

## **Foreword and General Introduction**

Volume 14 of the African Development Perspectives Yearbook continues the discussion that took place in volume 13 and in other recent volumes of the African Development Perspectives Yearbook on ways to revitalise African economies. This is done by focussing on new growth and poverty alleviation strategies for sustainable African economic development in the era of globalisation. Volume 13 of the Yearbook on new growth and poverty alleviation strategies has presented major analyses of international and regional aspects and perspectives in this context. The dependence of the majority of African countries on raw materials exports, the phenomenon of the natural resource curse of these countries, the obvious limitations to diversify production and exports towards manufactured goods and services, and the poor prospects for escaping the primary commodities dilemma in Africa were the issues that are dealt with in the Volumes 11 and 12 of the Yearbook.

In this Volume 14 and in the previous volume 13 of the Yearbook the focus is on new growth and poverty alleviation strategies for Africa, and the central issues that are highlighted in this volume 14 relate to institutional and local issues and perspectives, again covered in three units of the volume. The issues of growth and poverty alleviation are again considered in this volume as two sides of the development process in Africa. Africa has - after decades of economic stagnation - experienced some acceleration of growth in recent years, but growth is neither sustainable nor equitable in most of Africa. Therefore the discussions on pro-poor growth, on shared growth, and on equitable growth have intensified in recent years and centre mainly on African countries because of the high level of poverty in Africa. The national, sub-regional and local results of this renewed growth process in Africa are however quite different; the same is true with regard to the benefits of this growth for the population in terms of income distribution, human development, employment, and poverty alleviation. The growth process in Africa is therefore considered as neither stable nor balanced and equitable.

The growth process has however to be analysed in detail as growth still is the most powerful mechanism to alleviate poverty. The structure and the pattern of growth are important for the outcome in terms of the benefits for the population. This Volume 14 and the previous volume 13 are therefore analysing the specifics and modalities of the African growth process as well as the outcomes and impacts of the growth process in terms of human development. However, we know that generalisations do not make sense without detailed comparative case studies, and there-

fore we review and analyse in both of these volumes country cases, local cases and sub-regional cases from various regions of Africa. While in volume 13 the country cases of Cameroon, Mozambique and South Africa were considered in great detail, in this volume 14 many other case studies are covered (Cote d'Ivoire, Nigeria, Botswana, Tanzania, Sudan, Niger, Kenya, Ghana, and Eritrea). These case studies are of great interest as countries in various geographical regions of Africa, countries in different climatic zones, and countries with quite different reform policies, political regimes, socio-economic constellations and resource endowments are covered.

The discussion in volumes 13 and 14 centres also on actions to be taken at local, sub-regional, national, regional and international levels to move to a more sustainable path of growth and human development. In this volume 14 institutions are considered as important determinants of new growth and poverty alleviation strategies. Institutional development is key for sustainable growth and key for effective poverty alleviation programmes. In both volumes key strategic factors are covered. Public and private sector strategies to stimulate growth and to eradicate poverty are discussed, as well as the major factors that impede internally and externally the path towards a more sustainable growth.

National, regional and international policies that affect growth, poverty, income distribution, and human development are analysed in great detail in volume 13. The Millennium Development Goals (MDGs) are taken as the yardstick to measure the progress in Africa in the context of renewed growth. However, also the limits of the MDGs - as a frame for assessing African human development - are analysed, and the MDGs are contrasted with other instruments of policy relevance for Africa such as the New Partnership for Africa's Development (NEPAD) and the Poverty Reduction Strategy Papers (PRSPs).

Main orientation for all the contributions in volumes 13 and 14 is it to reveal the international, regional, national, sub-regional and local measures practised today and the extent of policy and institutional changes that are needed in the coming years to reach sustainable growth and effective poverty alleviation in African countries. The contributions highlight cases of new growth and poverty alleviation strategies for African countries that may lead to lessons to be learned by other countries. Most important is the deep analysis of the African growth processes - by growth factors, by technological accumulation and capability, by the development of productive capacities, and how these processes can be shaped in a way to benefit also the poor producers and the poor households in the rural, remote and neglected areas.

Of great importance in the previous volume 13 is the analysis of the policy formation process in the context of the MDGs, the NEPAD, and the PRSPs, while the focus in this volume 14 is on the internal policy formation process in the context of institutional development. It is obvious that institutions are even more important in our times of globalization. Institutions also matter as "filters" and as "absorbers"

when globalization effects change the national, the sub-regional and the local patterns of winners and losers. This is demonstrated in Unit 1 of volume 14 in various case studies for countries such as Ivory Coast, Nigeria, Sudan, Niger, Botswana and Tanzania. These case studies show that institutions are the “deep determinants” of growth and of social inclusion or exclusion. Growth can be inclusive but can also be exclusive, and the country cases reveal that different outcomes are possible – depending on forms, mechanisms and degrees of institutional development.

The case of South Africa is considered in great detail in volume 13 - highlighting the regional differences, the key factors, the forms of poverty, the strategies and the policies pursued. The situation of sub-regions of the Republic of South Africa is considered in detail and by including various facets of growth and human development. This focus was considered as necessary, as South Africa is considered as the economic powerhouse in the region of Southern Africa and is as well of importance for the whole of Africa. In volume 14 – and especially in Unit 2 – the discussion on regional perspectives is continued and the focus is specifically on the local and sub-regional aspects and perspectives of new growth and poverty alleviation strategies in Africa. It is looked at the rural-urban resource flows, exchanges and interactions, at the regional economic and social disparities within countries, at the local health, growth and poverty interactions, at the local impacts of the global value chains on the small agricultural producers and the traders, at the local perceptions of poverty alleviation programmes and their outcomes, and at the local impacts of microfinance programs on growth and poverty alleviation. This is done by focussing on sub-regions in countries such as Tanzania, Nigeria, Eritrea and Ghana.

While Volume 13 of the African Development Perspectives Yearbook is focusing on international and regional dimensions of the new growth and poverty alleviation strategies, this volume 14 of the African Development Perspectives Yearbook highlights firstly, institutional and policy formation issues in the context of new growth and poverty alleviation strategies, and secondly, conditions and experiences of sub-regional and local economic growth, employment, human development and poverty alleviation strategies. New growth and poverty alleviation strategies and policies for Africa are in these two complementary Volumes 13 and 14 of the African Development Perspectives Yearbook therefore studied by cases, functions, factors, forms, institutions, policies and strategies, and with regard to all relevant levels and dimensions of action, from the international level to the local level.

To study all the relevant aspects in detail, the Research Group on African Development Perspectives in Bremen has invited - by the way of an International Call for Papers - leading African and international researchers, development practitioners, experts from international research centres and international organisations, and also representatives from non-governmental organisations and from the donor community to contribute to these two volumes of the Yearbook. The response to this Call for Papers was great, and an International Research Workshop was convened in

Bremen at the end of the year 2007 to discuss the first drafts of the submitted papers. The International Workshop where the papers were presented was an important event as so many high quality papers were presented. The International Call for Papers brought forward a great number of focussed papers. The papers were then reviewed by the international editing team from the Research Group on African Development Perspectives Bremen, and the accepted papers were then further improved for presentation at the International Workshop in Bremen. The authors and other invited contributors have discussed at the workshop all these papers in great detail, and have then finalized the papers for the two volumes of the Yearbook. The contributors have produced very important analyses, case studies and reviews of the state of the debate on growth and poverty alleviation in Africa – enough material for the two volumes of the Yearbook that were envisaged for this important topic. More than this, guidelines for policy action and for the design of respective programmes in Africa were derived from the thematic analyses, the comparative studies, and from the country cases.

This Volume 14 of the *African Development Perspectives Yearbook* is also – as the other editions in the past - a joint effort by the editors, the co-editors and by so many contributors who have presented analytical essays, country studies, comparative analyses, and informative reports on the current situation, on structural adaptations and on policy changes that are needed for Africa to make progress. The various issues of the overall theme are considered in this Volume 14 in various thematic Units, by referring to mechanisms of institutional development, to important policy areas, and to processes of policy formation, but also by referring to all relevant action levels, such as decision-making at international levels, at the level of regional communities and national economies, and at the level of sub-regional entities, local communities, and with regard to the civil society and the social groups. This is followed by the step of deducing guidelines for future action so as to improve the growth and poverty alleviation strategies for Africa. All this will be of help to understand better the African development perspectives.

*Volume 14 of the Yearbook comprises three Units.*

**Unit 1** of Volume 14 with the theme *New Growth and Poverty Alleviation Strategies for Africa – Institutional Aspects* presents papers that aim to answer the following major questions: What are the institutional determinants of the new growth and poverty alleviation strategies pursued in Africa when country cases are reviewed? How can institutions be reshaped so that growth and poverty alleviation can be enhanced in Africa? What strategic orientations and policy guidelines follow from the analysis of African growth processes, and to what extent is it possible to learn from the East Asian growth paths and the respective institutional determinants? Which type of institutions is needed for more equitable growth, for shared growth in Africa? What do we know about the policy formation on new growth and poverty alleviation strategies in Africa in the context of weak institutions, and what

can be the role of new initiatives such as the MDGs, the NEPAD, and the PRSPs? These questions are answered - by showing the potentials for further reforms in African countries, by informing about the missing links in the African growth-poverty-income distribution nexus, by analysing the complex African policy formation process in the context of weak institutions, and by discussing also the role of aid and external resources for new growth and poverty alleviation programmes in Africa.

It is concluded on the basis of the various country cases (Cote d'Ivoire, Nigeria, Botswana, Tanzania, Sudan, Niger, and Kenya) that employment creation is most important for the new growth and poverty alleviation strategies, and that respective institutions are needed. Country experiences also show that public investment strategies matter very much for growth and for poverty alleviation, and that the institutional foundations for comprehensive and more efficient public investments have to be created. It is also emphasized that institutions are needed to ensure that not only poverty incidence, but also the poverty gap and the depth of poverty can be reduced along with growth. It is also made clear in the analyses that country-specific strategies matter. For the country case studies we see that different packages of institutions are proposed to support new growth and poverty alleviation strategies. It is also observed that institutions have to be related to the various dimensions of poverty, not only to income poverty. Beside of further and deeper economic policy reforms institutional reforms are needed at various levels of governance. Most complex are the policy and the institutional changes with regard of qualitative growth and growth in post-conflict countries, and the respective interactions with human development and poverty reduction strategies. The country cases also show that the persistent neglect of agriculture - as a very important sector for growth and poverty alleviation - has ultimately to be overcome, and that institutional development plays an important role in this regard. Sub-regional imbalances in growth, income poverty rates and levels of living standards in all of the case countries have to be attacked more vigorously. It is also concluded that improvements of the investment climate and of the business environment are the factors that have to be emphasised much more in order to reach a more equitable growth path. To this effect the linkages between formal and informal enterprises have to be strengthened, and the gaps between the formal and the informal sectors, especially in productivity, efficiency, organisation and standards, have to be bridged by appropriate strategies.

*Unit 2* of Volume 14 of the African Development Perspectives Yearbook with the theme *New Growth and Poverty Alleviation Strategies – Local Aspects* explores in detail the cases of Tanzania, Eritrea, Ghana, and Nigeria. This is done by moving in the analysis from the national level to the sub-regional level and to the local level. Important questions are raised in this Unit 2: What is the record of the national/central and of the sub-regional and local growth and poverty alleviation strategies and policies? What can be done to generate productive employment at the

sub-regional and the local levels and to what extent is growth leading to more jobs at the sub-regional and the local levels? Are the case countries on the move to a more balanced economic policy, reconciling more macro-stability and a tendency towards reducing income and development gaps between the sub-regions? Which case countries succeeded at the level of local growth and poverty alleviation programmes, and what is the role of health, education, communication and transport infrastructure? Is it possible to integrate the small farmers and the producers at the local level into national and global value chains, and what are the benefits for them? These questions are answered by presenting country cases of urban-rural interactions and interrelations, by reviewing sector cases such as health, education and microfinance programmes in the context of local development, by analysing the local context of growth and poverty reduction policies and programmes, by showing how small farmers and poor rural producers interact in national and global value chains, and by looking at the role of participation in framing poverty alleviation and economic development programmes at the local level.

It comes out in Unit 2 that the new growth and poverty alleviation strategies have to focus much more on regional imbalances in income, living standards and infrastructure because of the still huge discrepancies that exist between the economic sub-regions of the African case countries. New growth and poverty alleviation policies have to focus much more on new policies to increase agricultural productivity, and to link economic sectors and urban and rural areas. Remote areas also need to be considered by policy action in this regard. New employment generation strategies are needed because of the persistently high level of unemployment and underemployment in the country cases, and because of the fact that an emphasis on overall economic growth is obviously not enough for sustainable employment generation. The new growth and poverty alleviation strategies for Africa have to care much more for introducing appropriate social safety nets at the sub-regional and local levels, and for planning poverty alleviation programmes with the direct participation of the local actors. As well the microfinance programmes and the health and education programmes have to be planned in cooperation with the local actors, and participation of the poor and the poorest at the local level is needed to operate poverty alleviation programmes successfully in the case countries that were analysed in this volume. So far local strategies for growth and poverty alleviation were neglected by assuming that central state actions will ultimately reach also the sub-regions, the local communities, and the municipalities. However, the deep imbalances in these countries between sub-regions, between rural and urban areas, between large and small towns, between remote and central regions, and between natural resource-rich and resource-poor regions have remained and still cause concern for stability and security.

**Unit 3** is on *Book Reviews and Book Notes*. This Unit presents reviews and book notes of the relevant literature on new growth and poverty alleviation strate-

gies. The most important books, journals, research papers and reports dealing with these issues were included in this Unit. It is interesting to see how many research institutes, research associations, regional and international organisations, and development policy institutions add to the knowledge in this field by publishing books and issues of journals, and by presenting new research reports, seminar reports and discussion papers on the various themes in the context of New Growth and Poverty Alleviation Strategies for Africa. In Unit 3 we therefore find an important collection of reviews and notes on the scientific material that gives interesting information on new research initiatives for Africa, new research projects, and new publications dealing with the New Growth and Poverty Alleviation Strategies for Africa. The material for review and for annotation is coming from a great number of international publishers, from international research institutions, and from institutions and research groups that are part of the global network that was created since 1989 by the *Research Group on African Development Perspectives* in Bremen.

The **theme** of the current **Volume 14 of the *African Development Perspectives Yearbook*** is of great importance for Africa's future, as it is now more and more pressing to make growth in Africa sustainable and equitable, and to allow for a reduction of all forms of poverty in Africa so that the Millennium Development Goals can be achieved in due time. Such a performance will also allow it to realise other goals for Africa's development – like the diversification and the stabilisation of the economy, and the improvement of economic management and governance in these countries. In order to realise these objectives, the combined efforts of African governments, of the civil society and of the private sector enterprises, of regional African and of international organisations, of international donor agencies, and of the large international community are necessary.

Also the complementary *Volume 13 of the African Development Perspectives Yearbook* with the title “*New Growth and Poverty Alleviation Strategies for Africa – International and Regional Perspectives*” informs about the trends and also presents the up to date knowledge that we have on how to revitalise and ultimately to transform African economies so that sustainable growth and poverty reduction can be achieved.

Volumes 13 and 14 address firstly, successful African cases of growth and poverty reduction at national, sub-regional and local levels; secondly, strategies and policies to make new growth and poverty reduction feasible and sustainable in Africa; and thirdly, the increasing need for coordinating much better than so far national and regional African initiatives and action plans and international strategies and policies to promote growth and poverty reduction in Africa.

With the then 14 volumes, the *African Development Perspectives Yearbook* has become an important source on Africa, and we look back to a highly successful working period of the *Research Group on African Development Perspectives* in Bremen. In the former 12 volumes of the *African Development Perspectives Year-*

*book*, the editing *Research Group on African Development Perspectives* has discussed such important themes as the human dimensions of structural adjustment; the role of agriculture for industrialisation; the role of new and sustainable energy policies; the importance of active labour and employment policies; the role of regional labour and employment strategies; the issue of good governance for African development; economic and social empowerment strategies and policies for Africa; the options and problems of Africa's reintegration into the world economy; the issue of African entrepreneurship and private sector development; the major problem of how private and public sectors can be successfully balanced in African countries; the strategies and policies to escape the primary commodities dilemma in Africa; and the most central issues of primary commodity dependence, the resource curse and the diversification efforts and options in African countries.

With these 14 volumes of the *African Development Perspectives Yearbook* that were presented over the years to an international readership in and outside Africa we have covered central issues of African development and we have also formulated and propagated innovative strategies how to cope with these relevant problems. This may help to shape in a future-oriented way the fabric of the economies and societies in Africa, by presenting timely analyses and comparisons, lessons for policy advice, and projections that are telling us what has to be achieved and what can be achieved during the next decades.

In future we will continue in our research work to focus on the necessary changes of conditions in economies and societies in Africa, the future role of African and international actors in this process, and on the perspectives of Africa and its people in the world economy and the global society, especially in the context of the global informational and technological revolution. Thus, the views and actions of the Research Group on African Development Perspectives in Bremen are inspired by and focussed on a future vision for Africa that is based on a fair global order, on principles of sound political and economic governance, on a peaceful settlement of conflicts, and on an informed African economy and society that is reflecting the demands for and the opportunities of the globally emerging knowledge society.

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