

THIS PAPER WAS PUBLISHED IN AFRIKA SPECTRUM

2012

“The Future of Africa: Lessons learnt from the Southern growth engines”

By Carlos Lopes

2012

One of the most popular questions nowadays is what are the African continent's opportunities in comparison with the development journey of big emerging economies of the South in Asia or Latin America. One answer would be that Africa has a lot to learn, but will need to learn at a very fast pace.

Two different narratives about present-day Africa are thriving in parallel. Indeed, current African debate is a reflection of the complex reality on the ground. There are reasons for optimism and hope. And there are reasons for concern.

First, there is the story of economic success. Africa's GDP grew at a 5.2% rate over the past decade, and the region accounted for six out of the world's ten fastest growing economies [The Economist, 2011]. Out of 30 world's fastest growing economies this year, half will be in Africa, according to the IMF forecast. Two of them are on the very top of the list [IMF World Economic Outlook, 2012]. Some experts predict that in the next five years, the average African economy will be growing at a faster pace than its Asian counterpart [The Economist, 2011]. Current projections show that Africa's GDP will be growing at a 5.5 per cent rate in 2012.

This news has provoked an economic euphoria, which is naturally welcomed, but should not, however, prevent us from remembering the other African reality – that of complex human security challenges. Pockets of low intensity conflicts are perpetuating instability in the region. Moreover, despite rapid economic growth, Africa's estimated unemployment rate in 2009 was almost double that of Asia, and its share of world GDP remained in 2011 a mere 3.97%, against 5.65% for India, 14.32% for China or 8.6% for Latin America and the Caribbean [IMF World Economic Outlook, 2012]. While weak statistical capacity on the continent may partially explain this situation, Africa lags behind in several crucial areas where China, India, Brazil and a number of other countries of the South have achieved significant progress.

We have been witnessing a proliferation of studies by international organizations and leading consulting groups all pointing in the direction of an “African moment”. The rise of the continent's economic power has been accompanied by the more assertive stance of the continent's giants on the international arena as part of what is being called the global South. While launching its new strategy for the region in 2011, the World Bank announced, “Africa could be on the brink of an economic take-off, much like China was 30 years ago, and India 20 years ago” [The World Bank, 2011]. A famous Indian expert -

Vijay Mahajan - in his recent book "Africa rising: How 900 Million African Consumers Offer More Than You Think" has also reminded us that a similar comparison can be made about the pessimism preceding take-offs – in China and India a few decades ago and in Africa in the 1990s [Mahajan, 2011].

Africa – another giant?

Over the last decade, China, India, Brazil and a number of other emerging economies have been presented as new heavyweights of the future world economy. One of the key premises for such forecasts was the demographic factor [see Zakaria, 2008, for example]. Demographics are precisely where Africa, as a whole, not only fares well, but also has comparative advantages over these countries.

- Africa's population size is comparable with that of China and India and almost twice as big as that of Latin America and the Caribbean. In 2011, it was just over 1 billion whereas populations of China and India respectively amounted to 1.3 and 1.2 billion. Nigeria is the seventh most populous country in the world, and its population last year was estimated at 162 million while that of Brazil – at 196 million.
- Furthermore, Africa's population is the youngest. The share of those aged between 10 and 24 amounts to 30% of the total. Youth is indeed considered Africa's most valuable asset and main promise for the future. The continent already accounts for one sixth of the world's youth.
- Moreover, Africa's population will be growing faster than that of any other region, and will double by 2050 to reach 2.1 billion. It is already equivalent to 61% of the population of the Americas, Europe and Oceania taken together. At the end of the century, however, African population will be 4 to 5 times larger than that of Northern America or that of Europe.
- Nigerian population, for example, is already larger than that of Russia. It will be slightly smaller than that of the US and almost twice as large as that of Brazil by 2050. Nigeria will have more than 700 million people by the end of the century. The populations of both, Tanzania and DRC, will be larger than that of Brazil. [United Nations, 2011]

This demographic growth is accompanied by rapid urbanization and the consolidation of megacities. The equivalent to the entire population of Africa today will live in cities in just about 38 years! Africa's rate of urbanization is already ahead of India. Africa has three megacities, the same as India, and close to Latin America with four megacities, while China has twice as many.

Experts expect that, in the long run, population and urbanization growth will boost domestic demand, changing the current dynamics of Africa's economies. So what are the real implications of this demographic trend?

Is current Africa's middle class large enough to shift global consumers' patterns?

There is a new important trend among global consulting firms' views on Africa. They are advising their global customers to revise their strategies. They predict that global production will have to be adjusted to meet the needs of a growing middle class, some arguably with limited income, in developing countries.

Ernst & Young's report "Innovating for the next three billion: The rise of the global middle class", for example, notes that, by 2030, 40% of spending by global middle class will be in Asia, as opposed to only 10% today, and that the demand of the global middle class will rise. The report does not do much mentioning of Africa. Indeed, their analysis is built around a methodology that measures the size of the middle class based on the presence of the discretionary purchasing power capacity identified as a daily income of USD 10 to 100 in PPP [Kharas, 2010]. Therefore, their results show that China's middle class amounts to around 157 million, that of India oscillates between 60 and 120 million, and that of Sub-Saharan Africa would be just 32 million.

Brazil considered somewhat a failed experience until the last decade, as it didn't manage to benefit from high growth rates in 1960-1980s, became a promoter of income equality recently, boosting its middle class. Brazilian middle class amounted to 38% of its population in 2010, or roughly 75 million. [Kharas, 2010]

According to AfDB calculations, however, 326 million of Africans could be considered part of the middle class. AfDB considers that more than half – or 198 million – are a so-called "floating middle class" living on 2 to 4 USD a day. Based on this approach, the size of the middle class in Africa could be comparable to that of China or India, although poorer. Or less homogeneous! For instance total purchasing power of the upper class of Lagos is the same as that of Mumbai, about 25 billion USD.

According to E&Y, it will be crucial for the future strategies of the companies to adjust to the expanding demand of the growing middle class in emerging markets: This refocusing should be done, more specifically, through frugal innovation related to specificities of the local demand; and by making sure that the business model is "appropriate for a lower-income customer base" [E&Y, 2011]. Indeed, targeting the bottom of the pyramid is becoming a new strategy considered by many multi national corporations.

Is Africa's growth driven by the scramble for commodities?

Many believe that more than the middle class rise the real driver for Africa will remain its wealth of natural resources. Extractive industries undoubtedly still represent an important share of Africa's economy, and commodity exports were, to a huge extent, driving growth in the last decade. However, a new trend is emerging that should not be underestimated. The recent growth of a number of successful economies in the continent was due to successes in agriculture, light manufacturing or IT sectors.

South Africa's dependence on natural resources, for example, is only marginal. Its ICT sector alone now contributes more than 7% of the country's GDP compared to 6% of mining industries' share. In Tunisia and Tanzania, the share of the ICT sector has reached 10% and 20% of GDP respectively [Essoungou, 2011]. Overall, extractive industries represent only 32% of Africa's GDP.

Apart from the two most mentioned factors influencing Africa's future –demographics and extractive industries- I will argue that there are other areas with enormous potential.

Two of them merit priority and have the strength to drive the continent's rapid development, namely agriculture and innovation and technology.

Africa's enormous agricultural potential

Agricultural production continues to represent a significant share of the African output, but productivity is low and food insecurity is still a major problem. While land productivity in China, Brazil and India has grown from 1.21, 1.35 and 0.95 tons per hectare to 5.52, 4 and 2.53 respectively over the past fifty years and hunger has been eliminated in both countries as a result of agricultural revolutions, Africa's land productivity is stuck at 1.5 [World Bank, 2012].

Let us not forget, nevertheless, that 60% of world total uncultivated arable land is situated in Africa. Foreign investors have already identified opportunities in this area. What is quite often referred to as "land grab" in Africa is in fact a very complex phenomena. On the one hand, the amount of the reported large-scale land acquisitions for agricultural production corresponds to 4.8% of Africa's total agricultural areas [Anseeuw, W., al., 2012]. This is relatively low, compared to the total land available, even though it is higher than in Asia.

However, the bigger problem lies in the way global food markets work and in the purposes for which land is acquired. For example, investors from China as well as Germany, Sweden and UK acquired significant portions of land in Africa for the production of biofuels (partly to attain targets decided by the EU). India's land acquisitions target the production of foodstuffs, but also flowers. Investors from China, Egypt and South Korea acquired land for the production of rice and wheat. [UNECA, 2012] None are interested in addressing Africa's food security. That remains an issue for Africans to lead on, first by recognizing that decades of famines and food deficits are a failure of policy, not nature.

At the same time, we underestimate the role external investors can play in the modernization of agricultural technology and industrialization of the agricultural sector. There is a tendency to see the land issue with national sentiments instead of approaching it from an economic and social perspective. What is really needed is to identify the right mixture of incentives, fiscal measures and social policies, that could help transform foreign investments in the sector into an asset for growth and equity.

So far Africa failed to import technologies from China, India, or even more appropriately from Brazil, to improve agricultural productivity and address food insecurity. There is a tendency to simplify this failure. Recent case of biofuels is a very good example. An easy explanation is being offered that biofuels replace automatically production of foodstuffs when it is not necessarily the case. It would have been more important to focus on whether biofuels are being produced for Africa's consumption or for others' benefit; and of course "how" they are being produced.

Africa's lack of food security has perpetuated food aid instead of creating incentives for small local producers to increase their productivity. Agriculture deserves better analysis. The recent Africa Human Development Report (HDR) rightly puts it at the center of a winning strategy. Agricultural transformation can completely reverse Africa's fortunes. With more than one out of four Africans being undernourished, the Africa HDR examines

the reasons behind the continued food insecurity despite the availability of technology and knowledge to address it. Agricultural productivity can contribute to food security not only through more food available, but also by increasing revenues of rural populations. Measures in this area will have to be complemented by efforts to boost nutritional patterns, build resilience of communities and empower people to improve access to, and use of, food. [Africa HDR, 2012]

Governments' commitment will be crucial in implementing the policy recommendations contained in the Africa HDR. Currently, African governments spend only between 5 to 10% of their budgets on agriculture as compared to 20% spent by Asian governments during their "green" revolutions.

Innovation and technology in Africa

The second area where Africa has an enormous potential due, more specifically, to the weight of its youth, is the innovation and technology sector, a driver of a knowledge-based economy. Job creation and improved quality of life require innovation. African economies, with 10 to 14 million young people entering the job market each year, and growing demand for basic services delivery, often hampered by poor infrastructure, has to put employment at forefront.

One way to measure governments' commitment to innovation-driven growth is based on R&D spending and the number of researchers. According to UNESCO, the share of the developing countries in global R&D spending rose by 6.5%, and the number of researchers by 7.6%, between 2002 and 2007. This is still way behind developed countries. China's R&D spending to GDP ratio almost tripled, between 1996 and 2008. It set the target of 2% of GDP for R&D investments by 2010 and 2.5% - by 2020, and is making significant progress. Brazil is ahead of other Latin American countries with 1% R&D expenditure rate. In India, R&D spending to GDP ratio was somewhat below 1%. It is much lower than that across Africa, despite the African Science and Technology Consolidated Plan setting also a target of 1%. In terms of researchers, the share of the developing countries increased from 30.3% in 2002 to 38.4%. China accounts for 20% of the world's researchers, India - for 2%, Brazil - slightly less, and Africa - for 3%. [UNESCO, 2011]

Innovation-driven growth in China, India and Brazil is happening as a result of deliberate public policies. China and India are, for example, famous for seizing opportunities by fostering so-called "frugal innovation". It has transformed the meaning of "incremental innovations", with acceptance of slim profits margins by gaining volume; offering redesigned products at small price, targeting the middle or the bottom of the income pyramid. [The Economist, 2010] This transformation in the nature of innovation is happening in the context of the demographic explosion and fast rise of the middle classes in developing countries discussed earlier. Africa has to emulate.

High rate of investment in the educational system is another important factor for innovation. Supplying labor force with the relevant skills is a sign of commitment to a knowledge-based economy. China, and to a lesser extent India, have considerably boosted their education spending over the past couple of decades, even though they still have some way to go in terms of quality. China and India train twice as many people in advanced engineering and computer science degrees as the US, and more than 50% of

US degrees are awarded to foreigners, mostly Indians and Chinese. [The Economist, 2010]

Africa, on the other hand, is far behind Brazil, China and India. Its number of tertiary education students per 100'000 is significantly lower. [UNESCO, 2012] Furthermore, a very large proportion of African students are being trained in education. While it is, undoubtedly, a very good investment for the development of primary and secondary education, it does not take care of fostering a technology and innovation-led growth on the continent. Africa should create its own large pool of experts trained in science and engineering.

There was a time when donors did not favour Africa tertiary education. Neither was it a priority of African governments. The importance of tertiary education has returned on the agenda of traditional donors, but, unfortunately, for Africa, at a moment when they are in recession and there are significant funding shortages. The real change therefore should come from the private sector investors and African governments. Both are demonstrating a strong interest in responding to the youth demand.

One way of responding to the challenge would be through a three booster steps used in China and in India: mobilizing diaspora, ensuring massive investments in exchange programmes on science and engineering, and regulating investors to provide space for local content.

Despite low indicators in terms of R&D, and tertiary education, there are very encouraging facts about Africa's innovations. South Africa, for example, appears practically on all the lists of top countries in terms of patents across a variety of industries. The country's successes have indeed been impressive. The electric car Joule with zero carbon dioxide emissions, assembled entirely in Africa and with the battery that can be recharged with a 220 Volt plug-in is a groundbreaking and environmentally friendly innovation. [AfDB, 2011]

Across the continent we already see examples of frugal innovations similar to those found in India and China, when products and services are redesigned for the emergent local middle class with smaller budgets and different preferences and needs. Mobile telephony is an area where the production of local solutions is particularly dynamic. Most telecom operators on the continent are African, or were created by African entrepreneurship. The continent is experiencing the fastest cellular coverage growth in the world. The number of cellular phones far outnumbers that of fixed lines – by 8 in South Africa. Let's just compare 15'000 cellular phones in Kenya in 2000 as opposed to 15 million at present. [AfDB, 2011] The number of mobile phone subscriptions in Africa has reached 500 million (or roughly half of the population). 31 million of Africans have active mobile broadband subscriptions, and 105 million are using Internet.

M-banking is a startling example of how innovations work in Africa and how an innovation adjusted to the local context can spur a wave of ground-breaking innovative solutions. E-Tranzact, and Flash-me-Cash are the case in point. [AfDB, 2011] In Kenya, more than 30% of the population has virtual accounts. Transfers between individuals reach 17% of GDP, and half of these transactions don't exceed 10 USD. Virtual accounts are used to rapidly transfer money to relatives in need, and pay bills without heavy costs involved in regular banking. In Ghana, the number of persons possessing an m-banking

account is higher than the number of those who have a regular banking account. A South-African telecom company joined forces with an insurance company to offer life insurance fees payment via m-banking in Ghana. In Nigeria, central banking regulations keep up with the pace of m-banking innovations, an area where EU regulators and others are struggling. [AfDB, 2011] Both poor and emerging middle class extensively uses m-banking. [AfDB, 2011]

Another area with a huge potential for innovation is social media. Africa is currently one of the fastest growing markets in this sector. Google registered a 50% annual growth in search requests from SSA, with 4 out of every 10 Google search requests coming from a mobile phone. Facebook receives 100,000 new Senegalese users each month. The number of YouTube video plays in Sub-Saharan Africa doubles each year.

The continent needs a strategy to make its economies innovative and knowledge-based. Some of the ideas voiced include 1) the creation of innovation poles, 2) maximization of opportunities in the niches where African countries, and most notably South Africa, are already world champions, 3) promoting business linkages along the value chain, and 4) creating an enabling environment through R&D funding, including support to key Universities and, of course, sound policies. [AfDB, 2011].

As the global crisis has clearly demonstrated, business alone cannot take the lead in shaping our future. African governments should support the creation of a pool of local expertise and work with businesses and researchers' communities to promote local content and innovation growth across the continent.

Renewal of planning

The two areas I have just described demonstrate the importance of planning if we are to rise to the challenge and realize their full potential. Much of the failures in the area of Africa's development have been blamed on the lost decade when instead of planning and giving a strategic direction to their future, States stepped back from "thinking their own policies", as a result of the Washington Consensus prescriptions. Indeed, for the African catch-up to happen and to happen fast, I argue that there is a need for a new vision as well as modern strategic planning, with strong national, sub-regional and continental dimension.

What do we understand by planning nowadays? Planning is certainly more than simply regulatory practices. Some theories define planning as an idea of value, as it involves ethical judgments to make choices "with and for others, about what makes good places" [Campbell, 2002]. Others note that the classical planning model premised on rationalism is rightly contested. Many of its premises are wrong. "A knowable planning situation" is impossible, as it leaves no space for dynamism or limits of understating imposed by complexity. There can be no "clear-cut planning center", since planning involves a multitude of societal actors. Finally, rationality could prevent us from taking into account subjectivity in actors' interests and strategies [Woerkum et al., 2011].

Indeed, the concept of planning as it emerged in the post-war period was very rigid. A renewal of planning is now possible, due to the emergence of new approaches. Planning is now *flexible*, perceived as a continuous process open to changes depending on the evolving context. It is *participatory*, built from the local content and with the participation of various actors with multiple and different interests. It is *dynamic* rather than static,

given the multiple possibilities of real or quasi real time data and assessments, facilitated by new technologies.

An outstanding mind and a close friend, Ignacy Sachs, the inventor of the eco-development concept, now in his eighties, provided us, as early as 1971, with powerful insights into planning. These insights are as relevant today as they were then, despite the reversal of fortunes for planning theories. Critical of the “invisible hand” approach to development, Ignacy Sachs alerted us to the dangers of the mechanistic vision of planning processes, copying of practices or ready-made solutions. According to him, the negative feature practiced by many planners was its inherent conservatism, killing creative social thinking. The very coherence of a plan became an obstacle to innovation. Sachs however called for an “adaptive institutional procedure” in planning where “the discussion of the alternative will loom large”, and where the limited number of scenarios for the future will be constructed and discussed with the people concerned. For him, it was “the institutionalization of the planning process conceived as a future-oriented, participatory decision-making mechanism” that mattered. The consideration of the political factors and inter-disciplinarity had to go hand in hand. [Sachs, 1998]

A debate has recently emerged echoing some of these thoughts. The communicative theory is being positioned as a new paradigm replacing systematic approaches. It is being argued that planning experts should prioritize qualitative analysis and inventory of specific cases over systematic approaches detached from results and practice. Indeed, the overreliance on neo-classical economy modeling and selectivity in data to fit the analysis and related hypotheses killed planning. The IMF Independent Evaluation Office recognized last year among the major reasons behind the failure of the Fund’s surveillance function “high degree of group think”, “intellectual capture”, “inadequate analytical approaches”, lack of evenhandedness in the treatment of different countries, as well as data selectivity for the sake of coherence. [IMF’s IEO, 2011]

There is now rhetorical acceptance that markets cannot be left to self-regulate, and that targeted public interventions will be needed to promote socially inclusive and environmentally sustainable development. This reversal in value judgments about the role of public interventions has boosted the renewal of planning. It was largely confined to the international development discourse on urban planning, during the Washington Consensus era. Contrary to the 1993 World Bank report that attributed the East Asian miracle to liberalization policies promoted by IFIs, it is now largely recognized that the “miracle” came as a result of deliberate State interventions, through planning.

The renewal of planning is under way, and it is fascinating to learn lessons from a number of emerging economies: on mobility and urban planning – from China, on urban planning – from city-state Singapore, on social planning – from Brazil or India. I review below several examples of modern planning techniques that helped to respond to the challenges of creating an environmentally sound and socially friendly environment in newly redesigned urban spaces, solving problems of poverty and hunger while promoting access to education and facilitating social mobility, empowering people through entitlements to jobs and placing communities at the center of local integrated planning.

Mobility and urban planning in China

In China, where urbanization continues to accelerate, there is a lot of reflection on how to shape it in an economically, socially and environmentally viable way. Some of the public transport solutions in Beijing or Guangzhou were an immediate response to rapid urbanization over the past few years. Guangzhou, the winner of the 2011 Sustainable Transport Award, has a 22.5-kilometer Bus Rapid Transit (BRT) corridors composed of segregated bus lanes, bike lanes, pedestrian areas and parking, twenty-six BRT stations, and thirty-one bus routes. It is integrated with other transport modes, such as metro, and is situated near a number of large public parks and institutions, as well as industrial and agricultural sites. The bus transport is subsidized leading to low passenger fares. As a result, it carries one million passengers daily, and has contributed to a 50% increase in the use of bicycles and the reduction of CO2 emissions by 86,000 tons annually. [Hughes et al, 2011] The city of Beijing has 16.5 km BRT Lines, worth of US\$5 million per km, including the cost of vehicles. It has 19 stations linking 8 residential and 4 commercial areas and carries around 85,000 passengers a day.

There is, whoever, an ongoing discussion on a more strategic and long-term response to the continuing movement of people from rural China to urban areas and the need to create a socially, economically and environmentally attractive urban space. Two schemes seem to take shape in dynamic planning processes: "small" city clusters of 10 million to 25 million, and city zones with 50 million to 100 million people. Some see an opportunity in small cities development that could offer a great potential, among other, in terms of reduced environmental impact, while the existing cities with a specific identity could be used as a point of departure.

There are a number of projects that focus on the integration of the existing cities and the creation of huge city zones or mega-cities. One of the examples is the merger of 9 cities in the south of the country that would form a mega-city with a 42 million population and a 16,000 sq mile urban area. Known as the "Turn The Pearl River Delta Into One" scheme, the area of this ambitious project will stretch from Guangzhou to Shenzhen and cover the manufacturing cities accounting for close to one tenth of the Chinese economy. The 6-year integration scheme includes 150 large infrastructure projects that will amount to 2 trillion yuan and will bring together the transport, energy, water and telecommunications sectors of the nine cities. This powerful hub, that will include 29 new rail lines cutting distance between different city centres to no more than one hour, will also be connected with Hong Kong through an express rail line. [Moore et al, 2012]

A network of high-speed railways in the north of the country around Beijing and Tianjin will create another super-urban area known as the Bohai Economic Rim with a 260 million population. A high speed railway between the two biggest cities that allows travelling from one to another in less than half an hour will be the heart of this region.

Urban planning in Singapore

Long-term planning was at the heart of the development strategy of one of the Asian tigers – the island highly-urbanized city-state Singapore. "Concept plan" and "Master plan" represent two important tools – long-term and medium-term - used to guide the use of transport and land 90% of which is now owned by the State – a gradual result of the Land Acquisition Act of 1967 passed in a country with limited land resources and high population density. These tools are also perceived as a comprehensive, forward-looking

and integrated planning framework for sustainable development. The specific areas where outstanding successes have been achieved include home planning and public transportation. As a result of deliberate state policies, the housing crisis of the early 1960s have been solved in such a way that the poorest could benefit from rented apartments specifically built for them. At the same time, home ownership that is now the highest in the world - with a 93% rate - was encouraged by a legal framework that allows takings loans from personal pension funds at an early stage [IFHP, 2012], as well as by policies excluding the land cost from the sale price of apartments [Tay Heng Hock, 2010].

Singapore's housing and development policies were also instrumental in avoiding ethnic segregation, more specifically through limitations on the number of people from one of the three predominant ethnic groups - Chinese, Malay, Indian – living in a specific housing area. [IFHP, 2012]

At the same time, limited land availability in Singapore encouraged efficient public transportation policies including a Mass Rapid Transit system, an extensive bus network, as well as a system of time-of-day and usage tolls and registrations. As a result, today only around 16% of Singaporeans own cars! [Hock Yong, 2012]

Social planning in Brazil

Bolsa Familia programme is now widely recognized as an outstanding success. It reaches out to 13 million families, more than 50 million people, or a large portion of the country's poor population.

At the outset, it was, however, perceived as an experiment that went against the then pre-dominant economic wisdom – the one based on the notions of markets' efficiency. As a combination of anti-hunger and cash transfer measures, it was criticized by some as perpetuating the dependency on money transfer. The result was, however, startling, as poverty and inequality decreased since this programme was launched in 2003, and it has had a very positive impact on education, food consumption, diet quality and children's growth, as well as child labour reduction. It is estimated that, together with another social protection programme – the old age and disability benefit (BPR), it accounted for a third in the recent inequality decrease. [Lal, 2010]

In essence, the programme was very simple. Poor families with children benefit from an average of about US\$35 in direct transfers, in exchange for commitment to keep children in school and take them for regular health checks. Far from being a simple assistance scheme, this programme is now perceived as driving a true social transformation, and its model is being replicated, in various adaptations, in almost twenty other countries. [The World Bank, 2012]

Social planning in India

Another example of modern social planning comes from India. It is an unconventional public works scheme that instead of being a temporary measure in times of crisis, has been institutionalized as a continuous social safety mechanism supported by the rights-based framework. The Mahatma Gandhi National Rural Employment Guarantee Act

(MGNREGA) of 2005 introduced a legal entitlement to 100 days of work per rural household to address the issue of rural underemployment. The failure to ensure jobs within 15 days after the request has been made by a household entails an obligation of unemployment allowance payment.

The impact of the programme stretched beyond its primary objective due to its design. While the law provides an overall framework, specific planning related decisions are decentralized and delegated to districts and villages to increase the sense of ownership, as well as the relevance of public work projects carried out by and for locals. [Sharma, 2010] In practice, village assemblies and local bodies formulate project and budget proposals for public works that are being reviewed by districts, while States negotiate the size of central assistance. 90% of the employment costs is being covered by the central budget while States provide unemployment allowance. At the same time, there is a typology of work that links wage rates to specific task outcomes, rather than works. It is leveraged from the green jobs perspective. [Sharma, 2010] It includes, as outcomes for example: water conservation, drought proofing, flood proofing, minor irrigation, land development, and therefore contributes to socially inclusive and sustainable development objectives. Here we see a decentralized, integrated, and multi-dimensional planning in action. The results speak for themselves: by 2010 – the equivalent of 230 million person days enhanced water use efficiency with 50% of 46 works concentrated in the area of water conservation, enabled convergence between various sustainable development planning objectives, including water use, afforestation, agriculture, and also enhanced access to jobs for women while strengthened democratic processes. [Sharma, 2010]

These examples of planning from some of the Southern growth engines offer us important lessons to learn, if Africa, is to make progress towards a socially inclusive and environmentally respectful development. Indeed, renewed commitment to sustainable development calls for the revision of our traditional economic indicators, reinvention of statistical indicators and new economic thinking.

Strategic planning for Africa

There is a need for Africa to play its part. What should be done?

Planning nowadays, should not only be strategic, but also build on interconnectedness, knowledge, crowd-sourcing techniques, and other IT advances, that have created unprecedented conditions for participatory governance. It should embrace new forms of enhancing synthesis capacities, bringing on board experts from different areas and ensuring an interdisciplinary perspective.

Secondly, planning should be multilayered. New planning methodologies should take into account the need for new construction of physical space and territoriality, including emergence not only of megacities but mega regions as a result of demographic processes. State-level planning will play a crucial role in the areas discussed above. Continental perspective in planning will also be essential if Africa is to realize its potential at the same level as China or India, pulling together the resources with a commensurate continental dimension.

We have a job cut for us!

BIBLIOGRAPHY:

Africa Development Bank (2011), "Growth Boosted by Innovation Gaining Momentum in Africa", *Annual Meetings: Towards an Agenda for Inclusive Growth in Africa*, Lisbon, 9-10 June, online
< <http://www.afdb.org/en/news-and-events/article/growth-boosted-by-innovation-gaining-momentum-in-africa-8165/>> (15.06.2012).

"Africa's impressive growth", *The Economist*, 6 January 2011, online
http://www.economist.com/blogs/dailychart/2011/01/daily_chart (15.04.2011).

Africa Progress Panel (2012), *Africa Progress Report 2012 - Jobs, Justice and Equity: Seizing opportunities in times of global change*.

Anseeuw, W., al. (2012), *Transnational Land Deals for Agriculture in the Global South. Analytical Report based on the Land Matrix Database*, By The Land Matrix Partnership (CDE, CIRAD, GIGA, GIZ, ILC), Number 1: April 2012, online
< http://www.oxfam.de/sites/www.oxfam.de/files/20120427_report_land_matrix.pdf> (12.06.2012).

Boston Consulting Group (2010), *The African Challengers: Global Competitors Emerge from the Overlooked Continent*, BCG, June, online
< <http://www.bcg.com/documents/file44610.pdf>> (07.07.2011).

Campbell, Heather (2002), "Planning: An idea of value", *TPR*, 73:3, pp.271-288.

Ernst & Young (2011), *Innovating for the next three billion The rise of the global middle class – and how to capitalize on it*, online
<[http://www.ey.com/Publication/vwLUAssets/Innovating_for_the_next_three_billion/\\$FILE/LE/Innovating%20for%20the%20next%20three%20billion_FINAL.pdf](http://www.ey.com/Publication/vwLUAssets/Innovating_for_the_next_three_billion/$FILE/LE/Innovating%20for%20the%20next%20three%20billion_FINAL.pdf)> (12.06.2012).

Ernst & Young (2011), *Africa Attractiveness Survey – It's Time for Africa*, online
<[http://www.ey.com/Publication/vwLUAssets/2011_Africa_Attractiveness_Survey/\\$FILE/11EDA187_attractiveness_africa_low_resolution_final.pdf](http://www.ey.com/Publication/vwLUAssets/2011_Africa_Attractiveness_Survey/$FILE/11EDA187_attractiveness_africa_low_resolution_final.pdf)> (22.07.2011).

Essoungou, André-Michel (2011), "Africa's rising information economy », *Africa Renewal*, April, online
< <http://www.un.org/en/africarenewal/vol25no1/africas-rising-information-economy.html>> (17.10.2011).

"First break all the rules. The charms of frugal innovation. Special report: Innovations in emerging markets", *The Economist*, 15 April 2010.

Hock Yong, Chew (2012), "The secret to Singapore's infrastructure success", *KPMG Insight Magazine*, online
<<http://www.kpmg.com/global/en/issuesandinsights/articlespublications/insight-magazine/pages/singapores-success.aspx>> (12.06.2012).

Hughes, Colin, Zhu, Xianyuan, *Guangzhou, China. Bus Rapid Transit. Emissions Impact Analysis*, Institute for Transportation and Development Policy, May 2011, online
< <http://www.itdp.org/documents/20110810-ITDP-GZBRTImpacts.pdf>> (12.06.2012).

Independent Evaluation Office of the International Monetary Fund (2011), *IMF Performance in the run-up to the financial and economic crisis. IMF Surveillance in 2004-2007*, IMF, online <[http://www.ieso-imf.org/ieso/files/completedevaluations/Crisis-%20Main%20Report%20\(without%20Moises%20Signature\).pdf](http://www.ieso-imf.org/ieso/files/completedevaluations/Crisis-%20Main%20Report%20(without%20Moises%20Signature).pdf)> (07.07.2011).

International Federation for Housing and Planning IFHP (2012), *Singapore's successful long-term public housing strategies*, online <<http://www.ifhp.org/ifhp-blog/singapore%E2%80%99s-successful-long-term-public-housing-strategies>> (12.06.2012).

International Monetary Fund, *World Economic Outlook*, April 2012, online <<http://www.imf.org/external/pubs/ft/weo/2012/01/index.htm>> (04.05.2012).

Kharas, Homi (2010), *The Emerging Middle Class in Developing Countries*, Working Paper 285, OECD Development Center, online <<http://www.oecd.org/social/povertyreductionandsocialdevelopment/44457738.pdf>> (12.06.2012).

Korwama, Patrick (2011), "Agribusiness: Africa's way out of poverty", *Making It. Industry for Development*, 2nd quarter, pp. 18-21.

Lal, Radhika, Veras Soares, Fábio (2010), "The Emerging Dialogue on Social Strategies in the IBSA Countries", *Poverty InFocus: What Can IBSA Offer to the Global Community?, Number 21*, International Policy Centre for Inclusive Growth, UNDP.

Mahajan, Vijay (2011), *Africa rising: How 900 Million African Consumers Offer More Than You Think*, New Jersey: Pearson Education, Inc.

Moore, Malcolm, Foster, Peter (2012), "China to create largest mega city in the world with 42 million people", *The Telegraph*, 24 January 2011, online <<http://www.telegraph.co.uk/news/worldnews/asia/china/8278315/China-to-create-largest-mega-city-in-the-world-with-42-million-people.html>> (12.04.2011).

Sachs, Ignacy (1998), *The logic of development*, UNESCO, Oxford: Blackwell Publishers. (First published in 1972).

Sharma, Amita (2010), "Social Protection Policy Innovation in India", *Poverty InFocus: What Can IBSA Offer to the Global Community?, Number 21*, International Policy Centre for Inclusive Growth, UNDP.

Sumner, Andy (2011), "The 'new bottom billion'", *Making It. Industry for Development*, 2nd quarter, pp. 46-47.

Tay Heng Hock, Louis (2010), *Sustainable Affordable Housing for a Nation. The Singapore Success Story*, WB Anchor City Innovations Seminar Series, 10 October, online <<http://siteresources.worldbank.org/EXTSDNET/Resources/Presentation3.pdf>> (12.06.2012).

The World Bank (2011), *Africa's Future and The World Bank's Support to It*, The World Bank, Marçó.

The World Bank (2012), *World Development Indicators Database*, online <<http://data.worldbank.org/indicator>> (15.06.2012).

United Nations Conference on Trade and Development (2011), *Economic Development in Africa Report 2011. Fostering industrial development in Africa in the new global*

environment, United Nations, online
<http://www.unctad.org/en/docs/aldcafrica2011_en.pdf> (22.07.2011).

United Nations, Department of Economic and Social Affairs (2011), *World Population Prospects: The 2010 Revision, Highlights and Advance Tables*, ESA/P/WP.220, online
<http://esa.un.org/unpd/wpp/Documentation/pdf/WPP2010_Highlights.pdf>
(02.02.2012).

United Nations Development Programme, Regional Bureau for Africa (2012), *Africa Human Development Report: Towards a Food Secure Future*.

United Nations Economic Commission for Africa (2012), *The 21st Century African Land Rush*, online
<<http://new.uneca.org/lpi/africanlandrush.aspx>> (15.07.2012).

United Nations Educational, Scientific and Cultural Organization (2012), *Institute for Statistics Database*, online
<<http://stats.uis.unesco.org/unesco/ReportFolders/ReportFolders.aspx>> (12.06.2012).

Woerkum, Cees Van, Aarts, Noelle, and Herzele, Ann Van, (2011), "Changed planning for planned and unplanned change", *Journal of Planning Theory*, 10, pp. 144-160.

Zakaria, Fareed (2008), *The Post-American World*, New York: W.W. Norton and Company, Inc.