

PLS 343

Politics of Sub-Saharan Africa

Week 11, Lecture 1:

Economic development—concept and destiny

Recap

- Relative prevalence of interstate and civil conflicts in postcolonial Africa
- Roots of conflict in other key aspects of African politics

Plan for this week

- Economic development:
 - Concept
 - Causes:
 - History
 - Geography
 - Domestic policy
 - External influence
 - Recent trends and variation

Plan for today

- The concept of (economic) development
- Africa's developmental 'destiny':
 - *History*
 - Geography

Development according to Myrdal

- "By **development** I mean **the movement upward of the entire social system**, and I believe this is the only logically tenable definition. This social system encloses, besides the so-called economic factors, all noneconomic factors, including all sorts of consumption by various groups of people; consumption provided collectively; educational and health facilities and levels; the distribution of power in society; and more generally economic, social, and political stratification; broadly speaking, institutions and attitudes. [...]
This social system may stay stagnant, or it may move upward or downward."

- From Myrdal, Gunnar. 1974. "What Is Development?." *Journal Of Economic Issues* 8 (4): 729-730.

Development according to Myrdal

- Economic factors
- Noneconomic factors:
 - Consumption
 - Education
 - Health
 - Distribution of power
 - Economic, social, and political stratification
 - Institutions

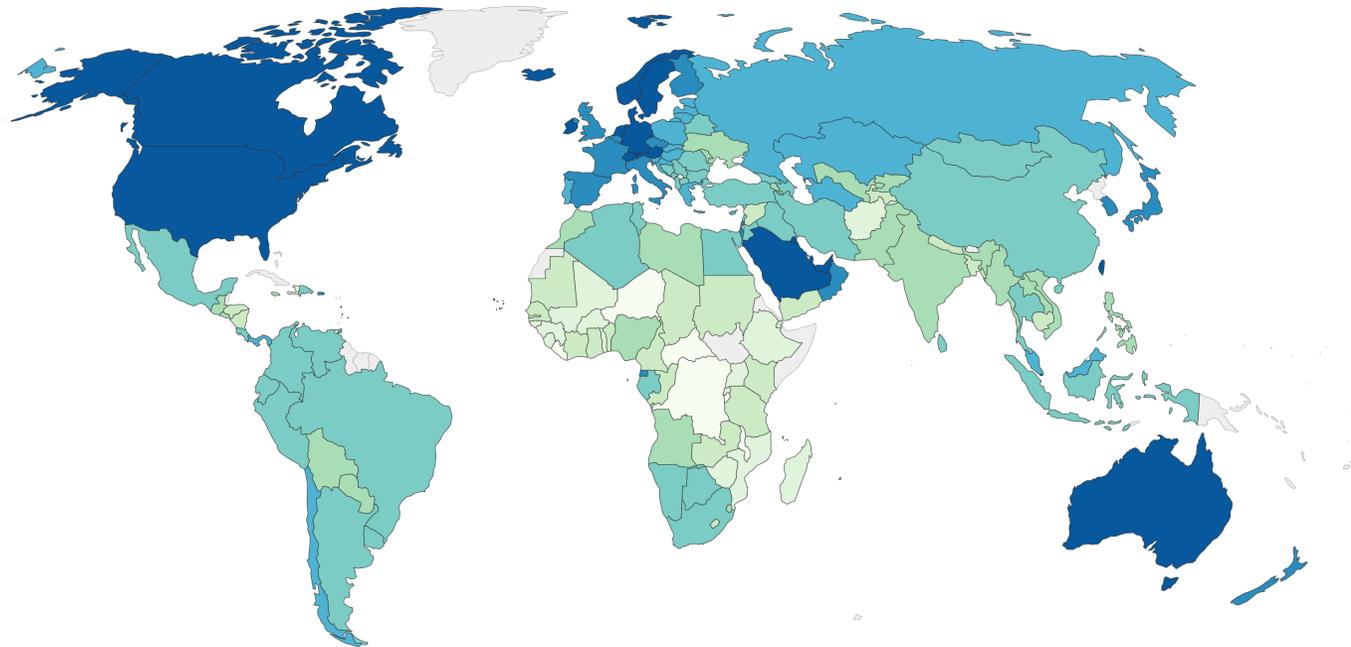


Economic development

GDP per capita, 2016

GDP per capita adjusted for price changes over time (inflation) and price differences between countries – it is measured in international-\$ in 2011 prices.

Our World
in Data



Source: Maddison Project Database (2018)

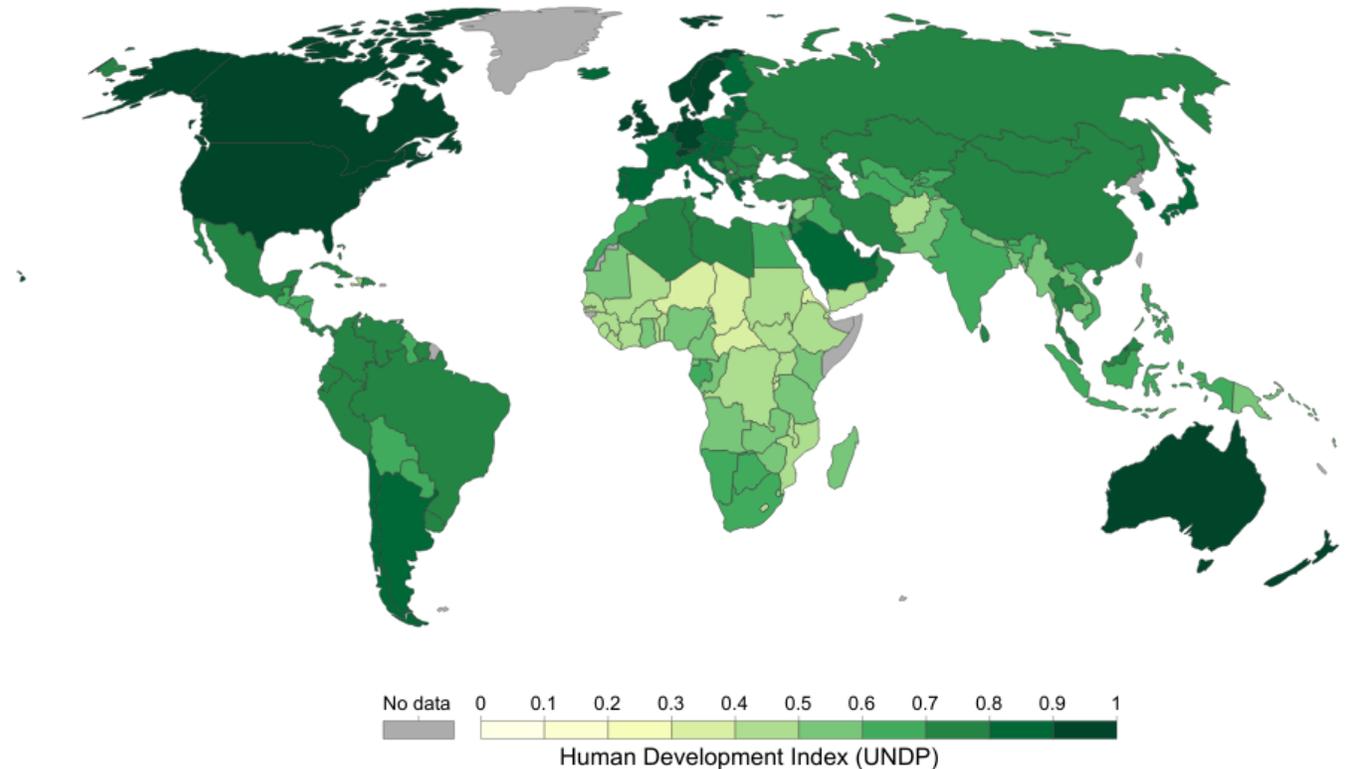
Note: These series are adjusted for price differences between countries using multiple benchmark years, and are therefore suitable for cross-country comparisons of income levels at different points in time.

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Human development

Human Development Index, 2014

The Human Development Index (HDI) is a summary measure of average achievement in key dimensions of human development: a long and healthy life, being knowledgeable and having a decent standard of living. The HDI is the geometric mean of normalized indices for each of the three dimensions.



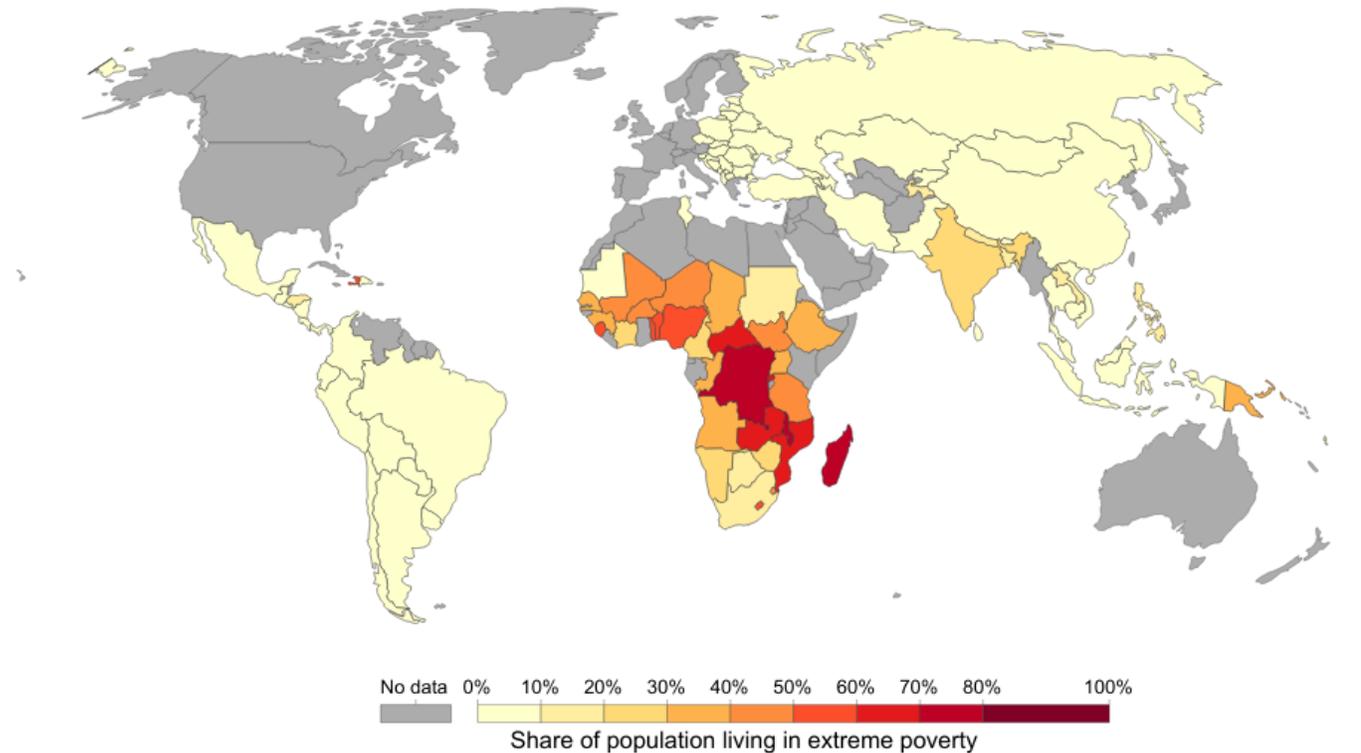
Source: Human Development Index (UNDP)

OurWorldInData.org/human-development-index/ • CC BY-SA

Poverty

Share of the population living in extreme poverty, 2014

Extreme poverty is defined as living with per capita household consumption below 1.90 international dollars per day (in 2011 PPP prices). International dollars are adjusted for inflation and for price differences across countries. Since some observations for 2014 are not available the map displays the closest available data (2008 to 2014).



Source: Poverty - WORLD BANK (WDI - 2017/02)

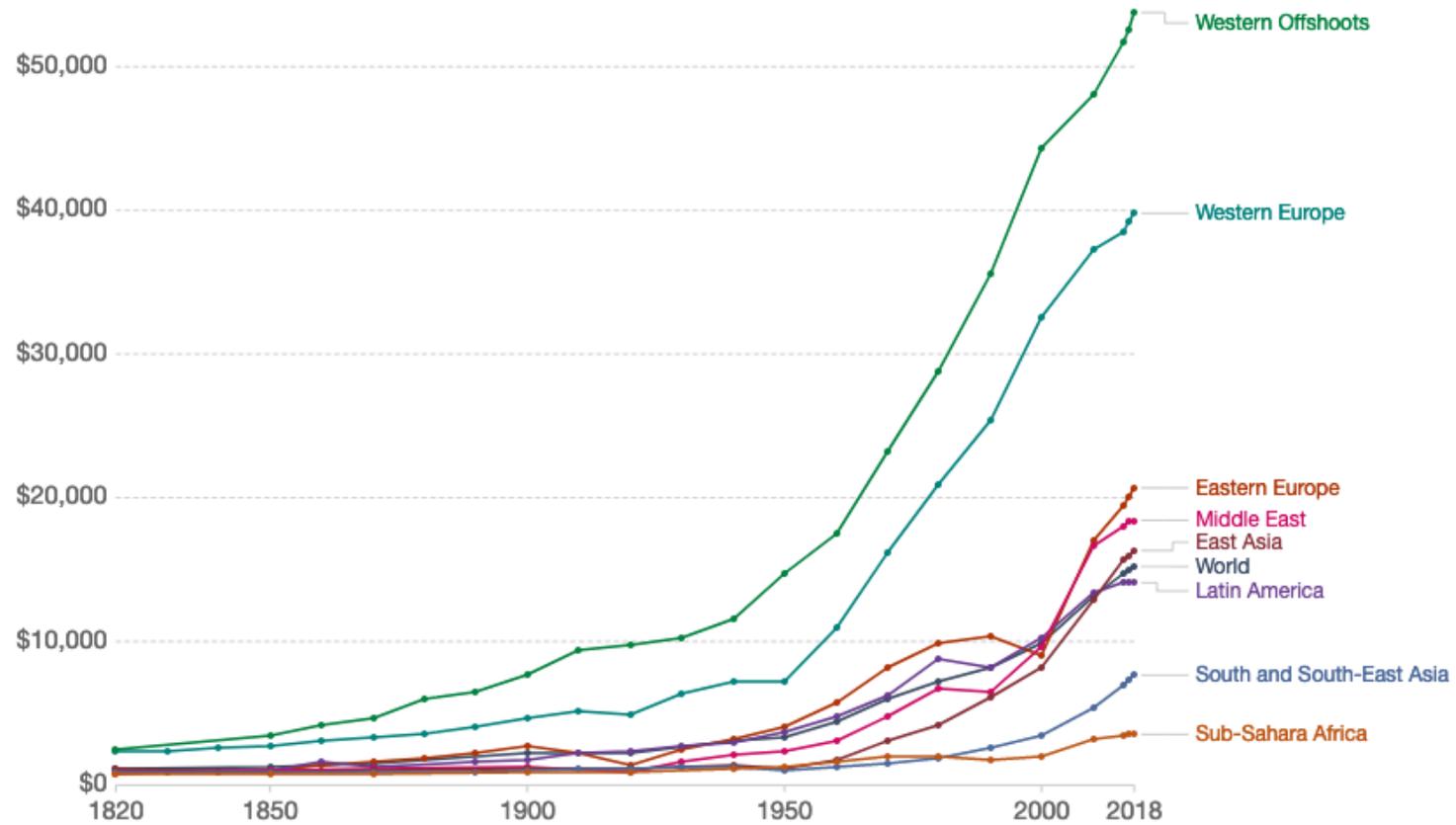
OurWorldInData.org/extreme-poverty/ • CC BY-SA

Note: Consumption in each country is adjusted for inflation over time and for price differences between countries and expressed in 2011 PPP international dollars.

Trends over time

GDP per capita, 1820 to 2018

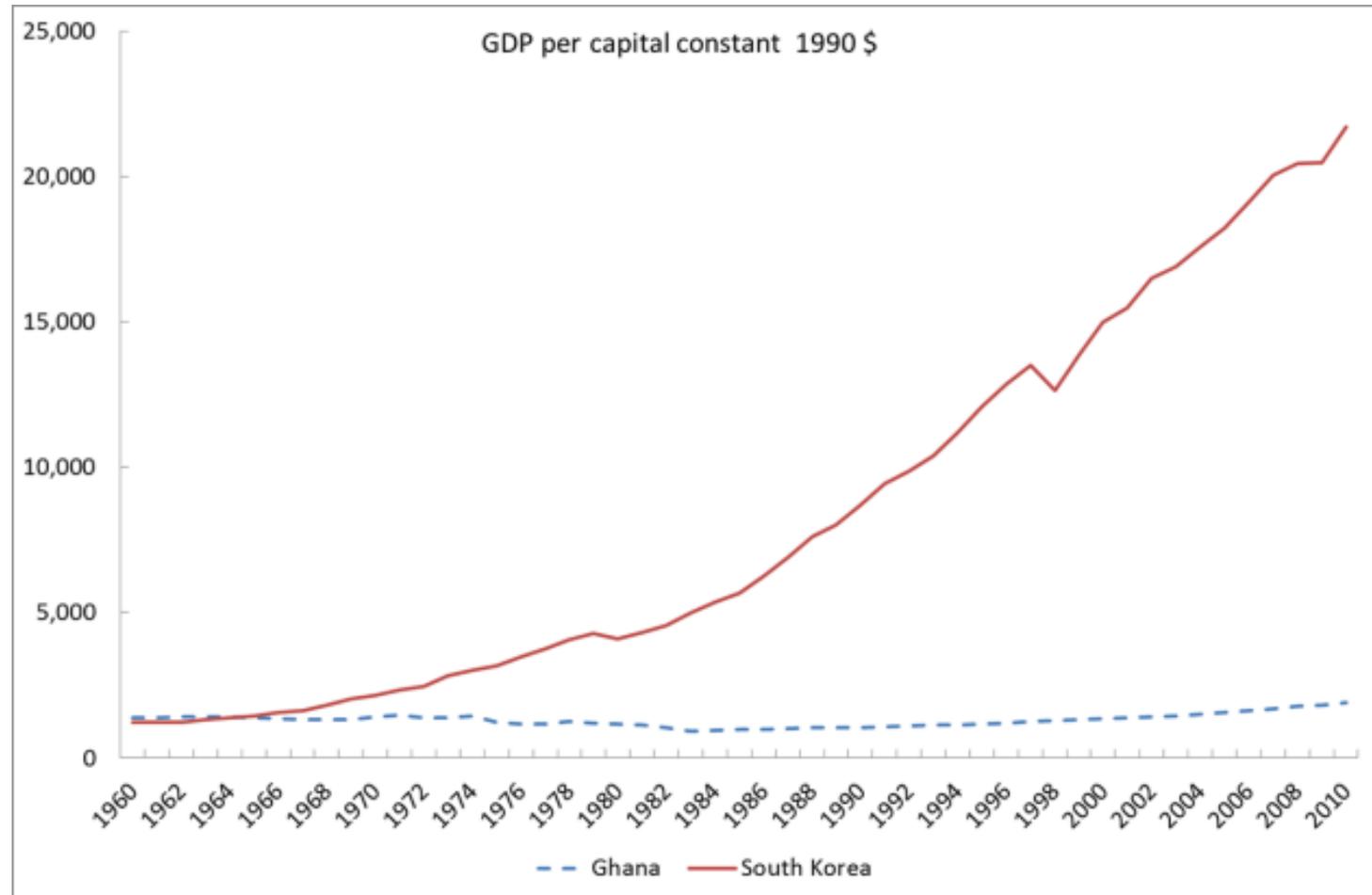
GDP per capita adjusted for price changes over time (inflation) and price differences between countries – it is measured in international-\$ in 2011 prices.



Source: Maddison Project Database 2020 (Bolt and van Zanden (2020))

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Trends over time

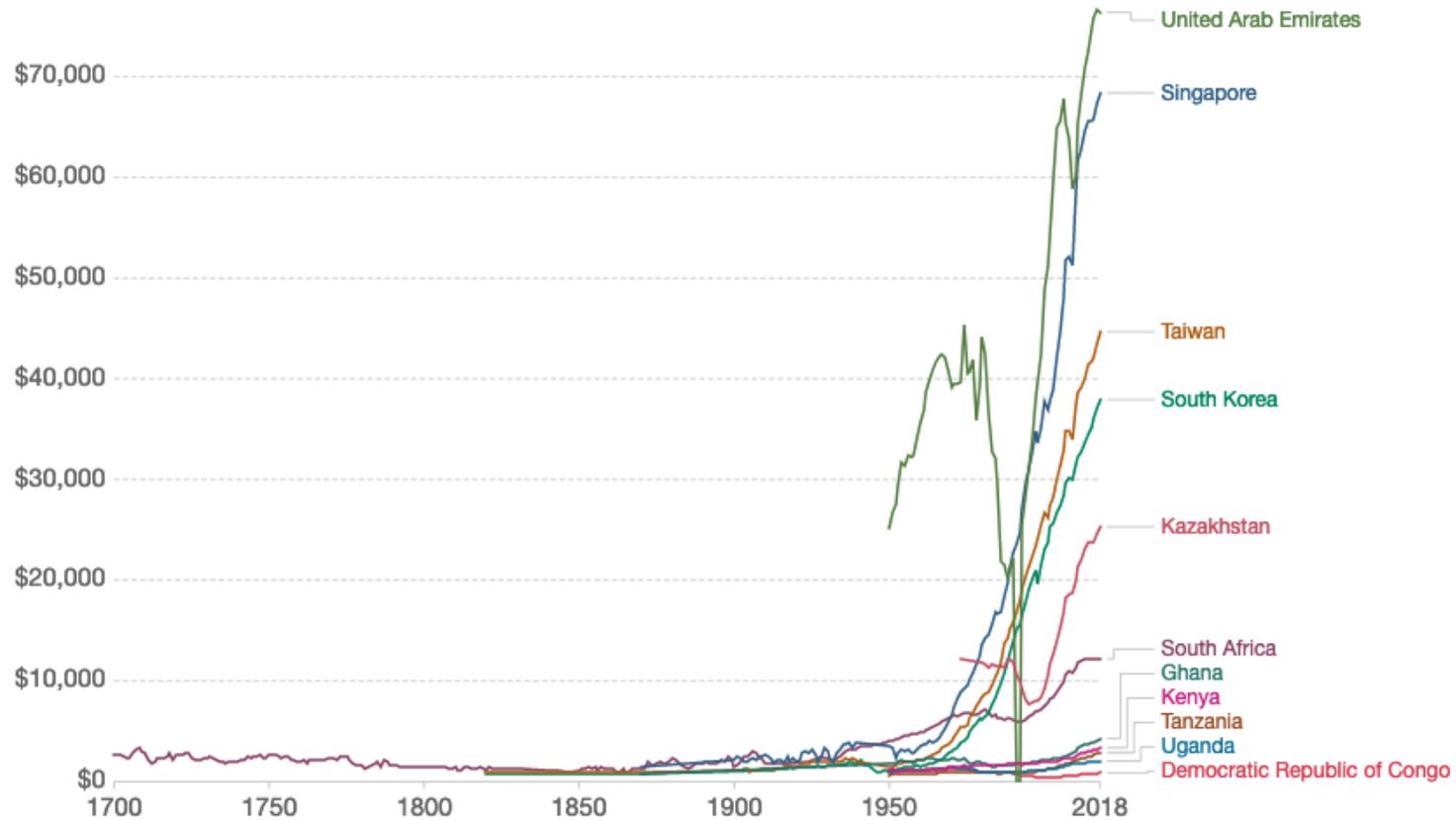


Trends over time

GDP per capita, 1700 to 2018

GDP per capita adjusted for price changes over time (inflation) and price differences between countries – it is measured in international-\$ in 2011 prices.

Our World
in Data



Source: Maddison Project Database 2020 (Bolt and van Zanden (2020))

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Historical drivers of Africa's development

- Limited precolonial centralization
- Slavery
- Colonial extraction and lack of investment
- Low state capacity

Collier and Gunning's typology of causes

- Destiny and policy
- Domestic and external

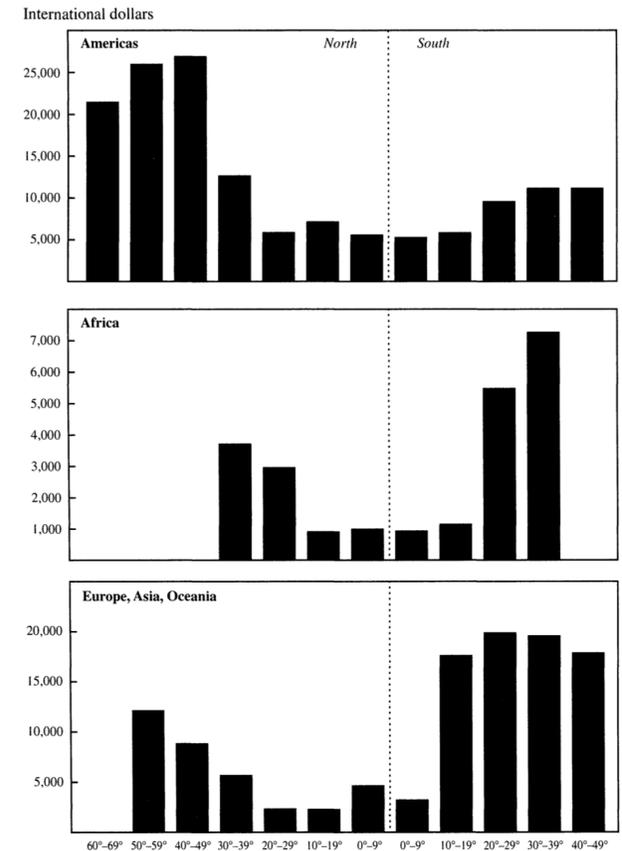


Geographic determinism

- “Sub-Saharan Africa is the tropical region *par excellence*, with 93 percent of its land area lying between the Tropic of Cancer and the Tropic of Capricorn. At the root of Africa’s long-term growth crisis is Africa's extraordinary geography.”

- Bloom, David, et al. 1998. “Geography, Demography, and Economic Growth in Africa.” *Brookings Papers on Economic Activity* 2: 207-295.

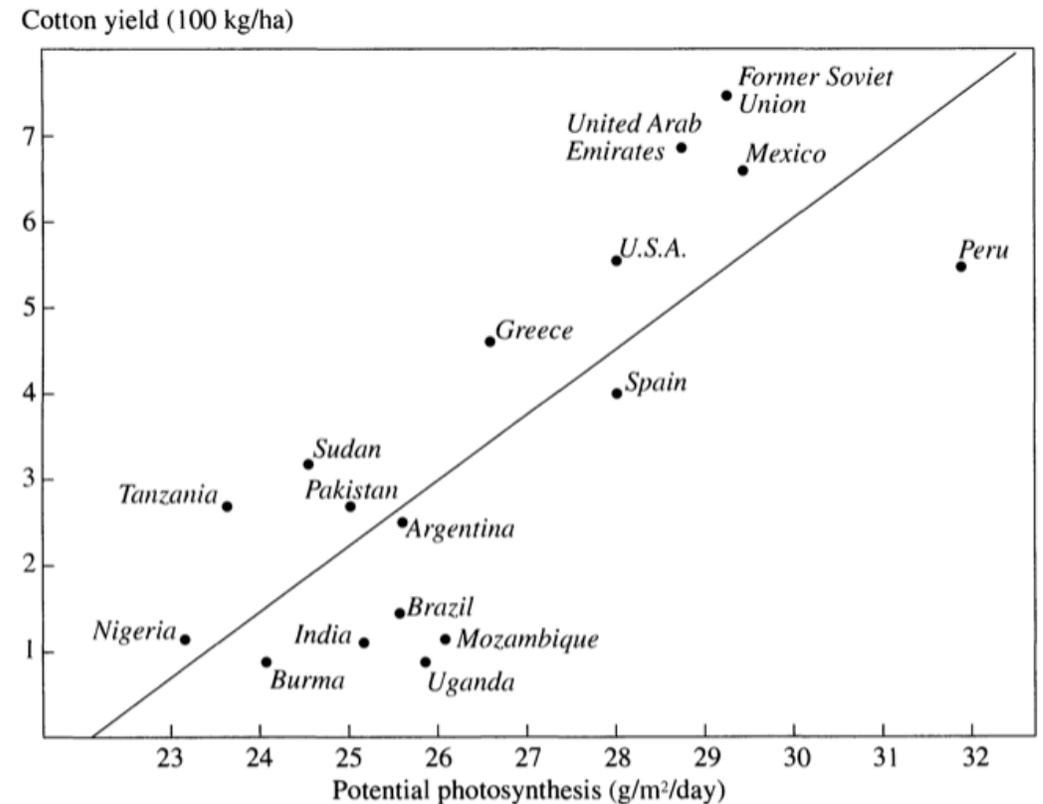
Figure 3. GDP Per Capita by Latitude, Selected Regions, 1995*



Geographic determinants of agriculture

- Agricultural production in contemporary Africa:
 - Low photosynthetic potential
 - High temperatures
 - High evapotranspiration
 - Low and variable rainfall
 - Highly weathered soils
 - Veterinary diseases
 - Plant and animal pests

Figure 4. Effect of Potential Photosynthesis on Cotton Yields, Selected Countries^a



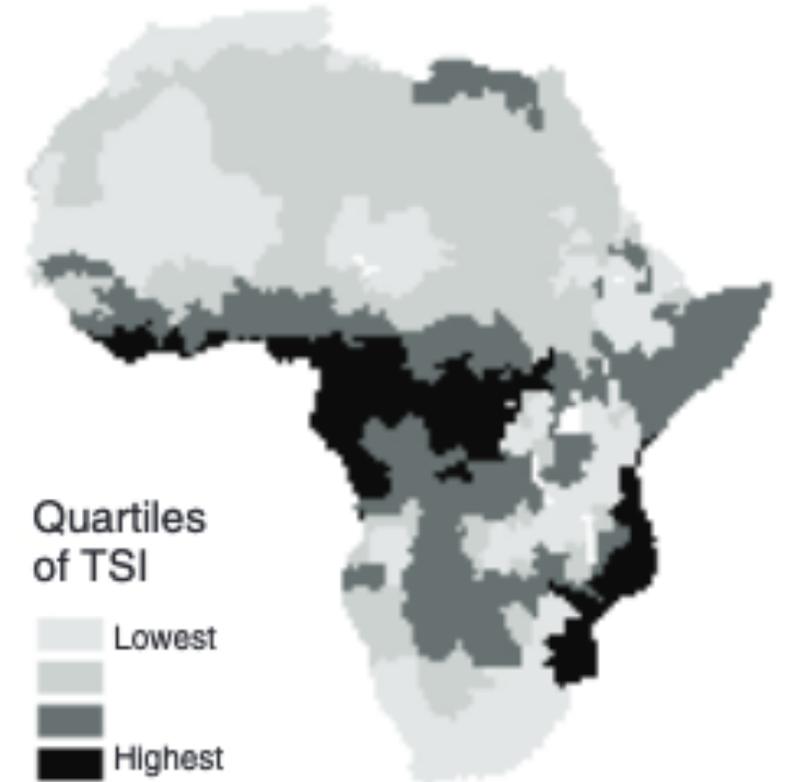
Geographic determinants of disease

- Presence of the tsetse fly —>
- Limited use of domesticated animals —>
- No adoption or invention of technologies such as the plow —>
- Weakened ability to generate agricultural surpluses and transport goods + limited centralization

- Alsan, Marcella. 2015. "The Effect of the Tsetse Fly on African Development." *American Economic Review* 105(1): 382–410.

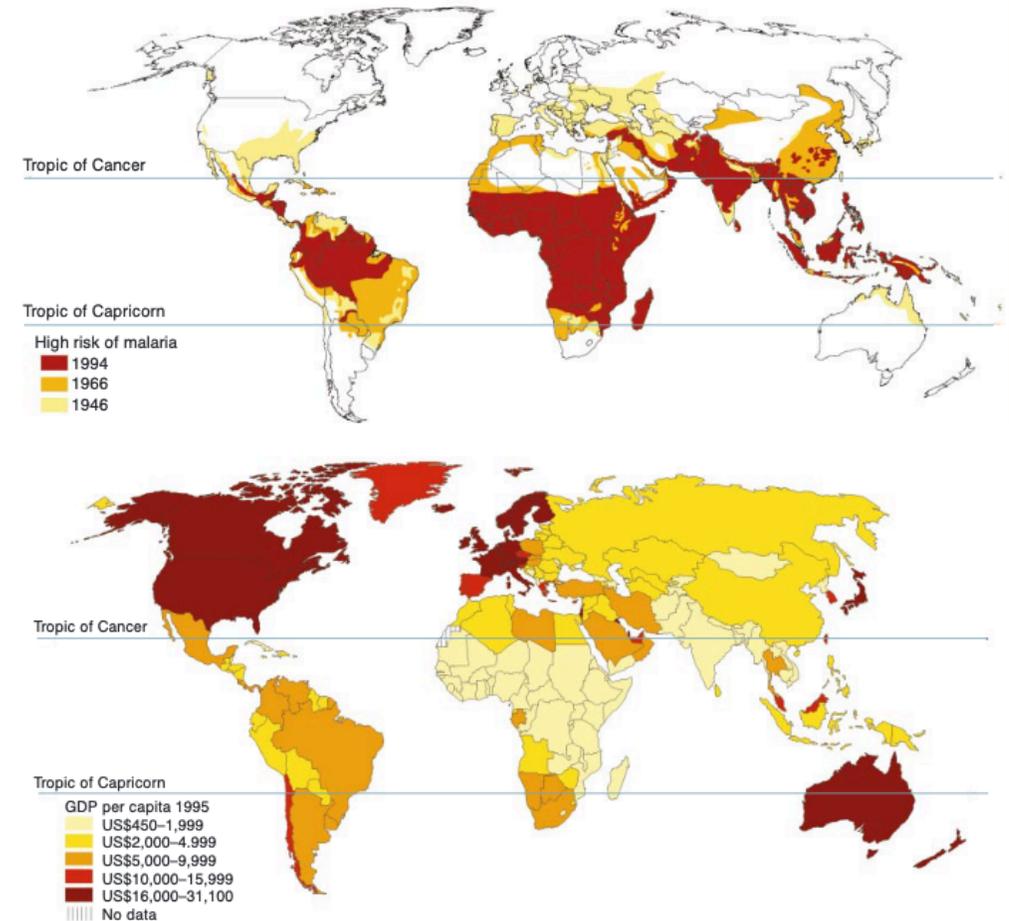


Panel A. TseTse suitability index (1871)



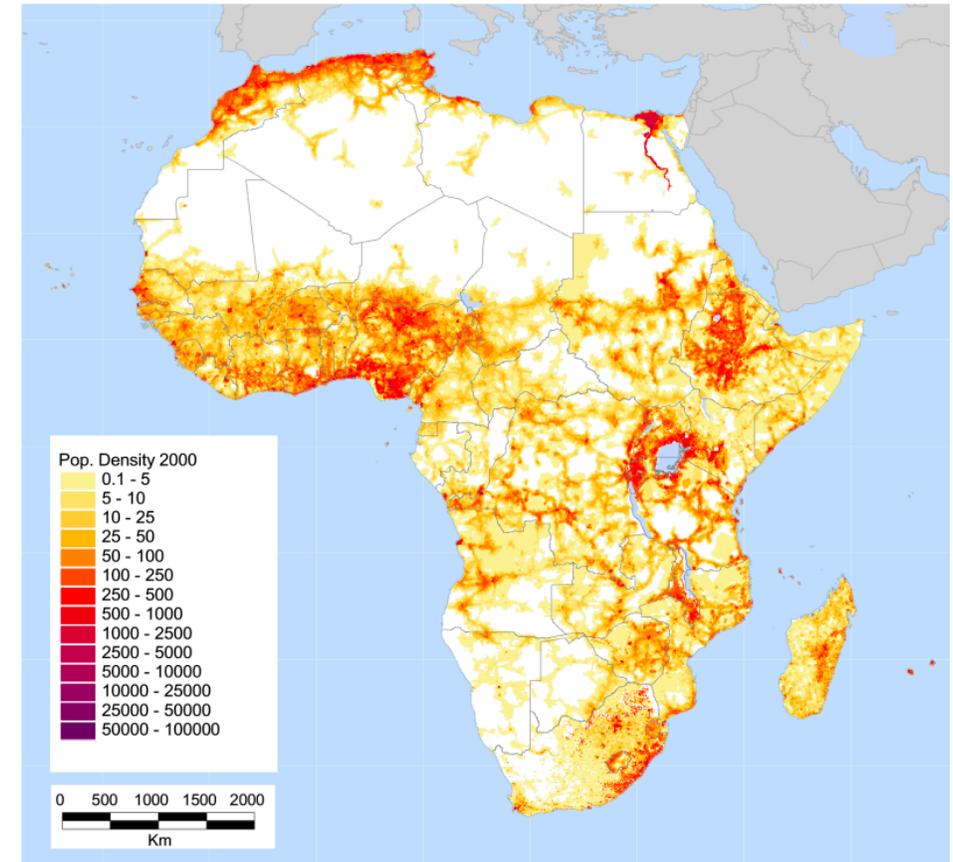
Geographic determinants of disease

- Effects of malaria:
 - 1.3% lower annual economic growth (1965-1990)
 - 50% lower GNP in the long term
 - Gallup, J. L., and J. D. Sachs. 2001. "The Economic Burden of Malaria." *American Journal of Tropical Medicine and Hygiene* 64(1-2 SUPPL.): 85-96.



Geographic determinants of trade

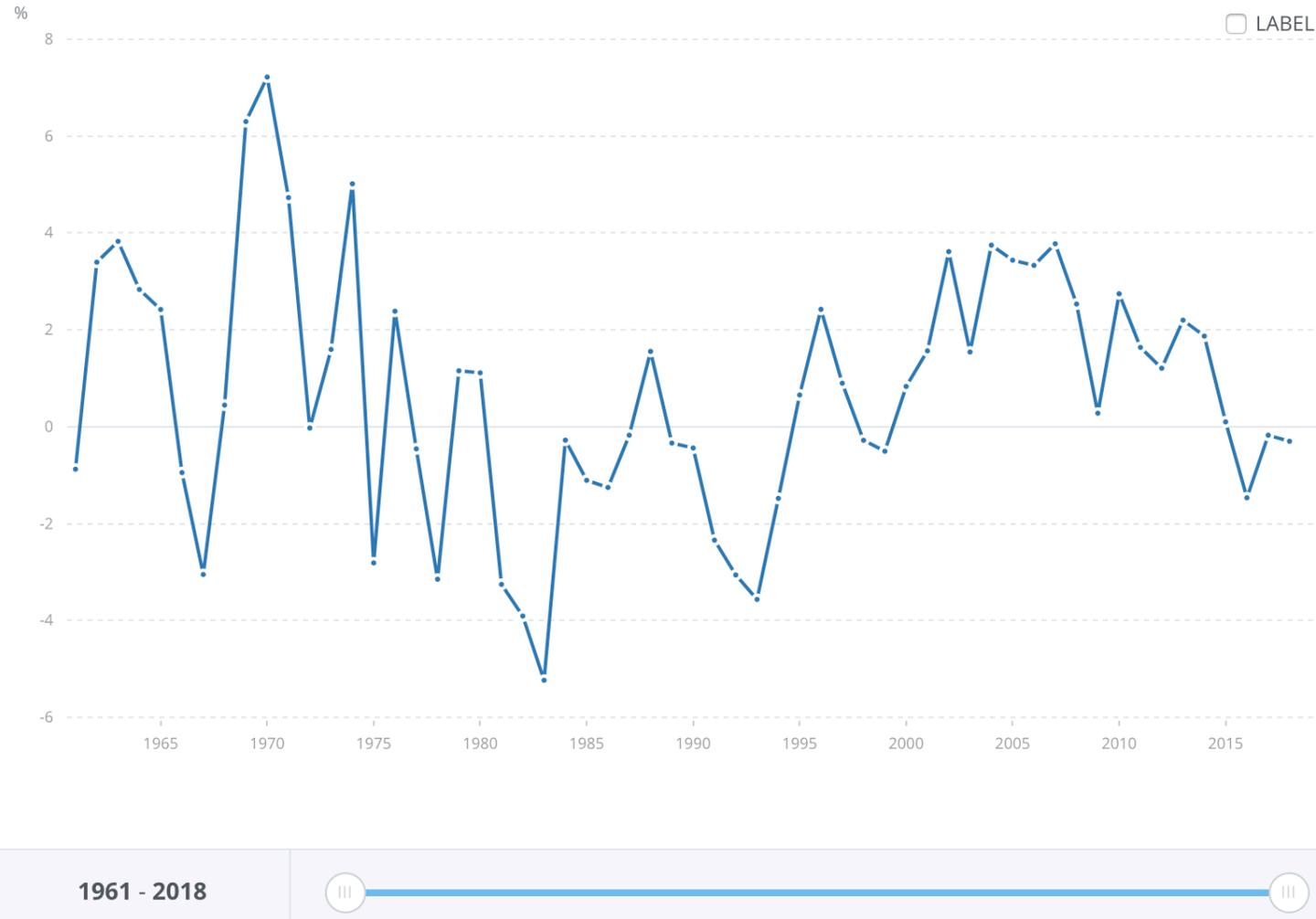
- Transport barriers:
 - Short coastline
 - Few natural coastal ports
 - Populations generally far from the coast
 - Absence of navigable rivers
 - High proportion of landlocked states
 - High proportion of populations within landlocked states
- Bloom, David, et al. 1998. "Geography, Demography, and Economic Growth in Africa." *Brookings Papers on Economic Activity* 2: 207-295.



Other exogenous determinants of development according to Collier and Gunning

- Small economies
- Resource curse
- Ethnic fractionalization
- Distance from markets
- High population growth and low life expectancy
- Late demographic transition
- AIDS pandemic

Can destiny explain this?



Takeaways

- Africa's geography and pre-independence history as necessary, but not sufficient, causes of Africa's economic development