



The Africa Commission's 'Big Push'

Simon Maxwell

The Africa Commission is an exhilarating, exhausting and intriguing read. Exhilarating because of its breadth and political impetus. Exhausting because of the comprehensive nature of its proposals. Intriguing because of the intellectual challenges. It is the intellectual challenges which will extend the life of the Report.

The biggest of these is the model of the big push. Consider: the report is exhilarating and exhausting precisely because it is so comprehensive. Culture; faith; politics; governance; human development; social protection; agriculture; industry; rural development; urban development; trade. The ambition is great. So is the bill: \$US 75 billion a year. The observer may ask: are there no priorities?

If that question is to be answered, there are two possible ways in.

Geographical qualifications

The first is geographical, to ask about 'Africa' as a unit of analysis. Many have questioned how sensible it is to talk of Africa as a whole, rather than about individual countries, or even regions within them. Are there some countries which are better bets for a big push than others?

The Millennium Project certainly thinks so. It explicitly identifies countries which should be first on the list. They should meet a minimum test in terms of qualifying as developmental states: for example, participants in the NEPAD peer review process, or countries qualified under the criteria established by the US Millennium Challenge Corporation. South Africa, Senegal or Tanzania might qualify under these criteria; DRC, Zimbabwe or Sudan would not.

Alternatively, a criterion for selection might be the prospects for growth. Should the same priority be given to well-endowed and well-connected countries, for example on the coast, as to poorly-endowed and poorly-connected countries, for example in the hinterland? To a certain extent, this question answers itself, with the draining of the West African population from the hinterland towards the coast, and from rural to urban areas. The urban population is projected to rise from 70 million in 1990 to 270 million in 2020, with 30 cities of a million or more. Should policy recognise and try to manage this form of natural selection?

Sectoral qualifications

The second approach might be to argue that some interventions are more urgent than others. Educate primary school children first, for example, then worry about scientific research capacity. Or provide medicine for victims of HIV/AIDS, then spend money on roads and harbours. The Sachs Report does take an approach like this, by identifying 'quick wins': anti-malarial bednets, nutrition support for young children, fertiliser for African farmers. The Africa Commission has no headlines of this kind.

In fact, the Commission's report is strongly reminiscent of the big push approach which characterised the earliest debates about economic development. A key text was Paul Rosenstein-Rodan's contribution to the *Economic Journal* in 1943, on the problems of industrialisation in Eastern and South-Eastern Europe. Rosenstein-Rodan argued for large-scale, planned industrialisation, because of indivisibilities and external economies in the provision of social overhead capital, which lead to increasing not declining returns to investment. These include the need for infrastructure to be in place before other, private investments can happen, and also the need for a critical mass. He called this 'balanced growth'. Allow a generous definition of social overhead capital, to include health and education as well as infrastructure, and that begins to sound very familiar.

The legacy is not just found in the pages of the Sachs Report or the Africa Commission. The latest thinking on agricultural development, for example, makes great play of coordination failures: failures to invest in one part of the agricultural supply chain because complementary investments in other parts have not been made. The Sachs and Africa Commission reports can be read as an extension of this idea. Invest in all sectors because that is the only way to kick-start growth.

The reasoning sounds plausible, but it is worth remembering the debates triggered by Rosenstein-Rodan, with critics like Hirschmann arguing for unbalanced growth: favouring early investment in sectors with high linkages to other sectors. These ideas, too, have resonance down the decades. For example, many argue that agricultural development is a pre-condition for long-term growth and diversification. Others argue that human development investments should come first, partly because people have rights to health and education, but also

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because human development is a pre-condition for investment and growth.

A further set of ideas on this topic comes from the debates about macro-economic stabilisation and the sequencing of structural adjustment. Institutions before market liberalisation is the best-known of these ideas, associated with Stiglitz' work on a post-Washington consensus. This idea itself was a reaction to earlier thinking about the desirability of big bang reform, as practised for example in Russia. Is the big push related to the big bang?

The way forward

Research suggests three main conclusions with respect to the big push.

First, there can be no compromise on basic human rights with respect to food, health and education. This means giving those sectors priority, and in all countries. Tackling malnutrition should be top of the list. The best indicator is the level of stunting, which measures children who fail to grow. For the developing world as a whole, over a quarter of children under five are severely stunted. In Africa, the figure is over a third. In Eastern Africa, including Ethiopia, it is over 44%. Half of all child deaths in Africa are associated with malnutrition, and those children that survive to adulthood have an increased risk of heart disease, diabetes and renal damage. Yet malnutrition can be dealt with, for less than \$US 20 per child per year. The Sachs Report rightly identifies better nutrition as a high priority quick win. The Africa Commission would have done well to do the same.

Second, there can be no governance threshold below which developed countries turn their backs - but their actions and interventions should be different in conflict situations or in fragile states, compared to places which are well-governed. In this case, the Africa Commission is ahead of Sachs. Fragile states cannot be left to a second phase: the big commitment, if not the detail of the big push, needs genuinely to be universal. Quite what this means in practice in different kinds of country will be case specific, but a range of interventions is possible,

from the military at one extreme (as in Sierra Leone) to subtle (sometimes not so subtle) nudges in domestic political space, for example by funding human rights commissions or parliamentary review processes. A key point is that the provision of basic services needs to be assured, if necessary by NGOs.

Third, a new generation of PRSPs is needed – or, as Sachs recommends, MDG plans – which make the business climate central and adjudicate between the investment options. PRSPs historically have not paid enough attention to the productive sectors, and certainly not to infrastructure. Perhaps one of the benefits of the Africa Commission will be to encourage governments to rectify that particular anomaly.

Some of the content will be straightforward: Stiglitz is surely right on the dangers of a big bang liberalisation and on the importance of fundamentals like contract law and a banking system, as pre-conditions for enterprise development. Some, however, is much more difficult. Most of Africa lags far behind most of Asia in the basic capabilities required to produce and trade internationally. For example, in most of East Asia, over 30% of the cohort is in tertiary education. In sub-Saharan Africa excluding South Africa, the figure is more like 5%. The scale of the productive challenge is such that selectivity is bound to be necessary.

Finally, the unanswered question of country or regional priorities as best bets for growth, and therefore for public sector investment. Despite recent interest in the different problems of high and low potential areas, there does seem to be a case for more detailed working out of the geography of change in Africa. Perhaps the ECA or the African Development Bank should take the lead.

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