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Africa : Growth and Social Progress

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Introduction

Economic growth in much of Africa, leaving out North Africa, has been very poor. This poor performance has been the subject of intense study, particularly by the World Bank, which has been a main provider of financial assistance and of advice. Its involvement with these African countries, hereafter called Sub-Saharan Africa (SSA) and their poor performance have led the World Bank to undertake a number of major studies.² Since 34 of the 49 least developed countries identified by the UN are in sub-Saharan Africa, poor performance in Africa is indeed cause for concern.

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²See for instance, Kamarck (1967), Lele (1975), World Bank (1981, 1989), Husain and Faruquee (1994), A major study "Managing Agricultural Development in Africa" (MADIA) was undertaken by the World Bank. Some of the findings were published in Lele (1991).

In this paper we attempt to analyze African economic performance using a sources of growth model³ (Section II). But before we report on our estimation results, we give, in Section I, a brief survey of the economic structure of Africa stressing the prospects for achieving the Millennium Development Goals (MDGs). In Section III, we discuss the implications of the regression equation for future growth in Africa. In Section IV, we discuss the interaction of African countries with world economic institutions.

Section I: Economic Performance and Structure

Africa accounts for nearly 2.4 per cent of world GDP in purchasing power parity terms and 1.1 per cent in constant 1995 US\$ terms (see Tables 1a and 1b).⁴ Two countries - South Africa and Nigeria, account for almost 50 per cent of African GDP. The next largest economies account for about 4 per cent of African GDP. Africa's share of world GDP differs considerably from its share of world population. It is home to over 11 per cent of the world's population. Population is less skewedly distributed than GDP, as the most populous country, Nigeria, is home to about 20% of SSA's population, and the next 5 most populous countries, Ethiopia, Democratic Republic of Congo, South Africa, Tanzania and Kenya, account for a third of SSA's population.

³For a discussion of the sources of growth see Abramovitch (1956), Denison (1967), Barro and Sala-i-Martin (1995). For a discussion of a similar model, but for Latin America, see Agarwal and Mishra (2005).

⁴Most of the data in this section is from various issues of the following publications of the World Bank: Global Development Finance, World Development Indicators and the World Development Report.

Growth of per capita income has been negative in the long period from the late seventies to the early nineties (see Table 2). This poor performance has belied the hope of the early seventies when per capita incomes in Africa grew by 3.2 per cent a year, almost a full percentage point higher than the world growth rate of 2.4 per cent, and had raised expectations of convergence.⁵ A leading textbook (Enke, 1963) had ranked Africa's potential higher than that of East Asia because of its abundant natural resources. World Bank's chief economist, Kamarck (1967) thought that 7 African countries had the potential to grow at 7% per year or more. However, the actual poor performance since the mid-seventies has meant that the poverty ratio increased from 41.6% in 1981 to 46.8% in 1987, when it first exceeded the poverty ratio in South Asia. The poverty ratio in Africa has remained constant till 2001, at which point in time, the poverty ratio in South Asia had declined to 31%. This poor performance was largely due to the agricultural sector. Per capita food output declined from the late seventies to the early nineties (UNCTAD, 1999). Since the mid-nineties agricultural performance has slightly improved in that the decline in per capita food output has been arrested. Because of this, per capita incomes have grown in recent years though still at an abysmally low rate of less than 1 per cent a year.

African countries account for 1.4 per cent of world exports and this share has been declining. Exports from Africa have grown much more slowly than world exports, except in a few periods. For instance, exports from Africa grew at 3.5% per year between 1975 and 1979 and 3.6% per year between

⁵For a discussion of convergence see Barro and Sala-i-Martin (1992).

1985 and 1989 whereas world exports grew at 5% per year and 5.6 per cent per year respectively during these periods (see Table 3). Agricultural products constitute a much larger share of exports for African countries than for other regions. The share of agricultural exports in total exports was 23% for Africa as against 14% for South Asia, 9% for East Asia and the Pacific and 9% for the world. Share of manufactures in exports was only 35% for SSA in 2002 as against the world average of 78%. This dependence on agricultural exports explains partly the poor export performance of Africa as world trade in agricultural commodities has grown slowly.⁶ Furthermore, prices of primary products have declined relative to manufactures. The terms of trade of SSA declined at an average annual rate of 4.1% during the eighties. The terms of trade, however, stabilized in the 90s and have even improved in recent years. The loss from the decline in terms of trade was greater than the aid received by these countries.

African economies are very open, unlike the impression that many analysts have that only the East Asian economies are open (See Table 4 for share of exports in GDP). The exports to GDP ratio in Africa at about a quarter was higher than in East Asia until the nineties. But the ratio tended to stagnate in Africa whereas it grew rapidly in East Asia.⁷ Furthermore, countries in SSA are faring badly in exports of commercial services. World exports of commercial services have been growing rapidly and have doubled

⁶But the share of African countries in world exports of manufactures, which have been increasing rapidly, has also declined.

⁷The export GDP ratio for Africa rose from 24% in 1965-73 to 28%, where it has remained apart from some fluctuations. In East Asia, it rose steadily from 12 per cent in 1965-73 to 19 per cent in 1974-82 to 33% in the 1990s. See Agarwal (2005).

during the past decade. But SSA's share has declined from 1.3% in 1990 to 0.7% in 2002. Whereas in 1990, exports of commercial services from SSA were 40% greater than those from South Asia, in 2002 they were less than 40% of South Asia's exports of commercial services.

The share of industrial value added in GDP in Africa rose from about 31 per cent in 1970-74 to 35% by the turn of the century, at which it was the same as the share of industrial value added in world GDP (see Table 5). But agriculture plays a much more important role in African economies than in the world economy and its share in GDP has been relatively constant, whereas the share of agriculture in world GDP has declined sharply. Agriculture's share is currently about 18 per cent in Africa whereas it is under 4 per cent in the rest of the world (see Table 6). Correspondingly, services account for a much lower share of GDP in Africa than in the world.

We now briefly describe the structure of demand in Africa. The current share of government consumption in GDP at about 17-18% is about the same as for the world (See Table 7). The share has grown slightly faster in the African countries than in the rest of the world, but it had reached world levels by the late eighties. However, gross fixed capital formation has decreased considerably since the late seventies. The gross fixed capital formation was 25% of GDP and higher than investment share in GDP for the world. It fell to only about 17% over the last fifteen years (see Table 8).

The decline in the investment rate is mirrored by the decline in gross domestic savings rate. With a declining investment share and a stable gov-

ernment consumption share, it is implied that the share of private consumption has been rising. But this is little reason for cheer. It does not imply improving living standards. The rising share of private consumption in GDP could not compensate for the declining income in many years. Per capita consumption fell during the eighties at an annual average rate of 1.3%. With recovery of growth in the 90s, per capita consumption has been increasing at an annual average rate of 0.1%. The rising share of private consumption in GDP is perhaps to be expected given the poverty in the region and the slow growth of income, or even decline.

The imbalance between demand and supply is reflected in the higher rates of inflation many African countries have experienced over the past decades.⁸ The war torn economies such as Angola and the Democratic Republic of Congo have experienced hyper inflation. The large economies have had high annual rates of inflation during the 90s - Nigeria 27.8%, Kenya 45.6%, Tanzania 17.8%, Malawi 32.6%, South Africa 8.2% and Uganda 8.5%. The smaller economies particularly in West Africa have experienced lower inflation rates. However, the average annual rate of inflation in SSA between 1980 and 2000 was almost 10 per cent. But the balance of payments deficits, another sign of macro imbalance, were never very large, reflecting limited capacity to service debt.

SSA has been a major recipient of official development assistance. But its share of such assistance, which itself has been declining, has declined. For instance, net development assistance declined sharply from US \$61.0 billion

⁸The rate of inflation is measured by the rate of increase of the consumer price index.

in 1995 to US \$46.6 billion in 1997 before stabilizing at about US \$50 billion. SSA's share of this assistance has declined from 29% to 24%.

The African countries have been mainly dependent on International Development Association soft money to bridge the gap between exports and imports. 50 per cent of IDA credits have been granted to countries in SSA in recent years. The share of World Bank loans and IDA credits in total debt of SSA went up from 14% to 20% during the last decade. But despite the preponderance of soft credits, the debt servicing burden of multilateral debt increased from 30% of exports to 32.7% of exports during this period. Furthermore, the share of short term debt in total debt increased from 11.6% to 13.8%, whereas it decreased for all other regions in the world except East Asia. The increasing short term debt could presage future problems. Despite the soft aid, debt servicing has risen enormously and many African countries are heavily indebted and are in the programme run by the International Monetary Fund and the World Bank for heavily indebted countries.

The Heavily Indebted Poor Countries (HIPC) initiative was launched in 1996 to provide relief to countries eligible for highly concessional assistance, but who have unsustainable debt levels, if they met the conditions imposed by the World Bank and the IMF. 26 out of the 42 countries eligible for assistance received debt relief by 2004 so that the net present value of their debt has decreased by two-thirds resulting in a decline in their debt service ratio from 16.5% in 1998-99 to 10% in 2001. More countries have received debt relief on similar terms in subsequent years. However, lower prices for exports have subsequently resulted in higher debt service ratio than was originally

envisaged. Official creditors have also sometimes provided less relief than was expected. Commercial creditors have not only, sometimes, not participated but have brought legal action against the debtor countries. The ability of the initiative to returning SSA countries to a high growth path is uncertain.

In recent years, foreign direct investment and portfolio investment have been playing a greater role in many African countries. The flows have been generated mainly by privatization of publicly owned enterprises and by foreign placements by mining companies. While SSA's share in FDI to developing countries is about 5 per cent, this FDI was 2.5% of GDP in 2002, only slightly lower than in East Asia. The inflows, though not large in absolute terms by international standards, are large relative to African GDP, and are making a significant contribution to the financing of the balance of payments deficit and the government's budget deficit. About two thirds of this FDI is for the energy and transport sectors.

There have also been substantial portfolio flows often because of privatization. But portfolio flows have also been quite erratic. For instance, portfolio flows to SSA in 1999 were \$9 billion, almost 60 per cent of portfolio flows to developing countries. They were only \$0.7 billion in 2002 or less than 10% of portfolio flows to developing countries. The contribution of these private capital inflows to growth is unclear because much of these inflows have been for acquisition of previously public owned enterprises and utilities and not for establishing new enterprises.

Section II: Model Specification and Estimation

Our basic data set consists of various growth explaining variables for 48 countries over a period of 1970 to 2000 from the World Development Indicator CD-ROM. For the regressions, we use data for the period 1980-2000 as the data before 1980 is very sparse. We use Barro-Lee (1993) kind of growth regressions to assess the impact of various variables thought to be driving forces behind economic growth. We use the panel data approach, which, from the growth theories' point of view, allows differentiation of the effect of 'capital deepening' and of technological and institutional differences on the process of convergence (Islam, 1995). We use the random-effects model, as sometimes we have to use time-invariant variables, like initial per capita income, as well as other dummy variables to differentiate between different time periods. We have also liberally used the subsets of our master data set for estimating specific equations, where the data for a particular variable is very sparsely available like that of various educational indicators.

The Basic Model

The basic theoretical model can be written as:

$$y = f(INPCGDP.Y^*) \quad (1)$$

$$Y^* = g(z) \quad (2)$$

Where,

y = Per capita GDP growth rate

INPCGDP = Initial per-capita GDP

Y^* = Potential GDP obtainable given the structural characteristic of the

economy

z = Structural, environmental and behavioural variables.

In this specification, the greater the distance between the initial income level and the potential income level the higher will be the resulting growth rate, which in turn gives rise to convergence.

Our growth equation to be estimated by panel data procedure is:

$$y_{it} = a_i + \beta_i x_{it} + u_{it} \quad (3)$$

Where 'i' denotes a country and 't' denotes time period (yearly), ' a_i ' is a country specific parameter, 'y' represents the rate of growth of per capita GDP, while 'x' is a matrix of explanatory variables.

Results:

Our basic regression equation involves initial per-capita income at 5 year intervals, gross fixed capital formation, proxied by gross fixed domestic investment as a share of GDP⁹, trade as a percentage of GDP and government consumption expenditure as a percentage of GDP.

Per capita GDP growth =

⁹Lack of reliable data on capital stock forces, the use of investment/GDP ratio. Now $\frac{\dot{K}}{K} = \frac{I}{K} = \frac{I}{Y} \frac{Y}{K}$. Use of $\frac{I}{Y}$ implies assuming a constant $\frac{Y}{K}$. One of the stylized facts of growth theory is that whereas growth leads to increases in $\frac{Y}{L}$ and $\frac{K}{L}$, $\frac{Y}{K}$ remains constant (Kaldor, 1961).

$$\begin{array}{rcl}
 -1.62 & - 0.0001 * \text{initial per capita GDP} & + 0.134 * \text{gfcf} \\
 (2.21) & (0.41) & (4.63) \\
 + 0.04 * \text{trade} & - 0.201 * \text{gov cons} & \\
 (3.96) & (5.70) &
 \end{array}$$

overall $R^2 = 0.12$, no. of observations = 847.

While overall explanation is very low in terms of R^2 it is to be noted that there is weak indication of convergence although the coefficient of initial per capita income is very low. While investment and openness have a strong positive impact on the growth of per capita income, government consumption has a strong negative influence on growth. This regression equation confirms earlier studies on growth accounting. The negative coefficient on government consumption could be because governments spend heavily on welfare measures in the generally poor economic conditions, leaving few resources for investment in income generating fixed assets. Another possible reason for the negative impact of government consumption may be diversion of resources from development programmes to meeting the expenses of internecine wars that plague the continent and may also reflect corruption.¹⁰ The coefficient on the budget balance is positive and significant showing that a reduction of the deficit and an increase in the surplus is highly beneficial for growth, i.e., efficient utilization of government resources is required for sustaining growth.

¹⁰Ethnic differences lead to lower growth (Easterly and Levine, 1997). But it is unclear whether this is due to (i) differences in views regarding the role of government and so lack of a well defined government strategy or (ii) larger welfare expenditures to satisfy different groups or (iii) discrimination against groups or (iv) actual internal insecurity and welfare.

Trade has a positive effect on growth. This is in contrast to the situation in Latin America (Agarwal and Mishra, 2006). Liberalisation in Latin America seems to have resulted in the destruction of non-competitive import competing industries without the establishment of competitive new industries. African countries export mainly primary goods and the import substitution regime had been heavily biased against them. Trade liberalization has resulted in an expansion of exports and income.

We then analyzed the effect of various capital flows. Aid when introduced as the only capital flow variable has a significant and negative coefficient, a puzzling result. Net FDI also has no significant impact on growth. This may be because much of FDI inflows have been to purchase existing public enterprises rather than for establishment of new enterprises. Inclusion of both aid and FDI increases the overall explanatory power by one percentage and also turns the coefficient of aid positive though not very significant. Gross private capital flow also has no significant impact on growth. Inclusion of the adult literacy rate shows that it has a positive although weak impact on growth. Inclusion of adult literacy along with the budget balance increases the level of significance of the adult literacy coefficient.

M_2 as a percentage of GDP when used as a proxy for financial liberalization shows a negative impact on growth. Total debt service as a percentage of exports has a negative and significant impact on growth and it also increases the overall explanatory power by two to three percentage points. To find out the impact of exogenous factors, which are time dependent, we used

a dummy for the period of the 1990s against the base period of the 1980s. The dummy for the 1990s has a significant and negative coefficient with a large value, which indicates that the economic performance of Sub-Saharan Africa in 1990s has been worse than what it was in 1980s. This suggests that the liberalization and structural adjustment programmes implemented in the 1990s have not had the desired impact in Sub-Saharan Africa. Inclusion of the dummy also increases the overall explanatory power of our model by about six-percentage points compared to our basic model.

Another important point to be noted is that in the course of inclusion of various variables, the sign of initial per capita income changed from negative to positive and vice versa. This shows that there is no consistent indication of even conditional convergence.

The final estimated equation was:

Per Capita GDP Growth Rate =

$$\begin{array}{rclcl}
 .504 & + & .0003^* \text{ inpcgdp} & + & .147^* \text{ gfcf} & + \\
 (.33) & & (.59) & & (3.41) & \\
 .016^* \text{ trade} & - & .295^* \text{ gce} & + & .144^* \text{ budbal} & + \\
 (1.33) & & (4.51) & & (2.74) & \\
 .011^* \text{ aid gcf} & - & .038^* \text{ pvtk} & + & .063^* \text{ litadlt} & - \\
 (1.66) & & (1.02) & & (3.02) & \\
 .022^* m_2 & - & .057^* \text{ tdsexp} & - & 2.112 \text{ xdum90} & \\
 (.74) & & (2.58) & & (3.34) &
 \end{array}$$

$$R^2 = .18 \text{ Wald } \chi^2 = 74.07$$

where

inpcgdp is initial per capita GDP

gfcf is share of gross fixed capital formation in GDP

trade is share of trade in GDP

gce is share of government consumption expenditure in GDP

budbal is share of budget balance in GDP

aidgcf is share of aid in gcf

pvtk is private capital flows

litadlt is adult literacy rate

m_2 is share of m_2 to GDP

tdsexp is total debt service to exports share

dum90 is dummy for the 90s

The explanatory power of the final estimated equation is very low.¹¹

Section III: Prospects for Improved Growth Performance

We use the estimated regression equation to predict growth rates in per capita income. We find that 21 of the 43 countries are predicted to face falling per capita income (see Table 9).¹² Another 12 countries are predicted to have per capita growth rates of 0 to 2 per cent per annum. Only 5 coun-

¹¹Whereas for Latin American countries the explanatory power of these variables was .7, here it is slightly less than .2.

¹²For some of the countries values for the relevant variables were not available for 2000 so that we could not calculate the predicted variable. The actual growth rate is the average annual growth rate for the period 1995-2000.

tries are predicted to enjoy growth in per capital incomes greater than 3 per cent per annum. The predicted growth rates are somewhat worse than the actual performance in 2000 when 19 countries saw a fall in per capita income but per capita income grew by more than 3 per cent in 10 countries.

Our growth projections support the doubts expressed as to whether Africa would be able to meet the Millennium Development Goals (MDGs). With much of South Asia, another region that has been lagging in meeting MDGs, enjoying rapid rates of growth; it is likely that by 2025, Africa may be home to the majority of the world's poor.

Members of the UN decided on a set of goals (MDGs) to be achieved by 2015 in order to improve the living standards of the poorest people. The goals to be achieved by 2015 were in comparison to the base period of 1990, so that they were to be achieved in a quarter of a century. We are more than halfway through the implementation period, though data on most goals is available only for the end of the century. These goals seek to reduce the proportion of the population living in poverty (defined as a dollar a day) and the proportion of the malnourished, particularly children. The goals also seek to reduce child and maternal mortality rate and to reduce the incidence of diseases such as malaria, TB and HIV/AIDS in order to improve the health of people, to achieve universal primary education, to reduce gender inequality and to ensure environmental sustainability.

The increase in the poverty ratio in SSA from 44.6% in 1990 to 46.5% in 2001 raises considerable doubts about these countries' ability to achieve

the goal of a 22.3% poverty ratio by 2015. Our projections indicate that only Tanzania of the 6 most populous countries that account for over 50 per cent of SSA's population can be expected to have a positive rate of growth of per capita income. So poverty in the most populous states may actually worsen. The World Bank is projecting a poverty ratio of 42.3% for SSA in 2015, only a marginal drop in the poverty ratio since 1990. Given this very slow decline in the poverty ratio, it is unlikely that the goal of cutting the proportion of undernourished people by half will be achieved. Malnutrition in SSA increased sharply in the first half of the 90s before declining in the second half. However, the proportion of the undernourished at the turn of the century was higher than in 1990, whereas the proportion decreased in most other regions including South Asia.

The poor economic performance in the past decades has limited the government's ability to raise expenditures on health and education services. The need for correcting the large fiscal deficits that these countries often had, has usually resulted in cutbacks in expenditures on health and education. Though malnourishment among children is less pronounced in SSA than in South Asia, immunization levels are lower in SSA and mortality rates including maternal mortality rates, are considerably higher in SSA.

In brief, the poor economic performance over the past decades has taken its toll on human welfare in SSA and prospects of any considerable improvement in living standards in the near future seem bleak.

Section IV: Africa and International Economic Institutions

Except for episodic interactions with the GATT/WTO, African countries have till now played only a limited role in multilateral trade negotiations. There has been much more intensive interaction with the WB and the IMF. While their relations with the IMF have been particularly important during the last two decades, as they have struggled with BoP problems, they have had a much longer history of interaction with the World Bank.

During the past two decades African countries have been major borrowers from the IMF though the size of their borrowings is dwarfed by the amounts borrowed by countries such as Argentina, Mexico and some in East Asia who faced a financial crisis. Accompanying this borrowing have been policy conditionalities which have contributed to fiscal consolidation and attempts to reduce the size of the government, a move towards the VAT and introduction of other tax reforms, and considerable lowering of import duties and dismantling of state governed marketing systems for export goods which had served as a source of taxation of primary exports. Many African countries have also participated in the HIPC initiative. Given their fragile macro economic situation and weak BoP position, the African countries are going to continue to need access to IMF's facilities.

Similarly, the African countries have been major borrowers from the World Bank. As per capita incomes in China and India have surged, most of IDA resources are flowing to the African countries. As noted above, the World Bank has also undertaken a number of major studies about Africa in order to enhance the effectiveness of its loan assistance. The dependence of SSA

on assistance from the World Bank is likely to continue. It is unlikely that more than a few countries would be able to access private capital flows on a large scale.

But while the African countries have been major consumers of the facilities of the two Bretton Woods institutions, they have little say in the operations of these institutions. Their voting share is only about 4.5 per cent, and this limits their role in these institutions. Their poor performance and the lack of any consistent very good performer among them also limits their intellectual influence in these organizations.

Similarly, the African countries till recently have played only a limited role at the GATT/WTO. Their main interest lay in exports of agricultural commodities. Much of agriculture was excluded from the GATT at the insistence of the US, later backed by the EU. A major problem that primary exporters have faced is the severe decline in the prices of such commodities. African countries participated freely in the discussions in the 70s about the new International Economic Order, particularly the discussion of various schemes to stabilize the prices of primary commodities. But the failure of these discussions resulted in a relative lack of interest in multilateral trade negotiations.

African countries instead busied themselves as part of the ACP group in bilateral negotiations with the EU over aid and trade links. But despite high-sounding rhetoric, the ACP members have found that, over time, the EU has been reducing aid and market access. Even such a fine sounding pro-

gramme. “All but Arms” which is supposed to improve access of the poorest countries to the EU is hedged with many restrictions so that its effectiveness is limited.¹³ Furthermore, the UR agreements illustrate the dangers to the African countries of not participating actively in MTNs. They had initially not evinced much interest in the TRIPs negotiations, as there was only limited innovative activity in African countries. But later the implications of the agreement for dealing with public health menaces such as HIV/AIDs became obvious and these countries have been in the forefront of the movement to alter the TRIPs agreement to take account of the serious epidemics that prevail in the region and their limited capacity to produce drugs. Also these countries have discovered that there is a substantial cost of complying with the requirements of WTO membership and of implementing the UR agreements (Finger and Schuler). At the Seattle ministerial meetings, they also were in the vanguard to make the procedures of the WTO transparent and participatory.

African countries are currently participating vigorously in the MTN. They were earlier members of the entire group of developing countries which had only limited success in MTNs as the aggregation of interests of the different members resulted in an unmanageable list of demands and that made it difficult to engage in reciprocal bargaining. For the Doha Round, developing countries have organized themselves in more coherent like-minded groups (Narlikar, 2003). This gives the group greater flexibility as to whether it wants

¹³It is estimated that implementation of the EU’s new aflatoxin standards will reduce exports from SSA by \$670 million or about 0.7 per cent of SSA’s exports, whereas it would save only 1.4 deaths per billion (Sewadeh, Wilson and Otsuki, 2001).

to align itself with like minded developed countries or with other developing countries on the basis of clearly articulated interests. African countries have formed a caucus by themselves but are also members of other groups. They have formed a couple of blocs to make known their concerns and are coordinating with other blocs, particularly of developing countries so as to ensure that their concerns are taken into account. For instance, they are part of the group of small and vulnerable economies, and a work programme has been established to examine their problems. The Committee on Trade and Development has had special sessions to discuss their problems, and provision has been made to provide them with technical assistance. They are also members of the group of least developed countries, as also of the ACP countries. Membership in several partially overlapping groups will allow them to sensitize other countries to their concerns and help in developing larger coalitions. Membership of different groups also allows for greater sharing of information and research results, an area of weakness in the UR negotiations.

African countries are playing a greater role in international economic organizations than they have in the past. Their concerns have been articulated at a special meeting with the G8. It is to be seen whether they can influence the working of international organizations to improve economic performance and living standards in Africa.

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Table 1a: GDP by PPP
(constant 95 international \$) in 2000

Rank	countryname	gdppppi	Share
	World	40983.10	
	Sub-Saharan Africa	974.26	2.4%*
1	South Africa	370.56	38.0%
2	Nigeria	98.17	10.1%
3	Sudan	42.11	4.3%
4	Ethiopia	38.97	4.0%
5	Ghana	33.72	3.5%
6	Zimbabwe	30.02	3.1%
7	Congo, Dem. Rep.	28.42	2.9%
8	Kenya	28.07	2.9%
9	Cameroon	25.63	2.6%
10	Uganda	25.29	2.6%
11	Cote d'Ivoire	23.76	2.4%
12	Angola	18.13	1.9%
13	Tanzania	16.10	1.7%
14	Guinea	13.27	1.4%
15	Senegal	12.96	1.3%
16	Madagascar	12.00	1.2%
17	Botswana	11.62	1.2%
18	Mauritius	10.52	1.1%
19	Namibia	10.45	1.1%
20	Burkina Faso	9.79	1.0%
21	Mali	7.99	0.8%
22	Rwanda	7.70	0.8%
23	Niger	7.34	0.8%
24	Zambia	7.28	0.7%
25	Gabon	6.96	0.7%
26	Chad	6.16	0.6%
27	Togo	5.87	0.6%
28	Malawi	5.68	0.6%
29	Benin	5.67	0.6%
30	Lesotho	4.78	0.5%
31	Mauritania	4.07	0.4%
32	Swaziland	4.02	0.4%
33	Central African Republic	3.93	0.4%
34	Burundi	3.66	0.4%
35	Eritrea	3.11	0.3%
36	Congo, Rep.	2.98	0.3%
37	Equatorial Guinea	2.42	0.2%
38	Sierra Leone	2.13	0.2%
39	Gambia, The	2.00	0.2%
40	Cape Verde	1.84	0.2%
41	Guinea-Bissau	0.89	0.1%
42	Comoros	0.83	0.1%

Table 1b : GDP (Constant 95 US \$) in 2000

Ranking	countryname	gdpbi	Share
	World	34217.50	
	Sub-Saharan Africa	372.59	1.09%*
1	South Africa	172.14	46.20%
2	Nigeria	32.32	8.67%
3	Cote d'Ivoire	13.00	3.49%
4	Cameroon	10.04	2.69%
5	Kenya	9.88	2.65%
6	Sudan	9.65	2.59%
7	Ghana	7.98	2.14%
8	Uganda	7.88	2.11%
9	Zimbabwe	7.83	2.10%
10	Ethiopia	7.44	2.00%
11	Angola	6.88	1.85%
12	Botswana	6.47	1.74%
13	Tanzania	6.46	1.73%
14	Senegal	5.79	1.56%
15	Gabon	5.38	1.45%
16	Mauritius	4.94	1.33%
17	Congo, Dem. Rep.	4.61	1.24%
18	Guinea	4.53	1.22%
19	Namibia	4.16	1.12%
20	Zambia	3.99	1.07%
21	Madagascar	3.81	1.02%
22	Mozambique	3.38	0.91%
23	Burkina Faso	3.04	0.82%
24	Mali	2.97	0.80%
25	Benin	2.61	0.70%
26	Congo, Rep.	2.39	0.64%
27	Niger	2.16	0.58%
28	Rwanda	2.06	0.55%
29	Malawi	1.73	0.46%
30	Chad	1.61	0.43%
31	Swaziland	1.60	0.43%
32	Togo	1.46	0.39%
33	Mauritania	1.30	0.35%
34	Central African Republic	1.26	0.34%
35	Lesotho	1.07	0.29%
36	Burundi	0.95	0.25%
37	Sierra Leone	0.77	0.21%
38	Equatorial Guinea	0.72	0.19%
39	Seychelles	0.69	0.19%
40	Cape Verde	0.67	0.18%
41	Eritrea	0.61	0.16%
42	Liberia	0.60	0.16%
43	Gambia, The	0.48	0.13%
44	Guinea-Bissau	0.25	0.07%

45	Comoros	0.24	0.07%
46	Sao Tome and Principe	0.05	0.01%
47	Mayotte		0%
48	Somalia		0%

99.27%

Table 2 GDP per capita Growth (Annual Average)

	1970-74	1975-79	1980-84	1985-89	1990-94	1995-2000	2001-02
World	2.37	1.77	0.52	2.02	0.61	1.70	0.38
Sub-Saharan Africa	3.23	-1.14	-0.67	-0.66	-2.03	0.73	0.75
South Africa	3.47	-1.25	1.01	-1.37	-1.87	0.37	1.37
Nigeria	8.77	-0.81	-6.82	2.65	0.69	0.05	-1.26
Sudan	0.18	2.50	-0.67	2.08	0.60	3.60	3.60
Ethiopia			-0.21	-0.65	-1.13	2.67	3.47
Ghana	1.60	-3.58	-4.46	1.84	1.48	1.84	2.59
Zimbabwe	6.16	-4.54	2.01	0.90	0.21	-0.21	-8.26
Kenya	5.17	1.56	-0.96	2.22	-1.21	-0.22	-0.96
Chad	-2.46	-3.50	0.94	4.38	-1.43	-1.09	6.50
Uganda			0.13	-0.19	2.46	4.49	2.94

	Table 3	Export	Growth	(Annual	Average)	1995-2000	2001-02
	1970-74	1975-79	1980-84	1985-89	1990-94	2000	2001-02
World	8.35	4.96	4.34	5.62	5.36	8.08	2.24
Sub-Saharan Africa	2.82	3.51	-0.47	3.59	2.12	5.49	1.81
South Africa	-0.25	2.58	-0.82	3.70	2.67	6.23	0.56
Nigeria	11.97	12.73	-11.10	4.14	4.00	4.28	-9.68
Sudan	-6.79	3.94	1.55	-8.52	-7.82	37.44	-2.79
Ethiopia			3.58	4.95	-3.18	12.68	9.33
Ghana	1.47	-5.57	-8.67	12.31	8.13	10.45	-0.82
Zimbabwe		-5.96	10.82	5.66	11.13	4.88	-2.18
Kenya	4.11	-1.96	0.60	6.15	10.18	-0.98	4.98
Chad	-1.35	6.74	18.04	3.71	-2.17	1.86	-6.75
Uganda			2.14	1.27	8.41	18.96	12.80

	Table 4	Export	(% of	GDP)			
	1970-74	1975-79	1980-84	1985-89	1990-94	1995-2000	2001-02
World	14.89	17.10	18.96	18.41	19.46	22.61	24.19
Sub-Saharan Africa	24.37	27.84	26.88	27.58	26.37	29.20	32.66
South Africa	24.17	30.45	27.96	28.65	22.37	25.36	32.30
Nigeria	14.26	21.16	19.34	23.52	42.35	43.22	41.05
Sudan	15.11	10.11	9.84	5.34		8.68	14.22
Ethiopia			10.01	8.72	7.23	14.59	15.30
Ghana	19.51	13.03	6.03	16.36	19.32	33.96	43.92
Zimbabwe		21.99	19.34	23.47	27.86	38.91	22.95
Kenya	29.22	30.51	25.97	23.44	32.50	28.41	26.52
Chad	16.17	16.01	14.61	13.91	13.18	18.31	13.73
Uganda	18.77	12.45	13.05	10.06	7.85	11.73	12.01

Table 5 Industrial Value Added (% GDP)

	1970-74	1975-79	1980-84	1985-89	1990-94	1995-2000	2001-02
World	38.80	37.95	37.20	35.22	32.84	30.40	28.59
Sub-Saharan Africa	30.63	33.20	35.21	34.32	33.20	29.77	28.79
South Africa	38.35	42.16	45.10	42.19	37.07	32.54	31.77
Nigeria	22.28	32.67	34.80	32.50	50.82	42.15	32.16
Sudan	13.79	13.11	14.87	16.37		15.46	18.52
Ethiopia			12.71	14.02	10.02	9.99	11.65
Ghana	18.19	16.07	8.90	16.69	20.17	24.94	24.77
Zimbabwe	31.89	31.91	28.46	32.03	35.42	25.58	24.10
Kenya	20.41	19.62	19.87	18.84	18.44	16.81	18.60
Chad	14.30	13.59	12.47	14.56	14.08	14.44	16.85
Uganda	11.61	6.41	8.60	10.22	12.72	17.72	21.19

Table 6 Agricultural Value Added (% of GDP)

	1970-74	1975-79	1980-84	1985-89	1990-94	1995-2000	2001-02
World	8.64	7.61	6.37	5.68	4.95	4.24	3.75
Sub-Saharan Africa	20.71	19.57	18.30	18.75	17.56	18.13	17.68
South Africa	7.67	6.80	5.50	5.39	4.35	3.72	3.62
Nigeria	37.31	29.91	29.87	36.92	27.94	33.38	35.99
Sudan	44.33	38.77	34.12	34.20		42.30	39.03
Ethiopia			53.80	50.56	57.37	50.88	42.18
Ghana	47.48	55.02	55.46	48.37	41.97	36.77	34.52
Zimbabwe	18.44	16.83	15.13	17.23	14.63	19.27	17.52

Kenya	34.14	37.08	33.32	31.86	29.52	26.23	17.53
Chad	39.09	37.41	39.41	34.44	34.28	37.60	38.08
Uganda	58.14	71.85	59.32	55.92	52.40	42.39	34.11

Table 7 Govt. Consumption Expenditure (% of GDP)

	1970-74	1975-79	1980-84	1985-89	1990-94	1995-2000	2001-02
World	15.02	16.23	16.92	16.86	16.96	16.57	17.18
Sub-Saharan Africa	13.11	15.18	15.55	16.88	17.80	15.80	17.98
South Africa	12.92	15.45	15.94	18.79	19.95	18.83	19.05
Nigeria	9.03	13.60	15.28	12.50	15.48	12.29	28.59
Sudan	17.69	12.66	11.57	12.97		5.69	
Ethiopia			15.29	16.04	13.36	15.12	18.08
Ghana	12.31	11.90	7.91	10.13	11.81	11.30	9.80
Zimbabwe	10.86	15.63	18.13	22.08	18.27	18.04	18.09
Kenya	17.07	18.34	18.52	18.07	16.74	16.30	18.03
Chad	19.71	17.30	7.18	13.85	10.18	8.13	7.69
Uganda			10.79	9.31	9.22	11.77	14.79

Table 8 Gross Fixed Capital Formation (% GDP)

	1970-74	1975-79	1980-84	1985-89	1990-94	1995-2000	2001-02
World	24.56	24.18	23.29	22.63	22.37	21.94	20.63
Sub-Saharan Africa	22.85	25.06	21.96	17.98	17.15	17.21	17.07
South Africa	25.21	27.60	26.17	19.98	16.36	15.98	14.92
Nigeria	19.81	26.90	19.04	15.61	20.50	18.67	21.68
Sudan		12.53	14.44	11.36		12.11	17.12
Ethiopia			13.73	14.79	12.11	16.71	19.15
Ghana	10.54	8.53	4.99	10.72	17.86	21.87	22.95
Zimbabwe	17.63	16.32	16.95	15.01	21.22	17.59	8.33
Kenya	20.74	21.97	16.49	15.32	16.09	15.67	13.60
Chad			2.53	5.60	7.96	14.48	50.09
Uganda	11.95	6.10	8.61	9.77	14.73	17.29	20.50

Table 9 : Actual and Predicted Growth Rates

Country name	gdppcgr	Predictedeq1
Angola	0.22	
Benin	3.00	-0.02
Botswana	5.75	-0.84
Burkina Faso	-0.91	-0.06
Burundi	-2.78	-2.56
Cameroon	1.90	0.46
Cape Verde	3.66	-0.08
Central African Republic	1.06	-1.65
Chad	-3.61	1.65
Comoros	-3.61	-1.53
Congo, Dem. Rep.	-7.56	-1.42
Congo, Rep.	4.81	3.21
Cote d'Ivoire	-4.70	0.57
Equatorial Guinea	11.99	
Eritrea	-15.40	-5.82
Ethiopia	3.24	-2.60
Gabon	-0.27	2.13
Gambia, The	2.14	1.94
Ghana	1.92	3.73
Guinea	-0.35	2.18
Guinea-Bissau	4.51	0.96
Kenya	-2.41	-1.06
Lesotho	0.27	1.94
Liberia	17.09	
Madagascar	1.57	1.41
Malawi	-0.97	-1.08
Mali	-5.63	0.68
Mauritania	2.15	2.56
Mauritius	2.86	3.75
Mayotte		
Mozambique	-0.73	3.03
Namibia	0.13	-1.51
Niger	-4.58	-1.48
Nigeria	1.73	-0.56
Rwanda	2.99	-0.42
Sao Tome and Principe	0.91	2.96
Senegal	2.90	0.67
Seychelles	3.54	2.23
Sierra Leone	1.77	-1.80
Somalia		
South Africa	0.96	-1.84
Sudan	3.12	-0.30
Swaziland	-0.33	3.44
Tanzania	3.26	0.55
Togo	-5.74	1.52
Uganda	2.45	-0.73

Zambia	1.50	0.51
Zimbabwe	-6.73	-2.97