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Systemic Problems and Structural Challenges

Introduction

This chapter analyzes the main systemic problems and structural challenges present in Sub-Saharan Africa and the impact they have on the welfare and human development possibilities of the African populations. By examining the main strengths and shortcomings of contemporary development economics approaches, it also aims to highlight the prospects for future and more successful reforms. As shown, the countries in Sub-Saharan Africa are affected by several different systemic problems and structural challenges that hinder a faster economic convergence to more developed nations and which made these developing countries more vulnerable to foreign dependence. Beside human development shortcomings (the subject of Chapter 5), the systemic problems and structural challenges present in Sub-Saharan Africa can be summarized into four main groups:

- the presence of poor infrastructures;
- differential growth opportunities;
- the absence of correct exploitation and redistribution of natural resources;
- the persistence of bad governance and, in particular, of political clientelism and corruption.

Addressing these systemic problems and resulting structural challenges has important consequences for the achievement of the millennium development goals, but also for future developmental steps. To give just one simple example, the systemic dependence on foreign investments and aid that almost all countries in Sub-Saharan Africa have in order to improve their limited infrastructural capacity does not simply involve a lack of autonomy in policy making (in several cases, this has been conducted through the implementation of wrong policy recommendations that have, in turn, led to increasing poverty and income inequality); it also entails additional negative consequences for the development possibilities of these

countries. These additional negative consequences or externalities include the de-responsibilization of elites and of the populations for the destiny of their own country (van de Walle 2001), the incapacity of low-income states to absorb large new flows in addition to the flows they already receive (Burnside and Dollar 2000) or 'Dutch disease' effects due to the macro-economic impact of large aid increases on small economies (Rajan and Subramanian 2005).

When these mechanisms of political, economic, social and cultural de-responsibilization materialize, African nations become nothing more than the place where resources can be exploited for one's own personal enrichment and where benefits can be captured by, and redistributed to, a restricted circle of elites, their families and the closest entourage. This 'amoral nationalism' associated with a 'disillusioned civic culture' (see Almond and Verba 1963) results in the creation of conflicting vested interests among different parts of African societies, which, subsequently, spills over into social conflict and ethnic tension (see Chapter 9). Moreover, all of these negative occurrences have produced, over the decades, important negative consequences for the chances of a long-lasting economic and social modernization, as well as for the quality of democracy (as highlighted in Chapter 10). To summarize the issue more succinctly, are countries in Sub-Saharan Africa doomed to a permanent unfortunate destiny or is there still room for hope? This is the real focus of this chapter.

Lack of infrastructure

A key systemic problem and structural challenge that countries in Sub-Saharan Africa face concerns the endemic lack of infrastructure, such as roads and hospitals. The lack of sufficient investment represents a problem that is difficult to resolve because it leaves the continent with poor and underdeveloped infrastructure. In 2009, Sub-Saharan Africa had, for example, a road density of approximately 31 km/1,000 km², which corresponded to only 23 per cent of the average of other developing regions (UNECA 2009, p. 130). Most of these roads continue to be unpaved and impassable during the wet seasons (see Figure 4.1). This has clear and important consequences for the mobility of citizens, as well as for their access to labor markets, where existent, and to critical other infrastructure, such as hospitals.

Poor infrastructure capacity also involves the electricity sector and this is in spite of the presence of important natural resources, especially oil and gas, in some countries. In Sub-Saharan Africa, electricity coverage as a percentage of the population is only 16 per cent compared with 41 per cent in other developing regions of East Asia, the Pacific, Europe, Central Asia, the Middle East, North Africa, Latin America and the Caribbean. Power tariffs are also higher in Sub-Saharan Africa than in other developing countries (UNECA 2009, p. 131). A significant difference in available resources