Global South is key to accelerating Human Development in sub-Saharan Africa

Mexico City, 14 March 2013—Sub-Saharan Africa can achieve higher levels of human development if it deepens its engagement with other regions of the South, according to the 2013 Human Development Report, which is being officially launched today by the United Nations Development Programme (UNDP) Administrator Helen Clark and President of Mexico Enrique Pena Nieto in Mexico City.

The Report, The Rise of the South: Human Progress in a Diverse World, shows the Africa region as having the second highest growth in the Report’s accompanying Human Development Index (HDI) after South Asia over the past ten years. The Report uses the term “the South” to refer to developing countries and “the North” for developed ones.

“Africa has achieved sustained rates of economic growth at a time of great involvement with emerging economies,” says Tegegnework Gettu, Regional Director of UNDP Africa. “But progress has been broad-based, with strong improvements in other dimensions of human development such as health and education.”

Compared to other regions, sub-Saharan Africa still has the lowest average national HDI—yet of the 14 countries in the world that recorded HDI gains of more than two percent annually since 2000, eleven are in the region.

These top-performers on the HDI include a mix of countries with or without resources as well as diversified and high-performing agriculture-based economies like Angola, Ethiopia, Mauritius, Rwanda and Uganda, with Sierra Leone showing the second-highest HDI improvement in the world since 2000.

That progress has happened amid an upsurge in trade, investment and development cooperation with emerging economies like Brazil, China and India that have succeeded in pulling millions out of poverty.

Between 1992 and 2011, for instance, China’s trade with sub-Saharan Africa rose from US$1 billion to more than $140 billion.
Countries in Africa have also increased their involvement with other partners from a diverse set of regions, such as funds based in the Arab region and Latin American firms.

Completing existing relationships with bilateral partners, these connections have helped boost exports, create jobs and finance needed infrastructure on the continent, while many African nations have tapped into new funding, technology, markets and know-how to invigorate their economies.

For instance, Mauritius has created special export zones that have led to dramatic progress in the manufacturing and service industries. Ethiopia’s footwear industry and plastics manufacturing businesses in Nigeria have succeeded in the face of stiff competition from emerging economies, the Report notes.

In addition, new lessons and experiences from outside Africa and increasingly from within the region itself, have been used to generate new opportunities for the poor. For example, Asian-built mobile phones have made cellular banking cheaper and easier, while leading to better market performance and increased profits by small farmers, as seen in Kenya, Niger and Uganda.

Affordable medicines and medical equipment from Brazil, South Africa and Indian as well as Chinese investments in hospitals have led to considerable improvements in the health sector.

Many African success stories are themselves reshaping ideas and strategies on how to attain higher levels of human development. The report argues that these advances are best achieved in countries with strong leadership, openness to trade and a focus on innovative social policies.

Thanks to targeted investments in the health sector, life expectancy in sub-Saharan Africa has surged by 5.5 years between 2000 and 2012, to 55, having stagnated between 1990 and 2000 mainly because of the HIV and AIDS pandemic. Education is another area of marked improvement. The Report looks at improvements in access to health services in Rwanda through community-based health insurance, and successive waves of education reform in Ghana and Uganda.

To sustain or accelerate HDI improvement in sub-Saharan Africa in coming decades, countries in the region must strive to reduce inequalities, with a particular focus on youth, women and marginalized populations, the Report says. For instance, the region also has the highest levels of domestic inequality in health standards of all the world’s regions, the Report’s data shows.

African countries are projected to create up to 72 million jobs by 2020, says the Report. As the region’s population continues to grow strongly, stimulating job creation will require not only accelerating economic growth, but investing in young people’s education and training and especially empowering women so they can take an active part in their countries’ economic and development gains.

The region’s progress is threatened by climate change and other environmental pressures, however. The Report warns that under a severe “environmental disaster” scenario, without significant progress in slowing global warming, sub-Saharan Africa’s overall human development progress could be halted or even reversed by 2050, with hundreds of millions more people pushed into extreme poverty.

The Report also looks at the importance of regional mechanisms and institutions in improving infrastructure and markets across the sub-Saharan region and removing obstacles to private entrepreneurship, such as limited commercial financing and regulatory hurdles.

Sub-regional trade and investment groups, such as the Economic Community of West Africa States and the Common Market of the South, have facilitated greater economic interaction and policy cooperation in these and other areas as well, from security to water resource management.

These bilateral and regional arrangements offer opportunities for further South-South economic integration and provide a training ground for building competitive strengths. In East Africa, greater regional integration has even helped shield economies from global shocks.

By combining regional integration and partnerships with developed and emerging economies, sub-Saharan Africa will be in a position to continue to grow and improve the lives of millions, according to the Report.
HDI Highlights

- Angola, Burundi, the Democratic Republic of the Congo, Ethiopia, Liberia, Mali, Mozambique, Niger, Rwanda, Sierra Leone, Tanzania are among the countries that made the greatest strides in HDI improvement since 2000.

- By 2050, aggregate HDI could rise by 52 percent in sub-Saharan Africa (from 0.402 to 0.612).

- Over the past decade, nearly half of financing for infrastructure in sub-Saharan Africa was provided by governments and regional funds from elsewhere in the South.

- There are large disparities in achievements within HDI groups and regions. This ratio is highest in sub-Saharan Africa, followed by the Arab States.

- From 2003 to 2008—the five years preceding the global financial crisis—income per capita in the region grew 5 percent a year, more than twice the rate of the 1990s.

- Though many countries in sub-Saharan Africa showed improvement in their Gender Inequality Index value between 2000 and 2012, they still perform worse than countries in other regions, mainly because of higher maternal mortality ratios, adolescent fertility rates and huge gaps in educational attainment.

- The spectacular increase in phone connectivity in Africa has been driven almost entirely by companies based in India, South Africa and the United Arab Emirates.

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