

AFRICA

DEVELOPMENT

INDICATORS

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Foreword

Something decidedly new is on the horizon in Africa, something that began in the mid-1990s. Many African economies appear to have turned the corner and moved to a path of faster and steadier economic growth. Their performance in 1995–2005 reverses the collapses in 1975–85 and the stagnations in 1985–95. And for the first time in three decades, they are growing in tandem with the rest of the world. Average growth in the Sub-Saharan economies was 5.4 percent in 2005 and 2006, and the consensus projections are that growth will remain strong. Leading the way are the oil and mineral exporters, thanks to high prices. But 18 nonmineral economies, with 36 percent of Sub-Saharan Africa’s people, have also been doing well.

Is this the outcome of good luck or good policy? Luck certainly has been a factor. Global economic growth has been fairly steady over the last 10 years, trade has expanded rapidly, and foreign direct investment has rocketed. But policies in many Sub-Saharan countries have also been getting better. Inflation, budget deficits, exchange rates, and foreign debt payments are more manageable. Economies are more open to trade and private enterprise. Governance is also on the mend, with more democracies and more assaults on corruption. Yes, some luck, but policy improvements have also made a difference.

Better economic policy and performance will also be at the core of improving African’s well-being. More than 40 percent of the people in Sub-Saharan Africa still live on less than \$1 a day, life expectancy gains have stalled in some countries and retreated in others, and poor health and poor schooling hold back improvements in people’s productivity—and the chances of meeting the Millennium Development Goals. That is why

it is essential to spread economic growth to all of Africa and so essential to sustain it, by avoiding the collapses that have erased past gains.

This year’s *Africa Development Indicators* essay explores the patterns of growth in Sub-Saharan Africa over the past three decades. It finds that the volatility of growth—an outcome of conflict, governance, and world commodity prices—has been greater than in any other region. Volatility has dampened expectations and investments—and has obscured some periods of good performance for some countries. The essay shows that pickups in growth were seldom sustained—indeed, that they were often followed by ferocious declines, and hence, Africa’s flat economic performance over 1975–2005.

The essay shows that avoiding economic declines is as important as promoting growth. Indeed, it may be more important for the poor, who gain less during the growth pickups and suffer more during the declines. The essay discusses a key question for economic policymakers in Africa: how best to sustain pickups in growth and its benefits.

Africa Development Indicators 2007 is the latest annual report from the World Bank on social and economic conditions across the continent. Along with this book, *The Little Data Book on Africa 2007*, and the Africa Development Indicators 2007 CD-ROM, the Africa Development Indicators suite of products now has a new member: Africa Development Indicators Online.

With demand increasing for information to monitor the African Action Plan, Poverty Reduction Strategy Papers, national development programs, and the Millennium Development Goals and with access to electronic media widening in Africa, the Africa Development Indicators products are expected to

continue evolving with the goal of offering the most relevant information to monitor development progress. This will allow us to assess the magnitude of problems and challenges faced and measure progress in a feasible way. Better statistics are of great value, and this still remains a great challenge for Africa.

Africa Development Indicators Online, available by subscription, contains the most comprehensive database on Africa, covering more than 1,000 indicators on economics, human development, private sector development, governance, and aid, with time series for many indicators going back to 1965. The indicators were assembled from a variety of sources to present a broad picture of development across Africa. The Microsoft Windows™-based format permits users to search and retrieve data in spreadsheet form, create maps and charts, and import them into other popular software programs for study or presentation. Africa Development

Indicators Online also brings the *Africa Development Indicators 2007* essay, *The Little Data Book on Africa 2007*, country-at-a-glance tables, technical boxes, and country analyses from *African Economic Outlook 2007*.

The Africa Development Indicators suite of products is designed to provide all those interested in Africa with a set of indicators to monitor development outcomes in the region and is an important reference tool for those who want a better understanding of the economic and social developments occurring in Africa.

It is my hope that the Africa Development Indicators products will contribute to the way countries, development partners, analysts, academics, and the general public understand and design development policies in Africa.

John Page
Chief Economist, Africa Region

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