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**Human Resources Development for Economic Development - examples and lessons from ACP countries**
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Overview

- Development of human resources (HRD) for economic development
- Why is (HRD) so important?
- Investment comparison between different nations/economies
- Current position of ACP countries
- Factors affecting HRD in ACP countries
- Best practice examples and case studies
Development of human resources and economic development

• Economic development is critical to all countries

• Driven by Govt. investment in: education & training; industries, enterprise & job creation, physical infrastructure, public services, health, R&D, attraction of foreign investment

• Well managed economies: jobs and prosperity highly developed education and health infrastructure; good governance; physical development; better quality of life; community & social development; equity with safety net for the poor, sick and under-privileged
Why is the development of human resources is important?

• Human Resource Development (HRD): education and training of a nation’s citizens so that they are able to reach their full potential

• HRD is a key driver and component of economic development

• HRD - leads to a number of social and economic benefits including jobs; reduction in poverty; increase standard of living and better quality of life; better civil society etc

• Ability and level of a country to invest in the education and training of its citizens will depend on a number of factors.

• In developing countries, education and training of women yield higher return than men

• Development of people in developing countries is more conducive to economic development – than investment in physical infrastructure
Comparison between different nations/economies investment in training and education

- **Advanced /developed economies**
  - OECD countries - rich and generally well managed economies

- **Middle income developing countries**
  - Examples include Barbados, Bahamas, Bermuda, Trinidad & Tobago (T & T)

- **Least developed countries**
  - Examples include many sub Saharan African countries, Bangladesh, Samoa, Solomon Islands
Human Development Index (HDI)

- HDI - measures the average achievements in a country in 3 basic dimensions of human development: (i) A long healthy life (ii) Knowledge (iii) Decent standard of living

- Three main categories of HDI:
  - **High Human Development** - countries with HDI of 0.8 and above. Mainly EU and OECD countries. **BUT** includes some ACP countries raked as follows: Barbados (31), Seychelles (47), Cuba (50), T&T (57)
  
  - **Low Development**: HDI below 0.5. Of the 31 countries in the category, 29 are located in Africa – the exception are Haiti and Yemen
  
  - **Middle development**: HDI between 0.5 and 0.8. 30 ACP countries in this category. Dominica raked at 68, Samoa (75) and Swaziland (146)
Current position of ACP countries – Economic Development and HRD

- General improvement in education and economic development of poorer ACP countries

- General improvement in education and economic development of poorer ACP countries – brought about by economic improvement, increasingly stable governments and investment in human resources

- Improvement in tackling poverty and corruption in poor ACP countries

- Africa achieving consistent economic growth- average of 5.5% in 2006 (OECD)
Current position of ACP countries – cont’d

- However, the scale of poverty is so huge for the majority of the Africa population – with **basic needs** taking priority of education, skill and other human resource activities:
  - More than 44 million children do not go to primary school
  - More than 300 million African people do not have access to clean water
  - 1 in 5 of the poorest African people living in the continent survive on just 1 Euro (US$ 1.30) a day.
  - More than 10 million children die of hunger and preventable disease, one child every 3 seconds
  - Over 25 million in Sub-Saharan are infected with HIV or AIDS
Factors affecting HRD in ACP countries

1. Unfair trade rules and tariffs
   - OECD countries protectionist and unfair trade policies
   - ACP countries have limited or no access to OECD markets
   - Unfair trade rules and tariffs are devastating to poor ACP countries and prevent them from attempting to tackle poverty
   - EU has made proposals at the WTO negotiations to reduce the highest EU tariffs and export subsidies- particularly the CAP
   - **Recommendations**
     - ACP Follow up committee welcomes and support EU proposal- and hope other rich nations will follow this example
     - EU support initiatives which supports poor ACP to trade, start enterprise and grow their economies.- e.g. microfinance and small business start-up schemes for the very poor
Factors affecting HRD in ACP countries – cont’d

2. Attracting foreign investment
   - Attracting foreign Direct Investment (FDI) is critical for economic development and HRD of ACP countries
   - FDI is often the biggest investment and jobs generator in ACP countries. FDI market is huge:
     - In 2007, FDI market was worth $1.2 trillion dollars – employing 53 million around the world.
     - FDI to Caribbean & Latin America: $187 billion
     - FDI to Africa: $39 billion
   - Many ACP countries not maximising the foreign investment and associated HRD potential
   - **Recommendations**
     - Create conducive business environment for investment
     - ensure mutually beneficially to both the host country and MNC
     - ensure that foreign investment leads jobs, social and economic development
Factors affecting HRD in ACP countries – cont’d

3. Migration of skilled professionals- “Brain Drain”
   • Migration of skilled professionals to rich OECD countries is one of the biggest problems facing ACP countries

   • OECD report: migration of skilled professionals to rich countries has a devastating effect on the development of poor countries

   • Critical that ACP Governments work with EU and other donor countries to develop packages and incentives for retention of skilled professionals & encourage skilled migrants to return.

   • A number of good examples of how different Government are addressing this problem:
     – China, India & South Korea – targeting professionals in key sectors to return with a good financial incentives and other packages
     – Grenada – university offers medical students scholarships and financial assistance on condition that they return – to put the newly acquired skills for country.
Factors affecting HRD in ACP countries – cont’d

4. Good Governance –

- focus on democratic governance
- effective management of economy & country's resources
- citizen participation in the decision-making & communication process
Vision of peace and prosperity

50 years ago Africa had a vision to:-

- liberate itself from colonialism and apartheid
- achieve independence to create an environment of peace and prosperity for all Africans

*Liberation did not automatically mean prosperity, peace and security for all*
Importance of good governance & the rule of law

- basis for sustainable development as:-
  - encourages stability
  - building block for truly democratic societies
  - ensures civil rights of all citizens are equally respected
Achieving peace and prosperity

African governments to achieve the vision of peace and prosperity for all have establish:

- African Union
- Pan African Parliament

Focus on:

- Good governance
- Economic, technological and cultural development
Achieving peace and prosperity

Develop frameworks:-

- ESC
- New Partnership for Africa's Development
  - create a culture of Human Rights
  - introduced peer review system
  - accelerate sub-regional and continental integration
  - champion the rights of the continent in the international arena
Vision of peace and prosperity

Results:

- Most African economies are better run.
- To sustain these developments, there must be:
  - continued stability
  - respect for the democratic process
  - respect for the rule of law
  - involvement of civil society
Factors affecting HRD in ACP countries – cont’d

5. Investment in Education

• Universal Goal: by Year 2015, no child would be denied her/his right to education.

• In 2000, 113 million children were out of school. In 2015, it is estimated that 75 million will be out of school.

• It is estimated that Euro 6.5 billion a year is needed to put all children into school.

Source: <www.campaignforeducation.org/schoolreport/index.html>
Factors affecting HRD in ACP countries – cont’d

6. Focus on Gender

- Universal Goal: By 2005 as many girls as boys will be in school
- In 2007: For every 100 boys out of primary school there are 133 girls.
- Girls who complete primary school are:
  - 50% less likely to be infected with HIV
  - have children who are 50% more likely to live past the age of 5
Factors affecting HRD in ACP countries – cont’d

7. Involvement of Civil Society

• Using Kenya as an example - Sanitary towels & school attendance
  – campaign to pressure mounted on government and parliament to abolish tax on sanitary pads
  – make policy-makers better informed on the needs of girls
  – Small things – just not fees – can keep children out of school
Factors affecting HRD in ACP countries – cont’d

8. Focus on Innovation

- ACP countries are
  - over dependent on external technologies and importation of finished goods and services
  - export raw materials for little returns, thereby weakening their ability to compete
Factors affecting HRD in ACP countries – cont’d

8a. Barriers to Innovation

- outdated curricula
- inadequate science & technology facilities
- absence of direct links between science & industry
- rapid technological innovations → out-of-date knowledge infrastructure
- brain drain, due to instability or lack of opportunity
Factors affecting HRD in ACP countries – cont’d

8b. Some Statistics

- African has 12% of the world's population but
  - 0.36% of the world's scientist & engineers
  - 0.8% of the world's scientific publications
  - practically none of the world's patents
Case Study – Rwanda

Aim: to build capacity in science & technology

- invests 1.6% of GDP on science & research institutions including:
  - teaching science in primary and secondary schools
  - creating centres of higher learning and research in agriculture, health, infrastructure, environment and biodiversity
Case Study – Rwanda cont’d

• plans to increase investment to 3% of GDP over the next five years
• has a goal to increase the number of science students in tertiary institutions to 70% of the student population
Africa-EU Follow-up committee recommends (1)

Each ACP government should:
- guarantee free & compulsory education for all
- implement a plan to make this a reality
- spend adequate amounts on education:
  - minimum of 6% of the government's spend
  - at least 20% of what the government spends on services should be on education
Africa-EU Follow-up committee recommends

EU (G8) should:-

- Keep their promises and pay for the financial gap to enable Education For All to happen.
- Provide ACP countries with the support they need through a global financing plan called the Education For All Fast Track Initiative
- Make sure no child is discriminated against from an equal chance of a quality, free education in their own country.
Good Governance

Political stability

Active Civil Society

Funds to invest

Human Resource Development

Infrastructure Development

Drives Economic, Political & Cultural Social Growth

Fair Trade Practices

Drives Economic, Political & Cultural Social Growth
Quote from HE Pohamba, President of Namibia, expressing his vision:

“Africa at peace with itself, interacting economically and politically with the rest of the world as an equal partner and a prosperous continent, free of diseases, with a highly competent workforce.” 2007