

Future to Africa with Prof. Sachs

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Jeffrey Sachs is known for many accolades; among them, he was a special advisor to three consecutive UN secretaries-general, once hailed as the most important economist in the world by the New York Times, a co-recipient of the Blue Planet Prize for environmental leadership, and a recipient of the Tang Prize for Sustainable Development. Resting on his laurels, however, is the last thing anyone expects Sachs to do. On Aug 10, Prof. Sach's tireless service to humanity – as he navigated the streets of Stintino, Sardinia in 30-degrees-Celsius heat - can be seen in the generous sharing of his time and expertise with a multitude of online participants from over 35 countries, who had gathered to hear him at the launch of Prof. Anis H. Bajrektarevic's Certified Economic Diplomat program at the Institute of Economic and Finance in Ghana.

Professor Sachs kicked off his astute talk by disclosing what he has recently been up to for Africa's development. Together with the Chief Economist at the African Development Bank, Kevin Urama, the multi-skilled Sachs has been developing a strategy for breaking the poverty cycle in Africa. The team led by the AfDB is set to present their proposal for Africa's rapid growth at the African Union Summit in February 2025.

In sharing the core strategy, Sachs explicated how Africa can achieve very rapid development in the next 40 years – in the same way China did so during 1980 – 2020 and India is doing so today, starting around 2000. “Back in 1980, China was impoverished and not even on the world's radar screen economically. In fact, its poverty rate was higher than in Africa today. However, China opened up and took important policy measures. Over the next 40 years, not only has it become a high-income economy, but also the world's largest economy in total GDP measured at purchasing-power parity (PPP),” Sachs explained as he held China up as a good model for Africa.

Sachs went on to state that Africa could achieve the same thing that China did. “Africa has 1.4 billion people, roughly the same population as that of China and India. While India is about 15 to 20 years behind China in its economic trajectory, it has also been experiencing very high growth. China started emerging in 1980 and India around 2000. For Africa, that time is now.”

However, Sachs understood it would take more than a big population to drive rapid growth and was careful to highlight the significant distinction between the three entities. “There is one big difference. Following the colonial period, India remained one large country (actually, British India became three countries: India, Pakistan, and later Bangladesh). China, of course, remained one unified state despite encountering Japan's imperialistic ambitions and the century of reckless behavior by the European

powers. Africa, on the other hand, has to deal with the ongoing difficulties associated with its colonial legacy, notably Europe's division of Africa into 55 states."

Sachs proceeded to explain that the 55 individual African states are too small on their own to achieve the kind of global role and competitiveness they need. However, if Africa truly creates a political, economic, financial, and eventually monetary union, then it will be able to emulate the great successes of China and India. With a single market, a unified financial system, and increasing monetary integration, Africa will be well positioned to create a truly unified economic space, also deeply interconnected by trans-boundary infrastructure (for power, fiber, roads, rail, shipping, and ecosystem management). Moreover, with a strong union, Africa will be positioned to play a global diplomatic role as well, helping to lead global decision-making in key international forums.

It would serve well at this point, to recall that in Delhi last year, with India's G20 Presidency, the African Union was made a permanent member of the G20. None could be happier than the 1.4 billion Africans who have finally been given a major voice in deliberations on major global economic issues – and Sachs, who for years, has been advocating indefatigably for the AU to be given a seat at the table.

"An integrated and ambitious African Union (AU) can achieve the kind of growth that China and India have experienced," Sachs paused before adding determinedly, "I want the AU to be a giant in the same way."

Like other global leaders, Sachs is a visionary man with ambitious goals, but this is where their similarity ends. Sachs actually knows the roadmap from A to Z and is keenly aware of what Africa needs to achieve this high sustained growth that he wholly believes to be present in the region's potential.

Sachs explained that Africa needs a large internal market and diplomatic presence, the latter made possible now with its representation at the G20 (which he hopes will soon be relabeled appropriately as the G21) and the UN. Africa also needs high investments across all major classes of capital, with human capital being the most important, hence the need to provide universal quality education. Sachs also indicated that Africa needs rapid electrification and digital access, so that every household can get lit up and online.

Last but hardly least, Sachs said that Africa needs international loan financing with interest rates comparable to those granted to the US. "The irony here is, the US actually has a higher debt-GDP ratio than most African countries (and other G7 countries such as Italy and Japan have even higher debt-GDP ratios), yet the credit rating agencies have assigned African sovereign borrowers very bad credit ratings. However, Africa has higher growth potential than the high-income countries, and typically lower ratios of debt to GDP. The rating agencies are wrong in their methodology, and the methodology and ratings need to be fixed. If Africa cannot borrow on reasonable terms – meaning low interest rates and long-term maturities – then Africa will remain poor," he advised.

Another trait that distinguishes Sachs from other leaders lies in the consistency of his messaging. Time and again, he has advocated for a multipolar world where parameters for honest dialogues between developing and developed countries could be established, and meaningful strides towards a more prosperous, inclusive and sustainable world could be made.

"I want a world of regions dealing with one another. We are one world, interconnected, and we ought to make peace. The mindset of the US is such that it has to be number one and everyone has to follow what it says – that creates a lot of friction," Sachs lamented.

"I like the BRICS. Now expanded to ten countries, it comprises around 46% of the world population and 36% of the world GDP (PPP). It's a very good group that has come about because its members do not want to be bossed around by the US," he added.

As Sachs brought his talk to a conclusion, a smile beamed widely across his face, with illuminating rays of hope for Africa to match, in a way that could only be described as contagious and inspiring. Sachs left the audience with an earnest and heartening reminder: The world is much safer if we cooperate with one another.