

Theme 3 : Growth and development

Problem

The connection between « economic growth » and « development » gives rise to various interpretations. Growth, from which no political or economic leader would like to dissociate development, encompasses consubstantial ambiguity. When growth is rapid, we delude ourselves that it can solve problems and that the more rapid it is, the better it will be for society. When it is slow, the gap becomes apparent and it turns out to be more painful since no alternative is provided.

However, the point of view of the dominant economic theory puts forward the idea of sustainable growth as a necessary and sufficient condition for achieving development. This premise is based on an assertion which is far from having unanimous support, that is to say : « economic growth is supposed to be compatible with maintaining natural balance and the resolution of social problems, that is, it could reduce poverty, inequalities, strengthen social cohesion and thus put countries on the path of development ».

According to arguments in favour of this assertion, it seems that growth and development are closely linked (considering some empirical studies). Generally speaking, the facts confirm that the results achieved on the development front are contingent on economic growth and its rate. But how to reach an optimum development plan? The answer is not obvious.

On the other hand, the counter-arguments are based on the fact that the distribution of the fruits of growth is often unequal, destructive as well as creative, depending on inequalities to constantly create frustrations and new needs. In fact, forty years ago, despite the considerable increase in wealth produced in the world, inequalities have soared : the gap between the 20% of poorest and richest people was 1 to 30 in 1960. It stands today at 1 to 80. The World Bank admits that one of the MDG objective which is to halve absolute poverty by 2015 will not be achieved : more than 1.1 billion of people earn less than a dollar a day. Therefore, these arguments buttress the fact that a clear distinction must be made in the way these two concepts are understood : the improvement of well-being and the development of human potentials are achieved beyond the path of infinite growth of quantities produced and consumed, beyond the path of goods and exchange value, but on that of use value and the quality of social fibre which can be developed around it.

In spite of this apparent contradiction, International Organisations have tried, during recent times, to bring together the divergent opinions to reach a consensus on the fact that a rapid and sustainable development is contingent on a sustainable growth. However, this debate is not over yet and there is the need to have today a critical analysis of the link between growth and development.

Objective

The objective of these presentations is to throw more light on the fundamental questions of the open debate. They would help provide answers to some key issues: what is the difference between growth and development ? Is it possible to think about development beyond the paradigm of permanent economic growth ? Is growth a condition necessary and sufficient for development ? To which extent growth promotes development? Which dynamic and structural relations do exist between growth and development ? What are the sources of real

growth in Africa ? What kind of growth does Africa need ? **Why do countries develop at different pace ? Is the example of South-Asian countries and China, often cited as model of development relevant to African countries? What is the difference between the approaches adopted by these countries and that of Africa to the extent that it lags behind on the path of development contrary to those countries ? Is it not necessary to re-examine the catalysts of growth and development in Africa ? Are regional integration, space, territory, rapprochement of people, density and removal of borders not possible ways to explore?**

Another debate topic : should growth be defined almost exclusively from the point of view of supply ignoring demand ? Does the general premise which sees supply as being entirely absorbed, either by local or external market not limit the formalisation of growth and therefore the knowledge of factors which explain it ?

The presentation will go deeper into these issues and propose new actions around which the region could focus its efforts in order to enhance growth and achieve development.

Recommendations and alternatives

The work would lead to recommendations which would be presented to the decision-making bodies of the region for adoption. In other words, the study would lead to :

- strategic guidelines to be implemented by Member States in order to accelerate economic growth ;
- ways and means of developing and implementing new instruments to help the region meet the necessary conditions for an accelerated economic growth and sustainable development.