Africa Rising: What does it Mean for African Citizens?

RUMBIDZAI FAITH MASAWI

Abstract: The past decade has seen African economies registering headline Gross Domestic Product growth rate. Will GDP growth lift Africa’s bottom pyramid populace which is a majority of its citizens? Even more, will GDP growth effectively contain the risks imposed by climate change? The paper observes that too many of Africa’s citizens remain ensnared in poverty despite the du jour GDP growth. African countries are also the most vulnerable to climate risk in terms of adaptation and disaster preparedness. The article argues that Africa’s growth remains fleeting and fragile as long as the continent endures adverse assimilation in global trade, finance, and multilateral systems. Relatedly, possible revenue from Africa’s vast natural resources is lost to various forms of tax evasion and corruption within the extractive industry. The status quo holds mainly because African ruling and managerial elites have partnered capital.

Understanding the African Growth Conundrum

Africa is in the limelight. The continent has witnessed impressive Gross Domestic Product (GDP) growth rate in the past decade and the trend is anticipated to continue as evident in Figure 1. The year 2012 saw Angola, Niger and Sierra Leone overtaking China while Ghana, Mozambique and Zambia outpaced India in GDP growth (APP 2013). Resultantly, 27 African countries have attained middle income status and as many as 40 are projected to attain the same by 2025 (EYAS 2013). According to Ferreira (2014), Sub-Saharan Africa (SSA) was the world’s third fastest growing region in 2013–14 with a stable GDP of 4.6 per cent per annum. Further, the GDP growth rate of SSA is projected to increase from 4.9 per cent to 5.5 per cent in 2014–15 (WEO 2014) with economic activity expanding by more than 5 per cent in each of the past three years (WEFS-WEO 2012). Even in the midst of the global recession, SSA’s economy has remained robust with output growing on average at a rate of 5.1 per cent in 2012, 5.4 per cent in 2013 and 5.7 per cent in 2014 (WEFS-REO 2013). It is notable that RBSC (2012) ranks South Africa, Rwanda and Botswana ahead of the Czech Republic, Poland, Spain, and Turkey in ease of doing business while Nigeria is in league with India.

1 Research Fellow, The Energy and Resources Institute, New Delhi.
Email: rumbidzai.masawi@teri.res.in.
and Brazil. In sync, AEO (2013) projected growth by 4.8 per cent in 2013, to accelerate to 5.3 per cent in 2014. Evidently, Africa’s economic performance is reaching a crescendo with daring statements that projects Africa as out-competing the developed world. According to RBSC (2012), “Kenyan banks saw profitability levels between 21 per cent and 38 per cent of return on equity levels that banks in Europe, US or Japan could only dream of.” RBSC further notes that Sub-Saharan Africa has half of the world’s 10 fastest growing countries, with economic output set to double and per capita income to grow by 50 per cent within the next 12 years.

Figure 1: Africa’s 20 fastest-growing economies (Average Annual Growth 2008–13) and other major developing economies

![Graph showing average annual growth (%)](http://www.imf.org/external/pubs/ft/weo/2014/01/weodata/index.aspx)

Media houses, private capital, emerging economies and multi-lateral finance institutions are projecting Africa as the future hub of foreign capital and investment. Pertinent questions, however, arise in the midst of Africa’s growth story. What does GDP growth mean to the ordinary African citizen? Will GDP growth address the endemic lack in basic social services, infrastructure, and skilled workforce? Will GDP growth create productive employment and decent work for Africa’s youthful population? This article argues that GDP growth rate is an insufficient measure of progress as long as growth benefits are not realized by Africa’s poor.

The GDP growth is superficial as long as manufacturing remains Africa’s most underdeveloped section with the continent providing just 1 per cent of the global...
industrial output (RBSC 2012). Similarly, the GDP growth rate is flawed when African countries occupy the bottom places in terms of adaptation and disaster preparedness to climate change. Indeed, GDP growth rate remains futile as long as the continent’s natural resource wealth does not translate into real development outcomes. Africa’s natural resource-based economic growth is yet to translate into employment opportunities and poverty reduction despite the continent accounting for about 15 per cent of the world’s oil reserves, 40 per cent of its gold, 80 per cent of its platinum metals and wide-ranging solid mineral base, 23 per cent of the total world land area, 7 per cent of forests and 4 per cent of inland water (AFDBG 2015). Similarly, in a foreword to the 12th Edition of the Africa Progress Report, Kofi Annan rightly poses a pertinent question, “Will we invest our natural resource revenue in people, generating jobs, and opportunities for millions in present and future generations? Or will we squander this opportunity, allowing jobless growth and inequality to take root?” According to Annan, Africa’s decade of highly impressive growth has not brought comparable improvements in health, education and nutrition. In a similar vein, UNDP (2014) advised that 40 per cent of workers in Sub-Saharan Africa still live in households earning less than USD 1.25 per person and progress in countries, such as Ghana, Tanzania, and Zambia has been held back by disparities in human development linked to poverty, the rural–urban divide and other markers of disadvantage (APP 2013). Paradoxically, the 20 fastest growing economies in Africa occupy the bottom places in the Human Development index (HDI) (Table 1); this anomaly renders GDP growth an ineffective measure of progress and development for Africa.

Table 1: Africa’s 20 fastest-growing economies very low on HDI rank

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<thead>
<tr>
<th>No.</th>
<th>Country</th>
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<tbody>
<tr>
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<td>Sierra Leone</td>
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<td>Tanzania</td>
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<td>10</td>
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<td>11</td>
<td>DRC</td>
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<td>Angola</td>
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<td>Malawi</td>
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<td>15</td>
<td>Republic of Congo</td>
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<td>16</td>
<td>Uganda</td>
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<td>17</td>
<td>Sao Tome and Principe</td>
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<td>18</td>
<td>Lesotho</td>
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<td>19</td>
<td>The Gambia</td>
<td>172</td>
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<td>20</td>
<td>Chad</td>
<td>184</td>
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Source: UNDP (2014)
It is also imperative to point out that any attempts to view Africa’s current GDP growth through the same lens that we use for the developed world is misguided, taking into cognisance that developed countries have already attained the vital threshold in terms of human development and basic social service delivery. In contrast, in the middle of high GDP growth rate, many Africans remain trapped in poverty and are yet to benefit from the continent’s headline growth. According to AEO (2013), there was slow progress in HDI, a widening income inequality, deteriorating education and health indicators in the midst of the African growth story. In agreement, APP (2014) revealed that three-quarters of African adults do not hold an account at a formal financial institution despite a decade of growth that saw African banks registering some of the world’s highest profit margins, with returns on equity of 20 to 30 per cent.

Instead of investing in people as indicators of real economy, African banks prefer to build profits on a lucrative trade in treasury bills (APP 2014). As AP (2013) pointed out, even though projections for SSA remain strong, growth is vulnerable to sharp decline in commodity prices and progress on reducing poverty is hindered by high inequality. In the same vein, Arbache et al. (2008) observed that the blueprint for success in Sub-Saharan Africa is yet to be secured, and even though there is acceleration of growth, its sustainability is fragile. African Development Bank (AfDB) (2011) rightly warned that “unless the continent’s leaders can find a way to promote inclusive growth, growth itself may become a source of instability.” This is a crucial pointer; Africa’s growth is insidious as it breeds stark inequality. The gap between the rich and poor widens, which partly explains cases of civil unrest in North Africa as well as terrorism in Nigeria.

Meanwhile, drivers of the African growth story orbit around and are overly dependent on rising commodity prices, increased investment in the extractive industry, improved macro-economic policy and diversification and expansion in the agriculture sector. This is evidenced by a slump in current growth with falling oil prices. AP (2015) brings this to light when he warns that Africa’s growth will slow down in 2015 because of falling commodity prices and weakening terms of trade. The Economist also ascribes growth to huge pick-up in investment “as African governments work hard to make life better for investors.” AEO (2013) mentioned expected agricultural expansion, healthy growth in services, rise in oil production and increased mining activities in resource-rich countries. APP (2013) on the other hand, explained Africa’s growth in terms of underlying market conditions and majorly mining investments which increased more than four-fold between 2000 and 2010, reaching almost USD 80 billion annually, and the value of world metals production, rising at twice the rate of global GDP. Likewise, Baldauf (2012) attributed Africa’s growth “to African natural resources being dug up, chopped down, or pumped out and sold to global consumers who still have cash, mainly China, India, Brazil, and Russia as well as a rising elite African middle class consumption.”
In spite of the gaping evidence, there is still a recurring thought that Africa’s rise is beyond commodity prices and increased investment in the extractive industry. On the same, Baldauf observed that a number of African countries have improved in terms of managing their own fiscal affairs. He picks out Kenya, South Africa, and Rwanda as having diversified their economies into technology and services, so that they are not so dependent on commodity prices for their economic future. According to APP (2014), Africa’s growth has been helped not only by booming commodity prices but also by improvements in macro-economic policy. It is GDPN (2014) who gave a very clear picture when he argued that Africa’s overhyped growth is fuelled by exploitation of oil and gas reserves, investment in the telecommunications industry, and infrastructural development with most profits going to investors, shareholders, and government officials. In sync, HDR (2014) justifiably described Africa’s growth as fragile for it is anchored in commodity prices.

The African growth oxymoron is old. As early as 1970, the President of The World Bank, Robert McNamara, had acknowledged that the “attainment of high rates of growth of GNP in low-income countries left infant mortality high, life expectancy low, illiteracy widespread, unemployment endemic, and growing and the distribution of income and wealth severely skewed.” In confirmation, BDI (2015) argued that even though economic growth, stimulated largely by oil revenues, dithered between 3.5 per cent and 8 per cent of GDP over the last decade in the Republic of the Congo, the country is ranked 140th out of 187 countries on HDI and around one in two Congolese continue to live below the poverty line. Similarly, South Africa has an unemployment rate of 40 per cent despite being the strongest economy within the Southern African Development Community (SADC). Likewise, 70 per cent of Angolan’s population lives on USD 2 per day and one in four children die before their fifth birthday despite Angola having earned more than USD 30 billion in 2008 from its oil exports (Weinstein 2008).

What is the reason behind Africa’s growth paradox? Africa’s economic performance is concentrated in extractive and service sectors which are capital intensive and uses little labour, thus selectively delivering benefits to particular population groups and geographical areas, which in turn results in wide regional disparities. Further, poor infrastructure eliminates rural areas from benefitting from growth in the urban centres (AfDB 2011). Africa’s robust growth continues to be ineffective in reducing poverty because growth is taking place elsewhere whilst most Africa’s poor work in agriculture (Ferreira 2014). Its growth is fragile because real economic transformation is yet to be established. Africa’s vulnerability lies in the fact that recent growth has been spurred by economic activity in climate sensitive sectors, including “agriculture and fisheries, sectors which are affected by rising temperatures, rising sea level, and erratic rainfall” (IPCC 2014).

The irony of the African growth story brings to light literature which has long questioned GDP as a unit of measure for a country’s progress. The dissatisfaction
with GDP as a measure of growth and development continues. For instance, UN-GSDR (2014) reported that in 2012 alone, more than 40,000 authors published some 150,000 articles on sustainable development. Likewise, the United Nations Open Working Group on Sustainable Development Goals of the General Assembly established that people are at the centre of sustainable development. Consequently, the Open Working Group committed to strive for a world that is just, equitable and inclusive, as well as promote sustained and inclusive economic growth, social development and environmental protection (UN-OWG 2014). In addition, the 66th Session of the United Nations General Assembly (2012) endorsed the outcome document of the United Nations Conference on Sustainable Development titled ‘The Future We Want.’ The third common vision for the outcome document “is mainstreaming sustainable development at all levels, recognizing interlinkages and realizing all its dimensions”(UNCSD 2012).

GDP has been found defective in that it hides more than it reveals. It only measures market output without taking into account the economic costs of social and environmental impoverishment (Ian 2014). According to Shiva (2013), GDP “measures the conversion of nature into cash, and commons into commodities. Thus nature’s amazing cycles of renewal of water and nutrients are defined into nonproduction. The peasants of the world, who provide 72 per cent of the food, do not produce; women who farm or do most of the housework do not fit this paradigm of growth either. A living forest does not contribute to growth, but when trees are cut down and sold as timber, we have growth. Healthy societies and communities do not contribute to growth, but disease creates growth through, for example, the sale of patented medicine. Water available as a commons shared freely and protected by all provides for all. However, it does not create growth. But when Coca-Cola sets up a plant, mines the water and fills plastic bottles with it, the economy grows. But this growth is based on creating poverty — both for nature and local communities.”

Correspondingly, Costanza et al. (2014) explained how increased crime rates do not raise living standards but can lift GDP by raising expenditures on security. He cites the Deep-water Horizon oil spill in 2010 and Hurricane Sandy in 2012, where both events boosted US GDP because they stimulated rebuilding. In the same vein, The World Bank in “Where is the Wealth of Nations?” calculates that Gabon’s citizens lost USD 2,241 each in 2000, as oil companies rapidly depleted the country’s tangible wealth. Further calculations reveal losses in the following countries: the Republic of the Congo (–USD 727), Nigeria (–USD 210), Cameroon (–USD152), Mauritania (–USD 147) and Cote d’Ivoire (–USD 100) (WB 2005). Relatedly, a High Level Panel of Eminent Person’s Forum (2014) on the post-2015 Development Agenda called for sustainable development to be the core within international community dialogue. Despite the call, countries are yet to integrate social, economic, and environmental dimensions of sustainability into a growth matrix. This has remained just an aspiration for the past 20 years leading to alarming levels of environmental degradation and climate change (HLPF 2014).
It is also a gaping aberration that Africa’s headline GDP growth is silent on the impact of climate change on the continent. There is a rising body of evidence pointing to the uneven negative impact that climate change will have on the poorest countries who are ironically the least contributors to climate change (CCMDG 2012). Evidence shows that climate change has increased incidence of malaria in East Africa, driven changes in South African farmers, impacted production of wheat and maize in parts of Africa, lowered productivity of fisheries in the Great lakes and Lake Kariba as well as fruit bearing trees in the Sahel. As a result, Africa will grapple with food security, livelihoods, health, and well-being in the face of climate change for the remaining part of this century (IPCC 2014; ODI & CDKN 2014).

In the meantime, the first Africa Adaptation Gap Report (2013) commit Africa to adaptation costs of USD 7–15 billion per year by 2020 from past global emissions for which costs could rise to USD 50 billion per year by 2050 if the world does not move from the current path which is heading towards 4 °C of warming. Regardless of future emissions, the world is already committed to further warming mainly due to past emissions and inertia in the climate system (ODI & CDKN 2014). Moreover, AAGTR (2015) warns that a warming of 2 °C will put over 50 per cent of the African continent’s population at risk of undernourishment “yet right now we are heading to 4 °C of warming”. Even more, the climate change challenge surpasses the capacity of the continent to respond to anticipated damages and impacts through domestic resources even if “the base to rise additional funding is raised” (ibid.). Overall, adaptive capacity is low in Africa because of economic, demographic, health, education, infrastructure, governance, and natural factors (Vincent 2007, Ludi et al. 2012).

In a major complication, the climate change challenge comes when SSA still grapples with provision of basic services to its general population. Portable water, sanitation, shelter, electricity, education, jobs, and health facilities remain inaccessible to most African citizens. According to UNDP (2010), the nexus between climate change and the first Millennium Development Goal (MDG) establishes that climate change is inextricably linked to poverty and hunger for it threatens food security and livelihoods. Vulnerability is exacerbated by limited adaptation strategies especially amongst the poor (UNDP 2010). Meanwhile “climate change impacts are projected to slow down economic growth, make poverty reduction more difficult, further erode food security, and prolong existing and create new poverty traps”(IPCC 2014). Compounding Africa’s problems is lack of skilled expertise and technologies to confront climate risk. According to Schaeffer et al. (2014), arrangements in addressing challenges of climate change fall short due to lack of scientific, technical, and technological capacity as well as funding and insurance schemes.

Africa’s ill preparedness to climate risk is unnerving. The ND-GAIN index ranks 178 countries both by vulnerability and readiness to adapt to climate change. The index shows countries’ level of preparedness to climate change induced risks.
The results (Table 2) reveal that the most vulnerable and least prepared countries are in Africa (ND-GAIN 2014).

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<tr>
<th>Rank</th>
<th>Country</th>
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Source: ND-GAIN Index, Vulnerability and Readiness. Available at http://index.gain.org/ranking

The preceding discussion firmly establishes that Africa’s headline growth is non-transformational. The majority of African citizens remain stuck in poverty as governments fail to deliver on basic services. This prods the questioning of GDP growth as a sufficient measure of Africa’s progress. There is an urgent need for sustainable development as a holistic measure which recognizes society, economy and environment considering that Africa’s growth mantra overlooks the threat posed by climate change for which the continent is most vulnerable. Much more needs to be done to reassure the general African public that waits to benefit from headline growth, which is yet to permeate to the bottom of the pyramid. The succeeding section delves into a deeper examination of why the continent is trapped in endemic lack despite growth potential and opportunities.

Explaining Superficial Growth

Dating back to colonialism, Africa has been structurally disadvantaged in the global economic system. This systemic inequality still endures. Human development reports after 25 years of international development intervention acknowledge “structural vulnerability” (HDR 2014) and use the same in their vocabulary. In view of that, AfDB (2013) recognized ‘structural’ lacunae in the fact that many African economies rely on raw materials with limited diversification of their productive structures. Similarly, Fioramonti (2013) fundamentally argued that Africa’s economic outlook may look bright in GDP terms, but this conceals ‘structural deficiencies’ and deep imbalances.

Africa exports about USD 6 billion worth of coffee; value addition takes place only in foreign lands to be resold for USD 100 billion. Nigeria exports crude oil and at great cost, imports petroleum. Drawing a comparison between South Africa
and Italy, the latter makes more from exporting jewellery than South Africa does from exporting gold (Elebute 2014). According to RBSC (2012), manufacturing remains Africa’s most underdeveloped section with the continent providing just 1 per cent of global industrial output. In addition, as African economies are heavily dependent on exports, mainly commodities and raw materials, high international commodity prices inflate growth statistics. Thus, African economies remain vulnerable to price fluctuations. Adversely, as commodity prices increase, policymakers and businesses have little incentive to embark on serious industrial redesign (Fioramonti 2013). It is therefore evident that as long as Africa remains an exporter of primary goods and an importer of processed products, its growth, no matter how incredible, will remain a farce.

The entrenched history of Africa’s disadvantaged position in the global economic system date back to the 15th century, where SSA’s developmental paradigm has been “defined by its enforced place in the international economic (capitalist) division of labour to produce and export raw materials and primary commodities in line with its perceived comparative advantages. Meanwhile value adding by way of processing, manufacturing, packaging, branding has been the preserve of developed, industrialized countries” (Ong’wena and Pambazuku 2004). In reality, nothing summarizes the African enigma more than the story on mobile phones. Sub-Saharan Africa has more cell phones than North America and Europe combined. However, none of the thousands of the components of those cell phones are made in Africa. Correspondingly, Ian (2014) argued that there is little added value for African producers; reality is glossed over by the ‘Africa rising’ mantra, which focuses on growth whilst “African economies remain integrated in the global economy in ways that are generally unfavourable to the continent and ensure structural dependence”.

According to McKinley (2011), the global spread and dominance of neo-liberalism has further entrenched this systemic arrangement, predominately through the institutional vehicles of the International Monetary Fund (IMF), The World Bank (WB) and the World Trade Organization (WTO). In sync, Sharma (2005) disclosed how WTO structurally underdevelops the South. Between 1995 and 2004, Europe alone has been able to increase its agricultural exports by 26 per cent, much of it because of the massive domestic subsidies it provides. Sharma revealed that each percentage increase in exports bring in a financial gain of USD 3 billion. Meanwhile, the Third World, in the first 10 years of WTO, has turned into food importers. In validation, the APP (2014) reported that African countries spent USD 35 billion on food imports in 2011. As a result, recent discussions within development cooperations are seeking redress. UN-OWG (2014) called for correction and prevention of trade restrictions and distortions in world agricultural markets including the elimination of all forms of agricultural export subsidies. Relatedly, Fanon (1963) observed financial imbalances, “unequal exchange” in trade including the rising African trade deficit with South Africa as another route for the extraction of super profits from Africa. Fanon makes a crucial
observation. South Africa has become a hegemony and thus, a spring board for foreign capital expanding into the regional economic groupings meant to promote African intra-trade. The African Union and its institutions are yet to address this imbalance.

For decades, development cooperation have offered various solutions to Africa’s poverty with little success. Sharma (2005) rightly posed a crucial question on “whether self-reliant development strategies which were the necessary condition for most industrialization in the past can be applied if low-income exporting countries remain mired in the commodity trap. In line with that view, ATN (2009) revealed that continued dependence of African countries on the export of a narrow basket of primary commodities, and on the import of manufactured goods, “is a reflection of a very weak domestic industrial sector, shallow national and fragmented regional markets and financial systems, services and infrastructure geared chiefly to external trade and the needs and circuits of international capital.” Likewise, Sharma (2005) accurately observed that “these structural vulnerabilities have been exacerbated by decades of consistent application of neo-liberal policies of indiscriminate trade and investment liberalization, deregulation, and the dismantling of the public sector in Africa.” It is implausible that the African region will be developed by capitalism, especially where take off into manufacturing for internal consumption is blocked by an inability to compete with imports (Saul and Leys 1999).

The African conundrum is best explained in terms of the pure theory of trade which is an expansion of Ricardo’s comparative advantage. The theory of free trade which is embedded in the African Union (AU), African Economic Commission (AEC) and Regional Economic Communities (RECs) assert that competition is perfect and public interest is best served through private economic activity. The entire theoretical construct assumes that historically entrenched and sustained structural inequality will, through the practice of ‘free trade’ eventually lead to structured equality and free trade. Resultantly, the practical implementation of Free Trade Areas (FTAs) under the existing conditions of global and regional capitalist ownership, production and distribution, entrenches economic inequality, and catalyses social marginalization (Constantini 1999). It is therefore clear that there are features deliberately structured into economic interrelationships within the advanced capitalist world and between the North and South with the central one “being formation of a transnational neoliberal managerial elite and compliant African politicians” (Bond 2006).

Correspondingly, Melamed (2005) drew a close correlation between trade openness and worsening poverty: “African elites have lifted protective tariffs excessively rapidly, leading to the premature deaths of infant industries and manufacturing jobs, as well as a decline in state customs revenue. As a result, trade liberalization has cost Sub-Saharan Africa USD 272 billion over the past 20 years…” In the same vein, GFI (2008) calculated African annual losses at USD 1 trillion due to crime, corruption and tax evasion, which is more than what
Africa receives in foreign direct investment and foreign aid combined. Similarly, Cockcroft (2001) estimated that in 1994, 14 per cent of the total value of exported oil “was not accounted for in national trade figures as a result of various forms of transfer pricing and smuggling.” Likewise, APP (2014) gave a conservative estimate of USD 50 billion annually that Africa loses to illicit financial outflows. To that end, Bomba (2014) indicted the developed world for the global structures and policies that enable illicit flows and for being recipients of the bulk of illicit flows from Africa.

As a survey by the United Nations Conference on Trade and Development on income shifting as part of transfer pricing reveals that developing countries with sufficient evidence to make an assessment, 61 per cent estimated that their own national Transnational Corporations (TNCs) were engaging in income shifting, and 70 per cent deemed it a significant problem. The income-shifting behaviour of foreign-based TNCs was also appraised and 84 per cent of the developing countries felt that the affiliates they hosted shifted income to their parent companies to avoid tax liabilities, and 87 per cent viewed the problem as significant (UNCTAD 1999).

Further to illicit financial outflows, Africa’s disadvantage is intricately structural and veiled even in aid and development cooperation. Bagooro (2015) appropriately calls for an analysis beyond illegality, corruption, and governance. “There is need to focus on the interplay of economic surpluses generated in Africa, the players in generation and the distribution of the surplus as well as the examination of finance, financial systems and architecture, taxation, foreign direct investment, the extractive sector, and the role of the state” (Bagooro 2015). In related circumstances, Sachs (2005) unveiled how the ‘famous’ aid into Africa is a farce. Total gross foreign aid from all donors to all developing countries in 2002 was USD 76 billion. Of that, USD 6 billion were debt relief grants, which do not correspond to any actual flow of resources.

Moreover, developing countries paid close to USD 11 billion in loan repayments to rich countries, leaving a net flow of foreign aid of USD 59 billion. The remainder was mostly emergency assistance and technical cooperation with major payments going to “expensive foreign consultants rather than local experts” (Sachs 2005). In comparison, Boyce and Ndikumana (2012) indicated that by 2010, the total stock of external debt outstanding for the continent stood at USD 297 billion and its annual debt service bill was USD 22 billion. Similarly, the World Bank (2002) revealed that Africa repays more than it receives. Whereas in 1980 in Africa, loan inflows of USD 9.6 billion were higher than the debt repayment outflow of USD 3.2 billion, however, by the year 2000, only USD 3.2 billion flowed in, and USD 9.8 billion was repaid. Concerns has also been against debts accrued by ruling elites without the consent or benefit to the people as ‘odious’ debts under international law (Boyce and Ndikumana 2012).

Underhanded aid activity is also explained by Alesina and Dollar (1998) when they showed considerable evidence that those patterns of aid allocation by bilateral donors were far more robustly dictated by the political and strategic
interests of the donors. Correspondingly, a research on the European Union (EU) disclosed that the ‘aid for trade’ programme was really about further pushing developing countries to promote trade liberalization. EU aid includes “support for the implementation of existing and future WTO agreements and support for policy reforms and investments necessary to enhance economic efficiency and to ensure greater participation in the world economy” (Curtis 2005). Resultantly, Africa remains trapped in structural dependence. Even more, brain drain ensures when skilled African labour migrates to the developed world in search of better opportunities. There has been justification that Africans in the diaspora invest back home through remittance but even those resources, mainly meant for subsistence to the poor, are not spared. According to APP (2014), remittance charges are unethically expensive, remitting USD 1,000 to Africa costs USD 124 compared with a global average of USD 78 and USD 65 for South Asia. UN-OWG (2014) has raised the same issue in sustainable development goal 10.c suggesting for a reduction of less than 3 per cent the transaction cost of migrant remittances by 2030 and doing away with remittance corridors with costs high than 5 per cent.

**Discussion**

It is increasingly being established that it is the resilient and sustainable smallholder farmer who holds the key to global food security. Small holder agriculture is too vital to employment, human welfare and political stability in SSA to be regarded as “just another small adjusting sector of the market economy” (Delgado 1999). Several case studies in Africa prove that smallholder farmers are the answer to global food security and governments should treat them as entrepreneurs and invest in “clear linkages along value chains from production to processing, marketing and consumption” (Nwaze, 2011). A study of small holder agriculture covering 286 projects, 37 million hectares in 57 developing countries discovered that when sustainable agriculture was adopted, average crop yields increased by 79 per cent (FAO 2012).

Africa’s headline GDP growth is fleeting. Thus, the conventional reading of GDP as a sufficient measure of Africa’s progress remains questionable. There are deep-rooted complex structural deficiencies beyond GDP. These include the continent’s unfavourable integration in the global economy, economic performance based on extractive industry and primary commodities, terms of trade, weak domestic industrial sector, neo-liberal policies, illicit financial outflows, climate change and elite capture. To that effect, too many Africans are still stuck in paucity despite impressive GDP growth. The continent’s leadership is yet to address endemic poverty and dearth in basic service delivery. Even more, Africa’s headline growth overlooks climate change risk where the continent is most vulnerable in terms of adaptation and disaster preparedness. Consequently, GDP is a flawed assessment of progress, for it overlooks society and environment in pursuit of economic growth.
Africa’s decade of growth has been largely attributed to rising commodity prices. Thus the continent remains vulnerable to the market and price fluctuations. The fundamental reason why Africa remains trapped in non-progress is its unfavourable integration in the global economy where it remains an exporter of raw materials and an importer of processed products. The continent also suffers huge financial outflows due to opaque deals and tax evasions by multinational companies and organizations.

Further crippling Africa is a huge debt burden most times acquired to serve elite interests while aid from the developed world remains a vehicle to extend vested interest. Brain drain through the immigration of skilled African workforce perpetuates stagnation in development. Africa remains ensnared because of a deliberate calculation by the neo-liberal agenda. The complex systemic architecture disadvantaging Africa remains entrenched because the continent’s ruling and managerial elites have partnered capital — elite capture.

Agriculture remains the “achilles heel of Africa’s development success story”. As the global discourse increasingly recognizes traditional knowledge in farming methods, biodiversity, organic practices, traditional seed varieties and livestock, it is time to unleash the smallholder farmer and in the process, foster inclusive growth and sustainable development. Against this background, the article concludes that the onus is not only on African civil society and the middle class, but also on the general population to demand service delivery, democratic governance and inclusive decision-making from leadership. It is the general African population that can rewrite the African story through the power of their voter choice for leadership. The leadership will need to concentrate on smallholder/rural/family farming where the majority of Africans — more than 70 per cent — are stuck.

REFERENCES


