

Claims of African economic growth hide stark divisions of rich and poor

By Barry Mason
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“Africa is rich and its stock is rising. The value of its land and minerals is going up. There is no lack of resources, no deficiency of knowledge and no shortage of plans. Africa’s progress rests above all else on the mobilisation of political will,” Kofi Annan, former United Nations secretary general, recently told the *Financial Times*.

The article was part of a series that presented a glowing picture of African development.

“Africa has about 10 percent of global oil reserves, possibly more. South Africa has 40 percent of the world’s gold. The continent has more than a third of cobalt reserves and base metals abound. Its agricultural potential is barely touched”, it continued.

Africa could be on the verge of joining the rising economies of Brazil, Russia, India and China, the so-called BRIC group, the *Financial Times* claimed. The average gross domestic product (GDP) growth of sub-Saharan African countries is just under 5 percent this year and will rise to 6 percent next year after a decline last year.

The story has been circulating for some months. US based economists Xavier Sala-i-Martin and Maxim Pinkovskiy told the *Guardian* in March that poverty and inequality were decreasing in Africa.

Their claims have been met with some scepticism, and rightly so. Stefan Dercon of Oxford University says they rely too much on government statistics in coming to their conclusions whilst ignoring other data.

“They believe the evidence that many of us would least trust and throw away the evidence we tend to think is fairly accurate. Painstakingly collected household consumption and income surveys, especially when over various years using the same method in each year, give a rather detailed picture of whether there is massive enrichment or not. And unfortunately, the

evidence for Ethiopia, where I have been doing this for years, doesn’t show such massive improvement.”

Alongside Dercon’s work is the evidence of two recent reports monitoring the promises made at the G8 meeting held in Gleneagles, Scotland, in 2005. The recently published Africa Progress Panel (APP) Report for 2010 has a foreword by Kofi Annan, who again claims that Africa is entering a period of economic growth. But Annan has to admit that none of the Millennium Development Goals (MDGs) for Africa have been met or are likely to be met in the foreseeable future.

The MDGs were agreed on by the United Nations in 2000. They include the eradication of extreme poverty and hunger; the achievement of universal primary education; the promotion of gender equality; the reduction of child mortality; the improvement of maternal health; combating HIV/AIDS, malaria and other diseases; ensuring environmental sustainability; and developing a “Global Partnership for Development”.

The report demonstrates that the absolute and relative numbers of people living in poverty remain high in Africa, that many people face food and nutrition insecurity, are unemployed or underemployed, and have minimal access to basic services such as energy, clean water, health care and education. Far from declining, the level of inequality is increasing as the economies of some sub-Saharan African countries grow.

More than 70 percent of Africans depend on subsistence agriculture to make a living. Yet agriculture is one of the most neglected sectors in terms of aid and investment. Climate change is making the conditions under which agriculture is practiced more and more uncertain. Drought and other extreme

weather events are producing famine and forced migration.

The other report was produced by the One organisation, which was launched in 2007 by the rock singer and development activist Bono with great fanfare, specifically to monitor the G8 promises made at Gleneagles. After five years, the report has to admit that there is little to show for the G8 pledges on development. It is an admission that reflects the total bankruptcy of the aid industry.

One in six African children dies before the age of five. The causes of this horrendous death toll are not hard to find. It costs barely \$1 to vaccinate a child against measles, yet a child dies of measles almost every minute because adequate vaccination programmes have not been put in place. Children are vulnerable to disease because they are malnourished. Nearly one third of children in sub-Saharan Africa are underweight for their age. Nor do they have access to clean water and sanitation that would cut the risk of disease.

The prospects of these children for the future are poor. Only about half of the primary age children in sub-Saharan Africa are enrolled in school, and one in three of those enrolled does not complete the course. For Kofi Annan to speak about African development in such glowing terms flies in the face of the evidence and is little short of criminal.

Some African economies have been buoyed by continuing demand for minerals and oil from China and India. But the wealth produced does not filter down to the majority of the population. It remains with a wealthy elite or enriches the global corporations and banks that claim the right to control Africa's immense resources.

To take one example: the Nigerian economy grew by 7.23 percent in the first quarter of 2010 mainly as the result of increased oil production. Meanwhile, in northern Nigeria, women are sweeping up fallen grain in the market places to feed their families. In the Delta, where the oil is produced, the environment has suffered decades of degradation from oil spills. Local fishermen and farmers have had their livelihoods ruined and face high rates of disease. The profit from Nigeria's oil enriches the very same companies that are responsible for the devastation of the Gulf of Mexico, while the majority of the population face deteriorating

conditions.

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