Africa in the World Economy
The National, Regional and International Challenges

Edited by Jan Joost Teunissen and Age Akkerman

The contributors to this book examine the economic constraints to growth and development faced by sub-Saharan African countries. These constraints include the underdevelopment of domestic capital markets, the lack of national and regional infrastructures, and the ongoing dependence on the export of commodities whose prices and markets are volatile and remain largely determined by the large companies of western countries.

At the same time, the book discusses the international community’s responsibility to remove obstacles of its own making and create the necessary international conditions that would enable Africa to overcome its development and poverty problems.

Experienced scholars and policymakers from Africa, policy-oriented experts from western and Asian countries, and research-oriented officials of the IMF, World Bank, UN and WTO present their views on Africa’s challenges. Their analyses provide useful insights into how policies can be improved at the national, regional and international levels.

All of the chapters defy some clichés about Africa’s development. The book includes an interesting discussion about the development model – the role of the state and the role of the market – that would best fit African realities, and the lessons that can be learned from experiences in Latin America and Asia. It also includes a timely analysis of the developmental role of emerging Asian investments into Africa.

The contributing authors are deeply concerned about Africa’s fate. Their analyses and solutions are highly useful to those who want to contribute to improving the economic situation in Africa. Some of the issues discussed in this book are also of great relevance to the development prospects, not only of the African region, but of poor countries in general.
Forum on Debt and Development (FONDAD)

FONDAD is an independent policy research centre and forum for international discussion established in the Netherlands. Supported by a worldwide network of experts, it provides policy-oriented research on a range of North-South problems, with particular emphasis on international financial issues. Through research, seminars and publications, FONDAD aims to provide factual background information and practical strategies for policymakers and other interested groups in industrial, developing and transition countries.

Director: Jan Joost Teunissen
Africa in the World Economy

The National, Regional and International Challenges

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Jan Joost Teunissen and
Age Akkerman

FONDAD
The Hague

From: Africa in the World Economy - The National, Regional and International Challenges
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Acknowledgements

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Jan Joost Teunissen
Age Akkerman
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Notes on the Contributors

**Charles Abuka** (1965) is an assistant director in the Research Department of the Bank of Uganda. He has been involved in conducting independent research under the auspices of the African Economic Research Consortium, the International Monetary Fund as well as for regional organisations and governments. He has published on the COMESA experience on trade reform and regional integration. He has also served on the national negotiating committee on trade with the WTO. In the Research Department, he has been involved in issues of macroeconomic monitoring, and financial and monetary policy formulation. He is currently involved in the study of the poverty effects and poverty vulnerability in the face of shocks in agricultural markets in Uganda as part of an investigation into policy coherence between global and EU agricultural trade reforms.

**Olu Ajakaiye** (1949) is director of research at the African Economic Research Consortium in Nairobi since October 2004. Prior to that, he worked at the Nigerian Institute of Social and Economic Research (NISER), where he held several positions. He has been the chairman of the National Core Team for the preparation of the Interim Poverty Reduction Strategy Paper and a member of the drafting team of the National Economic Empowerment and Development Strategy. He has consulted for several international organisations including ACBF, IDRC, Carnegie Corporation, DFID, EU and the World Bank. He has been editor of the Journal of Economic Management (1995-2002) and business manager of the African Journal of Economic Policy (1994-2004). He specialises in economic development policy analysis and development planning using a variety of quantitative techniques. He has published widely on topics related to the area of economic development.

**Vivek Arora** (1965) is the IMF senior resident representative for South Africa and Lesotho, based in Pretoria. He has held this position since early 2004, before which he served as the deputy chief of the IMF staff team on South Africa in Washington D.C. He joined the IMF in 1992 and worked...
on a range of country assignments prior to his involvement in southern Africa since 2002, including the United States, Canada, China, and Korea. Before joining the African Department he worked in the Western Hemisphere Department during 1999-2002 and the Asia and Pacific Department during 1993-99. He has published several papers on topics related to international finance and development. His latest paper is "The Implications of South African Economic Growth for the Rest of Africa".

Roy Culpeper (1947) is president of the North-South Institute in Canada since 1995. He joined the North-South Institute in 1986 and was vice-president and coordinator of research from 1991 until he was appointed president. Before joining the Institute, his work experience included positions in the Manitoba government’s Cabinet Planning Secretariat, the Federal Department of Finance, and the Department of External Affairs and International Trade. From 1983 to 1986, he was advisor to the Canadian executive director at the World Bank. At the Institute, he has conducted research on a broad range of issues relating to international finance including a comprehensive study of regional development banks. He is the author of numerous publications including Titans or Behemoths? The Multilateral Development Banks; and Global Development Fifty Years after Bretton Woods. Since his appointment as president, the Institute has annually published the Canadian Development Report.

Zdeněk Drábek (1945) is senior counsellor, Economic Research and Analysis, at the World Trade Organization. He is chairman of the board of the Joint Vienna Institute, a training institute of the IMF, World Bank, BIS, OECD, EBRD and WTO. He served as the principal adviser to the governor of the Central Bank and as plenipotentiary in the Federal Ministry of Economy in Czechoslovakia. He was the chief negotiator for the Czechoslovak Government of the Europe Agreement with the European Union and the Uruguay Round Agreements in GATT. He was senior economist at the World Bank from 1983 to 1990, and chairman of the economics department at the University of Buckingham in England. He has published widely on topics related to international finance and trade. His most recent book is Globalization Under Threat: Stability of Trade Policy and International Agreements.

Adam Elhiraika (1961) was research economist at the Research and Training Institute of the Islamic Development Bank (Saudi Arabia) before joining the United Nations Economic Commission for Africa (UNECA) in September 2004. He also served as associate professor of economics at the United Arab Emirates University, senior lecturer at the University of
Swaziland (Swaziland) and the University of Fort Hare (South Africa), and assistant professor of economics at the University of Gezira (Sudan). He has several publications in internationally refereed journals as well as monographs and book chapters, mainly in the areas of monetary and financial policy and development financing. He is currently engaged in ECA policy research and conference work on private sector and capital market development in Africa.

Stephen Gelb (1955) is executive director of the EDGE Institute in Johannesburg and visiting professor in development studies at the University of the Witwatersrand. He started his career as an activist in the Canadian anti-apartheid movement in 1976. Returning to South Africa in 1984, he was an advisor to the South African Council of Churches, the UDF and the African National Congress. Since 1994, he has been a consultant to South African government departments and agencies, including the Office of the President, Treasury, Department of Trade and Industry, and international agencies such as the NEPAD Secretariat. He has taught at York University in Toronto, the New School for Social Research in New York and the Universities of Durban-Westville, Natal, and the Witwatersrand in South Africa. He has published two books and many articles on South African economic and political issues.

Brian Kahn (1953) is senior deputy head of the Research Department at the South African Reserve Bank. He is also a member of the Bank's Monetary Policy Committee. Before joining the Bank he was professor of economics and director of the School of Economics at the University of Cape Town. He was also a research associate at the London School of Economics’ Centre for Research into Economics and Finance in Southern Africa (CREFSA). He has been a consultant to various domestic and international institutions and has been actively involved at the policy formulation level in South Africa. His publications have mainly been in the field of capital flows and monetary and exchange rate policy in South Africa.

Damoni Kitabire (1958) is the macro-advisor in the Ministry of Finance, Planning and Economic Development of Uganda. Prior to that he worked as a senior economist at the International Monetary Fund. Before joining the IMF, he had worked as the director of economic affairs at the Ministry of Finance, Planning and Economic Development in Uganda. At the Ministry, he has also been director of budget and commissioner macro-economic policy. He has published on external debt management in low-income countries, cash budgeting system in Uganda, capital flows and on the implication of aid on the macro economy.
Lolette Kritzinger-van Niekerk is senior economist at the World Bank and is country economist for Botswana and Swaziland as well as the Bank’s task team leader on regional integration in Southern and Eastern Africa. She was senior lecturer at the Department of Economics of the University of Pretoria and associate director of the Centre for Policy Analysis and Information at the Development Bank of Southern Africa (DBSA). She held the position of economist in the DBSA’s Southern Africa Business Unit, before she joined the World Bank in 2000. She coordinated the regional cooperation initiative among development finance institutions in SADC. She has published extensively in the various fields of economics and has been a member of the Central Council of the Economic Society of South Africa for the past five years. She is associate editor of the journal *Development Southern Africa*.

Kamran Kousari (1947) is special coordinator for Africa at the United Nations Conference on Trade and Development. He was officer-in-charge of the Debt and Development Finance Branch of the Division on Globalization and Development Strategies from 2001 to 2003. At UNCTAD, he has served in various capacities including as chef de cabinet of the late Kenneth Dadzie of Ghana, secretary-general of UNCTAD from 1986 to 1992. He was also chief, policy coordination and external relations, a position he held until 1996, when he was appointed special coordinator for Africa. In 1997, he was called upon by the secretary-general of the United Nations to join the team headed by Maurice Strong, special advisor of the secretary-general on UN reform, to advise on the reform of the Economic and Social Sectors of the United Nations. He has published in various journals and contributed numerous opinion pieces to the international press on African development issues.

Matthew Martin (1962) is director of Debt Relief International and Development Finance International, both non-profit organisations which build developing countries’ capacities to design and implement strategies for managing external and domestic debt, and external official and private development financing. Previously he worked at the Overseas Development Institute in London, the International Development Centre in Oxford, and the World Bank, and as a consultant to many donors, African governments, international organisations and NGOs. He has co-authored books and articles on debt and development financing.

Mothae Maruping (1944) is executive director of the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) in Harare. He has taught economics at the Lincoln University (US) and at
the National University of Lesotho. He was dean of Social Sciences and later the pro-vice chancellor of the National University of Lesotho from 1982 to 1986. In 1988 he became the governor of the Central Bank of Lesotho from where he moved to his current position at MEFMI in 1998. He has also served in some corporate and national and international Boards.

**Gordon McCord** is a PhD student in Sustainable Development at Columbia University, and special assistant to Jeffrey Sachs at the Earth Institute and at the UN Millennium Project.

**Benno Ndulu** serves as sector lead specialist with the Macroeconomic Unit for Eastern Africa of the World Bank. He is best known for his involvement in setting up and developing one of the most effective research and training networks in Africa, the African Economic Research Consortium. He served first as its research director and later as its executive director. He received an honorary doctorate from the ISS in The Hague in recognition of his contributions to capacity building and research on Africa. Following his PhD degree in economics from Northwestern University in Evanston, he taught economics and published widely on growth, adjustment, governance and trade. He has been involved in policy advisory roles worldwide and has served in a wide range of boards locally and internationally.

**Yonghyup Oh** (1963) is research fellow of Korea Institute for International Economic Policy. He worked for Korea Investment Trust, Korea Long Term Credit Bank for several years and also for Seoul Metropolitan Government before joining KIEP. He has been an advisor and consultant to the Korean government and parliament, and private sector organisations such as Korea Asset Management Corporation. He was researcher at Centre for Economic Performance in LSE, UK and DELTA, France. His research interests include international asset market integration, international capital flows, international business cycles and multinational macroeconomic interdependence. He gives lectures on international economics and valuation of firms at Seoul National University, and has published papers in journals such as European Economic Review and Review of International Economics.

**Ritva Reinikka** is the World Bank country director for Botswana, Lesotho, Namibia, South Africa, and Swaziland. Since she joined the Bank in 1993 as a country economist in the Eastern Africa Department, she has held various positions in the Africa Region and the Development Research Group, and was co-director of the 2004 World Development Report,
Notes on the Contributors

Making Services Work for Poor People. Prior to her current assignment she was a research manager in the Development Research Group. Her research interests include public expenditures, service delivery, and macroeconomic and trade policy. Before joining the Bank, she was a researcher at the Centre for the Study of African Economies in the University of Oxford and the Helsinki School of Economics. She held operational positions at UNICEF and with the Ministry of Foreign Affairs in Finland.

Jeffrey D. Sachs (1954) is the director of The Earth Institute, professor of Sustainable Development, and professor of Health Policy and Management at Columbia University. He is also director of the UN Millennium Project and special advisor to United Nations secretary-general Kofi Annan on a group of poverty alleviation initiatives called the Millennium Development Goals. Prior to joining Columbia University, he spent over twenty years at Harvard University, most recently as director of the Center for International Development. He became internationally known in the 1980s for his work advising governments in Latin America, Eastern Europe, the former Soviet Union, Asia and Africa on economic reforms. He is author or co-author of more than two hundred scholarly articles, and has written or edited many books. He was recently elected into the Institute of Medicine and is a research associate of the National Bureau of Economic Research.

Andrés Solimano (1956) is regional advisor at the United Nations Economic Commission for Latin America and the Caribbean (ECLAC). He was at the World Bank for ten years where he held positions of country director, economic advisor and senior economist. He was executive director at the Boards of the Inter-American Development Bank (IDB) and Inter-American Investment Corporation (IIC), and representative of Chile at the donors committee of the Multilateral Investment Fund (MIF) in Washington. He was the chairman of the Programming Committee of the Board of Executive Directors of the IDB. He is the general editor of the series Distributive Justice and Economic Development from the University of Michigan Press and has authored various books and articles on economic reform, growth, development, income distribution, international migration and political economy.

Jan Joost Teunissen (1948) is director of FONDAD. He started his career in 1973 as a social scientist and freelance journalist in Chile. Seeing his plan to work in Chile’s agrarian reform and rural development aborted by the coup d’état of 11 September 1973, he engaged himself in activities aimed at the return of democracy in Chile. He focused on economic
boycott as a political instrument to bring about regime change in Chile and other dictatorships. In his work on international economic and political issues, he forged links with academics, politicians, journalists and high-level policymakers in various parts of the world. In the Netherlands he stimulated discussions on the origins and solutions to the international debt crisis. Supported by economists such as Robert Triffin, Jan Tinbergen, Johannes Witteveen and Jan Pronk he established FONDAD in 1987. He has co-authored books and articles on finance and development issues.

**Wing Thye Woo** (1954) is professor in the Department of Economics, University of California at Davis. He is special advisor for East Asian Economies in the Millennium Project of the UN and visiting professor at the Earth Institute of Columbia University. He is the director of the East Asia Programme within the Center for Globalization and Sustainable Development at Columbia University. In 1994, he was a member of a consultant team to China’s Ministry of Finance that helped to design tax and exchange rate reforms. From 1994 to 1996, he led an international team to study the reform experiences of centrally-planned economies. In 1997-1998 he directed the Harvard Institute for International Development project “China’s Integration into the World Economy”. He has been an adviser to a number of governments and has held visiting positions at different universities all over the world. He is editor and member of editorial advisory boards in various economic journals. He has published widely in professional economic journals and books.

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Abbreviations

ACP  Africa, Caribbean and the Pacific
AERC  African Economic Research Consortium
AfDB  African Development Bank
AFRODAD  African Forum and Network on Debt and Development
AGOA  African Growth and Opportunities Act
AU  African Union
BCEAO  Central Bank of West African States
BEAC  Banque des États de l’Afrique Centrale
BIS  Bank for International Settlements
BWIs  Bretton Woods institutions
CEMAC  Central African Economic and Monetary Community
CEPR  Centre for Economic Policy Research
CFA  Communauté Financière Africaine
CMA  Common Monetary Area (Southern Africa)
COMESA  Common Market for Eastern and Southern Africa
CPIA  Country Policy and Institutional Assessment (of the World Bank)
DAC  Development Assistance Committee (of the OECD)
DFID  Department for International Development (UK)
EAC  East African Community
ECA  Economic Commission for Africa (of the UN)
ECLAC  Economic Commission for Latin America and the Caribbean (of the UN); (in Spanish CEPAL)
ECOWAS  the Economic Community for Western African States
EEFSU  Eastern Europe and the former Soviet Union
EPA  economic partnership agreement
EU  European Union
FDI  foreign direct investment
FTA  free trade area
GATS  General Agreement on Trade in Services
GATT  General Agreement on Tariffs and Trade
GDP  gross domestic product
GNP  gross national product
HIPC  heavily indebted poor country
ICRG  International Country Risk Guide (of the PRS Group)  
IDA  International Development Association  
IDB  Inter-American Development Bank  
IDS  Institute of Development Studies  
IFI  international financial institution  
IMF  International Monetary Fund  
KIEP  Korea Institute for International Economic Policy  
LAC  Latin America and the Caribbean  
MCA  Millennium Challenge Account  
MDGs  Millennium Development Goals  
MEFMI  Macroeconomic and Financial Management Institute of Eastern and Southern Africa  
MOU  memorandum of understanding  
NEPAD  New Partnership for Africa’s Development  
NGO  non-governmental organisation  
ODA  official development assistance  
OECD  Organization for Economic Cooperation and Development  
PECC  Pacific Economic Cooperation Council  
Purchasing power parity  
PRGF  Poverty Reduction and Growth Facility  
PRSC  Poverty Reduction Support Credit  
PRSP  Poverty Reduction Strategy Paper  
PSIA  Poverty and Social Impact Analysis  
RIAs  regional integration arrangements  
R&D  research and development  
RMA  Rand Monetary Agreement  
RTAs  regional trade arrangements  
SACU  Southern African Customs Union  
SADC  Southern African Development Community  
SADCC  Southern African Coordinating Conference  
SDT  Special and Differential Treatment (within the WTO)  
SSA  Sub-Saharan Africa  
TNC  transnational corporation  
TRIMs  Trade-Related Investment Measures  
TRIPs  Trade-Related Aspects of Intellectual Property Rights (WTO Agreement)  
UEMOA  West African Economic and Monetary Union  
UK  United Kingdom  
UN  United Nations  
UNCTAD  United Nations Conference on Trade and Development  
UNDP  United Nations Development Programme  
UNECA  United Nations Economic Commission for Africa
### Abbreviations

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<td>UNRISD</td>
<td>United Nations Research Institute for Social Development</td>
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<td>US</td>
<td>United States</td>
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<tr>
<td>VAT</td>
<td>Value added tax</td>
</tr>
<tr>
<td>WAIFEM</td>
<td>West African Institute for Financial and Economic Management</td>
</tr>
<tr>
<td>WTO</td>
<td>World Trade Organization</td>
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