

EDITORIAL INTRODUCTION

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Regional Development Policy and Practice in Africa: Areas of Emphasis

Development policies in Sub-Saharan Africa (SSA) have focused on either macro-economic stability packages with supply-side sectoral measures with little regard to local conditions or piecemeal development projects aimed at guaranteeing the survival of individuals found in precarious conditions.^{1/} The latter is project-based social actions while the former has an economic preoccupation. Several strategies and actions are forwarded to bring growth in Africa. For example Ndulu^{2/} identifies manufactured export-led growth, natural resource-based equitable growth, natural resource-based export diversification, labour export, and high value service as strategic options. These strategies have been tried in Asian and Latin American countries and have been found to be successful. Beyond such strategies some critical action areas are also suggested to bring growth and reduce poverty in Africa. These include improving the investment climate, infrastructure investment, encouraging innovation, and increasing institutional capacity.^{3/} While such macro and sectoral approaches have their own merits, they fail to clearly put mechanisms whereby prosperity can be generated at subnational level to create tangible pathways towards the realization of poverty goals.^{4/} The approaches also do not consider the contribution that different sectors can make in different locations, settings, and territories. The result is territorially unbalanced growth, declining and problem regions, and large and growing gaps between richer and poorer territories.

In response to these, different African countries have subscribed to regional development strategies within their own national territories at different times. Evidence can be found in the regional development strategies of different countries. Kenya for example has espoused various strategies such as district focus policy, growth centre strategy, and industrial regional dispersal programmes at different times.^{5/}

Of late, the world is witnessing major socioeconomic changes and trends. Globalization and liberalization of the economy are the major economic changes. In addition, democratic and political reforms in the form of good governance and decentralization have also emerged as major priorities of international development organizations and development communities. Regional development in Africa has to come to grips with these changes. In addition, regional development must be able to contribute to poverty reduction and poverty alleviation.

Regional Development under Globalization

African regional development strategies under globalized and liberalized economies have to promote competitiveness. As regions are now more exposed to global forces, they have to develop their own competitiveness strategies and access world markets, and global labour and capital. Competitiveness factors are now becoming more within the purview of localities and depend less on national-level factors. For example, Webster and Muller^{6/} mentioned that:

urban regions (through local government, public private partnership, or the local private sector) typically have considerable influence over local infrastructure and amenity, industrial estates, office complex development, community networks/forums etc.

This means that African countries require subnational capability in terms of both institutional and technical skill to capture global opportunities and become competitive. Such thinking is becoming accepted in the African continent. The spatial development initiative (SDI) in South Africa which aims at focusing financial and human resources on regions with the potential to connect with global markets through the development of strategic corridors and clusters is an example.^{7/} According to Rogerson,^{8/} the SDI can be considered as an element in South African responses to globalization.

Decentralization and Regional Development

Regional and local development in Africa also has to respond to governance and decentralization challenges as well. Progress towards good governance by African governments is seen as a positive step that aims at lifting these countries from the abyss of political, economic, and social crisis in which they find themselves. The core principles and practices of good governance include rule of law, respect for human rights, and legitimate exercise of state authority based on the consent of the governed. It also includes accountability, transparency, integrity, and responsiveness of the political and administrative system in addressing the needs and concerns of the people. Concerning the system of governance, many African countries in recent years have increasingly resorted to decentralization measures as a way to realize effective public service delivery and local self-rule. Botswana, Ethiopia, Kenya, Tanzania, and Uganda are only a few of these countries.

In addition to the political objectives, decentralization can provide space for people to participate in local development, ensure more efficient allocation of resources, enhance local resource mobilization, and improve local governance. Regional development must exploit these happy instances and foster a more participatory and inclusive development. Regional development under a decentralized system should become a shared responsibility between the government, the civil societies, and the private sector.^{9/} This involves strengthening local governments by building their technical, human, and institutional capacities, strengthening civil societies by enabling them to provide basic services, become involved in local good governance, and promoting the private sector by fostering local economic development (LED) interventions that generate employment and income. Recent literature emphasizes LED as an alternative approach to economic development in SSA. Rodriguez-pose and Tijmstra^{10/} argue that a strategically-planned LED approach is a means to simultaneously enhance economic growth and reduce poverty in Africa.

Poverty and Regional Development

Poverty is an important issue in the African continent. Despite massive aid that has been coming to Africa, the continent experiences the lowest standard of living and is faced with chronic poverty. For example, per capita GDP of Africans living south of the Sahara declined at an average annual rate of 0.59 per cent between 1975 and 2000.^{11/} High incidences of child and womens' mortality rates, illiteracy, and HIV/AIDS are some of the critical challenges to be addressed in African development. Cognizant of the flaws of the structural adjustment programmes (SAPs), many developing countries including African countries adopted poverty reduction strategy papers (PRSPs). The PRSPs attempt to link national policy formulation and planning and budgeting in a participatory manner and are expected to spur economic growth and reduce the incidence of poverty.^{12/} Poverty reduction is about poor people but it is also about poor areas. In fact in many countries the poor find themselves concentrated in backward areas making regional aspects of poverty analysis and policy an important regional development and policy issue. Pro-poor LED and other regional development strategies which attempt to create job opportunities in agriculture, SMEs, and the informal sector are a welcome investment in the current regional development approaches in Africa.

The three basic issues raised above — globalization and competitiveness, local capacity and decentralization, and pro-poor regional development — must be the areas of emphasis if African regional development is to contribute to growth, poverty reduction, and local capacity. The articles in this issue of *Regional Development Dialogue (RDD)* raise and discuss these issues by drawing from the experiences of different countries.

Highlights of the Articles

The first article is a conceptual paper by A. H. J. (Bert) Helmsing which links decentralization and competitiveness. It addresses the extent to which local and regional level authorities have competency to address competitiveness issues. The article emphasizes that competitiveness is central to the process of growth of market-based economies. In this regard the “global competitiveness index” (GCI), the diamond model of Michael Porter, the relation between entrepreneurship and competitiveness and the business environment and the extent to which firms are exposed to global forces are discussed by drawing from cases wherever appropriate. Three stages of competitiveness are identified: factor-driven stage, efficiency stage, and innovation stage. The factor-driven stage is a stage in which countries compete on the basis of their factor endowments. Under the efficiency stage, production process efficiency and product quality become important. The innovation stage is one in which companies compete by producing new products and new processes. Out of the twenty-four SSA countries, only three countries could be classified as having reached the efficiency stage and a further country was classified as being in the transition to efficiency. Concerning African firms, it was shown that rural regions are insulated from global competition while major cities and capitals are influenced by global forces. Moreover, inter-firm cooperation and networking were also found to be nonexistent or only at incipient stages. In fact, the business environment was found to be poor, forming hurdles for enterprise growth. This is contrary to new LED theory.

In terms of decentralization, the author describes decentralization patterns in SSA. In particular the fact that local governments are constrained in their capacity and autonomy

such as budget competency, resources, planning and service delivery, and LED is noted. At the regional level, the author considers that market access and infrastructure are critical sources of competitive advantages. Market access requires participating in value chains, constructing new ones or reconfiguring other chains. This involves coordination and the joint action of various public and private actors. Decentralization to the regional level, however, leaves no room for regions to coordinate market and infrastructure since in some countries such entities are nonexistent and even where they exist, they are concerned with general laws, order, and supervision of local governments. The article concludes by emphasizing that despite decentralization, there is a lack of policy competency to foster competitiveness at regional and local levels. The lesson readers can derive from the article is that there is a need to strengthen local and regional authorities in Africa in order to enable them to respond to the competitiveness requirements of global forces.

The article jointly authored by Asfaw Kumssa, John F. Jones, and Denise Pearson deals with poverty alleviation and regional development in SSA. The authors, after painting the disturbing faces of poverty in the region, point out that past socioeconomic policies in SSA including centralized and state-led development policies and the structural adjustment programmes could not bring sustainable development and poverty reduction. Instead the authors argue for regional development planning with a focus on the community, diverse interests, needs and aspirations of the rural and urban people since it has significant impact on poverty conditions of the people. The experience of African countries (Ethiopia, Ghana, Namibia, Uganda) in the sphere of decentralized and regionalized development is in accordance with the recognition of the importance of such an approach to poverty reduction and sustainable development. While the ongoing decentralization and regional development programmes in African countries are faced with numerous constraints, namely weak local institutions, weak local democratic processes, ineffective financial decentralization, lack of capacity, such as on the need for accompanying regionalized development by other strategies is emphasized in the article. Broad-based growth, pro-poor growth, good governance, conflict resolution, improving health and reducing the HIV/AIDS pandemic, improving education and social services, and environmental protection were considered as critical policy areas.

The relations between decentralization and regional development are discussed in two articles which bring out the relevance of decentralization for regional development experiences in Africa. The first is by B. C. Chikulo who explores the issue of decentralization, regional development, and poverty reduction in South Africa while the second is by Kwasi Kwafwa Adarkwa and Ronald Adamtey who explore the issues of fiscal decentralization and regional development in Ghana.

Chikulo first describes the politico-administrative structure of South Africa. Three tiers of government — the national (central), the provincial, and the local — were created with each tier functioning with power devolved. Traditional authorities were recognized as the fourth level. Local governments are given pivotal position in the promotion of social development and democracy at the local level. The integrated development plans (IDPs) in South Africa were developed in response to the decentralization agenda, with local governments preparing IDPs as tools to facilitate the decentralization process. In the second half of the article, the author raises important issues with regard to South African decentralization. These include a high dependency of the provinces and municipalities on

the central government for their financial resources. This may force local governments to compromise their development policies and management issues. Other issues relate to lack of effective coordination and complementarity at different levels, shortage of qualified professionals and management capacity, tension between traditional authorities and local governance, lack of clarity in intergovernmental relations, and disputes around boundary demarcation. These issues need to be resolved in order to make South African governance more effective and efficient.

Adarkwa and Adamtey focus on fiscal decentralization within the broader frame of decentralization in Ghana. They note that this aspect of decentralization, however, has not been clearly decentralized in Ghana and is considered “unfinished business”. The authors also note that districts and communities are constrained in the implementation of their development activities because of vertical influence from the national level. The central government uses various state directives in order to exert control over local government. In addition, direct assistance, the activities of NGOs and international agencies were also used to achieve the control objective. The authors discuss the District Assemblies Common Fund (DACF) in Ejisu-Juaben district. DACF is the main source of revenue for the district. The paradox, however, is that though the district wants to use DACF for its priority development areas, the guidance on the utilization of DACF does not allow it to do so. In addition the district faces various kinds of deduction at source, retention of 10 per cent of the fund, etc. Thus earmarking, deduction, and retention of the DACF leave the district with little flexibility to use the fund. Despite decentralization, therefore, the use of state directives and guidance in the utilization of finance limits the autonomy of the local government and is an indication of the reluctance of the central government to devolve financial powers. This weakens the performance of local governments.

Three articles, by A. C. Mosha, Ayele Tirfie, and Tegegne Gebre-Egziabher analyse the regional development policies and strategies in Botswana, Namibia, and Ethiopia respectively. Though the articles mention decentralization as elements of the regional development practices, they highlight the factors that led to current regional development strategies and the nature of these strategies.

In his article, Mosha analyses subregional planning in Botswana. His article shows that Botswana has elaborate subregional plans at different levels. These comprise both physical and economic plans. The physical plans include district settlement strategy plans (DSS), regional master plans, district integrated land-use plans (DILP), and village development plans while the economic plans are district economic development plans (district development plans, DDPs). The DDPs have guided rural development in the country and served as valuable tools to bring social and line infrastructure to the rural people. The author recognizes that the system of district planning in Botswana has some strengths. The fact that that it is synchronized with the national development plans, that it is flexible in accommodating changing priorities during implementation and that it is accompanied with funding and monitoring are some of the strengths. The author also describes the positive role played by the district systems of planning in bringing socio-economic development to the country. Regional development planning in Botswana, however, is faced with limitations, challenges, and constraints. These pertain to translating bottom-up planning into desired outcomes, integration of district and urban development plans with national development plans, organizational and implementational constraints, large mem-

bership of district development committees, ineffective participation, local authorities' financial dependence on central government, shortage of manpower, administrative and management problems, and lack of continuity. The Botswana experience highlights the need to have elaborate subnational plans as tools of regional development. These subnational plans, however, have to be integrated and participatory. In the same way the whole regional development planning exercise should be undertaken under effective organizational, implementational, and resource capabilities.

Ayele's article on Namibia first provides a background description on the colonial rule in the country which has resulted in an impeding historical context for growth and development. Three major factors, namely income distribution, poverty, and weak spatial integration were outlined as compelling reasons to pursue regional development policy and practice in Namibia. Skewed income distribution is evident at national and regional levels. With regard to the latter, the author has shown how the relatively wealthy regions have high-income inequality indicating the coexistence of wealth and poverty. Despite the high level of per capita income the country enjoys, there is a high level of poverty as evidenced by the proportion of income spent on food, low level of literacy, unequal distribution of land, and heavy engagement of women in the informal sector. Similarly, the author points out that Namibia suffers from lack of rural-urban (spatial) integration which is the requisite for stimulating and reinforcing development of both rural and urban regions. The author notes that Namibia has chosen the road of decentralization which is believed to promote people-centered and sustainable development. In relation to this, other steps taken to realize region-based development in Namibia include resource-based development, small- and medium-size enterprises, pro-active establishment of industrial infrastructure, promoting regional agricultural and livestock resources, environmental resource management, physical linkages, and spreading financial services and electrification. Despite this, the author notes the failings in region-based development and planning in Namibia. This mainly relates to the nature and operation of decentralization. Though decentralization in Namibia is conceived as phased decentralization, the inertia to cling to the delegation phase is high and resource decentralization to the regional government is limited. Absence of human capacity and institutional competency and poor complementarities between rural and urban areas are additional weak points in the regional development practice of Namibia.

Tegegne's article discusses the recent orientation of regional development strategies in Ethiopia. He notes that recently the government has begun addressing some issues in regional development which were not given attention in the past. These strategies are outlined in the national policy document called, "A Plan for Accelerated and Sustainable Development to End Poverty" (PASDEP). The main elements of these strategies are geographically differentiated strategy, rural-urban linkages, and the urbanization agenda. Geographical differentiated strategies are based on the principles of specialization and diversifications, special regions development, growth centres, and growth corridors. Specializations are to be realized across regions and agro-ecological zones while diversification is to be realized among farmers. Special regions are currently defined on the basis of moisture availability which delineates three regions in Ethiopia: the drought-prone region, regions with reliable rainfall, and pastoral areas. Areas that could serve as growth centres and growth corridors are also given priority for development. The rural-urban linkage and urbanization strategy is aimed at stimulating and guiding urban development

and forging stronger links with rural areas. The author mentions that the current thinking of regional development strategies highlights orientations that are different from the past. Unlike the past regional development strategy which places a sole emphasis on attaining equity among different regions, the current thinking is towards pro-growth regional development. The promotion of specialization, growth centres, and growth corridors are manifestations of this trend. Similarly regional development entails geographic regionalization and emphasis on infrastructure development. The rural-urban linkage as a development approach is also noted, but it was remarked that the country should be able to avoid or minimize the effects of other policies that may run counter to the declared linkage strategy. The inclination to support the process of urbanization and use urban centres as engines of regional development is also a new trend in the regional development policy and practice of the country.

The concluding article in this *RDD*, by Issac K. Mwangi, deals with capacity-building for regional development by focusing on Nyandarua District in Kenya. The main thesis of the article is that regional development planning will fail to achieve decentralized development without the requisite capacity in knowledge and skills. It provides an overview of capacity-building problems in regional development planning and practices in Kenya. The country has used the expert-consultant approach to implement different regional development projects in the past. This approach however lacked participation and involvement of the community for whom development plans are prepared and has weak methodology for improving counterparts' competency. Capacity-building programmes in Nyandarua were undertaken for three categories of participants: the district physical planning officers (DDPOs) and the provincial physical planning officers (PPPOs), district heads of departments, civil leaders, and politicians and other stakeholders. The capacity-building methodology in Nyandarua was designed to take care of inherent problems seen in the five-year district development plans and the district regional physical development plans. Usually five-year district development plans neglect the spatial dimension of development while physical plans concentrate heavily on the land use with the neglect of sectoral issues. Similarly in both plan preparations the participation of civil leaders and politicians at grass-roots levels is minimal. The capacity-building programmes include knowledge and skill acquisition and formulation and preparation of regional development plans. These were achieved in different workshops and training sessions. Stakeholders' consultations, focus group discussions, and collaboration among professionals were utilized in the programme.

Finally, it can be seen that the articles in this volume, together with the informed commentaries which accompany each of them, have raised issues of competitiveness, decentralization, poverty reduction, capacity-building, subnational planning, and subnational regional development strategies. These issues surround regional development in Africa and there is a need to understand and appreciate them.

NOTES

- 1/ Andres Rodriguez-pose and Sylvia Tijmstra, "Local Economic Development as an Alternative Approach to Economic Development in Sub-Saharan Africa" (A report for the World Bank, 2005). Available from http://sitesources.worldbank.org/INTLED/Resources/339650-1145099718914/AltFull_report.pdf; accessed 2007.
- 2/ J. Ndulu Benno, "Ramping up African Growth: Lessons from Five Decades of Growth Experience," *Economic Affairs* 26 (4:2006):5-11.
- 3/ *Ibid.*
- 4/ Julian Quan, Junior Davis, and Felicity Proctor, "Rural Development from a Territorial Perspective: Lessons and Potential in Sub-Saharan Africa" (Document prepared as a contribution by RIMISP-Latin America Center for Rural Development to *World Development Report 2008* (Washington, DC, unpublished).
- 5/ G. K. Ikiara and Z. Okeyo, "Kenya's Experience with Economic Policies for Regional Development" in Ayele Tirfie, Peter Ngau, and I. Mwangi, eds., *Regional Development Policy in Africa: Problems and Prospects towards the 21st Century* (Proceedings of the African Regional Development Policy Forum, held at the UNCRD Africa Office, Nairobi, 1998).
- 6/ Douglas Webster and Larissa Muller, "Urban Competitiveness Assessment in Developing Country Urban Regions: The Road Forward" (Paper prepared for urban group, INFUD, 2000).
- 7/ Jourdan and Jourdan cited in David Bek, Tonny Binns, and Etienne Nel, "Regional Development in South Africa's West Coast: Dividends on the Process Side?" *Tijdschrift voor Economische en social Geografie* 96 (2:2005):168-83.
- 8/ C. M. Rogerson, "Spatial Development Initiative in Africa," *Geography* 87 (2002):38-48.
- 9/ Ayele Tirfie, "Existing Conditions and Constraints" in Ayele, Ngau and Mwangi, eds., *Regional Development Policy*.
- 10/ Rodriguez-pose and Tijmstra, "Local Economic Development".
- 11/ I. J. Massuanganhe, "Building Sustainable Local Development through Participatory Governance and Sub-national Capacity Development Web" (2006).
- 12/ United Nations Centre for Human Settlements (UNCHS) (Habitat), "Local Democracy and Decentralization in East and Southern Africa" (Nairobi, 2002).