

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

ECONOMIC DEVELOPMENT IN AFRICA

RECLAIMING POLICY SPACE Domestic Resource Mobilization and Developmental States



UNITED NATIONS

EMBARGO
The contents of this Report
must not be quoted or
summarized in the print, broadcast
or electronic media, before
26 September 2007 17:00 hours GMT



UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT
Geneva

ECONOMIC DEVELOPMENT IN AFRICA

RECLAIMING POLICY SPACE Domestic Resource Mobilization and Developmental States



UNITED NATIONS
New York and Geneva, 2007

NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

The designations employed and the presentation of the material in this publication do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area, or of its authorities, or concerning the delimitation of its frontiers or boundaries.

Material in this publication may be freely quoted or reprinted, but acknowledgement is requested, together with a reference to the document number. A copy of the publication containing the quotation or reprint should be sent to the UNCTAD secretariat.

UNCTAD/ALDC/AFRICA/2007/1

UNITED NATIONS PUBLICATION

Sales No. E.07.II.D.12

ISBN 978-92-1-112723-2

ISSN 1990-5114

ACKNOWLEDGEMENTS

This year's *Economic Development in Africa* report was prepared by a research team consisting of Samuel Gayi (team leader), Janvier Nkurunziza, Martin Halle and Shigehisa Kasahara. The first chapter drew upon the concept paper "Mobilizing non debt generating foreign and domestic resources for achieving the MDGs in Africa", prepared by Martin Brownbridge for an UNCTAD project on the same issue funded by the United Nations Development Account (fifth tranche). Detailed comments were received from Kamran Kousari and Martin Brownbridge on all the chapters, and from Chandra Patel on the policy conclusions. Diana Barrowclough reviewed the manuscript.

Statistical assistance was provided by a team from the Central Statistics and Information Retrieval Branch of the Division on Globalization and Development Strategies, UNCTAD, led by Flavine Creppy under the overall supervision of Henri Laurencin, Head, Central Statistics and Information Retrieval Branch.

The work was completed under the overall supervision of Habib Ouane, Director, Division for Africa, Least Developed Countries and Special Programmes in UNCTAD.

Heather Wicks provided secretarial support. Diego Oyarzun-Reyes designed the cover, and Michael Gibson edited the text. The overall layout, graphics and desktop publishing were done by Madasamyraja Rajalingam.

CONTENTS

<i>Explanatory notes</i>	<i>vi</i>
<i>Abbreviations</i>	<i>vi</i>

INTRODUCTION 1

CHAPTER 1

DOMESTIC RESOURCE MOBILIZATION: ISSUES AT STAKE 6

A. Domestic resources	6
B. Trends in savings	7
C. Household savings	10
D. Corporate savings	14
E. Public sector revenue: taxation	16
F. Financial markets and intermediation	19
G. Workers' remittances	25
H. Capital flight	29
I. Conclusion	31

CHAPTER 2

THE CHALLENGE OF INCREASING SAVINGS AND BOOSTING PRODUCTIVE INVESTMENT 33

A. Introduction	33
B. Increasing savings	34
C. Credit constraints	41
D. Barriers to investment in Africa	46
E. Effect of business environment on gross domestic capital formation	53

CHAPTER 3

TOWARDS A "DEVELOPMENTAL STATE" 57

A. Introduction	57
B. The developmental State: concept and characteristics	58
C. Financial sector reforms: curbing government intervention to cure "financial repression"	65
D. Can Africa nurture "developmental States"?	74

E. “Policy space” – what to do with it?	84
F. Concluding remarks.....	87

CHAPTER 4

RECLAIMING AND UTILIZING POLICY SPACE.....	89
---	-----------

A. Mobilizing domestic savings.....	90
B. Developing credit markets and boosting productive investments.....	93
C. Delivering appropriate financial and investment policies: the need for a “developmental State”	95

NOTES	99
--------------------	-----------

REFERENCES	106
-------------------------	------------

LIST OF BOXES

1. Newly industrializing economies: dynamics of capital accumulation, export–investment nexus and rent management	62
2. The role of central banks in development	68

LIST OF FIGURES

1. Gross domestic savings in sub-Saharan Africa, 1960–2005	8
2. Gross domestic savings by developing regions, 1960–2004	9
3. Selected indicators of financial depth and financial intermediation.....	20
4. Capital flows to Africa, 1985–2005	27
5. Capital formation vs. business environment.....	54

LIST OF TABLES

1. Distribution of savings rates in Africa, 2000–2005	8
2. Regional comparative data on the cost of doing business	46
3. Gross national savings, gross domestic investment and exports in the Asian NIEs and Africa, 1971–2005	64
4. Mind the technology gap: East Asia and Africa	66
5. Per capita GDP growth rates: top 50 developing countries, 1960–1975.....	79
6. Economic performance by period and region.....	81

EXPLANATORY NOTES

The \$ sign refers to the United States dollar.

Sub-Saharan Africa (SSA): Except where otherwise stated, this includes South Africa.

North Africa: Unlike in the UNCTAD *Handbook of Statistics*, in this publication Sudan is classified as part of sub-Saharan Africa, not North Africa.

ABBREVIATIONS

APRM	African Peer Review Mechanism
FDI	foreign direct investment
GATT	General Agreement on Tariffs and Trade
GDP	gross domestic product
GERD	gross expenditure on research and development
GNI	gross national income
ICT	information and communication technology
IMF	International Monetary Fund
ISI	import substituting industrialization
MDGs	Millennium Development Goals
NEPAD	New Partnership for Africa's Development
NIEs	newly industrializing economies
ODA	official development assistance
OECD	Organization for Economic Cooperation and Development
REI	rigidity of employment index
SAP	structural adjustment programme
WTO	World Trade Organization

INTRODUCTION

One of the most prominent objectives of the Millennium Development Goals (MDGs) adopted at the United Nations Millennium Summit in 2000 was to have member States halve their levels of absolute poverty by 2015. While some regions of the developing world have made sufficient progress towards achieving this goal, sub-Saharan Africa has been singled out as one region that is unlikely to meet the target by 2015 if current trends continue. Indeed, halfway through to the target year, the latest data on poverty shows that sub-Saharan Africa is the only developing region where the absolute number of poor people has been steadily increasing, even if the relative number declined from 47 per cent to 41 per cent of the total population between 1999 and 2004 (Chen and Ravallion, 2007). One of the reasons why sub-Saharan Africa might miss the 2015 target is its relatively low rate of economic growth. Indeed, despite the recent gains made by a number of countries in terms of export revenue, thanks to high prices of some major primary commodities, the growth rate in sub-Saharan Africa as a region continues to fall short of the 7–8 per cent necessary to achieve the MDGs target on halving poverty.

To raise the growth rate and sustain it at the level that will allow African countries to halve poverty by 2015 requires a significant increase in the volume of foreign and domestic resources devoted to promoting overall development in general, and poverty reduction programmes in particular. There have been numerous international initiatives aimed at increasing the volume of official development assistance (ODA) and its grant element to poor countries.¹ However, donors are not on course to meet these pledges (OXFAM, 2007; The Economist, 2007), and the overall effect of these resources on poverty reduction has remained marginal. The limited development effectiveness of ODA has been partly associated with

预览已结束，完整报告链接和

<https://www.yunbaogao.cn/report/index/report?re>