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## Africa Unleashed

Explaining the Secret of a Belated Boom

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It is well known that the 1970s, 1980s, and 1990s were a disaster for the countries of sub-Saharan Africa. In a period when other underdeveloped regions, especially Asia, were experiencing steady economic growth, Africa as a whole saw its living standards plummet. Nearly all Africans lived under dictatorships, and millions suffered through brutal civil wars. Then, in the 1990s, the HIV/AIDS epidemic exploded, slashing life expectancy and heightening the sense that the region had reached rock bottom. It was no surprise when an intellectual cottage industry of Afro-pessimists emerged, churning out a stream of plausible-sounding explanations for Africa's stunning decline. The verdict was simple: Africa equaled failure.

What is less well known is that Africa's prospects have changed radically over the past decade or so. Across the continent, economic growth rates (in per capita terms) have been positive since the late 1990s. And it is not just the economy that has seen rapid improvement: in the 1990s, the majority of African countries held multiparty elections for the first time since the heady postindependence 1960s, and the extent of civic and media freedom on the continent today is unprecedented. Even though Africa's economic growth rates still fall far short of Asia's stratospheric levels, the steady progress that most African countries have experienced has come as welcome news after decades of despair. But that progress raises a critical question: what happened?

Steven Radelet's accessible and insightful new book, *Emerging Africa*, joins a growing chorus of voices explaining how and why Africa has turned the corner. Radelet, who joined the U.S. State Department to work on international development issues last year, was a fellow at the Center for Global Development and has served as a policymaker in both the United States and Liberia, where he advised President Ellen Johnson-Sirleaf. He does a remarkable job of weaving together hard statistical patterns, case studies, and a coherent narrative that explains both Africa's decline and its recent rebound. The book is useful reading both for specialists in the field, who will gain from its detailed description of the experiences of numerous countries, and for those newly interested in

Africa, including non-economists, who will find their preexisting notions about the continent overturned. *Emerging Africa* crystallizes the new conventional wisdom on Africa's recovery. But it also highlights gaps in experts' understanding about its underlying causes.

## VOTING FOR GROWTH

In Radelet's view, five main factors have conspired to turn Africa around. Expanding democratization has opened up governments, bolstering popular accountability. Improved economic policies have curbed the worst tax and regulatory policies that had plagued African households and investors. Debt reduction has freed up resources for education and health care. New technologies (most notably the ubiquitous cell phone) have boosted Africans' access to markets. And the rise of a new generation of energetic leaders, the so-called cheetah generation (in the evocative terminology of the Ghanaian scholar George Ayittey), has brought new ideas and attitudes to the fore.

Radelet assembles chronological graphs for dozens of key measures, such as income levels, foreign trade, political freedom, schooling, and cell-phone penetration. He then ties the data together with fresh accounts of how the process of transformation has actually occurred on the ground. Tanzania, for example, boosted primary school enrollment by abolishing school fees in 2000. In Mozambique, the liberalization of agricultural markets has allowed farmers to keep more of what they sell. Mali's mango exports have soared since the adoption of improved supply-chain management practices. In Rwanda, incentive payments for doctors have strengthened the health-care system, as has the use of daily text messages to remind HIV/AIDS and tuberculosis patients to take their pills. These and other smart public policies are revolutionizing African economies.

Radelet also looks beyond government decisions, describing how individual Africans have accelerated these transformations, often at great personal risk. He profiles such visionaries as John Githongo, Kenya's fearless anticorruption crusader, and Patrick Awuah, a Swarthmore College graduate who left a lucrative career at Microsoft to return to his native Ghana, where he founded Ashesi University, a liberal arts college that aspires to educate a new generation of ethical and entrepreneurial African leaders. There is finally enough oxygen in these increasingly free countries for talented Africans to reimagine and rebuild their societies.

Although all five of the factors Radelet describes have plausibly played a role in Africa's nascent transformation, the essential question, of course, is, which one has contributed the most? Radelet's answer is democratization. The relationship between democracy and economic growth in Africa, he writes, "is crystal clear: democratic governments . . . have been successful, while authoritarian governments have by and large been failures." He goes on to note that 13 of the 17 countries he singles out as emerging success stories have made the transition to more or less full-fledged democracies since the 1990s, whereas the pace of democratic reform has been far slower in both oil-producing countries and economic "laggards."

Radelet argues that Africa's political opening in the early to mid-1990s had a number of positive side effects. Competitive elections promoted public accountability, which led to better economic policies and governance. Politicians rightly perceived that competent macroeconomic management and fiscal policies would benefit them at the polls, and so they began to give up their kleptocratic ways. Increasingly open political systems created new opportunities for well-educated "cheetahs," energetic political newcomers who were often trained abroad, to outcompete the slow-moving "hippo" holdovers from the anticolonial struggle. Newly democratic regimes have also been more eager to embrace, rather than suppress, new information technologies that can make markets more

efficient and grass-roots political organizations easier to form. Although social scientists are still debating the relationship between democracy and economic performance, Radelet makes a robust case that democratic reform was a necessary precondition for many of Africa's other recent advances.

But in identifying democratization as the leading cause of Africa's recent economic turnaround, especially in the countries he labels as emerging, Radelet simply pushes the question of causality back another step. Left unanswered is why some African countries, such as Ghana, developed successful democracies in the 1990s, whereas others, such as Côte d'Ivoire, Ghana's neighbor, tried and failed. And why did democracy take root only then, whereas earlier democratic experiments in the 1960s (in Ghana, Kenya, and Sierra Leone, to name a few) collapsed within an election cycle or two? Radelet highlights the role that the end of the Cold War played in creating more breathing room for real political competition in the 1990s. No longer did intervening superpowers distort the political process either directly, as the United States did when it backed the assassination of Congo's first prime minister, Patrice Lumumba, or indirectly, through arms sales and diplomatic pressure. But that is only part of the story. After all, democracy was reestablished in much of Latin America in the 1980s, when the Cold War was in full swing.

## KNOWLEDGE AND POWER

What, then, is left to account for Africa's impressive economic and political recovery? The answer might lie in education. More "human capital," in economics jargon, directly boosts labor productivity, but it can also benefit society in many other ways. It appears to go a long way in explaining why some African democracies were able to survive (and sometimes thrive) in the 1990s: unlike in the 1960s, education was widespread. The rapid expansion of schooling in Africa -- a remarkable social improvement that took place during the otherwise lost decades of the 1970s and 1980s -- helped lay the foundation for political reform, which then enabled the economic policy changes that have since contributed to faster economic growth. Whereas at the time of independence, few Africans had had any formal education, today the vast majority of them have attended some school. Kenya illustrates the broader trend: adult literacy rates there have risen from a mere 32 percent in 1970 to nearly 90 percent today.

Although the connection between education and social and political reform might seem intuitive, scholars have had a hard time establishing a causal link. They have proposed a number of disparate theories. Some argue that education empowers the disadvantaged, pushing them toward greater political activism; others contend that it promotes modern pro-democratic and secular attitudes and weakens ethnic attachments. Still others have suggested that education, designed to instill an acceptance of existing authority in youth, in fact bolsters autocratic regimes.



Through research on Kenyan youth, Willa Friedman, Michael Kremer, Rebecca Thornton, and I have attempted to disentangle the causal relationship between education and political attitudes to better understand the improvements Radelet discusses. We looked at a girls' scholarship program conducted in Kenyan primary schools during 2001 and 2002 and structured our study as a randomized experiment. Designed like medical trials, with both treatment and control groups, randomized experiments have become an

indispensable tool for development economists seeking scientific rigor to their research on social programs. For our study, in 34 randomly chosen schools, adolescent girls who scored in the top 15 percent on standardized tests received generous scholarship awards, cash prizes, and public recognition. Girls at a different set of 35 schools -- the control group -- received no such incentives.

What did we find? In the schools with the incentives, students and teachers had higher attendance rates and the students scored much better on standardized reading and math tests. Five years after the program had begun, with the girls now in their late teens and early 20s, those at the scholarship schools continued to do much better on standardized tests. We also conducted detailed opinion surveys to estimate the effect that this improved education had had on their political attitudes and behaviors. There was no evidence that the students who had received the scholarship incentives held views that were more pro-democratic or secular than the control group or saw their ethnic identities as any less important. They were, however, much more likely to read newspapers and identify a favorite one. They were also more politically informed and more critical of Kenya's rulers and its current economic conditions. Yet this awareness did not translate into action: they were no more likely to say they intended to vote in the next election, nor were they more likely to participate in community groups.

Instead, the young women who had received the incentives were more likely to report that they found the use of violence in politics acceptable. Perhaps this finding should not be too shocking given the participants' persistently strong ethnic identities, their dissatisfaction with Kenya's fledgling democracy, and the limited avenues for peaceful political participation in the country. (Indeed, due to its uneven economic and political record, Kenya does not qualify as one of Radelet's "emerging" countries, although it comes close.) For decades now, violence has been a central feature of political change in Kenya, from the anti-British Mau Mau uprising in the 1950s to the contested presidential election of 2007. The declining satisfaction with the status quo that the young women we studied expressed, as well as their growing acceptance of political violence, may in fact reflect their heightened awareness of the true nature of political power and change in Kenya, an awareness that grew as they received more education.

Some caution is always required in interpreting results based on data from one country or region. But the results of our Kenyan study are consistent with the view among some social scientists that education empowers students rather than, for example, causing them to acquiesce to authority. In other words, if education does make societies more democratic, it does not necessarily do so by making people hold more pro-democratic views. Rather, it makes them more politically knowledgeable and more willing to challenge the authorities. In Kenya, this might mean being willing to use violence. But in countries with more opportunities for democratic participation, the heightened political consciousness and reduced acceptance of authority might lead to greater civic involvement, contributing to a more vibrant democracy. As Radelet notes, competitive democracies in Africa are more inclined to adopt pro-growth economic policies.

Radelet convincingly describes another way in which education promotes economic progress, beyond its impact through politics. He notes that there are simply many more skilled economists and policy experts in Africa today than there were in the 1970s and 1980s, as the more educated, younger cheetah generation takes center stage. This sharp improvement in technical capacity is reflected in the academic credentials of many recent African central bankers. Benno Ndulu, the current governor of the Bank of Tanzania, has a Ph.D. in economics from

Northwestern University, is an internationally respected researcher, and has held high-level posts at the World Bank. Officials like him are willing to engage in more rigorous, independent, and creative policymaking than their predecessors; Tanzania's macroeconomic management during the recent global economic crisis was particularly sound.

## LOOKING UP

Increasingly educated populations, democratic politics, spreading technologies, and improved economic policymaking have combined to create a new Africa that bears little resemblance to the caricature of a "dark continent" that still rears its head in the media. Instead of being known for "blood diamonds," Sierra Leone has gained attention for improving access to electricity in its capital and expanding its rural road network. Instead of serving as the inspiration for food-aid concerts, Ethiopia today flies millions of dollars' worth of fresh flowers overnight to Europe. Even in the Democratic Republic of the Congo, where a civil war still lingers, army officers are finally being brought to trial for civilian abuses. Radelet is right that it is time to turn the page on the lost postindependence decades and stop treating Africa like an exotic economic basket case.

How can Africa's great recovery be sustained, or even accelerated? The gains made so far -- moving from war to peace, establishing democratic footholds in the face of entrenched dictatorships, and doing away with the worst forms of economic mismanagement -- were the hardest part, and these improvements will continue to yield economic payoffs. Faster growth may also require sub-Saharan African countries to siphon off some of the foreign investment in the labor-intensive sectors of manufacturing and services that has traditionally gone to Asian countries. This idea is not so far-fetched, since wages in Asian countries are ballooning and their populations are aging (especially China's). Will Africa someday have more textile factories than China or more call centers than India? It may only be a matter of time. Of course, that outcome, as *Emerging Africa* demonstrates, will require more than just outside interest; it will require competent leaders pursuing sound economic policies.

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