

Growth Week 2010 – Summary

Overview

What role could IT-intensive exports play for Rwanda? How might flooding affect growth prospects in Bangladesh? Why is tax revenue as a proportion of GDP so low in Pakistan, and what can the country learn from Mauritius? Such important, controversial and timely questions are at the forefront of policymakers' minds in Africa and South Asia, where over one billion of the world's poorest people live.



Growth Week 2010, organised by the International Growth Centre (IGC), brought together ministers, policymakers and scholars from twelve countries in Africa and South Asia (**Bangladesh, Ghana, India, Mauritius, Mozambique, Pakistan, Rwanda, Sierra Leone, South Africa, Tanzania, Uganda** and **Zambia**), with leading researchers from the US, Latin America and Europe for three days of intensive country seminars, research presentations and public discussions on key growth issues.

The conference was a major step forward in the IGC's mission to provide demand-led research and build the evidence-base for informed policymaking.

A range of key issues were debated – from microfinance, natural resources and education reform to urbanisation, firm productivity and trade. Country sessions focused on the growth challenges in our partner countries – Bangladesh, Ethiopia, Ghana, India, Mozambique, Pakistan, Rwanda, Sierra Leone and Tanzania.

Agenda

Over three mornings, the IGC presented seven 'Ideas for Growth' sessions, in which our network of leading researchers from developed and developing countries presented frontier research. Topics included the relationship between female empowerment and economic development, how microcredit uptake rates vary and why, public-private partnerships in developing regions, problems of underinvestment in agriculture, development policy in fragile states, and firm capabilities. Updates on IGC-funded research,



including randomised trials in Ethiopia and Bangladesh, were reported.

Over three afternoons, our nine in-country teams, and their colleagues from government, national research institutes and civil society, reported on the progress of the IGC Country Programme. This was an opportunity to explore the key growth challenges in our partner countries, and to better understand what the IGC and our research networks can do to help.



Strengthening tax capacity in Bangladesh, managing Ghana's oil revenues, industrialisation in Ethiopia, finance policy in the Indian state of Bihar, monetary integration in East Africa and disaster management in Pakistan were among the issues discussed.

In the evenings, the IGC convened six public lectures: Managing natural resource rents – China and Africa (Professor Paul Collier and panel), Mobile phones for development (Diane Coyle and panel), Industrial productivity (Professor Chang-Tai Hsieh and panel), Agricultural revolution or industrial revolution? (Joel Kibazo and panel), the reform of education systems (Professor Michael Kremer and panel) and domestic resource mobilisation (Professor Tim Besley and panel).

Audience

The IGC was pleased to welcome policy makers from all of our partner countries. Ministries and departments represented included those of finance, planning, taxation, education, food and disaster management, agriculture, trade and investment, and energy. Senior decision-makers from the Banks of Rwanda, Uganda, Tanzania and Bangladesh attended, along with Ambassadors and High Commissioners.



In-country research institutes and think tanks included the Policy Research Institute of Bangladesh, the Institute of Statistical, Social and Economic Research in Ghana, the African Economic Research Consortium, World Vision, the Pakistan Institute of Development Economics and the Asian Development Research Institute.

The IGC's academic network brought researchers from leading institutions including Harvard, Yale, MIT, Columbia University, UCLA, Penn State, Chicago



Booth School of Business, Ladoke Akintola University of Technology, Addis Ababa University, the University of Ghana, Lahore School of Economics, the University of Gothenburg, LSE, Oxford University and IDS.

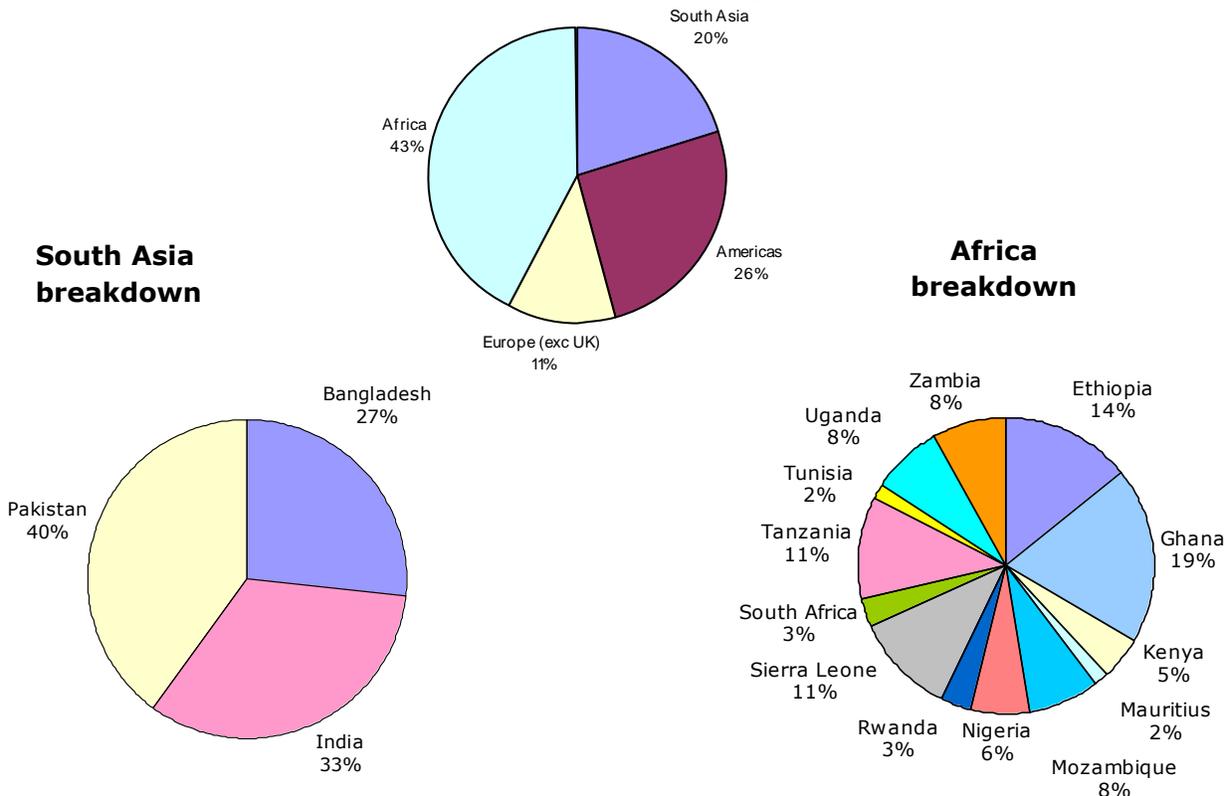


Also welcome were representatives and observers from the United Nations Development Programme (UNDP), the United Nations Industrial Development Organisation (UNIDO), the Food and Agricultural Organisation (FAO), the World Bank, the International Monetary Fund (IMF), the International Food Policy Research Institute (IFPRI) and the Overseas Development Institute (ODI). Finally, we were pleased to welcome our colleagues from the UK Department for International Development (DFID), both the central office and African offices.

Geographic Diversity

Growth Week brought together delegates from the following countries: Austria, Bangladesh, Belgium, Brazil, Chile, Ethiopia, France, Germany, Ghana, India, Ireland, Israel, Italy, Jamaica, Kenya, Lebanon, Mauritius, Mozambique, Nigeria, Pakistan, Portugal, Rwanda, Sierra Leone, South Africa, Sweden, Tanzania, The Netherlands, Tunisia, Uganda, United Kingdom, United States and Zambia.

Growth Week – Overseas delegates



Key policy outcomes include:

- The relationship between China and Africa is broadly a positive one. Resources-for-infrastructure deals mitigate the risk of governments' failure to reinvest natural resource revenues in public goods. Controlling the political battle over such revenues has proved extremely difficult, especially in Africa. The Chinese model leads to less revenue entering the state system, thereby ensuring governments remain motivated to build a strong tax base. Nonetheless, African countries – for whom natural resources present a huge development opportunity in the coming decades – can strengthen their negotiating strategy *vis à vis* China. Downside risks include assessing value for money in deals for which few other case studies are available, de-industrialisation, segmented labor markets, and concerns about governance and environmental outcomes. The scope for improvements is large.



- Mobile phones have opened up new opportunities in banking and 'm-money', information flows and public services. In Africa, they are proving particularly useful as a means of leapfrogging infrastructure constraints. But they should not be overhyped. Mobile phone technologies must be context-appropriate, with functions and purposes designed by and relevant for those that use them.



- Rising agricultural productivity is key to development, but its role is primarily to release labour for the non-agricultural sector, which has greater scope for productivity growth. However, countries with comparative advantage in commercial agriculture – most notably, Brazil – are showing that the sector can be an integral part of a high productivity growth strategy.
- Deeply landlocked countries like Rwanda, with a paucity of natural resources and outward trade routes, have little choice but to quickly and comprehensively improve the business and investment climate.
- Evidence from Ethiopia suggests that few SMEs expand into medium to large scale enterprises, which tend to emerge instead from trade into industry and foreign direct investment (FDI). Policy makers in comparable countries should be cautious about an over reliance on the SME sector as part of their industrialisation strategies.

- Public-private partnerships (PPPs) have seen a 7-fold increase in developing countries between 2006-08 as compared with 1990-92. But what determines whether a PPP is the right mode of investment? Factors to consider include: when fees cannot be charged but quality can be monitored, a PPP can be appropriate. If quality cannot be monitored, public provision is preferred. Policy makers should note that revenue lost by relinquishing income flows to the private sector can offset the investment savings. Chile has a wide range of PPP experiences – both positive and negative – which developing countries can learn from.



- Universal access to primary education, a Millennium Development Goal (MDG), is an achievable goal. We know how effective a number of instruments are in improving access – such as de-worming treatments, for instance – but very little about what instruments can improve education quality. Comparative studies of state versus private schools, including private schools outside the formal education system, are warranted. Researchers must be aware of the difficulties of isolating the private or public nature of the school/s under review from other factors. In addition, research must not neglect secondary, tertiary and vocational education.
- Building a stronger tax base helps governments reduce reliance on foreign inflows, and improves the accountability of government. Centralising and simplifying tax collection within a single agency, and broadening the base of economic activities, are both possible tools to boost tax revenue as a proportion of GDP.

Media

The event attracted considerable media interest, with coverage of speakers in Reuters, Bloomberg, the Guardian, the Financial Times and BBC radio.

Ghana says in talks with Chinese oil investors (Reuters)

<http://af.reuters.com/article/ghanaNews/idAFLDE68J1AM20100920?feedType=RSS&feedName=ghanaNews>

Guardian blog

<http://www.guardian.co.uk/global-development/poverty-matters/2010/sep/23/international-growth-agriculture-industry>

Bangladesh seeks \$1 bln IMF loan, eyes wealth fund (Reuters)

<http://in.reuters.com/article/idINIndia-51625020100920>

Video:

<http://link.reuters.com/gyg35p>

Sierra Leone sees sugar, palm oil key to growth (Reuters)

<http://af.reuters.com/article/investingNews/idAFJJOE68J0L820100920>

Ghana to Use Gas for Power, Chemicals to Expand Beyond Oil (Bloomberg)

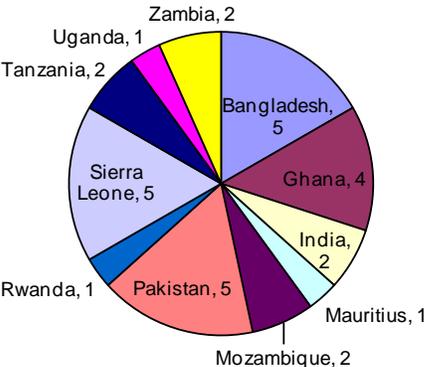
<http://sfgate.bloomberg.com/SFChronicle/Story?docId=1376-L91U2X0UQVI901-4PEIL5JS6LCG9P2END8HFB5P0I>

On the IGC website (www.theigc.org) you will find podcasts, papers and presentations from our conferences and workshops, which are being uploaded continually, as well as regular updates about our progress.

Growth Week: Policymakers

First Name	Last Name	Position, Institution	Country
Nasiruddin	Ahmed	Chairmen, National Board of Revenue, Government of Bangladesh	Bangladesh
Joe	Amoako-Tuffour	Ministry of Finance and Economic Planning Ghana	Ghana
Javaid	Aslam	Planning and Development Board Government of Punjab Pakistan	Pakistan
Emmanuel	Buah	Deputy Minister, Ministry of Energy, Government of Ghana	Ghana
David	Carew	Ministry of Trade and Industry Government of Sierra Leone	Sierra Leone
Patrick	Caulker	Chief Executive Officer, Sierra Leone Investment and Export Promotion Agency	Sierra Leone
Claver	Gatete	Vice Governor, National Bank of Rwanda	Rwanda
Fazlul	Hoque	Former President Bangladesh Knitwear Manufacturers and Exporters Association	Bangladesh
Alhassan	Iddrisu	Economic Planning Ministry Ghana	Ghana
Ahsan	Iqbal	Member of National Assembly, Pakistan	Pakistan
Denny	Kalyalya	Bank of Zambia	Zambia
Mugisha Gerase	Kamugisha	Director, Tanzania Revenue Authority, Government of Tanzania	Tanzania
Louis	Kasekende	Bank of Uganda	Uganda
Shamail	Khawaja	Secretary Excise and Taxation, Government of Punjab Pakistan	Pakistan
K P	Krishnan	Secretary, Economic Advisory Council to the Prime Minister India	India
Joe	Masawe	Bank of Tanzania	Tanzania
Sohail	Naqvi	Executive Director, Higher Education Commission of Pakistan	Pakistan
Lansana	Nyalley	Deputy Minister, Education Division Government of Sierra Leone	Sierra Leone
Emmanuel A	Opoku	Deputy Director of Research, Ghana Cocoa Board	Ghana
Atiur	Rahman	Governor, Bank of Bangladesh	Bangladesh
Mashiur	Rahman	Economic Affairs Advisor to Prime Minister of Bangladesh	Bangladesh
Mohammed Abdur	Razzaque	Minister of Food and Disaster Management Government of Bangladesh	Bangladesh
Lourenco Sebastiao	Sambo	Mozambique Investment Promotion Center	Mozambique
Amara Idara	Sheriff	Deputy Director General, Ministry of Agriculture Forestry and Food Security Governm	Sierra Leone
Rameshwar	Singh	Principal Secretary, Department of Finance, Government of India	India
Rama	Sithanen	Former Finance Minister of Mauritius and vice-Prime Minister of Mauritius	Mauritius
A R	Turay	Coordinator, Sierra Leone Strategy and Policy Unit, Government of Sierra Leone	Sierra Leone
Asad	Umar	Engro Corporation Ltd Pakistan	Pakistan
David	Phiri	Deputy Minister, Government of Zambia	Zambia
António	Gumende	Ambassador to Mozambique	Mozambique

Policy-makers by country



Policy-makers by sector

