Economic Growth Prospects for Africa

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Economic development is a crucial focus for communities, countries, and continents. Moreover, the strength and stability of an area’s economy not only has implications for the local people, but it also impacts the conditions and processes of surrounding economies, as well as the global economy. Economic development is the progress of a group’s use of goods, services, and money. Specifically, it is the process through which an economy grows and evolves. Economic growth is when the standard of living is increased and the quality of life is improved. Additionally, economic development involves the enhanced education, health, and well-being of the population. Overall quality of life is advanced, and there is not just monetary increase. For example, people live longer, healthier, and happier lives. Economic development includes greater access to information, training, products, and services. It is a complex process, and there are many factors involved around and influencing the improvement of living standards.

To fully understand the course of economic growth, one has to have a holistic perspective and look at the various factors influencing the trajectory of progress. This includes the historical background and environmental and social influences. Some of the factors impacting economic development include laws and regulations, communication, transportation, the migration of people, weather and the environment, the value of different resources, and available technology. This paper seeks to explore the literature concerning economic growth in the continent of Africa and its prospects for future development. In particular, Africa has specific concerns regarding the advancement of economic health and stability. The literature includes elements of historical background information, current concerns, and ideas and suggestions for future growth.

History of African Economic Development

In *African Economic History and Historiography*, Mlambo (2018) discusses some of the historic events and issues that have occurred over the years in Africa. As African tribes began to settle from hunter gatherers to more settled communities, the various people developed different economies, more sophisticated social and political structures, and burgeoning trade activities. However, many problems befell the continent when trans-Atlantic slave trade began, as millions of native Africans were taken away to the New World. After the eradication of slavery in the late 1800s, European settlers apportioned and colonized the African continent, taking control of the lands and various economic systems. There were three types of colonies: settler, peasant-agricultural, and concession company. Settler colonies advanced the most, to the detriment of the African natives. However, independence was gained following the Second Word War, and the continent went into its postcolonial phase. Africa then experienced a promising renewal in the 1960s, but the continent’s economies declined in the 1970s. Governments began borrowing funds from the World Bank and the International Monetary Fund in the effort to restore their economies. However, in order to meet conditions for loans, they were required to initiate structural adjustment programs that were actually damaging to the various economies of Africa.

In the latter part of the 19th century, settler colonies were established in large parts of southern Africa, Kenya, and Algeria. Peasant-agricultural colonies included West Africa and Uganda, and concession companies were instituted in Central and Equatorial Africa. The settler colonies were mostly white, European communities with their own political and economic structures, with Africans denigrated and expected to supply cheap labor. These colonies experienced quick and wide spread growth. They were based in commercial agriculture, mining, and later industrialization. However, this economic growth did not benefit the native people, and it mainly supported the white settlers. African peasants were systematically downgraded and deprived by the colonial settlers by way of policies created for that intention. Specifically, in Rhodesia and South Africa, the colonial government actively created ways to undermine the agricultural self-sufficiency of native Africans. They instituted laws that reduced the amount of land accessible to the native population. The goal was to create limitations on Africans and prevent them from competing with the white population. Moreover, the intention was to force natives into the labor market allowing white owners of farms, mines, and factories to obtain cheap labor (Mlambo, 2018).

After Africa had gained independence, African leaders were faced with the difficult job of promoting economic growth amidst the various problems that were created. Each country chose a different model of development, either based on socialism or capitalism. Yet, neither system led to great development. They experienced a short lived economic boom which was soon weakened by a decline in commodity prices as well as the 1970s oil crisis. As the 1980s approached, many African countries were experiencing an economic decline with large financial difficulties. They continued to struggle with the problems they inherited from colonialism and struggled to provide their people with basic social services (Mlambo, 2018).

In this respect, Heldring and Robinson (2012), in *Colonialism and Economic Development in Africa*, discuss the positive and negative effects colonialism had on economic development in Africa. Europeans introduced various institutions and technologies, such as literacy, railroads, and mining techniques, and they opened the continent to greater global trade. Agricultural and mining exports expanded, but economic growth was modest. Moreover, while the incomes of white, European settlers increased, the incomes of native Africans did not. In fact, Africans experienced much lower living standards, and this produced a huge inequality.

It is difficult to ascertain how Africa would have eventually joined the modern world without European intervention. Economic growth depends on the ability to make improvements and create stability. However, the Europeans created discrimination and racism, and they gravely damaged Africa’s political and economic systems. After European power was removed, any positive effects were minor, and the negative effects left a lasting imprint (Heldring & Robinson, 2012).

In *African Growth Recurring: An Economic History Perspective on African Growth Episodes, 1690–2010*, Jerven (2010) points out that post-colonial economic performance has endured continuous failure to develop. What is relevant is to determine and look at the causes in order to understand the current economic situation in Africa. Naturally, researchers have investigated the historic reasons for persistent stagnation. However, while the historic background is important, comprehensive examination also needs to look at African economic growth as a process and not just the result of a single historic occurrence.

Akwei (2020) discusses government corruption in *The Political Economy Perspective of the Theory of the Corrupt African State*. The European colonies had a major impact on the politics and government of African states. The organizational structures the colonists established contributed to corruption in African governments. Political power has a great influence on the economy and the way that economic systems function. Power is used in different ways whether through coercion or legitimate means. Moreover, power can be a strong objective, so that both the use of force and statements of legitimacy are used to obtain, maintain, and increase power. The promotion of objectives of political power can be accomplished by the taxation of public and private goods and through the control of private economic actions. The African state is characterized as a tool for public officials to use institutional power to extract the resources of the public to increase private gains. In particular, consideration should be given to foreign institutions that benefit from the political corruption, because these conspiring partners serve as refuges for stolen and unlawful transmissions of public resources.

Jerven (2010) proposes that Africa has experienced an environment of “growth recurring,” meaning that there are both internal and external factors at play. The economic process can be recognized as a recurring struggle between the inclination for development and the inclination for rent-seeking, a manipulation of public policy and/or economic conditions to increase profits. Political intervention and rent-seeking have been known to slow the growth of economic progress. Often, governments have engaged in rent-seeking practices that have caused producer prices to fall way below global market prices.

Of course, a strong inclination for growth promotes economic development, and Africa has gone through such episodes. These episodes were the result of international trade in combination with investment and technology. However, development has been episodic rather than continuous. Jerven (2010) emphasizes the need to study sustained growth and ways in which Africa can prosper in the world market. The author concludes that the problem is not inherent in African markets or geography. What must be studied are the details involved in the relationship between African markets and states in all aspects of economic development and decline.

Each one of the above articles tackles a different aspect of the historical background and environmental and social influences in the development of the African economy. Mlambo (2018) discussed the important topic of European colonization and various issues connected with the practices they introduced and forced on the native population. Much of European colonization had a negative impact on the African people and their socio-economic systems. Additionally, the author examined some of the concerns that occurred following African independence. Heldring and Robinson (2012) expanded on the positive and negative effects colonialism had on economic development in Africa. They concluded that the Europeans had minor positive effects and that the negative effects were greater. Akwei (2020) further indicated that government corruption, as a result of European colonization, has played a major role in the problems with economic development. Jerven (2010) discussed the ups and downs of African economic growth and stated that international trade as well as investment and technology contribute to development. However, political intervention and rent-seeking are elements that have slowed the growth of progress. Moving forward, it is necessary to understand how white, European occupation created a negative precedent and move forward by establishing a strong focus on promoting ways to transform these stagnant models.

Current Issues of African Economic Development

In *Decoloniality as the Future of Africa*, Ndlovu-Gatsheni (2015) proposes that the African people need to be liberated from the perspectives, attitudes, and behaviors of colonialism. Most of the economic struggles Africa has experienced stem from North American and European interference. Decoloniality is a way of re-framing culture, language, religion, and mindset. Africans were forced to participate in a foreign system that was disruptive, dehumanizing, brutal, greedy, and racist. In order to move forward and prosper, Africans need to focus on unity and freedom. The native people need to become cooperatively active in the creation of their own future.

In *Social Obstacles to Technology, Technological Change, and the Economic Growth of African Countries*, Amavilah (2015) discusses the social obstacles to the economic development and technological advancements of Africa by examining the continent’s economic history. The history of African economic growth demonstrates a large body of evidence concerning the difficulties impeding African economies. Some of the problems were imposed on the population by outside forces. For example, traditional African religions and religious leadership were weakened or destroyed in addition to the destruction of other long standing community practices. However, other obstacles come from domestic sources including over consumption and luxury disguised as public investment. Current policy needs to consider such obstacles as they have slowed economic growth. Moreover, it is necessary to account for these distinct elements of African economies rather than simply applying conventional economic models. Much of the research has stressed quantifiable economic factors, rather than accounting for the qualitative factors. However, it is often demonstrated that the background events of an area contribute to the shaping of the patterns of development. The evidence of history ascertains the fact that slave trade, colonialism, and economic and political imperialism greatly arrested the growth of the indigenous people, the progress of their traditional way of life, and their technological advancement. With little technological change, the development of knowledge and economic wellness is greatly constricted.

Kodila-Tedika and Asongu (2015) discuss other contributing elements in *Tribalism and Financial Development.* For the most part, the study of financial and economic development has focused on many conspicuous areas such as the role of government, education and training, transportation, technology, social factors, and natural resources. However, there are other researchers who claim that geographical locations with great ethnic diversity are not as likely to develop thriving economic systems due to conflicting beliefs, values, and traditions.

The authors explore the issue of dividedness within a nation. Dividedness stems from tribalism in which members of a particular tribe are favored over other tribes. This dividedness is an obstacle to financial development. Ethnic favoritism or ethnic dominance contribute to rent-seeking, corruption, inequality, and group grievance. The needs of certain tribes or groups of tribes become prioritized in the distribution of resources. This type of allocation inhibits overall financial development. It diminishes innovation and vital interactions necessary for economic expansion. However, wide spread education can have a positive affect and could dissolve the obstacles to tribal dividedness (Kodila-Tedika & Asongu, 2015).

Ndlovu-Gatsheni (2015) further identifies colonialism and its impact as an interfering factor in the development of the African economy. Africans inherited a sense of separateness and competitiveness, rather than an atmosphere of unity and cooperation. Amavilah (2015) not only emphasizes European interference in Africa, but the author other also emphasizes fragmented social cohesiveness and suggests government corruption as an obstacle to economic growth. Moreover, Kodila-Tedika and Asongu (2015) underline the issues by stating that tribalism is contributing to dividedness and economic stagnation. Therefore, it is necessary to promote commonality and a more holistic model of political, social, and economic advancement.

The Future of African Economic Development

In recent times, the global economy has been impacted in different ways by the Covid-19 pandemic. Travel and tourism have been severely limited, many people lost their jobs or had to work part-time, and a lot of businesses lost significant income. According to the African Development Bank Group (2021), in chapter one of *African Economic Outlook 2021*, while the current Covid-19 pandemic has taken a toll of the global economy, it has had a particularly negative impact on African economic growth. The African Development Bank Group suggests various policies for recovery and growth following the repercussions of the Covid-19 pandemic. Foremost, the health sector needs to continue being supported in confronting the pandemic. Specifically, policymakers need to reduce too much reliance on foreign industries and develop the necessary medical care needed in Africa.

Additionally, financial support is needed, but policymakers must prepare appropriately to avoid escalation of debt. Policymakers also need to stabilize and strengthen economic management with relevant financial policies. Moreover, the issue of poverty must be properly addressed through better social policies and making economic development less biased. Approximately 30.4 million additional Africans were driven into great poverty in 2020 due to the pandemic. One way to tackle this issue is through increased digital technology and Internet access. Furthermore, there should be increased availability of free food banks, healthcare supplies, and other types of aid through local governments, religious organizations, and community establishments (African Development Bank Group, 2021).

Education and learning should be emphasized and continue even when in-person classes are not practical. Teaching and training can take place through devices such as computers and smartphones. In this respect, it is necessary to step up efforts to advance digitalization and access to Internet technology. The labor force also needs to be appropriately prepared for computerization and become trained and skilled in jobs involving digital systems. Structural transformation and digital technology need to be advanced to increase productivity. In addition, cooperation between the countries is necessary for creating conditions that promote a sustainable recovery. Policymakers need to establish increased coor­dination among countries. Also, reforms must be instituted to create greater efficiency of public spending and extend greater accountability (African Development Bank Group, 2021).

In *Hi-Tech Development of Modern Africa*, Sergi and Popkova (2020) explore the issues involved in African technological advancement. The progress of technology has a crucial role in the functioning and development of economic systems. It is especially a determining factor in the conditions of economic improvement in the modern world. Certain technologies can raise the standard of living and provide services that increase the quality and duration of life. These technologies can contribute to healthcare, education, and the production of food. Therefore, technological development is not only desirable but necessary for African economic development. Technological growth can boost economic expansion within Africa and in the world economy. It can help African countries to compete in the global market and increase economic security. In order for African countries to strengthen their position in international economic relations, they must expand their economic activities and move away from being the recipients of financial support.

Currently, there are various opportunities as well as barriers to the development of technology in Africa. Therefore, it is necessary to understand these issues in order to determine the prospects for handling them. If technology is not advanced in the continent, African countries will continue to experience socio-economic challenges. However, there are a number of obstacles to technological progress, including governmental and institutional disinterest in technological development. The state does not provide enough opportunities for technological development, and venture investments in African economies are complicated because of low investment attractiveness. However, the population is interested in technological growth, as demonstrated by their use of digital skills. Technological development in Africa is a large market gap that can and should be overcome through effective government involvement and efforts. This will help African countries to be included in the global market and compete in the sphere of technology. Additionally, it will create an expansion of advantages and opportunities for African countries and the achievement of sustainable economic development (Sergi & Popkova, 2020).

Aker and Mbiti (2010), in *Mobile Phones and Economic Development in Africa*, examine mobile phone technology and its influence on the quality of life in sub-Saharan Africa. The availability and use of mobile phones has increased greatly in recent years, and it has opened the way for new possibilities. Mobile phones are connecting people of various lifestyles in all areas of the world and boosting access to greater information and services. In many places of rural Africa, mobile phones are one of the first types of modern telecommunications. Mobile phone technology has reduced the costs of communication and has allowed individuals and groups to send and receive information quickly and inexpensively. Research has shown that the reduced communication costs of mobile phone usage have noticeable economic benefits under certain circumstances. It is now possible for sub-Saharan Africans to communicate with relatives and friends in distant places, learn about food prices, discover work opportunities, get information about health and illnesses, and find out about events and problems in different locations. Therefore, it is useful to evaluate mobile phone development to increase the understanding of their effect on social and economic outcomes. In this way, directions for future usage can be outlined in order to promote greater economic growth in Africa.

The African Development Bank Group (2021) explores various issues and policies that can contribute to economic recovery and growth following the repercussions of the Covid-19 pandemic. Among their suggestions, they recommend efforts to promote digitalization and access to Internet technology. While many factors need to be addressed, the advancement of technology in particular stands out as an indispensable way to boost economic growth in Africa. In this regard, Sergi and Popkova (2020) discuss technological advancement and its vital role in the functioning and development of modern economic systems. The authors state that specific technologies can facilitate a better standard of living and offer services that enhance the quality and length of life. These technologies have the capacity to support healthcare, education, and food production. Aker and Mbiti (2010) endorse the increased use of mobile phone and Internet technology as a way to boost quality of life and economic development in Africa. Indeed, advanced technology has the potential to provide access to greater information, improved communication, and enhanced learning. Certainly, technology has its pros and cons, but the world is rapidly progressing technologically, and Africa needs to keep up with the pace in order to participate in the global arena.

Conclusion

The continent of Africa has experienced many social, political, and economic ups and downs over the years. Specifically, interference from European colonists has hindered the progress of the native populations and African countries. The colonists obstructed the natural process of social, political, and economic growth. Native Africans were robbed of their traditional systems and ways of life, forced to participate in foreign structures, and denigrated by the Europeans. Although decolonization took place from around the 1950s to the 1970s, and Africa obtained independence, the damage had been done. Economic development has been sporadic and continues to experience various obstacles. Each of the various articles explored different elements of African economic history and its complex saga of issues. The authors demonstrated the impact colonization has had on Africa and revealed the diverse challenges the population has been faced in the process of moving forward. These challenges present a background of many obstacles that need to be overcome by the African people.

Additional authors have identified current issues that Africa is faced with, including the influence of European colonial perspectives, attitudes, and behaviors. In this regard, tribalism and a sense of separateness and competitiveness have become a hindrance to economic progress. Moreover, as a result of colonial influence, government corruption continues to be a problem. Understanding these concerns is imperative to knowing how to promote and establish economic progress in Africa. It is this author’s belief that government corruption is a critical issue that needs to be addressed and tackled effectively. This is not only the responsibility of the regime of a specific country, but it is the duty of other countries and the corporations to oppose corruption and discontinue supporting corrupt actions. In this regard, the people of other countries need to pressure their own governments and corporations to act accountably when engaging with African states and businesses.

Economic growth is when the standard of living is increased and the quality of life is improved. In the last section of this paper, different articles explored current issues and ways to support economic development. Most recently, Africa has been impacted by the Covid-19 pandemic. The African Development Bank Group (2021) suggests various methods and policies for economic recovery. Sergi and Popkova (2020) focus on technological advancement as way to boost the continent’s economy. Furthermore, Aker and Mbiti (2010) recommend the promotion of mobile phone and Internet technology use as a way to boost economic performance and quality of life. It is logical to consider and support technological innovation, as the modern world is quickly adopting more and more technological devices and Internet usage. Policymakers need to focus on ways to advance technology as well as access to greater information and education. These elements will provide a solid foundation for growth so that African people may have increased access to vital information, training, products, and services. This author suggests that technological development in Africa be encouraged and supported by all surrounding and interested parties.

Realistically, the prospects for African economic growth look bleak, and the people of the continent may continue to struggle, only keeping their heads above water. Unless outside sources are willing to invest in and provide backing for the well-being and economic progress of the population, there is little hope for the future, and Africa may be stuck in a rut. It may be that parties outside of Africa are continuing to benefit from Africa’s lack of social, economic, and political health and stability. A great transformation needs to occur, and it needs to be supported by outside sources. Perhaps one way to do this is to encourage corporations to process African goods within the continent, rather than taking them from the continent to process elsewhere (Investing in Africa’s Future, 2021). Otherwise, without a catalyst from external forces, there may be little hope for economic development.

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