

ASSURING FOOD AND NUTRITION SECURITY IN AFRICA BY 2020:

Prioritizing Action, Strengthening Actors, and Facilitating Partnerships

April 1–3, 2004, Kampala, Uganda

SUMMARY NOTE

KEYNOTE TITLE

Keynote Speaker: *Augustin Fosu*, Senior Policy Advisor (on behalf of *K. Y. Amoako*, Executive Secretary), U.N. Economic Commission for Africa (ECA), Ethiopia

Title: Broad-Based and Sustainable Economic Growth: Why Has It Not Occurred in Africa and What Does It Take to Bring It About?

Date: April 2, 2004

Your Excellencies, Distinguished Guests, Madam Chairman, Ladies, and Gentlemen.

I sincerely appreciate the opportunity to address you at this very important All-Africa Conference on “*Assuring Food and Nutrition Security in Africa by 2020.*” (With 2020 Vision?) True to its mandate, IFPRI has assembled an impressive cross-section of stakeholders and partners around this African priority. The Conference is indeed timely. It serves as an opportune lead into the African Agricultural Leaders Seminar, which the Hunger Task Force of the MDGs project will conduct as during the forthcoming AU Summit in Addis Ababa in June 2004. (I hope you will attend, and will stop by the ECA.)

Madam Chairman, Ladies, and Gentlemen.

The theme of this address is very crucial and ought to engage the minds of every African (and Africanist) today. Why is it that, in spite of numerous efforts, strategies and action plans, broad-based and sustainable growth has eluded the continent? And what can we do to reverse the trend and bring about growth?

(I have counted over 100 speeches in the conference so far that have some relevance to answering this question. As most of the presentations have been micro, mine will be rather broad, by design.)

Let me suggest to you, then, that the solution is in the restructuring of African economies and the transformation of agriculture.

In most African countries, the key to achieving sustainable economic growth, and reducing the vulnerability of African economies to external shocks, is to transform the structure of Africa’s economies. But what do I mean by structural transformation? It is the process whereby a predominantly agrarian economy is mapped into a diversified and productive economy dominated by the manufacturing and service sectors. May I underscore here that the emphasis on export-led and industry-driven transformation is not an attempt to re-hash conventional arguments of import-substitution versus export promotion; rather it is an argument for creating an enabling environment for African economies to transform their static comparative advantages in agriculture into dynamic sources of competitiveness, through targeted domestic investment

strategies in agro-industries. The key is to strengthen the linkages between agriculture and industry through enhanced value-added processing and exports.

In Africa, economic growth in the last decade averaged only 2.1% a year, less than population growth of 2.8%, and considerably less than the 7% needed to cut in half the share of Africans in poverty by 2015. More recently in 2003, only 4 countries registered growth rates above 7%. Forty-one countries exhibited positive growth below 7%, while the rest experienced negative growth rates. This outcome suggests that most African countries are unlikely to achieve the internationally agreed MDGs by 2015. Nor would economic growth alone by itself sufficiently reduce poverty. The requisite growth would be in the context of macro-economic policies that emphasize agricultural transformation, job creation and productivity growth and social policies that redress inequality and discrimination. (Many of the papers so far have touched on several of these issues.)

Madam Chairman, Ladies, and Gentlemen.

These are our realities today. Economic growth has not been high, broad-based, or sustainable in Africa, because Africa has not succeeded in implementing the above program of transformation. But these realities need not be our destinies, and they are not.

We need to reverse the trend, and we will, by restructuring our economies, in order to begin to make a dent in our efforts to achieve growth and reduce poverty.

Fundamentally, food security and poverty reduction go hand in hand with sustained and broad-based economic growth. Moreover, the spatial distribution of population and poverty in Africa on the continent indicates that the road to sustainable food and nutrition security in Africa is broad-based economic growth built on agricultural revolution. Currently, three-quarters of all the poor work and live in rural areas, and over 60 percent of them will continue to be rural in 2025. Furthermore, we all know that the income and livelihood of the bulk of the African rural population depend primarily on agricultural enterprises in which 90% of the rural labor force engages directly or indirectly.

We also know that urban poverty is inter-linked with rural poverty through strong backward and forward linkages between agriculture and the other productive and service sectors of the economies of most developing countries. Studies, specifically of some African countries, for instance, show that adding a dollar to farm incomes increased total incomes by 2–3 dollars. (The magnitude of the multiplier is not unlike the textbook case of the US.) Widespread increases in income and, therefore, broad-based agricultural growth, are crucial for achieving the full potential of these multiplier effects. Conversely, urban poverty and food insecurity feed on rural poverty through rural-urban migration induced by acute rural impoverishment (Harris-Todaro framework: the economists, not managers!). For the majority of African households today, therefore, domestic food and agricultural production remains an overriding determinant of overall income, as well as of the availability of, and access to, food.

Nonetheless, despite past efforts to remove the distortions in the incentive structures in the agricultural sector, the sector is not growing at the rate required for sustainable economic growth. Agricultural development needs to go beyond “getting prices right” and focus more on increasing productivity by removing institutional and structural constraints responsible for the poor performance. (Including “getting the markets right”). This calls for increased investment in public research and infrastructure, better extension services, and increased access to credit to farmers. But agro-ecological conditions in Africa are not uniform, blunting the potential power of green revolution, which worked well in Asia. (This point emerged yesterday as well.)

Therefore, we must develop region-specific technologies to increase yields and the likelihood of adoption by local farmers. This is one of the cornerstones of an African Green Revolution, which we at the ECA are currently working on, following the call last year by UN Secretary-General Kofi Annan urging African countries to promote an African Green Revolution. We are convinced that this Green Revolution will succeed because it will: (1) be specifically designed for the African context; (2) take into account new

developments in technology including biotechnology and ICTs; and (3) involve an extensive learning curve to ensure that mistakes of the past are not repeated.

ECA has already embarked on a strategic roadmap for promoting the African Green Revolution, involving systematic identification and mobilization of the multiple stakeholders needed to trigger and sustain a Green Revolution: ranging from the scientists that will deliver the designs and technologies on the ground, to the African governments and institutions that will make the supportive policies, and to the international community, which must now focus more closely on Africa's potentials and challenge. Seen in this regard, therefore, research investment in Africa should focus on developing technologies appropriate to the conditions of different regions. Also, the triad relationship between researchers, extension service and farmers must be promoted and sustained. (I found Dr. Nwanza's presentation yesterday particularly instructive: NERICA (rice revolution) and phosphorus rock application. Having one of the Pan-African-knowledge centers, ECA can help!)

Yet, all the above would come to naught, until and unless we find a solution to the HIV/AIDS problem. As we pay more attention to agriculture as the springboard for a broad-based growth, African countries must also actively respond to the HIV/AIDS epidemic in more creative ways: we must find ways to keep alive longer those infected by this virus, and we must prevent new infections. This imperative is now even more crucial in the face of another unfortunate African reality: HIV/AIDS has mostly affected the productive force; especially those engaged in agriculture and related support services. The Commission on HIV/AIDS and Governance (which is chaired by ECA's ES) is working on helping African governments cope with this epidemic and correct the structural damage it has wrought. ECA has embraced this mandate and has actively incorporated it into its work program. Indeed, ECA has just completed an important workshop on this work in Maputo. (Dr. Whiteside will elaborate later.)

The policies that we advocate will promote sustainable growth, however, only if we pay better attention to good, accountable, governance across Africa. (Ms. Machel particularly emphasized the importance of governance yesterday.) At the ECA, we have just concluded a landmark study of the state of governance in 28 African countries. In the *African Governance Report*, we studied elements like institutional effectiveness, human rights, and political governance, concentrating on constitutional changes, increasing legitimacy of the democratic political system and competitive electoral policies. We have also looked at economic governance, with particular attention on better micro-economic environment, greater private sector support and increasing space for the informal economy.

Madam Chairman, Your Excellencies, Ladies, and Gentlemen.

The complementarity of IFPRI's and ECA's respective roles cannot be over-emphasized. As the Commission's mandate is concerned with all aspects of economic development of the African continent, that mandate would be vacuous without attention on food and nutritional security. The current conference clearly exemplifies the nature of that complementarity, as well as the cooperation between the two institutions.

Finally, please permit me to emphasize the catalytic role of ECA as a primary Pan-African institution. Together with IFPRI, other institutions, and all of you, we can achieve the above transformation.

Thank you all for listening.

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