

TICAD V Side Event
Industrial Development of Africa
Columbia University IPD/JICA Research Institute
Africa Task Force
Intercontinental Hotel, Silk Room
June 2, 2013 13.00-15.00

I am very honoured and pleased to have this opportunity to participate in this panel.

I would like take this opportunity to say a few words to situate the policy strategies that have been raised here in the context of the on-going efforts to conceptualize the post-2015 development agenda and the Sustainable Development Goals. The work of this joint JICA/IPD research initiative is an important contribution to this process because the issues raised here address some of the shortcomings with the MDGs framework as a development agenda.

Although the MDGs have rightly been heralded as opening a new chapter in development cooperation in raising awareness about poverty as an urgent global priority and galvanizing political support for development, they have also been subject to numerous

criticisms since they were introduced in 2001. And one of the key themes that has emerged from the wide ranging consultations that have been occurring over the last 12 months that the MDG framework is too reductionist, and narrowly focused on meeting a basic needs – and a select list of them at that – leaving out and many priorities and marginalizing dimensions of development as a transformative process. One of the consequences has been lack of attention to economic development issues such as broad based employment creation and increasing productivity of the poor such as urban informal sectors and small scale agriculture. Resource mobilization has focused on social investments while funding for economic infrastructure and productive sectors including poverty reducing priorities such as food production remained stagnant. ODA resource allocations fell for these sectors from an average of 45% to 33% over the last decade.

The MDGs set important goals and targets and much progress has been made. One problem is that progress has been uneven, but a more fundamental gap is that some critical issues have been left out and many priorities marginalized. The MDGs have improved social investments but they have not led to major new thinking and new approaches – especially economic growth strategies -- - to tackling inequality and exclusion, social justice, and sustainability

that are at the heart of the vision of the Millennium Declaration. The implementation of the Millennium Declaration is seriously threatened by global crises for which the current paradigm offers no response. The MDG framework forged consensus on poverty as an overall priority but did not foster or encourage new policy approaches and the economic policy approaches of the 1980s and 1990s have continued. What innovation there has been has come from initiatives of individual countries. A more coherent international development approach is required to ensure the achievement of a broad set of human development objectives while at the same time responding to the challenges that have been afflicting the world economy, namely the need for increased food security, financial stability, reduced inequality and environmental sustainability. This requires identifying drivers that will simultaneously advance economic growth, structural transformation, social development, human security and environmental security.

The issues of economic transformation and industrial policy have emerged as some of the key issues in these debates. Amongst the many contributions to these debates on these gaps has been the proposals made to UN ECOSOC for alternative development strategies by the UN Committee on Development

Policy of which I am Vice Chair, and chaired currently by Professor Stiglitz's colleague Jose Antonio Ocampo. These proposals highlighted more attention to flexible macroeconomic policies, proactive industrial policies for employment creation, and technologies for reducing carbon emissions. We are now turning to the global dimensions of these policy strategies and the need to reconsider the characteristics of global partnerships. Activities that were formerly the exclusive responsibility of nation States must now be tackled with increasingly international coordination involving not only states but a wider range of stakeholders.

One of the major challenges of the post-2015 international development agenda is to reframe the development debate. The two core strengths of the MDGs were simplicity and target setting. But these were also a source of weakness. They drove a narrative – a framework of development – of ‘development as ending poverty’. Paradoxically, this conceptualization took back development thinking a couple of decades, and neglected important lessons learned from the successes and failures of past decades related to the important role of government policy in fostering a particular pattern of economic growth that is distributively positive and sustainable, and social change that empowers people, especially women, and furthers social justice.

Development frameworks are very powerful in achieving a common understanding of how the objectives should be defined, where the key problems lay, and how they should be addressed. University of Oslo researchers Boas and McNeill Control who study the role of ideas in international development recently pointed out that frameworks are used to effectively control policy agendas by keeping out radical ideas: ‘an effective one which makes favourable ideas seem like common sense, and unfavoured ideas as unthinkable’ (p2)

The challenge for the post 2015 development agenda and Sustainable Development Goals is to go beyond the ‘development as ending poverty’ framework, and draw attention to the broader challenges of transforming economies to create productive capacities or societies to empower people. While improving human well being is the ultimate end of development, this cannot be dissociated from development as a process of economic and social transformations, and the necessary means – national and global policy arrangements - to foster those processes.

Thank you.

Table 1. Percent of Development Assistance Committee
Bilateral Commitments by Sector
(% of Sector Allocable Aid)

Major categories of Sector Allocable Aid and selected subcategories	Average 1995-2000	Average 2001-2006	Average 2007-2011
1. Social Infrastructure & Services	43%	57%	55%
Education (subset of category 1)	10%	14%	12%
STD and HIV Control (subset of category 1)	1%	4%	7%
Water Supply & Sanitation (subset of category 1)	10%	7%	7%
2. Economic Infrastructure & Services	32%	21%	22%
3. Production Sectors	13%	10%	10%
Agriculture (subset of category 3)	7%	5%	5%
Food Crop Production (subset of Agriculture)	<1%	<1%	<1%
4. Multisector/cross-cutting	12%	12%	13%
OECD. Query Wizard for International Development Statistics. 2012. http://stats.oecd.org/qwids/ (accessed May 2013). Authors' calculations.			