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African growth fails to dent poverty, UN says

By Harvey Morris at the United Nations
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Strong economic growth rates in Africa have failed to translate adequately into more jobs and less poverty, United Nations economists said on Tuesday.

The annual report of the UN's Economic Commission for Africa also faulted developed countries for failing to live up to the expectations and promises of increased aid to the continent.

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Richard Kozul-Wright, an economist with the UN's economic and social affairs department (DESA), said much of the aid to Africa in recent years was in the form of debt relief rather than productive investment.

"It doesn't amount to additional new resources," he said. "The general consensus is that the quality and quantity of aid remain insufficient," he said. "In the 21st century this is an unacceptable way of handling international development aid."

In a situation in which African countries had already paid back more money than they had borrowed but still owed \$250bn, "the only decent mechanism is to write off the debt."

He also noted that an investment rate in sub-Saharan Africa that was around 20 percent of gross domestic product was "utterly inferior" to the 25-30 percent the region required.

The report said economic growth in the continent reached 5.8 percent in Africa and was set to rise to 6.2 percent in 2008. However, that increase was threatened by the impact of the global financial crisis and the prospect of a US-led downturn.

Africa was highly dependent on continuing robust demand and high prices for its commodity exports said Pingfan Hong, a DESA economist.

Climate change that would reduce rainfalls in agricultural areas and the lack of progress in building infrastructure were just two of the problems confronting the region, he said.

The report faulted African states themselves for some of the continent's poor performance. It said it found "weak financial infrastructure, weak governance and extensive corruption as some of the major factors hampering effective mobilisation of domestic resources."

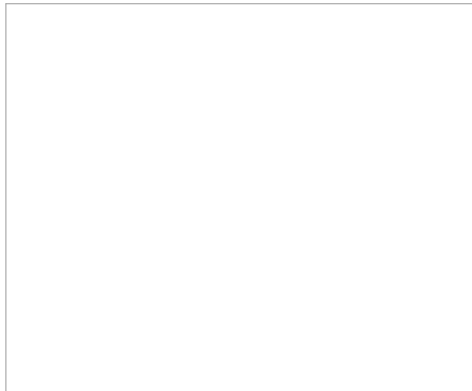
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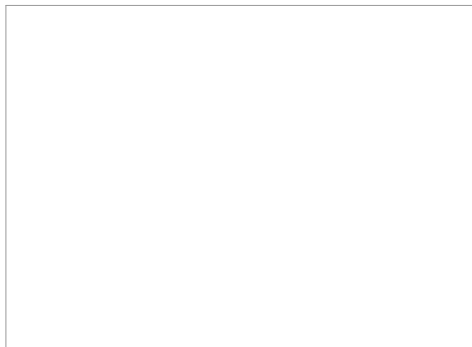
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