

'No real development in Africa without regional integration'

By Kingsley Ighobor 21 May 2019

In this interview with Africa Renewal's Kingsley Ighobor, United Nations Assistant Secretary-General Ahunna Eziakonwa, discusses key issues pertaining to Africa's socioeconomic development, including the empowerment of women and youth and Africa's free trade area, which is expected to enter into force in the next few months.



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Eziakonwa is the new director of the Regional Bureau for Africa of the United Nations Development Programme (UNDP). Eziakonwa had served as the UN's Resident Coordinator in Ethiopia, Uganda and Lesotho. These are excerpts from the interview...

Africa Renewal: In the recently released World Economic Situation and Prospects for 2018 report, Africa's economic growth for 2019 is projected at 3.4%, a marginal increase of 0.9% from 2018. What do countries need to do to accelerate economic growth?

Ahunna Eziakonwa: Low productivity is a problem. There must be higher uptakes in innovations and new technologies to propel productivity in the agriculture and small-scale enterprises. Agricultural modernization in most countries is low, as it is still rudimentary, not capitalized and not commercialized. This means we have a huge potential there. The continent's economies are vulnerable to the volatility of commodity prices in the global market. That's why diversification is the solution. Africa must diversify its agricultural products, and add value to its primary commodities and exports to avoid exporting its jobs to the rest of the world.

In 2003 African leaders met in Maputo, Mozambique, and agreed to invest at least 10% of their national budgets in agriculture. Only a few countries have met that commitment. Why are some countries not investing heavily in the agricultural sector?

Fifteen years after the Maputo Declaration, only seven countries—Burkina Faso, Ethiopia, Niger, Mali, Malawi, Senegal and Zambia—have consistently met this target. In fact, countries like Malawi even went beyond the target, achieving as high as 21% in 2013 compared to the average of 3.1% for sub-Saharan Africa. Several factors account for underinvestment in agriculture in Africa. The implementation of the Structural Adjustment Programme

in Africa reduced agriculture financing; low international funding of agriculture weakens policy space for agricultural spending; low political will to accelerate input subsidies, expand extension workers, research and rural infrastructure, and high lending rates limit small-scale farmers' access to finance. Land reform is key to address fragmentation and maximize the benefits of economies of scale in land use. African governments must be given policy space to invest in agriculture and agribusinesses to propel economic diversification.

Land distribution negatively affects women disproportionately, and there are more women than men engaged in agriculture. Are those consequential factors?

That's one of the complexities I was referring to earlier. Legislations must be reexamined to correct some of these misfits. As you said, in some countries 80% of those engaging in farming activities are women, but they don't have land tenure, no ownership rights. Studies have shown that Africa's development is not going to transform unless women are integrated into the formal economy. Our <u>Africa Human Development Report</u> 2016 found that sub-Saharan African economies have been losing about \$95 billion yearly since 2010 because of the gender gap in the labor market. Women are already in the economy, but it's mostly informal and unregulated. So imagine if you unleash the power, talent and resolve of women.

Specifically, what can countries do to remedy the situation?

We must abrogate all laws that are obstacles to women engaging and being integrated in the formal economy. Women need affirmative action to be relieved of some cultural duties so they can have time to further their education to compete in the economy. Real financial investment in a deliberate way to systematically support women's education is important. Political empowerment is very important, too. We have seen countries like Rwanda and Ethiopia moving in this direction. This must cut across public and private sectors. UNDP's Gender Equality Seal standardization exercise, which has been launched in countries like Uganda, is geared to promote gender equality in workplaces.

What unique attributes do women bring to the table?

Well, when you ask some of the African presidents who have appointed women, they say, "Women are less corrupt, and you get more accountability in the use of resources when you employ a woman." Plus, women are the ones who are basically managing the lives of their families in many countries. A hands-on leader, who's in touch with daily reality, is likely to make decisions that favour human development.

Currently 52 countries have signed the framework agreement for the African Continental Free Trade Area (AfCFTA), but only 18 countries have ratified the agreement. What could Africa derive from a free trade area?

Everything. I don't see the future of development in Africa without successful regional integration. It's probably one of the most significant steps that the continent has taken to address its market paradox. Even though Africa's population is over 1.2 billion and it is expected to reach 2.5 billion by 2050, our markets are small and fragmented and don't stand a chance to compete internationally unless they have the collectiveness. So Africa trading with Africa will increase our competitiveness in terms of global trade.

What is the UN doing to encourage holdout countries to join AfCFTA?

The UN, led by the Economic Commission of Africa, supports the free trade area. UNDP firmly believes holdout countries need to get more information on how this will affect them so that they can make informed decisions on how to be fully engaged in the process.

Tell us about UNDP's work in Africa currently.

UNDP is in every single African country. We see ourselves as a companion for countries in their development journeys. We support communities to build better livelihood opportunities, and we support the youth in entrepreneurship and work with countries to de-risk the investment climate. In 2017 we produced the <u>first comprehensive report on income inequality in Africa</u>, which recommended a development strategy symbolized by a "Tree of Equity" with four main "branches"—population, macroeconomic fundamentals, human development and growth. Over the past five years, our efforts to increase access to electricity have reached 3.35 million Africans in 3,472 communities. We are also helping countries to create the right legislative backbone to deliver services and economic growth. Finally, we are working with African partners to change the development narratives of the continent as the next growth pole of the world.

Can you name one or two countries where you have recorded outstanding successes?

Many success stories come to mind, such as Enterprise Uganda, established by UNDP more than 20 years ago. It's now an independent body with a capacity to help institutions to grow into enterprises. In Ethiopia, UNDP helped establish the country's first commodities exchange, which has grown into a multimillion-birr [Ethiopian currency] enterprise, and the Ghana Stock Exchange is one of the highest-performing in Africa.

Given your experience working in Africa, are you optimistic about the continent's future?

I am optimistic because Africa is developing at a time of amazing new technologies that can accelerate growth. Take digital solutions, for example: if you want to make identification cards for citizens, you could go digital right away. There are now more opportunities to finance development projects than before. And many African leaders now have a better appreciation of Africa's potential.

Source: Africa Renewal.

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