

Development Research and Policy Making in Africa: some reflections

Abebe Shimeles

Development Research Department

African Development Bank

EADI Conference NORDIC Conference

Bergen, Norway

August 2017

Key issues to be addressed

- What has been the role of development research in shaping policy making in Africa?
- Does good policy promote growth and development?
- Should it change? If so how?

Key messages

- Africa is at the cross-roads at this moment in history: leapfrog or be overwhelmed.
- In most African countries the agenda of development policy has been set or heavily influenced by “the development community” excepting the first decade and half following independence.
- This has had some successes but also clear failures.
- To leap frog, policy making cannot be outsourced. Homegrown expertise and strong research capacity are necessary for rapid and sustained development.

Africa at a cross-road at this moment in history

- Last two decades have shown strong recovery in Africa: per capita GDP has increased by 25%; in 18 countries it has increased by 50%, in about ten countries it has doubled.
- Yet poverty is still widespread and is declining slowly (Figure 1)
- Growth has also been more episodic than sustained (Figure 2)

Figure 1: Despite good growth during 1995-2010, poverty reduction has been slow in Africa

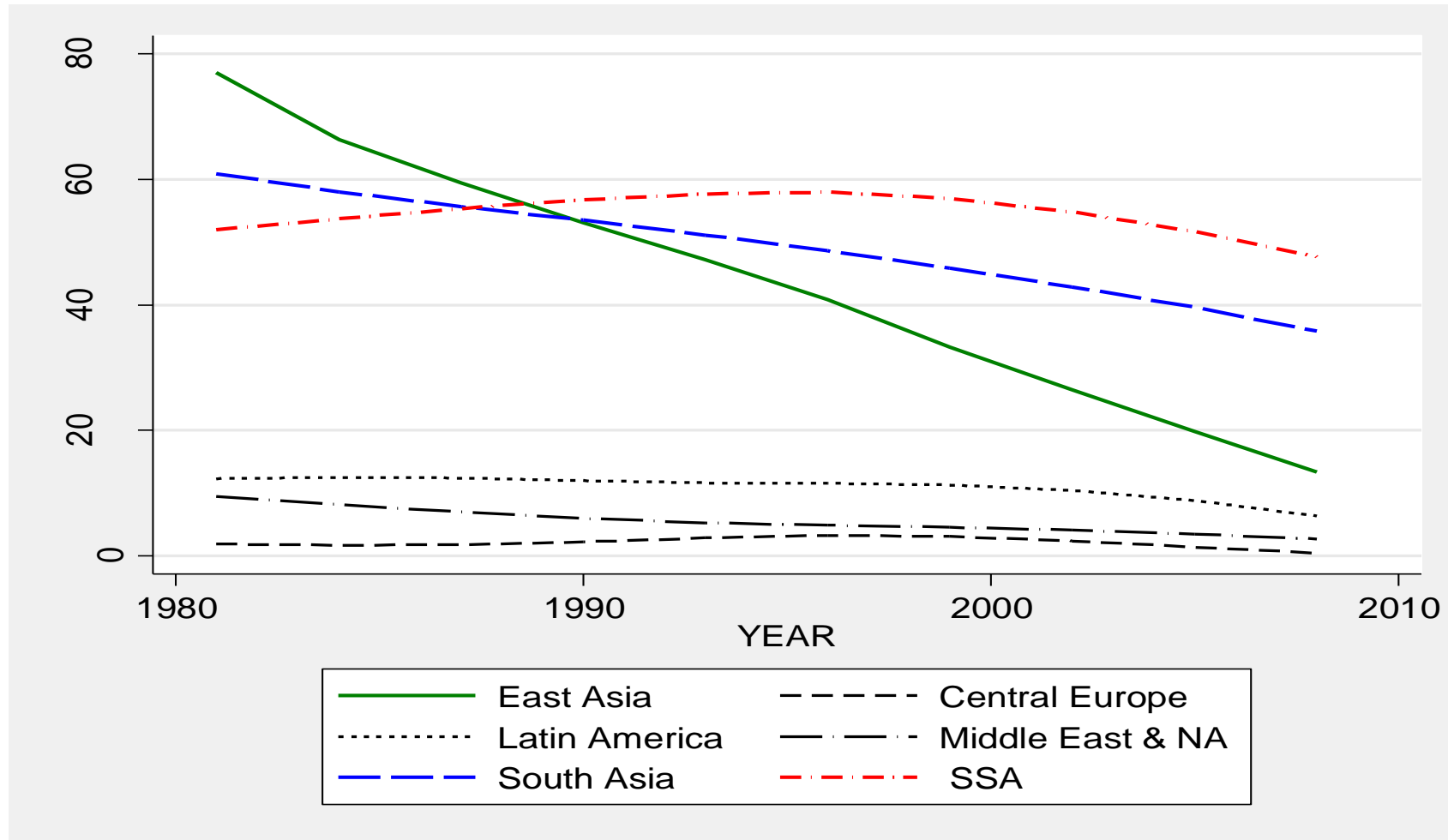
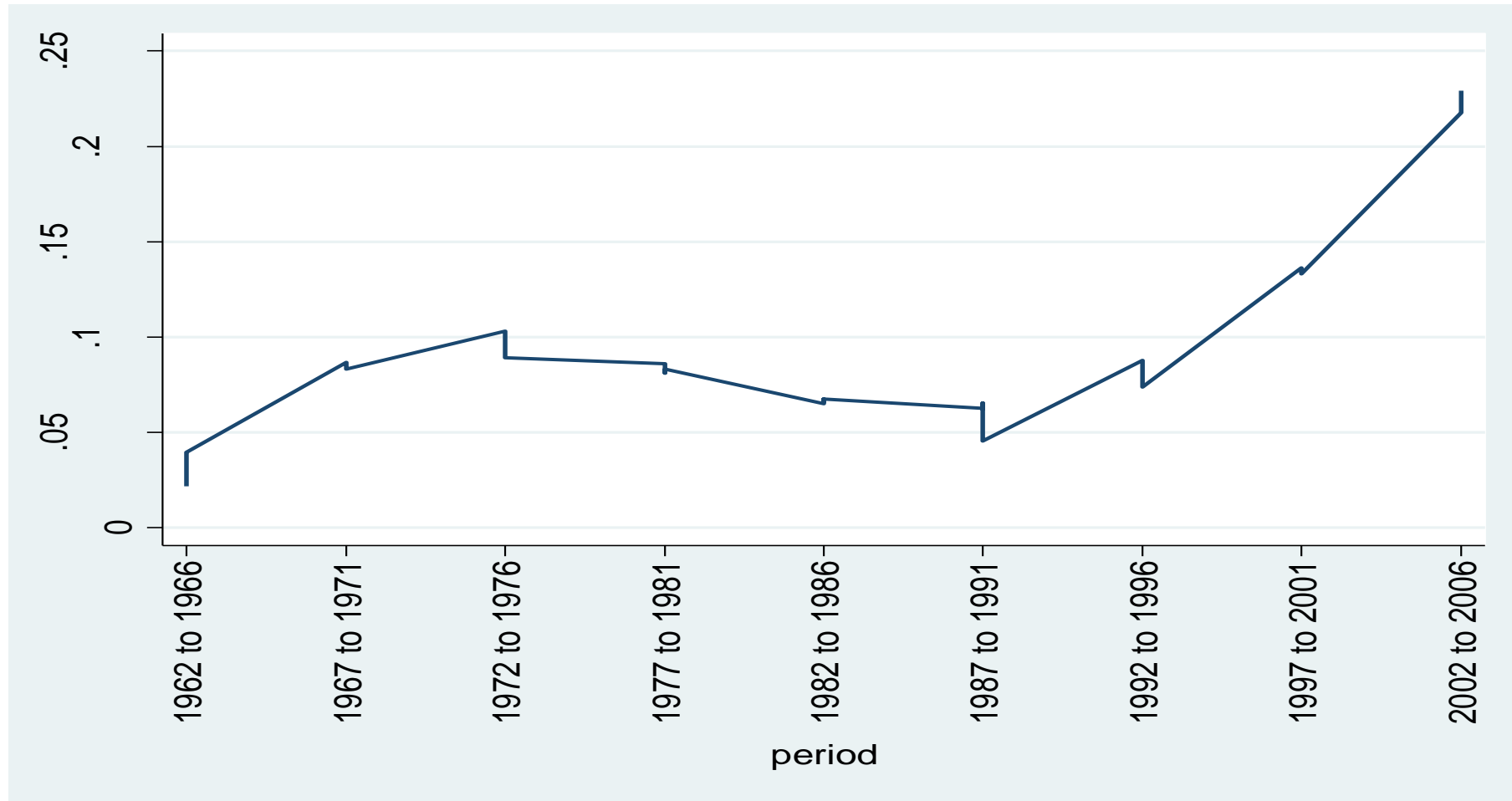


Figure 2: growth sustainability have improved but a lot is needed



Rapid, sustained and inclusive growth is needed in Africa

- Africa has the potential to grow at 10+ a year. And that is also a growth rate it needs to turn the tide of rising population, youth unemployment and inequality.
- But it needs to put its acts together in designing and implementing bold and visionary development policies.
- This can be assisted by localized, well coordinated and implemented development research: examples include that of China, India, South Korea, Chile, Brazil, etc as each country self-discovers the shining path to prosperity.

The current practice of outsourcing development policy should and must change

- The wholesale applications of one-size fits all development policy should be revisited: import-substitution strategies, structural adjustment programs, poverty reduction strategy papers, etc all have short-changed policy making in Africa.
- MDGs, SDGs are excellent ideas. But they need not replace local development priorities.

Is good research good for policy?

- We can give several examples of bad research influencing policy
 - Education policy in Africa has for a long time been formulated on faulty research about the role of primary education as an instrument to reduce poverty and inequality
 - So much of agricultural policy relied on faulty research,
 - Labour is much less productive in agriculture;
 - Women provide the bulk of labour in agriculture;
 - African farmers use less modern inputs;
 - Commercialization of agriculture enhances nutrition;
 - Non-farm income exists for survival;
 - Land markets play a minor role in the development of agriculture

Policy Reforms in critical areas could be helpful for development

- Empirical evidence is lacking on how policy reforms could impact growth or development. There are however now emerging localized research based on field experiment data or quasi-experimental research
- However, there are strong correlations between improved business environment and corruption (Figures 3a, 3b and c3).
- Reform could also be growth enhancing (Figure

Figure 3a: strong correlation between ‘competitiveness’ and governance

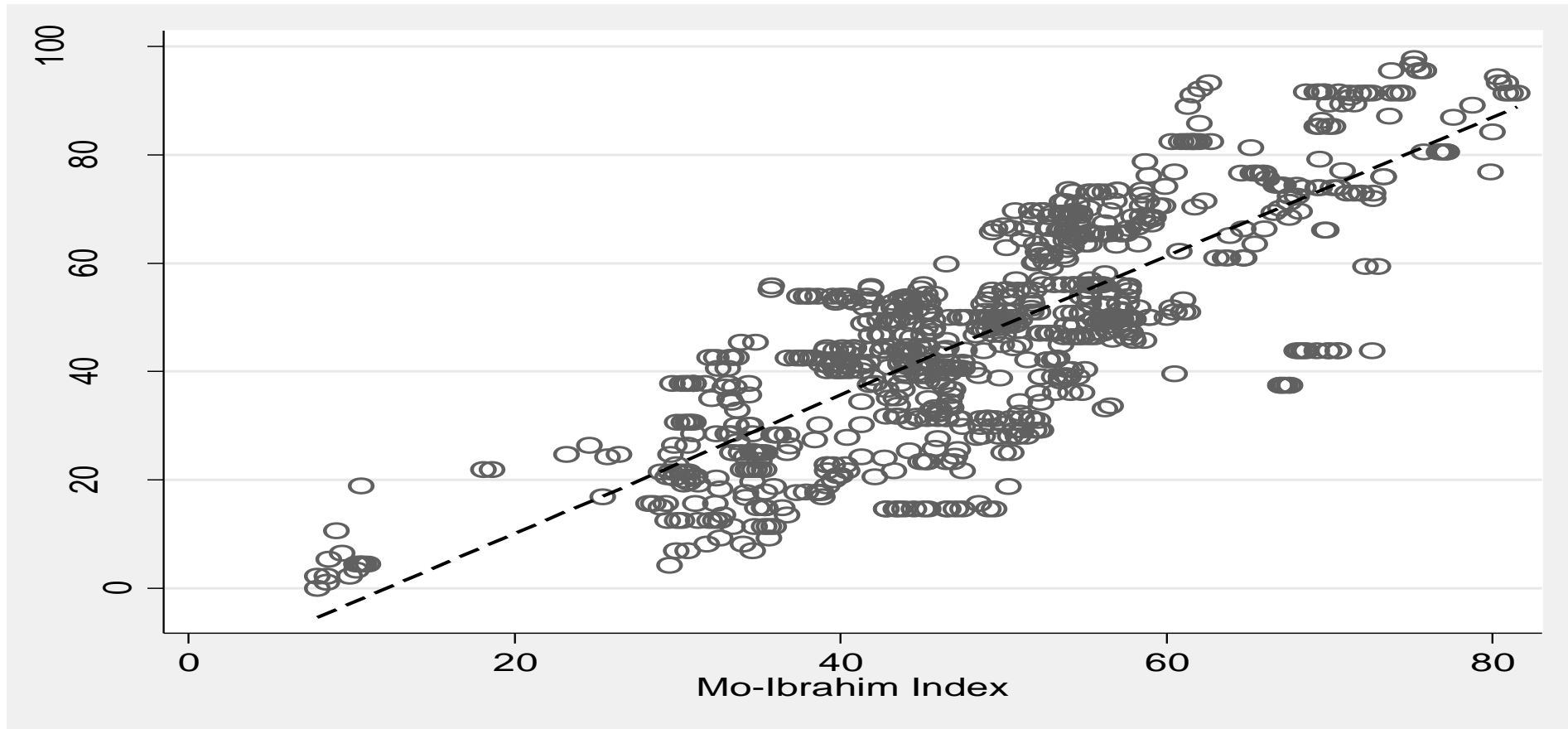


Figure 3b: the same as Figure 3a but with per capita GDP accounted for

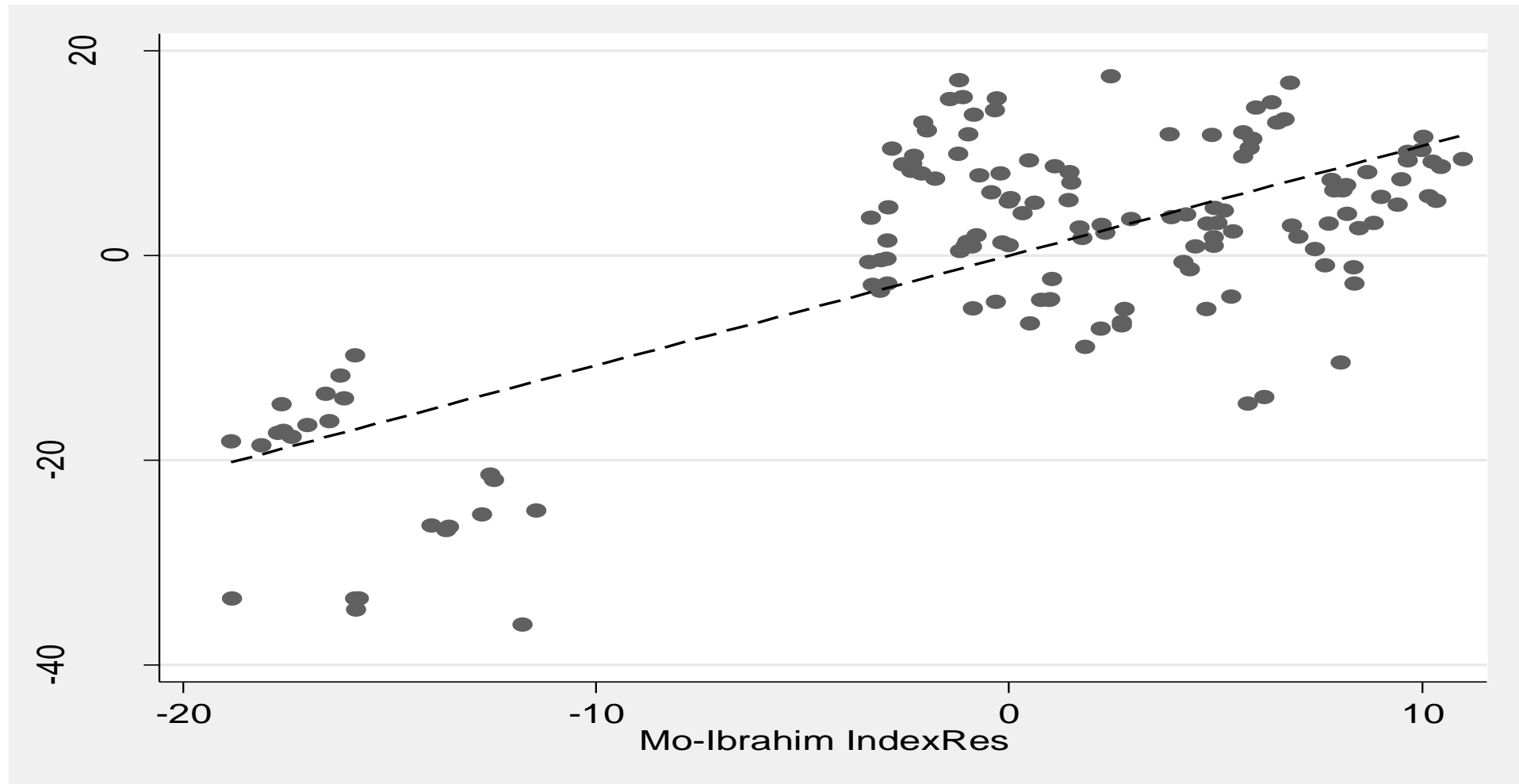
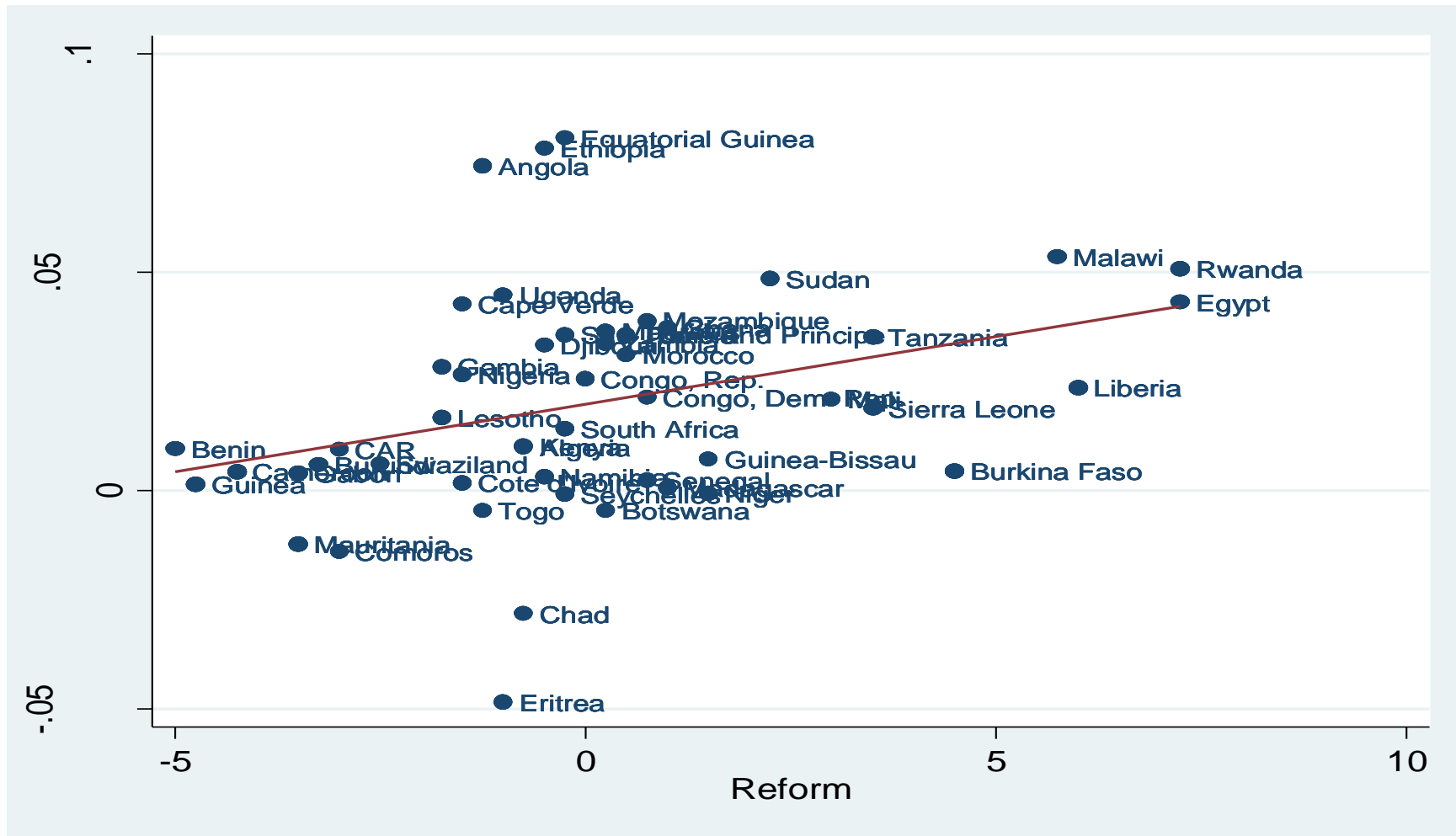


Figure 4: Reform could enhance growth



Conclusions (what is to be done?)

- A chat with Professor Vittorio Corbo, architect of Chilean economic policy: anecdotal evidence from 1996, “Africa need to train first class economists”. Echoes Milton Friedman’s lament “often bad policy is a result of poor understanding of economics”.
- Africa should stop outsourcing development research and policy making.
- Universities, independent think tanks need to take the wheel of policy making in Africa;
- The development community can also help change perceptions, aspirations for Africa through rigorous research.