

A presentation to the ACP-EU Economic and Social Interest Group, Brussels, 5 March 08 :

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

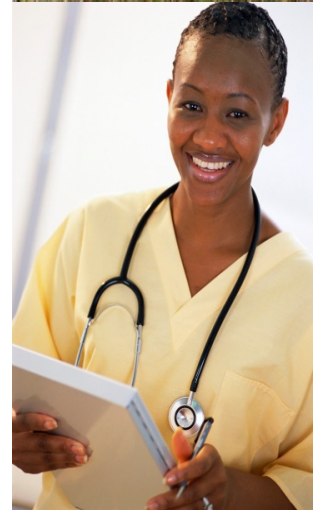


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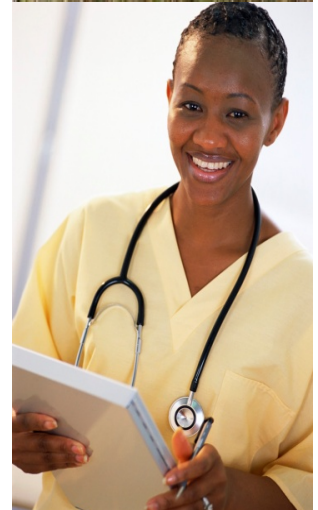
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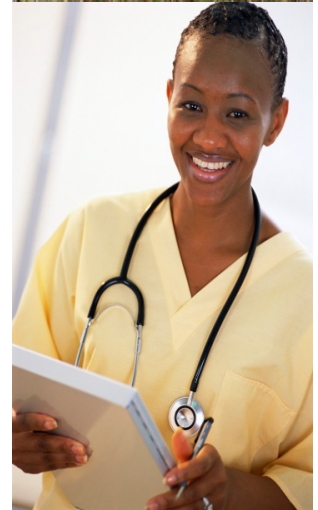
Overview

- 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



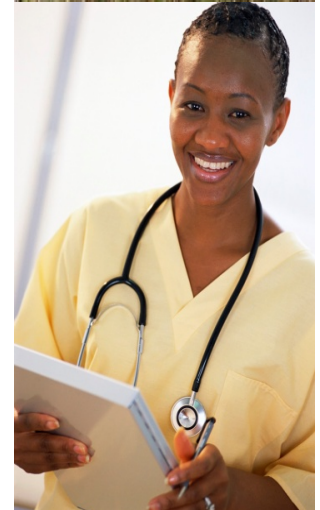
Development of human resources and economic development

- 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



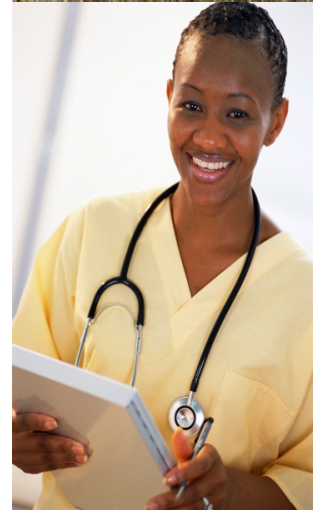
Why is the development of human resources is important ?

- 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



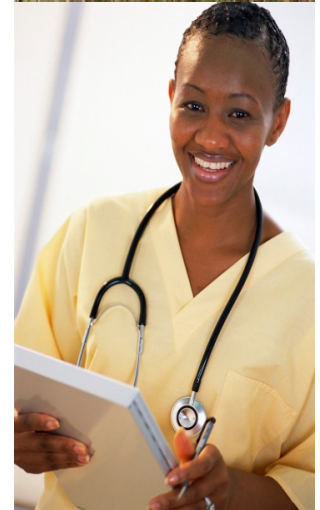
Comparison between different nations/economies investment in training and education

- **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



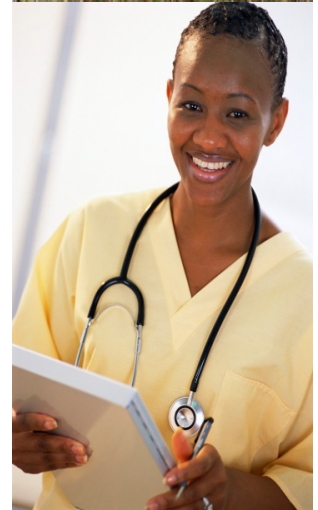
Human Development Index (HDI)

- 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 ranked 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 ranked at 68, Samoa (75) and Swaziland (146)



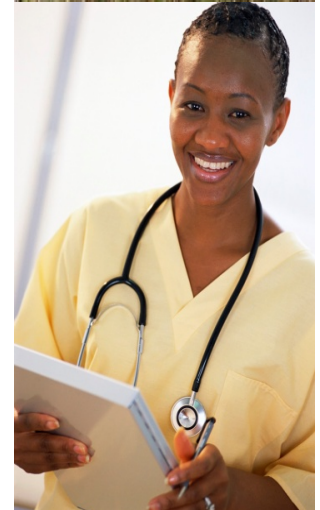
Current position of ACP countries – Economic Development and HRD

- 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

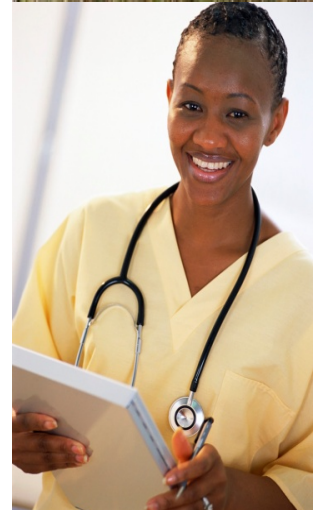
- However, the scale of poverty is so huge for the majority of the Africa population – with **basic needs** taking priority of education, skill and other human resource activities:
 - More than 44 million children do not go to primary school
 - More than 300 million African people do not have access 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

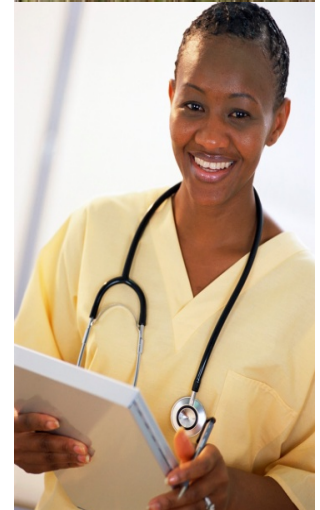
- OECD countries protectionist and unfair trade policies
- ACP countries have limited or no access to OECD markets
- Unfair trade rules and tariffs are devastating to poor ACP countries and prevent them from attempting to tackle poverty
- EU has made proposals at the WTO negotiations to reduce the highest 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

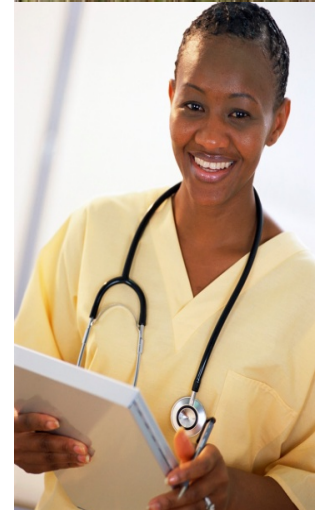
- Attracting foreign Direct Investment (FDI) is critical for economic development and HRD of ACP countries
- FDI is often the biggest investment and jobs generator in ACP countries. FDI market is huge:
 - In 2007, FDI market was worth \$1.2 trillion dollars – employing 53 million around the world.
 - 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”

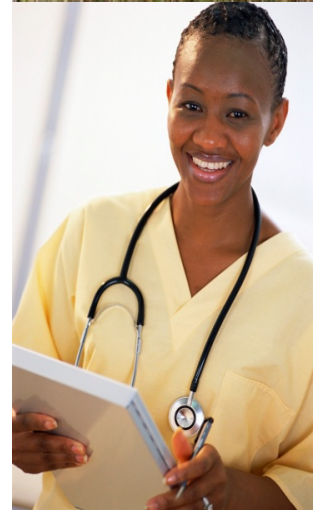
- Migration of skilled professionals to rich OECD countries is one of the biggest problems facing ACP countries
- OECD report: migration of skilled professionals to rich countries has a devastating effect on the development of poor countries
- Critical that ACP Governments work with EU and other donor 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

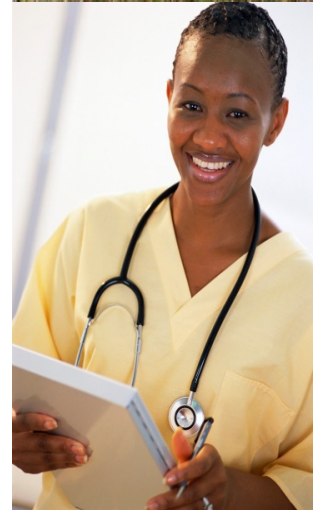


Vision of peace and prosperity

50 years ago Africa had a vision to:-

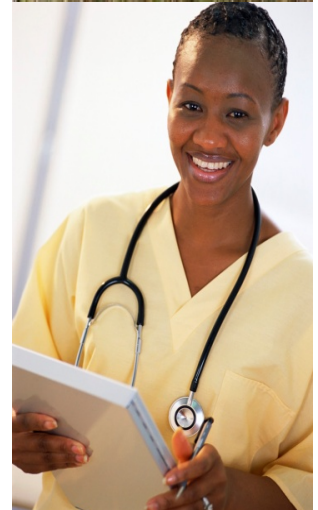
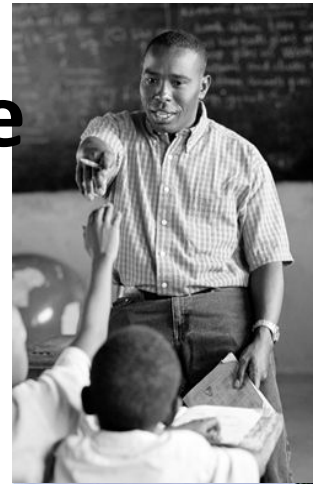
- liberate itself from colonialism and apartheid
- achieve independence to create an environment of peace and prosperity for all Africans

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



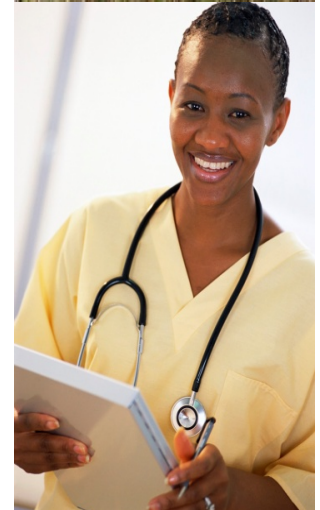
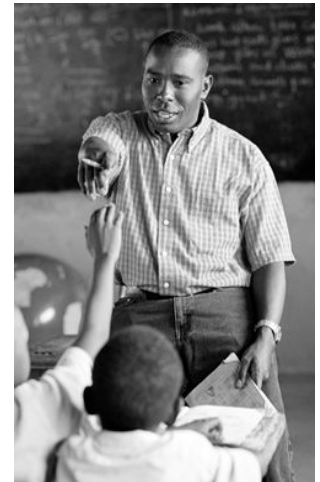
Achieving peace and prosperity

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

- African Union
- Pan African Parliament

Focus on:-

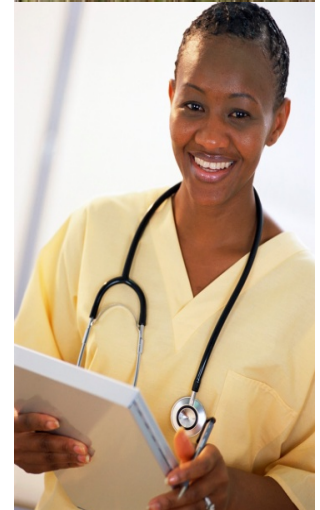
- Good governance
- Economic, technological an cultural development



Achieving peace and prosperity

Develop frameworks:-

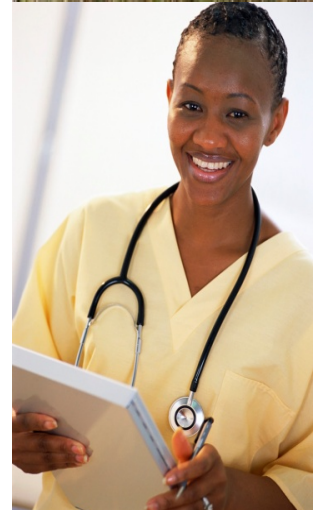
- ESC
- New Partnership for Africa's Development
 - create a culture of Human Rights
 - introduced peer review system
 - accelerate sub-regional and continental integration
 - champion the rights of the continent in the international arena



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

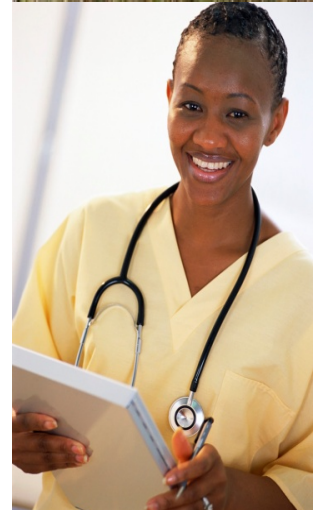


Factors affecting HRD in ACP countries – cont'd

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.

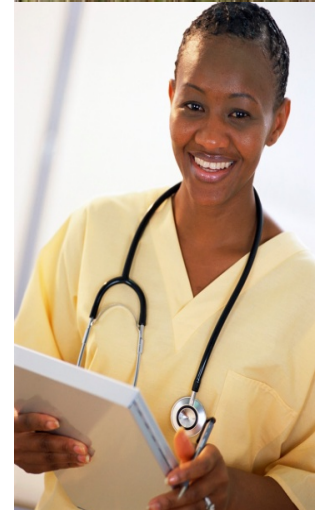
Source: <www.campaignforeducation.org/schoolreport/index.html>



Factors affecting HRD in ACP countries – cont'd

6. Focus on Gender

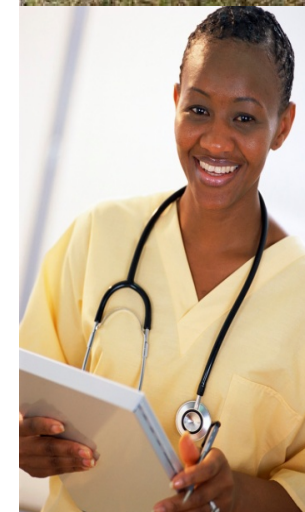
- Universal Goal: By 2005 as many girls as boys will be in in school
- In 2007: For every 100 boys out of primary school there are 133 girls.
- Girls who complete primary school are:
 - ✓ 50% less likely to be infected with HIV
 - ✓ have children who are 50% more likely to live past the age of 5



Factors affecting HRD in ACP countries – cont'd

7. Involvement of Civil Society

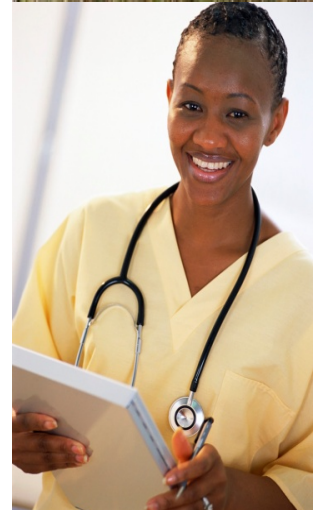
- Using Kenya as an example - Sanitary towels & school attendance
 - campaign to pressure mounted on government and parliament to abolish tax on sanitary pads
 - make policy-makers better informed on the needs of girls
 - Small things – just not fees – can keep children out of school



Factors affecting HRD in ACP countries – cont'd

8. Focus on Innovation

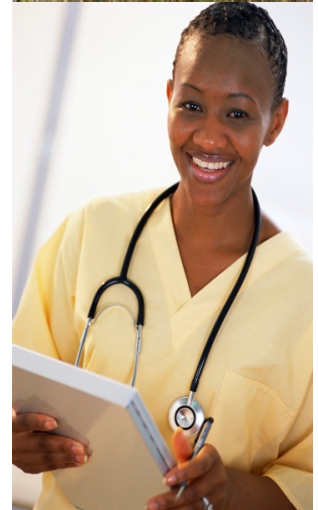
- ACP countries are
 - over dependent on external technologies and importation of finished goods and services
 - export raw materials for little returns, thereby weakening their ability to compete



Factors affecting HRD in ACP countries – cont'd

8a. Barriers to Innovation

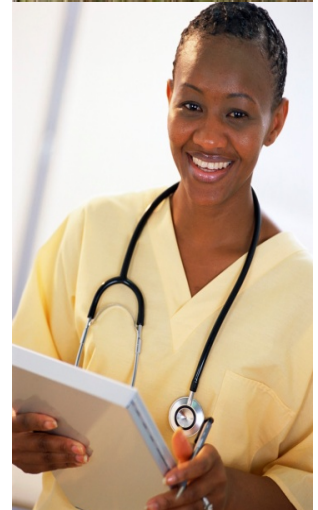
- outdated curricula
- inadequate science & technology facilities
- absence of direct links between science & industry
- rapid technological innovations → out-of-date knowledge infrastructure
- brain drain, due to instability or lack of opportunity



Factors affecting HRD in ACP countries – cont'd

8b. Some Statistics

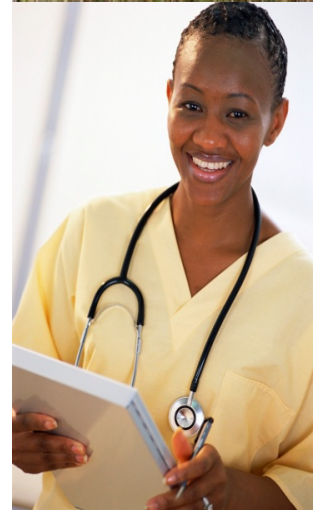
- African has 12% of the world's population but
 - 0.36% of the world's scientist & engineers
 - 0.8% of the world's scientific publications
 - practically none of the world's patents



Case Study – Rwanda

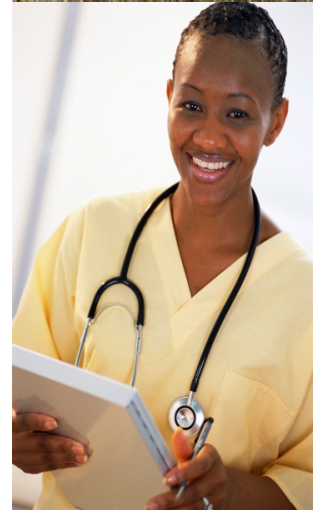
Aim: to build capacity in science & technology

- 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

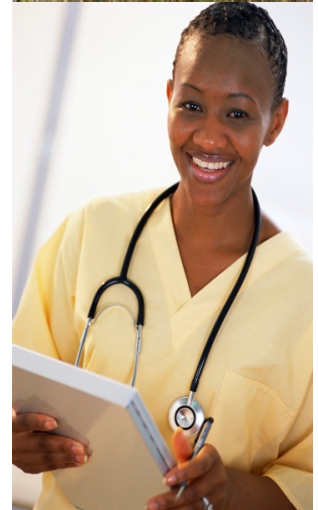
- plans to increase investment to 3% of GDP over the next five years
- has a goal to increase the number of science students in tertiary institutions to 70% of the student population



Africa-EU Follow-up committee recommends(1)

Each ACP government should :-

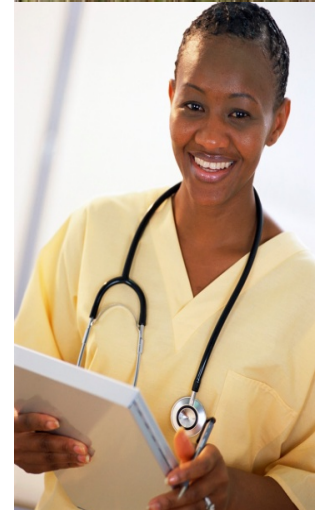
- guarantee free & compulsory education for all
- implement a plan to make this a reality
- spend adequate amounts on education:
 - minimum of 6% of the government's spend
 - at least 20% of what the government spends on services should be on education

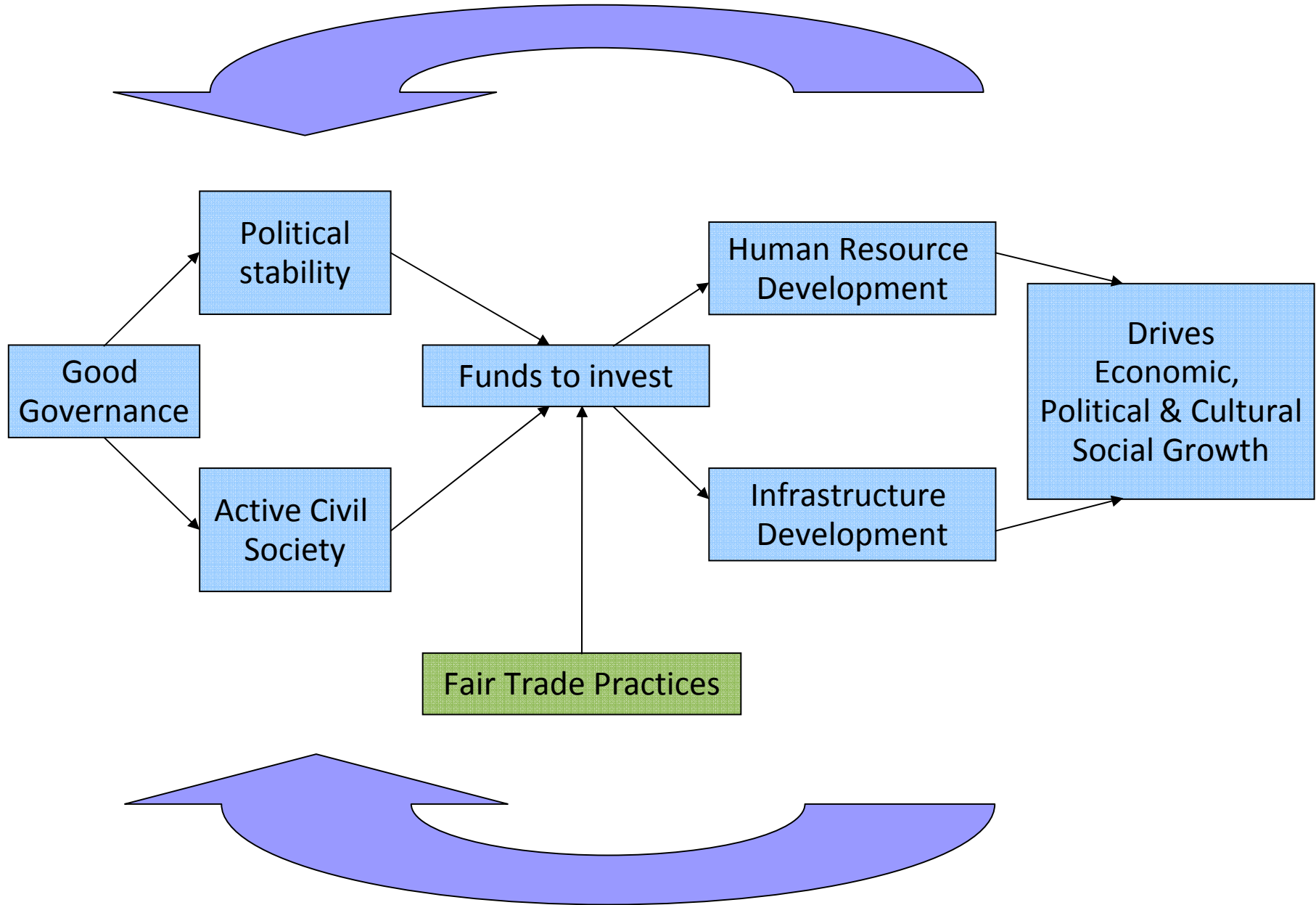


Africa-EU Follow-up committee recommends(2)

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.





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

