FARM SUBSIDIES, UNFAIR TRADE PRACTICES AND THE PROSPECTS OF POVERTY REDUCTION IN AFRICA: OPTIONS FOR THE CONTINENT

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I. INTRODUCTION

At the dawn of the 21st century, Africa remains the poorest continent and continues to face monumental development challenges. According to the World Bank, excluding South Africa, the average income per person of African countries was only US$315 in 1997. Expressed in purchasing power parity, this means that Africa's average real income was one-third less than that of South Asia, making Africa the poorest region in the world (World Bank 2000:7). Africa's level of poverty and underdevelopment can be expressed in other forms. According to Iyoha (1999:1)

> The bottom line is that the 600 million people inhabiting the 50-odd countries in sub-Saharan Africa are among the poorest in the world. The World Bank classifies 74% of the countries of SSA as "low-income countries" while the United Nations Development Programme classifies 79% of them as "low human development" countries. Finally, out of the 41 countries in the world classified as heavily indebted poor countries by the World Bank and International Monetary Fund, 33 (or 80%) are in sub-Saharan Africa.

This alternative perspective is offered by Nsouli and Le Gall (2001:2): "Today, more than 300 million people in sub-Saharan Africa live on less than $1 a day. Of all the regions in the world, sub-Saharan Africa has the largest proportion of people – 48 percent – living in extreme poverty".

Why has Africa remained so poor? The consensus among analysts is that it is a result of Africa's dismal economic performance, particularly during the last quarter of the 20th century. See Table 1, which gives gross domestic product (GDP) per capita for African countries in 2000. According to the World Bank (2000:8), "Unlike other developing regions, Africa's output per capita in constant prices was lower at the end of the 1990s than 30 years before". Data from the World Bank (2000) show that GDP per capita of Africa (excluding South Africa) was US$525 in 1970; however, it amounted to a mere US$336 in 1997. Thus, between 1970 and 1997, real GDP per

capita fell by 36%, or at an average annual rate of about –1.3%. This should be compared to the case of East Asia whose real GDP per capita was US$157 in 1970; but, by 1997, the real GDP per capita had risen to US$715. This translates to an increase of 335% during the period, or an average annual growth rate of 13.2%.

Though generally dismal, the economic performance of African countries was uneven during the last three decades of the 20th century. While Africa's economic performance was moderately poor in the 1970s and fairly respectable in the 1990s, the region's economic performance in the 1980s was definitely atrocious. Indeed, the economic performance in the region was so poor that the socio-economic conditions in most African countries deteriorated sharply, earning the 1980s the sobriquet of Africa's "lost decade" of development opportunities. In sub-Saharan Africa, between 1980 and 1989, per capita real income (measured by the real gross national product per person) declined at an average annual rate of 2.2%. However, buoyed perhaps by the adoption of structural reforms and as a result of the implementation of sound macroeconomic policies, Africa enjoyed a recovery in the mid-1990s after almost two decades of unrelenting decline. But the recovery was not sustained long enough or strongly enough to make a significant dent on Africa's pervasive poverty (Ajayi 2000, p. 3). In fact, the decade ended on a disappointing note with real GDP growth rate falling from a high of 5.5% in 1996 to a pedestrian 3.2% in 1998 and an anaemic 2.7% in 1999. Stated differently, real per capita GDP growth rate declined from a peak of 2.8% in 1996 to a miserable 0.4% in 1999. See Table 2, which presents data on Africa's macroeconomic indicators during the 1990s.

From Table 2, it can be calculated that between 1996 and 2000, Africa's average annual growth rate of real per capita GDP was 1.1%. This lacklustre performance compares quite unfavourably with the impressive economic performance of the East Asian region and also of China in the 1990s. Between 1991 and 1995, East Asia posted a 7.5% average growth rate of real per capita GDP, while China, the erstwhile sleeping giant of Asia, reported a spectacular 10.5% growth rate of real per capita GDP (Iyoha 1999:3). It is apparent therefore that to significantly raise living standards and appreciably reduce poverty, African countries need to grow much faster and sustain it for a much longer period (Sharer 1999:27). Table 3 presents data on growth of real GDP for individual African countries from 1975 to 1997. As is to be expected, there is considerable variation in the economic performance of the individual countries. Nevertheless, only 4 small countries, namely, Botswana, Lesotho, Mauritius, and Swaziland, performed consistently well during the entire period. Kenya performed reasonably well between 1975 and 1989 but stumbled during the 1990-97 period when it could only report an average real GDP growth rate of 2.1%. In North Africa, Egypt came up with a moderately respectable growth performance with Tunisia and Morocco following not too far behind. The 2 largest economies in sub-Saharan Africa — Nigeria and South Africa — did not record impressive economic performances. South Africa's growth rate of real output averaged less than 2%, while Nigeria could only report an average growth rate of real output equal to 2.5% during the last quarter of the 20th century.

Development economists have been making valiant attempts to explain Africa's poor macroeconomic performance. While there is no consensus on a single cause, the currently identified factors include the continent's colonial legacy, its backward technology, export enclavism, extremely disadvantageous geography and climate, demography, social conditions, ethnic and tribal divisions, unfavourable initial conditions, deficient infrastructure, lack of financial depth, macroeconomic policy mistakes, hostile external environment, and dependence on primary commodity exportation. (Ajayi 2000, Collier and Gunning 1998, Iyoha 2001), and Sachs and Warner (1997). Nevertheless, it is almost certain that the relatively poor export performances of African countries have contributed significantly to their poor growth performances. In the view of Sharer (1999:27):

> Sub-Saharan Africa has lagged behind other developing regions in both export performance and economic growth over the past two decades. From 1975-1997, nominal export and real GDP in sub-Saharan Africa grew annually by 4.7 per cent and 2.2 per cent, respectively, compared with 15.7 per cent and 7.6 per cent in six Asian countries.

Given the well-documented empirical relationship between economic growth and export growth (see Fosu, 1990 and Iyoha, 1998), the conclusion is easily drawn that Africa's lacklustre export performance has contributed significantly to its poor overall economic performance. Also, there is the issue of external debt. During the last quarter of the 20th century, the stubborn problem of debt overhang (high external debt stock and unsustainable debt service burden) has emerged to further complicate Africa's development problematique. Already, there is convincing empirical evidence that the debt overhang has had the effect of reducing investment and lowering growth rates of real GDP in sub-Saharan African countries (Iyoha 1999). It is apparent that if urgent action is not taken to bring about debt relief, soaring debt service payments could lead to the further pauperisation of many countries in sub-Saharan Africa.

One disturbing fact is that aid to Africa has apparently done little to promote growth and alleviate poverty. Why has aid not been effective in raising economic growth in Africa? First and foremost, the quantum and quality of aid have been low and insufficient. Development aid, which had been inadequate, again declined drastically in the 1990s. And, according to UNDP (2003:146), "Declining aid has hit hardest the regions and countries in greatest need. For example, Sub-Saharan Africa and South Asia saw dramatic drops in per capita aid in the 1990s". Using net receipts of official development assistance (ODA) as the aid measure, it is found that while ODA per capita received in sub-Saharan Africa was $34 in 1990, it fell to $21 in 2001 (UNDP 2003, table 8.1, p. 147). The UNDP's *Human Development Report 2003* provides statistics, which clearly demonstrate a morally indefensible situation where "aid" to cows in the European Union (EU) and Japan is much higher than aid to Africans by the EU and Japan. The data show that in 2000, the European Union's annual aid to sub-Saharan Africa amounted to $8 per African person while EU annual daily subsidy to EU cows was $913 per cow. The case of Japan was even more incongruous. In 2000, Japan's

annual aid to sub-Saharan Africa was $1.47 per African person but Japan's annual daily subsidy to its cows amounted to an astronomical $2,700 per cow! (UNDP 2003:155). The UNDP has estimated that external aid will need to increase by between $50 billion and $100 billion a year if the Millennium Development Goals (particularly the eradication of extreme poverty and hunger by 2015) are to be met in developing countries. Secondly, aid effectiveness in Africa has been quite low. The World Bank (2000a:237) opines that the factors that have undermined aid effectiveness in Africa during the past decade include:

> … the support provided for 'trusted allies' even when they pursue poor development policies, donor preferences on aid objectives and delivery mechanisms, and the effects of the debt overhang.

Finally, analysts have pointed to a multiplicity of overlapping aid processes, programmes and instruments that undermined aid effectiveness and only served to weaken accountability and ownership of development processes in African countries.

However, while Africa has received a reasonable amount of aid from the EU and other countries, official development assistance has done little to increase economic growth and reduce poverty. Thus, despite large aid inflows (somewhat offset by terms of trade losses and high debt-service payments), African economic growth has remained sluggish and unimpressive. In the last decade of the 20th century, aid to Africa began to decline for a host of reasons including donor fatigue and "competition" from the transition economies of Eastern Europe. As if to further complicate Africa's development problematique, a new and ominous spectre has appeared on the horizon — the deadly and implacable HIV/AIDS pandemic. Meanwhile, Africa's fragile economies continue to be battered not only by the external debt overhang but also by huge farm subsidies to farmers in OECD countries and unfair trade practices by the industrialized countries. The challenge for Africa is to cope with these daunting problems and devise policies and strategies to kick-start economic growth in order to raise the standard of living of its 600 million inhabitants. Thus, the main objective of this paper is to analyse the impact of OECD farm subsidies and unfair trade practices on Africa's levels of development and incomes, and suggest strategies for bringing about rapid and self-sustainable economic development in order to significantly reduce poverty in African countries in the years ahead.

For ease of exposition and comprehension, this paper is organized into five sections. The first section contains the introduction while section two presents an analysis of farm subsidies and unfair trade practices, In section three, the prospects of poverty reduction in Africa are discussed, while section four deals with the options open to the continent in the face of huge and pervasive trade-distorting subsidies to farmers in advanced countries and other unfair trade practices. The final section, section five, contains a summary of the paper and some concluding remarks.

II. FARM SUBSIDIES AND UNFAIR TRADE PRACTICES

For decades, European countries, most of which are members of the European Union,[1] have continued to be the principal source of aid and investment flows for Africa. Besides, Europe has been Africa's main trading partner — buying 57% of the continent's exports and supplying 60% of Africa's imports (ADB 1999:10). Trade links have been further strengthened by recent trade agreements like the Lome, EU– Morocco and EU-Tunisia Pacts. The strong Africa-Europe ties in the fields of trade, business, aid, and culture arise from reasons of geographical proximity and a result of historical links, and in particular from the fact that most African countries are former colonies of European countries. This explains why France and the United Kingdom, who had many colonies in Africa, are principal investors, trading partners and aid donors in Africa.

An issue of concern to analysts is that a disproportionate amount of Africa's external trade is with countries outside the continent. Thus, Africa-to-Africa or intra-African trade is low. Currently, for sub-Saharan African countries, Africa-to-Africa export trade accounts for only 12% of total export trade (ECA 2003:38). Available data show that, today, Africa-to-Africa trade is dominated by five countries, viz., Côte d'Ivoire, Nigeria, Kenya, Zimbabwe, and Ghana. According to ECA (2003:40), "Côte d'Ivoire accounts for 25% of the exports, Nigeria 20%, Kenya 9%, Zimbabwe 9%, and Ghana 9%". Export trade is highly concentrated as only 5 countries accounted for 75% of exports. On the import side, there is less concentration as 16 countries accounted for 75% of imports. Côte d'Ivoire is also the country with the highest percentage of Africa-to-Africa imports. It should be pointed out however that the importance of Africa-to-Africa trade varies widely among African countries. For example, while Africa-to-Africa trade accounts for only 2% of Kenya's imports, it accounts for over 50% of the imports of the Seychelles. Generally, there is little trade between countries that are geographically distant. This explains the fact that there is very little trade between Nigeria and Tanzania. Foodstuffs and feeds are currently the fastest growing product categories in Africa-to-Africa trade. This is one area where intra-African trade can be greatly expanded. Currently, Zambia imports large quantities of maize from outside the continent. Yet, this could easily be sourced from Zimbabwe.

Paradoxically, one of the effects of globalization on the African continent has been to worsen existing imbalances, which have impeded development and aggravated poverty contributing to the further marginalization of Africa. The marginalization of African countries is reflected in their small share of world trade (barely 2%), their small share of world output (also about 2%) and their miniscule share of foreign investment (1%) (Daouas 2001:.4). In the 1990s, Africa's exports grew at an average annual rate of 3.1%, which was less than half of the rate of world export expansion, recorded as 6.8% per annum. The process of marginalization has continued and Africa's share of

[1]Member countries of the European Union (EU) are: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Portugal, Spain, Sweden, The Netherlands, and the United Kingdom.

world trade has continued to shrink. According to Ajayi (2001:7), "During 1960-69, Africa's average share of total world exports was 5.3%, and of imports 5.0%. During 1990-98, however, these figures dropped to 2.3% and 2.2%, respectively". In addition, according to UNDP (2003:16), "epidemic diseases, most dramatically HIV/AIDS, prey disproportionately on those left behind and push them back even further – trapping poor people in a vicious cycle of poverty and disease". Although globalization offers a promise or possibility of rapid economic growth and poverty alleviation; it by no means guarantees it. Thus, globalization could result in expanding exports and rising agricultural production, which would lead to rapid economic growth for Africa. On the other hand, it could result in Africa being a dumping ground for the subsidized agricultural commodities and manufactured goods of advanced industrialized countries, which would result in falling agricultural production, rising unemployment, falling income, and ever-increasing poverty. The challenge for Africa therefore is to adopt appropriate domestic and trade policies, which would lead to maximizing the positive benefits of globalization while minimizing its ill effects.

WTO: Provisions of Agreement on Agriculture

The long-term objective of the WTO Agreement on Agriculture is to establish a fair and market-oriented agriculture trading system. It is also aimed at initiating a reform process through the negotiation of commitments on support and protection and through the establishment of strengthened and more operationally effective GATT rules and disciplines. This long-term objective is to provide for substantial progressive reductions in agricultural support and protection sustained over an agreed period of time, resulting in the correction and prevention of restrictions and distortions in world agricultural markets.

The WTO embodies provisions, as agreed on by developing countries, aimed at boosting developing countries performance in world trade in agricultural commodities. The WTO members agreed to have specific binding on the following areas:

- Market access
- Domestic support
- Export competition and subsidies

Market Access

An often-mentioned problem of developing countries' agricultural export has been the lack of access to developed countries' markets, due to the institution of a myriad of import controls and other restrictions. This has largely undermined the growth prospects of developing countries whose development strategy relied on agricultural exports. In the WTO Agreement, developed country members, have agreed to take fully into account

> … the particular needs and conditions of developing country members by providing for a greater improvement of opportunities and terms of access for agricultural products of particular interest to those members, including the fullest liberalization of trade in tropical-agricultural products..., and for products of particular importance to the diversification of product from the growing of illicit narcotic crops.

Market access concessions relate to bindings and reductions of tariffs and to other market access commitments as specified in the WTO Agreement. The agreement further provides that members shall not maintain, resort to, or revert to any measures of the kind which have been required to be converted into ordinary customs duties. These measures include quantitative import restrictions, variable import levies, minimum import prices, discretionary import, licensing, non-tariff measures maintained through state-trading enterprises, voluntary export restraints and similar border measures other than ordinary custom duties. This is contained in Article 4 of the Agreement on Agriculture.

Domestic Farm Support Programmes in Developed Countries

A basic source of distortion in the world market for agricultural commodities and primary products has been the differential level of domestic support that developed and developing countries can give to the production of these commodities. This has tended to reduce the price competitiveness of developing countries. Accordingly, WTO provides for a commitment by each developed country to reduce its domestic support measures in favour of agricultural products. However, for developing countries, government measures of assistance, whether direct or indirect, to encourage agricultural and rural development are regarded as an integral part of their development programmes. Hence, the WTO provides that investment and agricultural input subsidies (e.g. fertilizer) which are generally provided to low-income or resources-poor producers in developing countries shall be exempted from domestic support reduction commitments that would otherwise be applicable to such measures in developed countries. This is contained in Article 6 of the Agreement on Agriculture.

Export Competition and Export Subsidies

Domestic support and export subsidy policies have been employed largely by developed economies to protect their agricultural sectors. Under the Export Competition commitments, each member undertakes not to provide export subsidies or any financial contribution other than in conformity with the Agreement and with the commitments as specified in that member's schedule. The financial contribution may involve a direct transfer of funds, potential direct transfers (such as loan guarantees), the forging of revenue by the government, or the public provision of goods and services, other than infrastructure, or the government purchase of goods; or any form of income or price support. The Agreement prohibits subsidies contingent upon export performance or upon the use of domestic goods in preference to imported goods. GATT members have also entered into commitment to reduce those classes of subsidies specified in the Agreement as actionable with accompanying target dates and a desired level of action required. The bound reduced of export subsidies are defined in Article 9(1) of the Agreement. These are to be reduced by 24% in terms of value (budget outlays) and 14% in volume over a 10-year period by developing countries. For developed countries, the corresponding figures are 36% and 21% for 6 years.

Assessment of Impact of the WTO Provisions on Africa's Agricultural Exports

Bold as the 1994 Uruguay Round initiatives were, scholars are not convinced that the real motive behind them is actually the revitalization of the developing countries' agricultural export trade. Most of the developing countries are of no significant consequence in their trade relations with the developed countries to whom their total trade is largely oriented. Indeed, despite the changes in the WTO, developing countries will continue to have a relatively weak bargaining position, as trade liberalization in the WTO remains dependent

upon developed countries' willingness to reduce tariffs and domestic support in areas of interest to developing countries.

Moreover, trade in commodities has over the years been governed by Commodity Trade Agreements. There is no reference in the WTO to what will become of these Agreements. Their sustained use in the determination of commodity bargains side by side with the WTO Agreements will continue to impoverish primary commodity producers.

Aside from the observed internal weakness of the WTO, other factors contribute to Africa's poor competitiveness, and might hinder her ability to truly exploit opportunities presented by the WTO though the new system is supposed to be problem free. These include:

(i) Unfavourable supply conditions for cash crops due to:
- insufficient domestic production
- relatively poor quality of outputs as a result of poor handling of crops:
- underdeveloped agronomic research and lack of proper link between research organisations and producers; and
- lack of improved seeds and seedlings

(ii) Poor and unreliable infrastructure (energy, water supply, transportation)
(iii) Poor access to credit and foreign exchange, resulting in major supply problems
(iv) Lower labour productivity in relation to most Asian countries
(v) Rural-Urban migration away from agriculture to industrial and white-collar employment
(vi) Pervasive poverty and poor health, and
(vii) Cumbersome export procedures

All in all, the Uruguay Round of multilateral trade negotiations was not particularly favourable to African countries. This is to some extent related to the low level of participation by African countries in the negotiations. Also, the unfavourable results to some extent reflect imbalances whose overall effect penalized African countries. In particular, issues of great interest to African countries were not adequately covered in the Uruguay Round negotiations. Worse still, African countries accepted many binding obligations in exchange for non-binding promises from the developed countries of the North. Also, in retrospect, African countries did not fully understand the implications of many of the Uruguay Round agreements that they supported. Not surprisingly therefore, African countries have been faced with difficult administrative, institutional and financial problems in trying to meet the obligations which form integral parts of the WTO agreements. Many African countries have also encountered problems in trying to realize the benefits which the WTO agreements promised. A new round of negotiations, the Doha Round has been presented to developing countries as a means to redress the demonstrated imbalances and inequities of the Uruguay Round. The Doha Round has also been presented to developing countries as an opportunity to place more development-oriented issues and proposals on the negotiating agenda.

Note that expanding market access for its exports is particularly critical for Africa since it depends more on external trade than do other developing regions of the world.

For example, in 2001, exports of goods and services accounted for 34% of the GDP of developing countries but they amounted to 40% of the GDP of sub-Saharan African countries (ECA 2003:20)

Barriers to African External Trade

Attempts to expand Africa's trade have been hampered by both internal and external constraints or barriers. Internal barriers to African trade include low per capita incomes, tariff and non-tariff barriers, overvalued exchange rates, inconvertible currencies, poor transport and communications infrastructure, anti-trade biased policies, civil wars, and poor macroeconomic policies. The external barriers to trade are those imposed by foreigners and include lack of access to Western markets and trade-distorting farm subsidies by Japan, the EU and the USA.

On account of a host of factors including low productivity, lack of competitiveness, poor market access, falling terms of trade, and restrictive trade regimes, Africa's relative market share in world exports has been declining for decades. According to the World Bank (2000:192):

> Since 1970 Africa has suffered losses in its world market for agricultural exports – 55 percentage points for groundnuts, 27 points for cocoa, and 14 points for coffee.

Africa's agricultural exports continue to be dominated by a few crops. Indeed, since 1970, nine crops, namely, cocoa, groundnuts, coffee, cotton, tea, rubber, bananas, sugar, and tobacco, have accounted for approximately 70% of Africa's agricultural exports (World Bank 2000:184). Between 1970 and 1997, Africa's share of world trade declined for seven of its major export crops. These were cocoa, groundnuts, coffee, cotton, rubber, banana, and sugar. Africa's relative share of world exports increased for the remaining two, viz., tea and tobacco. Overall, Africa's share in world trade as measured by its share of world exports or world imports has steadily declined since 1970. In 1970, Africa's share of world exports was 4.4% but by 1997, its share of world exports had declined to a minuscule 2.3%. Africa did not fare much better in imports as its share of world imports fell from 6.1% in 1970 to 3.9% in 1997. See Table 4 for complete data on Africa's world export share from 1970 to 2001.

What accounts for Africa's declining share of world trade and declining market share of agricultural exports? First is the issue of restrictions on market access by the rich countries. This point has been well made by Sharer who declared that "industrial country protectionism in the agricultural sector is particularly harmful to Africa, much of whose export potential is in agricultural products and processing" (Sharer 2001:15). However, even though industrial country trade policies and market access restrictions have played a role, the fundamental cause of Africa's falling export could be ascribed to lack of competitiveness arising mainly from low productivity, under-capitalization, high transactions costs, inadequate market infrastructure, weak institutions and support

services, inadequate diversification, and poor macroeconomic policies (including overvalued exchange rates). It seems imperative therefore for African countries to produce agricultural commodities at lower costs, possibly by using new technologies, to ensure that Africa's position in world markets is not further eroded.

Africa, of course, has comparative advantage in the production of primary agricultural commodities. Thus, *ceteris paribus*, Africa's exports of agricultural commodities could be significantly increased if there is a level playing field. The tariff reductions already agreed upon under the auspices of the World Trade Organization (WTO) are no doubt useful. But more needs to be accomplished in future rounds of trade negotiation to ensure that Africa's gains are maximized. In particular, efforts should be made to reduce non-tariff barriers by the Organization for Economic Co-operation and Development (OECD) countries on Africa's agricultural exports, and in general, to increase market access. According to Sharer (1999:26).

> During the round of talks launched in Seattle, African nations should join forces to persuade industrial countries to liberalize agriculture and open their markets to Africa's exports.

It is true that a country's export performance depends on many factors, including its natural endowments and its macroeconomic and structural policy environment, i.e., its domestic policies but the external environment is also often quite critical (Sharer 1999:27) states the matter thus with particular reference to Africa:

> Africa's export performance will be determined primarily by domestic polices. However, enhanced access to industrial country markets is also important and could provide African countries with additional incentives to reform their domestic policies.

In this context it is noted that industrial countries tend to have restrictions on imports of agricultural products, an area where much of Africa's export potential is concentrated. For example, in 1997, the average most-favoured nation tariff in the European Union (EU) was approximately 15% for imported unprocessed agricultural commodities and 25% for processed agricultural products. These were much higher than the 4% tariff that was levied on other goods (Sharer 1999). Also, in the OECD countries, especially in the European Union, non-tariff barriers in the form of product price supports, export subsidies and marketing arrangements also help to fence out agricultural imports. It has been estimated that agricultural subsidies in the OECD countries amount to 1.5% of their total GDP (Sharer 1999). Data contained in the UNDP's *Human Development Report 2003* show that in 2001, OECD's agricultural subsidies totalled $311 billion which exceeded sub-Saharan Africa's GDP of $301 billion (UNDP 2003:156).

Thus, in addition to the problem of lack of market access, there are the important issues of trade-distorting farm subsidies and trade-distorting export subsidies by the

advanced developed countries. High farm subsidies encourage over-production of primary products like cotton in advanced countries. The resulting artificial increase in world supply in turn leads to falling prices and declining incomes in African countries that depend almost entirely on the exportation of these primary products. In addition, according to UNDP (2003:12), "…agricultural subsidies in rich countries lead to unfair competition. Cotton farmers in Benin, Burkina Faso, Chad, Mali and Togo have improved productivity and achieved lower production costs than their rich country competitors. Still, they can barely compete. Rich country agricultural subsidies total more than $300 billion a year – nearly six times official development assistance". The World Bank has analysed OECD subsidies to agriculture and their effect on Africa and other developing countries. It found that transfers to farmers in OECD countries reached staggering amounts in the late 1990s. According to the World Bank (2000:177):

> In 1996, transfers were estimated at US$300 billion..., about the same as Africa's GDP. These transfers are largest in the European Union, with Japan and the United States transferring income at just over half the EU level.

It is obvious that removing the OECD subsidies to agriculture would result in significant benefits to developing countries, especially African countries. In the first place, production patterns would shift, with agricultural production falling in OECD countries and rising in developing countries. For example, it is estimated that meat production in Africa could increase by 20 per cent. Secondly, real income in Africa and other developing regions would rise. According to the World Bank (2000:177), "Annual per capita income would increase by $1 in South Asia, $4 in Southeast Asia, $6 in Africa, and $30 in Latin America". The trade liberalization aspects of globalization therefore still have a long way to go. Clearly, proper implementation of the tenets of globalization would result in huge gains for Africa's agricultural production and contribute to poverty reduction.

There seems to be no doubt that, as stated in a recent World Bank report, the potential gains by developing countries have been constrained and hindered by trade barriers in industrial countries. According to the report:

> Agricultural subsidies in industrial countries, which support inefficient producers, also hurt developing countries' ability to export. … Restrictions and subsidies in industrial countries also hamper the poorest countries' efforts to diversify into downstream processing, high value added products, and fasten growing exports (World Bank 2001:3)

An important point made in the report is that though average tariffs in the industrial countries are low, varying from 4.3% in Japan to 8.3% in Canada, tariffs and non-tariff barriers to trade remain very high on products exported by developing countries. According to the World Bank report:

> Tariffs on major agricultural staples, for example, often exceed 100 percent. Tariffs are 15-30 percent on textiles, clothing, and footwear and more than 30 percent for many food industry products (World Bank 2001:2)

The Report further stresses that after the Uruguay Round, non-tariff barriers to trade still remain in industrial countries but, sadly enough, "most of those barriers are in agriculture, textiles, and clothing, sectors in which developing countries have a comparative advantage" (World Bank 2001:2). All these facts make it difficult to disagree with the conclusion that trade barriers in industrial countries are a major impediment to export growth in developing countries and are further aggravating their development problems. It is therefore imperative that these anomalies should be corrected in the Doha and subsequent negotiating round of the World Trade Organization.

The share of manufactured goods in world exports has changed dramatically since 1950. Between 1900 and 1950, the share of manufactures in world exports averaged 42% with primary products accounting for the rest. However, since 1950, the share of manufactured products in world exports has risen steadily, reaching 63% in 1968 and exceeding 65% in the 1970s. Conversely, the share of primary products (foodstuffs and raw materials) has declined significantly to about 35% of world exports. Since developing countries depend critically on primary product exports and developed countries account for the lion's share of manufactured exports, it is clear that world trade has increasingly moved in favour of the developed countries and against developing countries. This is confirmed by evidence from the UN's *World Economic Survey* giving data on the relative export shares of the centrally planned economies, the market economies of the North (developed economies) and the market economies of the South (the underdeveloped economies). Between 1980 and 1987, the share of world exports of the centrally planned economies remained stable at 10%. However, the share of world exports accounted for by the developed economies rose from 63% to 71%, while the share of world exports accruing to the underdeveloped economies plummeted from 28% to 19%. Although developing countries (taken as a group) are being squeezed, it will be seen on further analysis that the sub-group that has borne the main brunt of this burden consists of the sub-Saharan African countries, since available data show that their share of world exports had plummeted to 1.3 per cent by 2001.

III. PROSPECTS OF POVERTY REDUCTION IN AFRICA

Before delving into issues of poverty reduction, it would be desirable to discuss conceptual issues relating to poverty and its measurement.

3.1 Poverty: Meaning and Measurement

Any meaningful discussion of the problem of poverty, its occurrence and pervasiveness, and effective policies to combat it, must necessarily begin with a definition of poverty. This is because …

> different definitions have given and will continue to give quite dissimilar views on the nature of the poverty problem, the appropriate policies to remedy it, and the effects of past economic and social conditions and of government policies on the poor (Plotnick and Skidmore, 1975:31).

Linked to the issue of definition is the debate over "absolute" versus "relative" poverty. Absolute poverty is what one typically finds in developing countries where, say, a household's income is so low that its members are seriously deprived and cannot meet minimal basic needs. Relative poverty is what one might encounter in a highly industrialized and fairly homogenous society like Sweden. The income of a given household may be high by international standards but the household could still be considered poor if it belongs to the bottom quintile point or if its income is less than half of the society's mean income. Thus relative poverty often uses a statistical convention while absolute poverty is invariably determined politically or socially, for example, establishing the poverty line at an income level of US$1 per day.

An economic perspective on poverty usually begins with a presumption that economic well-being is primarily and directly related to the ability to consume goods and services, and hence related to income. Thus, according to Nobel Laureate, Professor A.K. Sen, "Poverty is typically seen in terms of the lowness of incomes, and it has been traditionally measured simply by counting the number of people below the poverty-line income; this is sometimes called the head-count measure" (Sen, 1999:360). It can be reasonably argued that this is too narrow a definition of poverty. Sen in his various writings has argued in favour of a more elastic definition of poverty, i.e., "poverty as a serious deprivation of certain basic capabilities" (Sen, 1999:360). Thus, the use of income or any monetary measure would have to be complemented by other socio-economic and even health parameters. However, though it is important to go beyond income information in poverty analysis, Sen himself concedes that "the choice of the informational base for poverty analysis cannot really be dissociated from pragmatic considerations, particularly information availability. It is unlikely that the perspective of poverty as income deprivation can be dispensed with in the empirical literature on poverty" (Sen, 1999:361). Thus, one is left with the conclusion that

… in many contexts, the rough-and-ready way of using income information may provide the most immediate approach to the study of severe deprivation" (Sen, 1999:361).

Another issue of interest is the following: assuming that poverty is taken as coterminous with low income, is the aggregate poverty of a given society best measured by the head-count index? The answer of course is "no", since it does not take cognisance of how far below the poverty line the poor individuals are, nor does it say anything about how the deprivation is shared and distributed among the poor. This has led to the development of other measures or indices of poverty. The three commonly used alternative measures are:

(i) the poverty gap ratio;
(ii) Sen's index (which uses the Gini coefficient of inequality among the poor); and
(iii) the Forster, Greer and Thorbecke index[2].

[2]Mathematically, the four measures are defined thus:

(a) Headcount ratio

$$P_0 = \frac{1}{N}\sum_{i=1}^{N} L(x_i \leq z) \qquad \text{(F-1)}$$

where L(·) = 1, if $(x_i \leq z)$
0, otherwise

and z is the poverty line while x is the welfare measure or poverty indicator.

In sum, the common practice is to use consumption or (equivalised) income as the poverty indicator or measure of welfare. However, it is usual to supplement this with other measures of well being like nutritional and health status, life expectancy and education.

3.2 Per Capita Income Growth and Poverty Alleviation

The design and implementation of anti-poverty policies have inevitably brought along with them some controversies. Chief among them is the one about the role of per capita income growth in poverty alleviation. This is often times couched in terms of which policies are more efficacious, those that directly attack poverty or those that do so by accelerating the rate of economic growth.

Note: P_0 is simply the fraction of the population that is in poverty.

(b) Poverty gap ratio

$$P_1 = \frac{1}{N}\sum_{i=1}^{N}\left(1 - \frac{x_i}{z}\right) L(x_i \leq z) \qquad \text{(F-2)}$$

symbols are as defined above.

(c) Sen's measure/index of poverty

$$P_s = P_0\left(1-(1-\boldsymbol{g}^r)\frac{\boldsymbol{m}^r}{z}\right) \quad \text{(F-3)}$$

where μ? = mean of x among the poor and ?? = the Gini coefficient of inequality among the poor, calculated by treating the poor as the whole population.

Note that this can be rewritten as

$$P_s = P_0\boldsymbol{g}^r + P_1\left(1-\boldsymbol{g}^r\right) \quad \text{(F-4)}$$

i.e., Sen's index is the weighted average of the headcount measure and poverty gap index, where the Gini coefficient among the poor is used as the weight.

(d) The Forster, Greer and Thorbecke index

$$P_{\boldsymbol{a}} = N^{-1}\sum_{i=1}^{N}\left(1-\frac{x_i}{z}\right)^{\boldsymbol{a}} L\left(x_i \le z\right) \quad \text{(F-5)}$$

where a is a scalar e" 0. Note that P_0 and P_1 are special cases which correspond to a = 0 and a = 1 respectively. a, sometimes called a poverty aversion index, is often set equal to 2 in empirical work. Since the expression is additive, it is decomposable. For more, see Deaton (1997), Ravallion (1993), Forster, Greer, and Thorbecke (1984), Sen (1997), and Pudney (1999).

[1] Empirical studies (see for example Collier and Dollar, 1999:3) have used this formula which relates poverty reduction to per capita income growth:

$$h = -\boldsymbol{g}G \quad \text{(F-6)}$$

where h is the percentage rate of change of the headcount index of poverty, G is the growth rate of per capita income, and ? > 0 is the elasticity of poverty reduction with respect to mean income. It is obvious that the higher the per capita income growth is, the more rapid will be the rate of poverty reduction in the country. For more, see Collier and Dollar (1999) and Rava
llion and Chen (1997).

Note that cross-country empirical evidence suggests that the elasticity, ?, varies with the degree of income inequality. Basically, it has been found that a given amount of growth results in less poverty alleviation in an economy w
ith a higher degree of income inequality (Collier and Dollar, 1999:6).

Cross-country studies carried out under the aegis of the World Bank have established the important role of rapid per capita income growth in bringing about poverty reduction. According to Professor Lal, a co-director of the numerous studies: "One of its clearest findings was that per capita growth of over 3 per cent a year indisputably reduces the headcount index of poverty" (1999:1). Thus, in his view, the best strategy for the International Agencies like the World Bank to follow is to advise governments to adopt policies that would accelerate economic growth, as this is "a powerful means to alleviate poverty. Anything else is rhetorical posturing which will do little for the world's poor" (1999:1)[1]

Those who advocate the "direct" route recommend the adoption and implementation of policies targeted at the poor in order to reduce the incidence of poverty. This means that poor communities in both rural and urban areas need to be identified and anti-poverty programmes will then target them directly. Targeting may be at the village level, district level or community level. Based on past records of failure of government programmes, opponents feel that the direct route is not feasible or workable.

A way out of the impasse is to concede that the two strategies are not mutually exclusive but could be made to complement each other. Growth in capita income is probably a necessary condition for sustainable poverty reduction. Thus, macroeconomic policies to accelerate the rate of growth of income should be given a priority. These can then be supplemented at the sectoral or microeconomic level by properly designed and targeted programs of poverty alleviation.

IV. OPTIONS FOR AFRICA

Given the pervasive and chronic poverty existing in many African countries, it is imperative that urgent steps are taken to reduce poverty in the continent. The options available for Africa include:

- (i) the vigorous pursuit and implementation of policies which would bring about rapid and broad-based economic growth with equity;
- (ii) the proper design, targeting and implementation of poverty reduction projects and programmes;
- (iii) emphasis on good governance with transparency and accountability in African countries;
- (iv) debt relief in order to release much needed funds for the rapid and self-sustained development of African countries.
- (v) reduction of the colossal farm subsidies in OECD countries;
- (vi) elimination of unfair trade practices which have tended to further pauperize African countries; and

(i) Rapid and broad-based economic growth with equity

Since rapid per capita income growth has been shown to be a necessary condition for sustained poverty alleviation, it seems clear that a priority aim of African governments should be rapid, strong and broad-based economic growth. It is a belief bordering on

dogma for development economists that it is necessary to raise the levels of savings and investment in order to achieve self-sustained growth in real output. All indications are that the investment rate in many African countries is low and needs to be increased. An attempt should be made to increase both public sector investment and private sector investment. In addition, policies and measures should be adopted to increase the marginal efficiency of investment. One way to achieve this is by improving executive capacity. Other ways to achieve this objective include the elimination of corruption and all forms of rent seeking which have resulted in serious leakages.

The quantum of public investment can be significantly increased by adopting some important policy measures. These include: (i) an increase in the national savings rate; (ii) an increase in foreign savings via a rise in foreign investment (especially foreign direct investment); (iii) continuation of banking reform and development of money and capital markets – as a way of increasing the efficiency of financial intermediation and enhancing the ability of the banking system to mobilize domestic resources; (iv) an increase in the proportion of public expenditure devoted to capital spending; and (v) an increase in the proportion of public investment and expenditure directed at labour-intensive and employment-intensive projects. Note in particular that private savings can be raised and their allocation improved by adopting measures designed to remove distortions in the financial markets, eliminate tax disincentives, enhance appropriate interest rate policies, and foster a conducive macroeconomic policy environment for investment.

(ii) Targeting of Interventions

Many experts believe that while rapid economic growth may be a necessary condition for sustained poverty reduction, it is by no means a sufficient condition. They therefore believe that macroeconomic policies to induce rapid economic growth should be complemented by a set of complementary policies that focus on meeting the basic needs of the poor and also those that focus on rural development where most of the poor people in Africa live. Proper design and targeting of such policies is of course imperative if the needs of the poor are to be met. In particular, the intended beneficiaries of any such programme must first be identified and if possible isolated so that the benefits will not unduly accrue to others. Targeted poverty reduction programmes and projects can be macro or micro. However, some experts prefer micro projects as such interventions can be more easily controlled, targeted, monitored, and financed.

(iii) Good Governance

Increasingly, economists are identifying good governance as a sine qua non of economic development and effective poverty reduction. Good governance includes transparency and accountability, and an end to corruption and rent seeking. It is obvious that large-scale corruption, as has been observed in many African countries, is anti-growth as it reduces resources available for economy and nation building as well as encouraging rent seeking. These inevitably hinder and militate against the ethos of hard work. In addition, it reduces productivity and the rate of growth of output, and ultimately hampers the effectiveness of poverty reduction policies. Good governance also tends

to contribute to a stable polity characterized by harmonious social, political and religious interactions. Thus, good governance will be growth enhancing.

(iv) External Debt Relief

Many African countries have seen their external debt stock escalate rapidly leading to heavy debt service burdens. Terms of trade losses and the collapse of commodity prices in world markets have not helped matters. Often, in recent years, one has been faced with the spectacle of a poor African country devoting a large and disproportionate percentage of its foreign exchange earnings to debt service payments with little or nothing left to promote economic development. Obviously, this can only lead to further underdevelopment and even greater poverty. This is what has led in recent years to the call for debt relief and even debt forgiveness, (Ajayi and Iyoha 1998). Indeed, Ajayi and Iyoha (1998) have established that there is an urgent need for debt forgiveness in the case of the severely indebted low-income countries (SILICs) of sub-Saharan Africa. Using econometric analysis, they demonstrated that the debt overhang has a significant depressing effect on growth. They ended by concluding that debt forgiveness would contribute significantly to increased growth and poverty alleviation in the SILICs of sub-Saharan Africa. Indeed, many authors have shown that a high debt stock militates against economic development in African countries. For example, Iyoha (1997 and 1999) provides empirical econometric evidence that the high external debt stock in many sub-Saharan African countries has led to a collapse of investment and contributed to inadequate economic growth in the continent. The World Bank and the IMF initially resisted the call for debt relief and debt forgiveness. They have since relented somewhat by launching the highly indebted poor countries (HIPC) initiative. The London Club of creditors is still resisting the call for debt forgiveness to African countries. However, the logic and necessity for debt relief/forgiveness has already become clear to many analysts. According to a recent World Bank study (2000:235):

> Relief from debt service payments, by releasing budget resources for other uses, is equivalent to an inflow of resources. It is unlikely that aid or debt relief can be effective without each other.

(v) Reduction in Farm Subsidies

Huge subsidies to farmers in advanced industrialized countries have resulted in lowering world primary commodity prices and in the process marginalizing and impoverishing African farmers. Since African countries are too weak to impose their will on the Western countries, the only alternative in the short run is to appeal to their conscience. In the long run, Africa should pursue the goal of diversification and industrialization.

(vi) Elimination of Unfair Trade Practices

In spite of WTO, countries of the West still have in place unfair trade practices inimical to the interests of African and other developing countries. In the main, they use tariffs and other non-tariff barriers to fence out the agricultural and manufactured goods of developing countries. This has militated against export expansion and reduced the gains from trade of African countries. The main option left to Africa is to negotiate for the removal of these unfair barriers to trade within the WTO.

V. SUMMARY AND CONCLUSIONS

In this paper, an attempt has been made to discuss the current situation in Africa with special reference to its poor growth performance and the stubborn problem of extreme and chronic poverty. The causes and correlates of poor macroeconomic performance and low per capita incomes in Africa were identified. In addition to internal causes like poor macroeconomic policies, it was seen that external factors, particularly huge farm subsidies in advanced industrialized countries and unfair trade practices by them have played a significant role in aggravating poverty in Africa. Colossal farm subsidies to farmers in OECD countries have served to depress world prices of primary products which African countries depend upon and in the process contributed to the pauperisation of African farmers. Unfair trade practices have served to make Africa's comparative advantage in primary products meaningless, thus reducing their gains from trade and African incomes levels. It is indeed sad and unfortunate that while the countries of the West advocate trade liberalization and the sovereignty of free market forces, they proceed to do the opposite by imposing trade-distorting farm subsidies and engaging in unfair trade practices. Given the dominance of OECD countries in WTO and other world fora, the only option left for the African continent is the path of dialogue and continued appeal to their morality and humanity. In the long run, African countries should pursue the strategy of industrial diversification.

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Table 1: Africa: GDP per capita (constant 1995 US$) in 2000

Country	2000	Country	2000
Algeria	1605.9	Libya	n.a.
Angola	506.1	Madagascar	245.8
Benin	414.2	Malawi	168.6
Botswana	3951.1	Mali	287.7
Burkina Faso	252.1	Mauritania	495.7
Burundi	140.7	Mauritius	4429.0
Cameroon	675.2	Morocco	1369.9
Cape Verde	1519.1	Mozambique	191.2
Central African Rep.	338.6	Namibia	2407.6
Chad	217.8	Niger	202.8
Congo, Dem. Rep. of	n.a.	Nigeria	253.6
Congo, Republic of	841.4	Rwanda	241.8
Côte d'Ivoire	742.5	Senegal	609.2
Egypt	1225.8	Seychelles	7000.4
Equatorial Guinea	1598.6	Sierra Leone	147.4
Eritrea	155.1	Somalia	n.a.
Ethiopia	115.9	South Africa	3985.1
Gabon	4378.0	Sudan	319.1
Gambia, The	370.5	Swaziland	1476.4
Ghana	413.3	Tanzania	190.5
Guinea	603.4	Togo	326.6
Guinea-Bissau	209.8	Tunisia	2470.1
Kenya	328.2	Uganda	348.0
Lesotho	551.4	Zambia	392.4
Liberia	n.a.	Zimbabwe	620.7

Source: World Bank. 2004. *World Development Indicators 2003, CD-Rom*

Table 2: Africa: Macroeconomic Indicators, 1996-2001

INDICATORS	1996	1997	1998	1999	2000[a]	2001[b]
Real GDP Growth Rate	5.3	3.2	3.2	2.7	3.2	4.1
Real Per Capita GDP Growth Rate	2.8	0.7	0.8	0.4	0.9	1.8
Inflation (%)	27.0	14.1	11.2	12.0	12.7	10.2
Investment Ratio (% of GDP)	18.1	18.2	20.2	20.4	19.9	20.3
Fiscal Balance (% of GDP)	-2.6	-2.7	-3.6	-3.4	-1.0	-1.3
Growth of Money Supply (%)	18.7	17.5	14.2	17.9	13.4	10.9
Export Growth, volume (%)	4.7	3.6	0.0	0.6	7.3	5.3
Import Growth, volume (%)	2.5	6.8	4.7	2.6	4.8	5.1
Terms of Trade (%)	4.8	0.6	-11.3	8.6	15.7	-5.8
Trade Balance ($ billion)	4.8	2.2	-17.5	-10.4	11.4	2.9
Current Account ($ billion)	-5.3	-6.4	-24.6	-18.5	-2.0	-8.6
Current Account (% of GDP)	-1.0	-1.2	-4.5	-3.4	-0.3	-1.4
Debt Service (% of Exports)	22.9	19.2	20.4	19.3	16.2	20.6

a - Preliminary estimates
b - Forecast

Source: ADB Statistics Division and IMF found in West African Institute for Financial and Economic Management. 2000. *2000 Annual Report*, p.9

Table 3: Africa: Growth of Real Gross Domestic Product, 1975-1997

	Average annual %age growth		
	1975-84	1985-89	1990-97
SUB-SAHARAN AFRICA	2.2	2.6	1.9
excluding South Africa	2.0	3.1	2.2
excluding S. Africa & Nigeria	2.6	2.8	2.0
Angola	-	4.7	-1.6
Benin	3.8	2.1	4.1
Botswana	11.4	10.3	4.7
Burkina Faso	3.6	4.4	3.2
Burundi	3.8	5.1	-2.8
Cameroon	8.5	-0.1	-0.9
Cape Verde	-	5.1	3.4
Central African Republic	0.4	0.7	0.7
Chad	-1.9	4.9	4.2
Comoros	-	1.3	-0.1
Congo, Democratic Republic of	-0.3	1.7	-6.4
Congo, Republic of	9.2	-1.0	0.7
Côte d'Ivoire	2.2	2.2	2.4
Djibouti	-	-	-
Equatorial Guinea	-	1.4	13.0
Eritrea	-	-	-
Ethiopia	-	4.1	3.5
Gabon	-0.2	-1.4	3.3
Gambia, The	4.3	3.3	2.4
Ghana	-1.1	5.2	4.4
Guinea	-	4.7	4.0
Guinea-Bissau	2.1	3.1	3.6
Kenya	4.7	5.9	2.1
Lesotho	4.5	7.8	7.0
Liberia	0.1	-1.2	-
Madagascar	-0.2	2.3	0.7
Malawi	3.3	1.9	3.5
Mali	2.3	3.9	3.0
Mauritania	1.6	3.3	3.7
Mauritius	3.6	7.7	5.2
Mozambique	-	6.0	4.2
Namibia	-	2.2	3.5
Niger	2.0	4.2	1.1
Nigeria	-0.7	5.0	3.2
Rwanda	6.8	2.9	-5.5
Sao Tome and Principe	-	-	1.2
Senegal	2.1	3.5	2.4
Seychelles	-2.1	5.2	3.5
Sierra Leone	2.0	0.8	-3.3
Somalia	3.6	3.0	-
South Africa	2.6	1.6	12
Sudan	2.6	0.9	-
Swaziland	3.3	9.9	3.2
Tanzania	-	-	2.8
Togo	2.1	3.4	1.2
Uganda	-	3.4	7.2
Zambia	0.2	2.3	-0.4
Zimbabwe	3.0	4.2	2.1
NORTH AFRICA	5.1	1.4	2.2
Algeria	5.5	0.8	0.4
Egypt, Arab Republic	8.3	4.1	3.9
Libya	1.6	-3.9	-
Morocco	4.7	4.8	2.2
Tunisia	5.3	2.4	5.0

Source: World Bank, 1998:17

Table 4: Africa: Share in world exports and imports, 1970-2001

Year	Exports	Imports	Year	Exports	Imports
1970	4.4	4.5	1986	2.8	2.8
1971	4.2	4.6	1987	2.7	2.5
1972	4.0	4.0	1988	2.4	2.4
1973	4.2	3.8	1989	2.5	2.4
1974	4.8	3.8	1990	2.6	2.3
1975	4.4	4.6	1991	2.3	2.1
1976	4.3	4.1	1992	2.2	2.1
1977	4.4	4.3	1993	2.0	2.0
1978	4.0	4.3	1994	1.8	1.9
1979	4.5	3.6	1995	2.3	2.5
1980	5.0	4.3	1996	2.8	2.2
1981	4.2	4.7	1997	2.7	2.4
1982	3.9	4.3	1998	2.3	2.5
1983	3.9	3.9	1999	2.2	2.7
1984	3.7	3.4	2000	2.3	2.2
1985	3.6	3.1	2001	1.3	1.3

Sources: IFS. 1999. *Yearbook;* and World Bank, 2003

ACBF WORKING PAPER SERIES

Overview: The ACBF Working Paper Series (AWPS) was launched in October 2004 as one of the instruments for disseminating findings of ongoing research and policy analysis works designed to stimulate discussion and elicit comments on issues relating to capacity building and development management in Africa. A product of the Knowledge Management and Program Support Department of the African Capacity Building Foundation, a Working Paper very often ends up as an Occasional Paper, a book or some other form of publication produced by the Foundation after a thorough review of its contents. It offers a means by which the Foundation seeks to highlight lessons of experience, best practices, pitfalls and new thinking in strategies, policies and programs in the field of capacity building based on its operations and those of other institutions with capacity building mandates. AWPS also addresses substantive development issues that fall within the remit of the Foundation's six core competence areas as well as the role and contribution of knowledge management in the development process.

Objectives: AWPS is published with a view to achieving a couple of objectives. Fundamental among these are the following:

- To bridge knowledge gaps in the field of capacity building and development management within the African context.
- To provide analytical rigor and experiential content to issues in capacity building and the management of development in Africa.
- To highlight best practices and document pitfalls in capacity building, the design, implementation and management of development policies and programs in Africa.
- To systematically review, critique and add value to strategies, policies and programs for national and regional economic development, bringing to the fore pressing development issues and exploring means for resolving them.

Focus: AWPS focuses on capacity building and development management issues. These are in the following areas:

- Capacity building issues in the following six core competence areas and their relevance to development management in Africa:
  - **Economic Policy Analysis and Development Management.**
  - **Financial Management and Accountability.**
  - **Enhancement and Monitoring of National Statistics.**
  - **Public Administration and Management.**
  - **Strengthening of Policy Analysis Capacity of National Parliaments.**
  - **Professionalization of the Voices of the Private Sector and Civil Society.**
- Engendering of development
- Development challenges, which include issues in poverty reduction, HIV/AIDS, governance, conflict prevention and management, human capital flight, private sector development, trade, regional corporation and integration, external debt management, and globalization, among others.

Orientation: Papers published by the Series are expected to be analytical and policy-oriented with concrete guide to strategies, policies, programs and instruments for strengthening the capacity building process and enhancing growth and development. In line with the objectives of the Series, such papers are expected to share experiences, information, and knowledge, disseminate best practices and highlight pitfalls in capacity building processes and/or the management of development policies and programs.

Contributions: AWPS welcomes contributions from policy analysts, development practitioners, policymakers, capacity building specialists, academics and researchers all over the world, but with a focus on the African context.