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THE ROLE OF HUMAN RESOURCES DEVELOPMENT IN THE NEW PARTNERSHIP FOR AFRICA'S DEVELOPMENT (NEPAD)

BY

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1.0 INTRODUCTION

Africa's economic crisis is to a large extent a crisis of human resources. Human resources is one of the most significant variable in the development is all about the transformation of the individual. The catalytic role of human resource in the development process is clearly illustrated by the development experienced of Japan. Endowed with a few natural resources, Japan is the world's second largest economy due to its highly developed human resource base. In contrast, despite its abundant natural resources, Africa remains the poorest region of the world, no thanks to its undeveloped human resource base.

Africa brings up the rear on the scale of human development indicators, with 25 Sub-Saharan African countries at the bottom of 172 states ranked in the 2003 edition of the Human Development Report by the United Nations. Average GDP per capita in Sub Saharan Africa was \$485 in 2001, compared with a world average per capita GDP of \$5,133 (Table 1). About 52 percent of the population in the Sub-Saharan Africa live below \$1.00 a day, compared with 15 percent in East Asia and the Pacific, 11 percent in Latin America and the Caribbean and 2 percent in the Arab states.

Sub-Saharan Africa also accounts for the highest ratio of population that is malnourished (33 percent); South Asia (24 percent); East Asia and the Pacific (10 percent); Latin America and the Caribbean (11 percent); and Arab states (13 percent). With regards to primary education, Sub-Sahara Africa again ranks lowest in net primary enrolment ratio (59 percent); Arab states (77 percent); South Asia (79 percent); Latin America and the Caribbean (95 percent) and East Asia and the Pacific (93 percent). (See

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Table 2). There are 15 telephone main lines per every 1,000 persons in Sub-Sahara Africa, compared with the world average of 98 (Table 3).

It is now generally accepted that the pace of economic growth and development of a country depends critically on a set of fundamental requirements: resources, physical infrastructure, appropriate policies, enabling environment and commitment. Resources may, in turn, be categorized into three broad elements, namely, human, natural and financial. Of the three components, the human factor has lately been identified as a limiting factor in the growth and development process of many African countries. Unfortunately, Sub-Sahara African countries have been scrimping on human capital formation over the years with debilitating consequences. The failure to invest in human capital is manifested in the backwardness of these countries.

The human factor is imperative in catalyzing the physical capital stock and natural resources to achieve sustained economic growth and increases in standards of living. Recent studies have also argued that there is a high degree of correlation between economic growth and poverty reduction—one of the principal objectives of the New Partnership for Africa's Development (NEPAD). The implication is that a country that desires to accelerate its development process must take capacity building seriously, tackling it methodically and comprehensively.

Following this introduction, Part 11 highlights salient features of NEPAD; Part 111 examines the role of human resources development in realizing the objectives for NEPAD. Part IV discusses strategies for building capacity for NEPAD, while the final part presents the conclusion.

2.0 THE ROAD TO NEPAD

Africa has witnessed a number of initiatives in the past designed to harness the resources of African countries for collective growth and development, including the Lagos Plan of Action launched with fanfare in 1980, and Africa's Priority Programme for Economic Recovery (APPER) adopted in 1985. Most of them were invariably a sturdy in failure, owing

largely to a number of factors including but not limited to, lack of political will, political instability, corruption and inadequate executive capacity.

2.1 Objective of NEPAD

NEPAD is an integral part of the African Union (AU) project, which was adopted at the Lusaka Summit of July, 2001 to promote economic and political integration of the continent. NEPAD is a pact by African countries to eradicate poverty and to place their countries, both individually and collectively, on a path of sustainable growth and development, and mainstream Africa into the world economy in partnership with the international community.

2.2 Priorities

On the basis of lessons learnt and experience gained from past initiatives, NEPAD will focus on the following areas as a matter of priority:

- Peace, Security, Democracy and Political Governance.
- Economic and Corporate Governance-including Banking and Financial Standards and Codes.
- Regional Cooperation and Integration.
- Infrastructure- including information and Communications,
- Technology, Energy, Transport, Water and Sanitation.
- Human Resource Development- Education and Health.
- Agriculture and Environment.
- Market Access and Export Diversification.

2.3 Redeeming Features of NEPAD

While the similarities between NEPAD and past programmes on Africa's development could lead to a characterization of NEPAD as "old wine in new bottle", NEPAD has certain unique features distinguishing it from past development initiatives:

- Strong political will, as the initiative originated from the highest

- political authorities;
- Binding commitments and obligation on member states;
 - Support of the international and donor community within the context of partnerships underpinned by common interest, mutual obligations and accountability for goals, action programmes and implementation.
 - Measurable performance targets to be monitored through a new innovative mechanism called the African Peer Review mechanism (APRM). Among others, the mechanism will offer opportunities for countries to learn from each other's experience, encourage the emulation of best practices on the continent and bring pressure to bear on the poor performers; and
 - Promote the development of infrastructure, agriculture and diversification of production and exports.

2.4 Strategies to Implement NEPAD

In order to realize its stated objectives, NEPAD will ensure that Africa's development will increasingly be based on a market-oriented economy and implementation of poverty reduction programmes. The national economies and existing sub-regional economic groupings would form building blocks for NEPAD. In other words, the overall success of NEPAD would be influenced largely by the degree of success recorded at national and sub-regional levels.

2.5 Constraints to Effective Implementation of NEPAD

Looming prominently in the vector of factors that could make or mar this bold initiative by Africa to lift itself up by its own boot straps is the quality of human and institutional capacity available to implement NEPAD. Many countries lack the necessary policy and regulatory frameworks for private sector-led growth. They also lack the capacity to implement programmes even when funding is available. The main obstacles have been the shortage of scientists, engineers and technicians engaged in research and inadequate funding of research and development (R&D) activities. Sub-

Saharan African countries have generally not met the target of 100 200 scientists and engineers per million inhabitants, 10 percent of whom should be engaged in R & D. Africa possess a fraction of the corresponding figures in Asia and Latin America. What is more, Africa is a poor performer in the fields of engineering and technology, which are critical areas for the application of science and technology (S & T).

The problem of capacity in Africa is enormous and cuts across all sectors and institutions that will play critical roles and cuts across all sectors and institution that will play critical role in implementing NEPAD. Consider for instance, a recent capacity demand assessment survey by the government of Ethiopia. It was found that capacity building initiative are urgently required in the civil service, universities, training institutions and research centres, government institutions, the judiciary, banking, customs, the private sector, export promotions, quality assurance, extension services, trade associations, chambers of commerce, technical and vocational training, public administration, education and health services, finance and planning, and agriculture.

This rather long and pervasive list is to a large extent representative of the state of capacity in most African countries.

2.6 HOW TO FILL THE BASKET WITH WATER!

Shortage of skilled labour is, indeed, on the many Africa paradoxes. Whereas the continent is unable to implement development programmes owing to paucity of executive capacity, a steady stream of skilled manpower flows out of the continent daily in quest of more enabling environment. The problem is compounded by the relatively low investment in education and health by African countries (see Table 4 & 5). Not surprisingly, Sub-Saharan Africa has not recorded any patent being registered by residence; nor its importance attached to research and development. The number of student seeking university education in Africa far out strips the available spaces because of inadequate committed resources to higher education. As a result, African Students, invariably the brightest ones, head for Europe and North America for higher education, with a higher probability of not returning.

Much of the evidence on brain drain out of Africa is an anecdotal and estimates range from 20, 000 to 35, 000 professionals including scientist engineers and doctors. One such anecdotal evidence shows that in an African country that had 450 accounting student graduated over five year period, the revenue authority could register only 110 over the same period. In another small African country, all the permanent secretaries and their deputies, except two of them, fled the country following a military coup d'etat. The problem of brain drain portends long term down side effects on human capital accumulation. Yet, it is doubtful if sustainable development can be achieved without the capacity constraint being relaxed. It is against this back drop that NEPAD envisages measures to reverse the trend and brain and turn the "brain drain" to 'brain gain'.

3.0 ROLE OF HUMAN RESOURCE DEVELOPMENT IN NEPAD

Studies of inter-firm comparisons of productivity and competitiveness reveal that the more skilled the firms employees are in meeting the strategic purpose of the firm, the better its performance vis à - vis its rivals. What is true at the firm's level of analysis is demonstrably true of the country. It has been postulated that the levels of skills and education in a society are strongly correlated with measures of the longer-term levels of economic output of that country (Daly et al 1985), Steedman et al, 1991) and (Mason et al, 1994). The remarkable economic growth and development of the "**Asian tigers**" was due largely to sustained high levels of investment in human capital and institutions by these countries. The development of Latin American countries is similar. Despite political instability, as in Africa, they have managed to maintain higher growth and development levels due to a more robust human and institutional capacity profile.

3.1 What is Human Resource Development (HRD)?

We shall define human resource development here as **the full** range of strategies, tools, processes, procedures and structures that are employed in a given organization, aimed at improving the capability of the organization's workforce to achieve its goals. Although the focus here is

on the individual, it should be noted that the abilities of individuals are constrained by the systems in which they work. These constraints may be technical, cultural, political or social in nature. However, for the purposes of our discussion, we shall use the term HRD interchangeably with capacity.

3.2 What is Capacity?

Capacity may be defined as the power to perform or produce something or an activity. It is the ability of individuals and institutions to perform their functions efficiently, effectively and sustainably.

Capacity consists of two major aspects human and institutional. Human capacity is the stock of trained, skilled and productive persons capable of performing the essential tasks necessary for an organization or country to realize its goals or developmental agenda. Institutional capacity refers to the available organizational structures and processes, which facilitate the achievement of developmental objectives.

3.3 Significance of Capacity Building

NEPAD prides itself as an initiative that is owned by Africa, and crafted by Africans to mainstream Africa into the global economy. Without the requisite capacity, African countries cannot take advantage of globalization and world technology advances, both of which require educated work forces, new organizational and administrative systems, access to markets and information technology.

Capacity building provides a country and its people the ability to design, appropriately sequence, implement and monitor sound macroeconomic and sectoral policies for efficient economic management. In other words, building the requisite capacity is crucial to the effective implementation of the macroeconomic and sectoral policies, programmes and strategies enunciated under NEPAD. Capacity building engenders self-reliance, empowers the people and institutions to make choices, decisions and actions to realize their chosen goals. It enables local ownership of the development agenda.

3.4 The African Experience

Past efforts to address capacity building needs in African countries were largely supply driven. These efforts failed in building sustainable capacity because they adopted wrong approaches, which included:

- Largely donor-driven efforts to promote capacity building without local ownership;
- Piece-meal programmes, which focused on short-term objectives for achieving programme results rather than laying durable foundation for sustainable development;
- Uncoordinated programmes involving several donors, sometimes addressing the same issues;
- Off-the-shelf training courses, which were not entirely relevant to the African context; and
- Reliance on technical assistance (TA) whereby the donor sent its national to Africa to do the job.

3.5 Challenge of NEPAD and Capacity Imperatives

As stated earlier, the NEPAD initiative is premised on a market-based economy, greater integration of national and sub-regional economies and development of human resources and infrastructure. Clearly, attainment of these multi-faceted goals would pose many policy challenges for Africa. To this end, the African Peer Review Mechanism has been constituted to monitor and evaluate country and regional progress in implementing NEPAD.

A credible and effective surveillance or review mechanism calls for a common understanding and grasp of issues, definition of concepts, data harmonization and analytical frameworks on the part of economic and political managers in Africa. Such approach would facilitate inter-temporal and inter-country assessment of members' performance and compliance with the agreed targets and benchmarks within the NEPAD

framework. This would involve concerted efforts in database development and statistical harmonization at the national and regional levels. The issue of statistics, which forms the template for economic and social planning, requires priority attention. At another level, development and standardization of basic tools and machinery would have to be given due attention to accelerate the industrialization process.

There is an acute need to strengthen the public and private sectors, empower the civil society and rehabilitate educational and research institutions. Africa also needs to reform its institutions, systems, processes, procedures and practices, which support development efforts of the public and private sectors as well as the civil society. The challenge therefore, is to strengthen the human and institutional capacities in the public and private sectors of the African economy. Such capacity is required to ensure ownership of the reform process. Ownership facilitates public acceptance of policies and programmes needed to ensure that African countries live up to the norms and codes of behaviour underpinning the **"Declaration on Political, Economic and Corporate Governance"**.

3.6 Capacity Building Process

Capacity building is a complex process, which involves the development of human resources and institutions and a supportive policy environment to manage the development agenda on a sustainable basis. In this context, we may view capacity building as having four major components:

- Developing new skills and institutions;
- Strengthening existing skills and institutional frameworks;
- Effectively mobilizing and using existing and newly created capacities; and
- Establishing ways to bridge the gap between existing and required capacity and sustaining capacity overtime.

The creation of effective institutional capacity rests on a strong foundation

that facilitates a rapid learning process and the adaptability required for dealing with a dynamic environment. Such foundation is needed both formally in training institutions and informally in on-the-job training and can be complemented by establishing various forums and opportunities for dialogue. Efficient use of existing capacity is also another important aspect of capacity development. This involves taking stock of existing capacities, identifying gaps in capacities and minimizing duplication.

The effective use of capacity, however, requires a conducive environment. Mindful of this point, African leaders have committed themselves under NEPAD to take necessary measures to ensure the creation of an environment that conduces to capacity creation, utilization and retention by ensuring good governance. Good governance implies accountability on the part of public officials, transparency in government transactions, investment decisions, contracts and appointments, among others. A conducive economic and social environment with appropriate incentive structures would be supportive of productivity and to a large extent, discourage brain-drain.

4.0 STRATEGY FOR BUILDING CAPACITY FOR NEPAD: THE WAY FORWARD

For African countries to be able to formulate, sequence, implement and monitor sectoral and macropolicies, a critical core of indigenous experts must be trained in the critical areas of:

- science and technology;
- mathematics and computer science;
- macroeconomic analysis, modeling and forecasting;
- fiscal statistics;
- money and banking statistics;
- public sector project appraisal;
- negotiating skills; and
- agriculture.

In order to generate the processes to meet the commitments and shared goals of good governance under NEPAD, African countries should undertake institutional reforms with emphasis on: Legal reforms; administrative and civil services; strengthening parliamentary oversight; promoting participatory decision-making; strengthening and reforming the policy framework; reforming the judiciary, as well as effectively combating corruption and embezzlement of public funds.

Building sustainable, effective capacity for NEPAD must begin with an overhaul of the education curricula in African institutions. Most African countries' education curricula are still deeply entrenched in the colonial pattern. They lack an in-built review mechanism to respond to the demands of a rapidly changing industrial environment. The new industrial economy demands **blue-collar** workers that can interpret advanced mathematics, read complex engineering blue-prints, and perform sophisticated tasks on the factory floor. A proper development of these capabilities calls for an educational system, which will prepare future workers for a society characterized by change and the application of new technologies. In this context, the strengthening of computer literacy, proper grounding in mathematics and science at all levels of education is a *sine-qua-non* to industrialization of African countries.

4.1 Elements of a Capacity Building Initiative for NEPAD

A capacity building initiative for NEPAD must comprise the following core elements: commitment; capacitating and networking the trainers; participation; and access to modern information technology.

- i) Commitment has two aspects namely, political and financial. Political commitment refers to the willingness of the highest political authorities of government or Firm to buy into the objectives and goals of the capacity building programmes. In particular, they must have a high threshold for embracing new ideas. African countries' budgetary outlays on human capital have miserably lacked those in industrial and newly industrializing economies. Africa countries should

demonstrate financial commitment by dedicating a minimum percentage of their physical budgets to education, research and development (R &D) and health. Second, this expenditure items should be accorded comparable standing as external debt payments, especially during period of cyclical shortfalls in public sector revenues.

- II) A participatory approach to capacity building requires that all those involved in any capacity building venture, especially the process owners, must have a say in its conception, articulation and methodologies for implementation. This approach utilizes demand assessment techniques, stake holder evaluation and feed back on the performance of capacity building projects to ensure that programmes respond adequately to felt needs at development priorities.
- III) In order to facilitate a rapid diffusion of knowledge and skills, a critical core of schools, tertiary institutions, and specialized institutes equipped with cutting edge tools of their trade in a conducive working environment with competitive conditions of service should be established. The network of tertiary institutions and specialized institutes in such areas of agriculture, economics and finance (WAIFEM, MEFMI, CESAG), law, public administration (GIMPA, NCEMA) and science and technology, in Africa would exploit synergies among them and optimize the use of scarce human resources as well as avoid costly duplications of efforts. Modern information technology can facilitate such networking.
- IV) Giving the very significant amount of resources that would be required to upgrade Africa's human capital stocks, it is imperative that a public / private sector partnership be evolved to meet this need by providing appropriate incentives to encourage the latter's participation at all levels and aspects of capacity building. In particular, firms should be encouraged to earmark resources for on the job and out of firm training.

- V) Africa's development partners and the multilateral institutions, especially the African Development Bank and the African Capacity Building Foundation have a key role to play in mobilizing adequate financial resources for human resource and institutional development.
- vi) Donors should emphasize the use of local expertise to execute projects. The concept of TA should change from seeing it as an opportunity to create overseas jobs for nationals of the donor. Rather, TA should emphasize skill transfer, development of African institutions, Africans to do the job.
- vii) Training institutions must be equipped with computers and internet connectivity. African countries must endeavour to provide access to information technology for students in all tertiary institutions. The use of distance learning facilities should be encouraged.
- viii) Human capital accumulation must be an integral component of the total manpower and education policy of African countries; it should be integrated into national economic, trade, technical and other policies, consistent with national, regional and continental goals and priorities.

5.0 CONCLUSION

Demand for enhanced local capacity is deep and wide in every aspect of the economies of African countries agriculture, economics, education, environment, health, industry, transportation you name it. Yet the successful implementation of NEPAD depends largely on the adequacy of local capacity. So where do we start? The consensus seems to be that policy analysis and economic management should be pivotal in capacity building. Getting the correct policy framework, and the right kinds of managers in the right places will spur progress in every other sector. While specific capacity building interventions will be required in different areas, an integrated economic analysis/management approach is a pre-requisite for effective implementation of NEPAD.

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