure; in form of a road network system that will link West to Central Africa, down to Eastern and Southern Africa. Governments in Africa must have the political will to make this functional, as it will positively impact on their respective economies, because inter -Africa road network will boost inter-state trade.

African states need to create conditions favourable to the internal formation of capital. In the developed countries, the initial capital for their industrial growth was derived from their savings from the agricultural sector. In like manner, African states (most derive their foreign exchange earning from agricultural exports) must be able to save at least 12% to 15% of their respective national incomes given the will and strength of purpose. Writing in support of this view, Kennedy (1993) opines that, one of the reasons for the success achieved in the newly industrialized countries of East Asia was their high commitment to national saving.

Sub-Saharan African states should emulate the above example; and this can be achieved if corruption and capital flight are eradicated by political leaders. The accrued savings could be utilized meaningfully if the states put in place a carefully assessed and integrated pattern of investment from which maximum advantages will accrue to all sectors of the economy; and from which the necessary public utilities conducive to growth and development will be provided and strengthened.

To attain the desired economic development, indigenous resources of Africa must be put to effective use. Africa is abundantly blessed with both human and natural resources; most of which have not been exploited. To fully utilize the natural resources, African states must adopt (all things being equal) capital- intensive techniques in production as against labour- intensive technique currently in use. Capital- intensive technique gives high quality products and enlarges the productive power of other cooperating factors. It is only through this production technique that African states will be able to put their iron-ore and other non-agricultural resources into productive use. African states should also strive to establish Iron and Steel Industries, which will be the stepping stone towards their industrialization and achieving the desired economic development.

Generally, development involves not merely economic changes, but also socio- political changes and the corresponding greater participation of broadly based groups in making decisions about the directions, economic and otherwise, in which they should move to improve their welfare (kindleberger and Herrick, 1977: 1). Thus, true development has positive political impact on the citizens of a country. Consequently, African states must put in place true democratic principles as a major feature of their political administrations in the 21st Century if they are to achieve the desired development. This will involve the devolution of power from the elites to the people who are the real creators of wealth.

There must be full democratization, and expansion of the existing institutions and structures of political administration and governance; the advancement of fundamental human rights and civil liberties of the citizenry. This will lead to the political empowerment of the people which will motivate them to be patriotic, committed and participate fully in national development because their political, social and economic rights are not alienated. No doubt, this will lead to a sustained political stability that will boost economic growth in all the sectors.

A closer cooperation among sub-Saharan African states in form of economic - unions can boost the desired economic development in the twenty-first Century. Although, the African Union was formed at the beginning of this century; and there exists other sub- regional organizations such as the Economic Community of West African States (ECOWAS), Southern African Development Community (SADC), Common Market for Eastern and Southern Africa (COMESA) etc; but these have not been able to achieve the desired economic cooperation that would benefit sub-Saharan African states.
Consequently, the above organizations should be strengthened and member states should show real commitment in achieving the goals of these bodies. Closer regional cooperation among African states (envisaged in this century) will enhance integration and coordination of agricultural and industrial policies to the benefits of the states. This will lead to the creation of a Regional markets, common custom union, and common currency that will boost the economies of sub-Saharan African states and facilitate their economic growth and development.

5. CONCLUSION: PURPOSEFUL LEADERSHIP, A MAJOR FACTOR IN AN ENVISAGED AFRICAN ECONOMIC DEVELOPMENT

At the beginning of this paper, we made an overview of the concept of economic development; we concluded that it involves not merely economic changes, but also social and institutional changes that lead to new set of values and new concepts of society and governance. Based on the above views of economic development, we drew the conclusion in our analysis in the second section of this paper that sub-Saharan Africa remained underdeveloped till date. Given the statistical data on economic development, and with the U.N World Development Summit held at Copenhagen in 1995, which declaration specified: full employment, equality between the sexes, universal access to education, and healthcare as basic priorities; Africa has a lot of work to do if the continent is to attain the desired economic development before the end of the twenty-first Century.

The challenges ahead are enormous, but achievable, given our analysis on prospects of African economic development. Consequently, this paper concludes that the major panacea to Africa’s economic underdevelopment lies with its political leaders- who will have moral and political will, and the commitment to serve the people and propel the desired economic development. Given the prospects highlighted earlier, it is only 'purposeful lenders' that can successfully implement the measures to the benefits of African states. Thus, sub-Saharan African countries need purposeful/proactive leaders who will be selfless and put into effective use the abundant natural and human resources for the desired economic development.

As in the celebrated success of the East Asian economies during the last quarter of the twentieth century, most of the countries have had governments that have always been under much greater influence of the workers’ interests than have governments in Africa and other developing regions. The consequence of this influence is greater investment in the population as a whole, particularly in education, leading to higher productivity and greater ability to absorb new technologies, and ultimately better economic performance. Against this backdrop, future and envisaged purposeful leaders of sub-Saharan Africa in the twenty-first Century will be at advantageous position. Apart from emulating the East Asian example, and the emerging new economic blocs like BRICS, they should also harness the gains from "Globalization" and properly utilize the abundant resources in Africa to achieve the desired economic development.

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