SRMUN Charlotte 2015 Preserving Fundamental Human Rights: Our Responsibility to Protect April 9-11, 2015 Charlotte, NC afdb\_charlotte@srmun.org



Greetings Delegates,

Welcome to SRMUN Charlotte 2015! My name is J.B. Desselle and I am excited to be serving as your director for the African Development Bank (AfDB). This is my first time as a SRMUN Director. Previously, I served as the Assistant Director (AD) of SRMUN Atlanta 2014's General Assembly Plenary. I graduated in May 2014 from Valdosta State University with a Bachelor's of Fine Arts in Intercultural Communications and a minor in International Students. I currently am pursuing a Master's of Arts Degree in Conflict Resolution from the University of Denver. Our committee's AD will be Keith Brannum. This will be Keith's first time as a SRMUN staff member. He has previously been a delegate at our Atlanta 2013 conference in the Economic Commission for Africa and a delegate in our General Assembly Plenary committee for the previous two SRMUN Charlotte conferences. Keith is a graduate of the University of North Carolina at Asheville, where he majored in History with a minor in Political Science, and is currently a graduate student at North Carolina State University where he is pursuing a Master's in National Security.

The AfDB's mission is to promote sustainable economic development and combat poverty in Africa. It was founded in 1964 by regional Member States. Currently the AfDB is composed of 54 African Member States and 26 Non-African Member States. The AfDB works toward achieving its goals by mobilizing and allocating financial resources to regional member countries (RMCs) and providing technical and policy assistance to development programs.

By focusing on the mission of the AfDB and SRMUN's theme of "*Preserving Fundamental Human Rights: Our Responsibility to Protect*," we have developed the following topics for the delegates to discuss come conference:

- I. Addressing the Youth Employment Challenge
- II. Strengthening Intra-African Trade through Infrastructure Development and Investment

This background guide provides a strong introduction to both topics and should be utilized as a foundation for the delegate's independent research. While we have attempted to provide a holistic analysis of the issues, the background guide should not be used as the single mode of analysis for the topics. Delegates are expected to go beyond the background guide and engage in intellectual inquiry of their own. The position papers for the committee should reflect the complexity of these issues and their externalities. Delegations are expected to submit a position paper and be prepared for a vigorous discussion in April. Position papers should be no longer than two pages in length (single spaced) and demonstrate your Member State's position, policies and recommendations on each of the two topics. For more detailed information about formatting and how to write position papers, delegates can visit the SRMUN website (www.srmun.org). All position papers MUST be submitted no later than Friday, 20 March 2015 by 11:59pm EST via the SRMUN website.

Keith and I are enthusiastic about serving as your dais for the AfDB. We wish you all the best of luck in your conference preparation and look forward to working with you in the near future. Please feel free to contact Maricruz, Keith or myself if you have any questions while preparing for the conference. Finally, a special thank you to Silvia Trejo, who contributed significantly to this background guide.

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## History of the African Development Bank

The African Development Bank Group was founded to facilitate development efforts on the African continent through an agreement on 10 September 1964.<sup>1</sup> The African Development Bank (ADB), which preceded the African Development Bank Group, was formed on 4 August 1963 at the Khartoum, Sudan conference.<sup>1</sup> The 23 newly independent African States officially founded the African Development Bank Group in 1964, which is comprised of three institutions: The African Development Bank (AfDB), the African Development Fund (ADF), and the Nigerian Trust Fund (NTF).<sup>23</sup> Approximately two years later, on 1 July 1966, the AfDB became a fully functioning international organization and began to implement its mission.<sup>4</sup>

The mission of the AfDB is to promote sustainable economic growth and reduce poverty in Africa.<sup>5</sup> The AfDB supports many initiatives across Africa, including those from its Regional Member Countries (RMCs) and through a global effort from its non-regional Member as well.<sup>6</sup> The two main objectives of AfDB is "*mobilizing and allocating resources for investment in RMCs; and providing policy advice and technical assistance to support development efforts.*"<sup>7</sup> Staying true to its objectives, the AfDB mobilizes and allocates resources through its tenyear strategy plan, which focuses on five areas of African development including: Infrastructure Development & Regional Integration by fragile Member States, Regional Integration & Private Sector development with gender inequality cognizance, Private Sector Development and Governance & Accountability with regard to Agriculture & Food Security, and Skills & Technology advancement.<sup>8</sup> The AfDB is one of the five major global multilateral development banks in the world seeking positive social change through financial growth.<sup>9</sup>

AfDB's commitment to the economic advancement of Member States began at its inauguration when 20 of its participating Member States financed 65 percent of its capital stock, USD 250 million.<sup>10</sup> Access to financing for Member States is a primary motivation for the AfDB.<sup>11</sup> The AfDB seeks to expand the continent share of the global economy by focusing on:

"infrastructure development to help reduce the cost of doing business in Africa, help sustain a large and competitive regional industry, private sector development, a powerful instrument for the promotion of industrialization, improvements in institutional quality key for competitiveness, and economic sustainability, and knowledge generation and capacity building important to industrialize Africa."<sup>12</sup>

http://www.afdb.org/fileadmin/uploads/afdb/Documents/Financial-

Information/AfDB Group Financial Presentation - May 2014.pdf (accessed September 7, 2014).

<sup>&</sup>lt;sup>1</sup> "About Us," African Development Bank Group, <u>http://www.afdb.org/en/about-us/</u> (accessed August 26-27, 2014).

<sup>&</sup>lt;sup>2</sup> The Agreement that established the African Development Bank, http://www.afdb.org/fileadmin/uploads/afdb/Documents/Legal-Documents/Agreement%20Establishing%20the%20ADB%20final%202011.pdf (accessed August 26, 2014).

<sup>&</sup>lt;sup>3</sup> "About Us," African Development Bank Group, <u>http://www.afdb.org/en/about-us/</u> (accessed August 26-27, 2014).

<sup>&</sup>lt;sup>4</sup> African Development Bank (AfDB), <u>http://www.afdb.org/en/about-us/african-development-bank-afdb,/</u> (accessed August 26, 2014).

<sup>&</sup>lt;sup>5</sup> "Mission & Objective," African Development Bank Group, <u>http://www.afdb.org/en/about-us/mission-objective/</u> (accessed August 27-28, 2014).

<sup>&</sup>lt;sup>6</sup> Ibid.

<sup>&</sup>lt;sup>7</sup> Ibid.

<sup>&</sup>lt;sup>8</sup> AfDB Group Financial Presentation – May 2014,

<sup>&</sup>lt;sup>9</sup> African Development Bank in Brief, <u>http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/AfDB\_in\_Brief.pdf</u> (accessed August 25, 2014).

<sup>&</sup>lt;sup>10</sup> Ibid.

<sup>&</sup>lt;sup>11</sup> Ibid.

<sup>&</sup>lt;sup>12</sup> AfDB Group Financial Presentation – May 2014,

http://www.afdb.org/fileadmin/uploads/afdb/Documents/Financial-

Information/AfDB\_Group\_Financial\_Presentation\_-\_May\_2014.pdf (accessed September 7, 2014).

The AfDB's funds have substantially increased over time from the initial capital stock of USD 250 million to USD 2.9 billion in 1982.<sup>13</sup> In 1983, AfDB had access to USD 6.3 billion in funds.<sup>14</sup> Since then, the AfDB has continued to increase its capital stock to USD "22.3 billion barely five years later following a 200 percent Fourth General Capital Increase achieved in Cairo, Egypt, in June 1987" and then in 1998 at the Fifth General Capital Increase, the AfDB concluded with a record high of a 35 percent capital increase and "attributed 60 percent shareholding to regional countries and 40 percent to non-regional countries."<sup>15</sup>

In 1948, Africa's share of global trade was at eight percent, but it has since declined to approximately three percent.<sup>16</sup> International commerce and Africa's role in the global market has been a driving factor of the programs sponsored by the AfDB. Initially, AfDB membership was only open to independent African States, but membership to non-regional Member States was opened, in 1982, to expand African trade and economic relations abroad.<sup>17</sup>

Through regional collaboration the AfDB has helped establish other international organizations that focus on African Development through financial investments.<sup>18</sup> Regional organizations that frequently cooperate with the AfDB include but do not limit the Africa Re-insurance Corporation, Shelter Afrique, Association of African Development Finance Institutions (AADFI), Federation of African Consultants (FECA), the Africa Project Development Facility (APDF), the International Finance Company for Investments in Africa (SIFIDA), African Management Services Company (AMSCO), African Business Round Table (ABR), African Export-Import Bank (AFREXIMBANK), African Capacity Building Foundation, Joint Africa Institute, and the PTA Bank.<sup>19</sup>

AfDB has pursued institutional reforms that maximize efficiency and effectiveness to improve the quality of the services it provides Member States.<sup>20</sup> The current organizational structure was chosen to support efforts in Member States to build capacity and strengthen economic growth and the structural reforms have enhanced the AfDB's accountability and responsiveness in critical situations.<sup>21</sup>

## The following AfDB Member States are offered at SRMUN Charlotte 2015:

## **Regional Members:**

ALGERIA, , BENIN, BOTSWANA, BURKINA FASO, CHAD, COMOROS, CONGO, COTE D'IVORE, DJIBOTI, EGYPT, ETHIOPIA, GABON, KENYA, LIBYA, MAURITANIA, MOROCCO, NAMIBIA, NIGERIA, RWANDA, SIERRA LEONE, SOMALIA, SOUTH AFRICA, SUDAN, TUNISIA, and ZIMBABWE.

## **Non-Regional Members:**

ARGENTINA, AUSTRIA, BRAZIL, CANADA, CHINA, FRANCE, GERMANY, INDIA, ITALY, JAPAN, KOREA (REPUBLIC OF), KUWAIT, NETHERLANDS, SAUDI ARABIA, SPAIN, SWITZERLAND, TURKEY, UNITED KINGDOM, and the UNITED STATES OF AMERICA.<sup>22</sup>

<sup>&</sup>lt;sup>13</sup> African Development Bank Group: Building today, a better Africa tomorrow, <u>http://www.afdb.org/en/about-us/history/</u> (accessed November 1, 2014).

<sup>&</sup>lt;sup>14</sup> Ibid.

<sup>&</sup>lt;sup>15</sup> Ibid.

<sup>&</sup>lt;sup>16</sup> Action Plan for Boosting Intra-African Trade, <u>http://www.au.int/en/sites/default/files/Action%20Plan%20for%20boosting%20intra-African%20trade%20F-English.pdf</u> (accessed October 25, 2014).

<sup>&</sup>lt;sup>17</sup> African Development Bank in Brief, <u>http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/AfDB in Brief.pdf</u> (accessed August 25, 2014).

<sup>&</sup>lt;sup>18</sup> African Development Bank Group: Building today, a better Africa tomorrow, <u>http://www.afdb.org/en/about-us/afdbs-strategy/context/</u> (accessed October 31, 2014).

<sup>&</sup>lt;sup>19</sup> Ibid.

<sup>&</sup>lt;sup>20</sup> Structure, <u>http://www.afdb.org/en/about-us/structure/</u> (accessed November 5, 2014).

<sup>&</sup>lt;sup>21</sup> Ibid.

<sup>&</sup>lt;sup>22</sup> SRMUN Charlotte- Nations, SRMUN Charlotte 2015, "Preserving Fundamental Human Rights: Our Responsibility to Protect, April 9-11, 2015, <u>http://www.srmun.org/charlotte/nations.php</u> (accessed October 1, 2014).

# I. Addressing the Youth Employment Challenge

#### Introduction

The African continent represents a paradox of great vitality and immense poverty, especially among its youth (ages 14-30) who characterize 70% of the continent's entire population.<sup>23</sup> The challenge of youth unemployment has generated discussions about the economic future of Africa, and the international security implications of economic opportunities for young Africans, according to the International Labor Organization (ILO).<sup>24</sup> Africans between the ages of 14 and 25 are among the largest group of unemployed young people today and remain caught in a vicious cycle of unemployment and poverty that is exacerbated by the 2008 global recession, and slow recovery.<sup>25</sup> The inability to engage young people in productive economic behaviors leaves most African States bereft of capacity for successful engagement in globalization and thus adds further to the issue at hand.<sup>26</sup> Africa epitomizes a world caught between the aspirations for prosperity and the continuous conflicts that ravage the continent, restricting economic development. The lack of jobs has stunted growth, keeping individual Member States and regions from escaping poverty and continued political and social violence.<sup>27</sup> Youth unemployment is an important aspect to this economic and security puzzle and has contributed to increased violence, and reduced economic stability throughout Africa.<sup>28</sup> Resolving these issues requires a thorough discussion of the recent history and demographical dimensions of African labor markets, followed by addressing both the lost opportunities, and the increasing risk of youth radicalization due to slumping economic conditions.

#### History

The rising African generation, known as the "Cheetah Generation," a term used to describe the young, diverse, and heavily connected group of Africans that are currently inheriting the labor market, faces an environment of extreme poverty, but possesses an incredible resilience in pursuit of economic opportunities. According to the African Center, young Africans are willing to spend half of what they earn to buy a cellphone in order to tap into international markets, and take advantage of technologies for economic advancement.<sup>29</sup> The "Cheetah Generation" was characterized by the ILO as aspirational, increasingly connected to each other, participating in the globalized world via the Internet, but deeply alienated by the conditions of their individual Member States and the deep economic injustice of their societies.<sup>30</sup> Despite their positive qualities, however, Cheetahs are restricted by macroeconomic and social trends that affect prospects of joining the labor force.<sup>31</sup> Available opportunities for working youth are based on three factors: 1) the rural vs. urban environments and level of access for wage jobs, 2) the conflict between wage-paying jobs in the formal economy and the traditional domestic jobs such as subsistence

 <sup>25</sup> Youth Employment Interventions in Africa, International Labour Organization, 2012, pgs. 1-4, <u>http://www.ilo.org/wcmsp5/groups/public/---africa/documents/publication/wcms\_206325.pdf</u> (accessed November 1, 2014).

<sup>26</sup> Education and Skills Mismatch, African Economic Outlook, 2012, <u>http://www.africaneconomicoutlook.org/theme/youth\_employment/education-skills-mismatch/</u> (accessed October 14, 2014).

content/uploads/2012/03/PreventingYouthRadicalizationProgramReport-2012.pdf (accessed November 2, 2014).
<sup>28</sup> Ibid

 <sup>&</sup>lt;sup>23</sup> Regional Overview: Youth in Africa, United Nations, <u>http://social.un.org/youthyear/docs/Regional%20Overview%20Youth%20in%20Africa.pdf</u> (accessed November 8, 2014)

<sup>&</sup>lt;sup>24</sup> Ibid.

<sup>&</sup>lt;sup>27</sup> Preventing Youth Radicalization in East Africa, pgs. 7-8, <u>http://africacenter.org/wp-</u>

<sup>&</sup>lt;sup>29</sup> Ibid, pgs. 7-8

<sup>&</sup>lt;sup>30</sup> Youth Employment Interventions in Africa, International Labour Organization, 2012, pg. 6,

http://www.ilo.org/wcmsp5/groups/public/---africa/documents/publication/wcms\_206325.pdf (accessed November 1, 2014).

<sup>&</sup>lt;sup>31</sup> Ibid.

farming, and 3) the gender gap, governing by social of gender roles.<sup>32</sup> Job shortages continue to occur even in the face of upward trending economic growth.<sup>33</sup>

Young workers are moving to cities across Africa, which contributes to the massive urbanization trend across the continent.<sup>34</sup> According to the African Development forum, some African Member States, such as Nigeria and South Africa, are among some of the fastest growing economies in the world with a seven percent growth in Gross Domestic Product (GDP) this year alone.<sup>35</sup> Yet, fiscal growth has been unable to meet the job expectations of urban youth, who pay higher rents and living costs, lack the family structures that keep rural youth afloat and access to essential social services.<sup>36</sup> Urban dwellers have access to higher levels of education, more modern amenities, participate in popular culture, and engage in public life. In contrast, rural youth live a more subsistent lifestyle in traditional villages, where they work on family farms without access to the larger labor markets in the cities.<sup>37</sup> Other families have sent many of their children abroad to study, allowing a few to escape the cycle of poverty by living and working in the West or Far East. The occurrence of "brain drain," or loss of highly educated people to other Member States via emigration due to lack of employment, better opportunities abroad, etc., is evident of Africa's inability to establish a market for highly-skilled jobs that is sustainable against the technologically advanced developed world.<sup>38</sup>

The gender dimension of youth unemployment represents another part of the complex economic issues that plague labor markets and restrict economic growth. Women suffer a disproportionately higher unemployment rate than their male counter parts, though labor statistics on the activities of women are not complete due to poor data collection and institutions for such activities are lacking.<sup>39</sup> Yet, according to the African Centre for Gender and Development, women do not have access to most formal sector jobs, or to human resource services such as: formal education, healthcare, employment services, etc. Most women are employed in labor-intensive agriculture, or as part of the informal economy, where low or no wage jobs exist. Consequently, women are left to play customary roles that are part of male dominated society.<sup>40</sup> The expected gender roles of men and women that have persisted create further challenges, especially in rural areas where there is less opportunity, and conservative African values create barriers to a young woman's educational and economic development.<sup>41</sup> Statutory laws are not strong enough to overturn customs, and government(s) are not strong enough to guarantee even the limited economic rights afforded to women in the formal and informal economy. Such factors keep young women in Africa outside of the globalized economy and constitute a potential deadweight outside of the villages from which they live.

Placing the Cheetah Generation in the macroeconomic context of the African economy sheds light on a labor market that varies widely across regions and sub regions of the continent. According to the World Bank, utilizing data from the United States of America's (USA) Census Bureau, there are 250 million youth who are considered unemployed,

<sup>33</sup> Ibid.

<sup>&</sup>lt;sup>32</sup> Youth Employment in Sub-Saharan Africa, World Bank, 2014, pgs. 1-2, <u>http://www-</u> wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2014/01/22/000333037\_20140122102826/Rendere d/PDF/840830V10Youth0SSA0Overview0English.pdf (accessed October 14, 2014).

<sup>&</sup>lt;sup>34</sup> Address the Youth Employment Challenge, The World Bank, December 10, 2013, <u>http://www.worldbank.org/content/dam/Worldbank/Event/safetynets/2.%20Lundberg\_Honorati%20Youth%20Employ</u> ment%20Challenge.pdf (accessed October 14, 2014).

<sup>&</sup>lt;sup>35</sup> Ibid.

<sup>&</sup>lt;sup>36</sup> Ibid.

<sup>&</sup>lt;sup>37</sup> Regional Overview: Youth in Africa, United Nations,

http://social.un.org/youthyear/docs/Regional%20Overview%20Youth%20in%20Africa.pdf (accessed November 8, 2014).

<sup>&</sup>lt;sup>38</sup> Ibid

<sup>&</sup>lt;sup>39</sup> Christiana Okojiee, *Employment Creation for Youth in Africa: the Gender Dimension*, University of Benin, Benin City, Benin, 2014, pgs. 2-4,

http://yesweb.org/2006/Publications\_Papers%20\_august%203\_2006/Building%20an%20Entrepreneurial%20Culture/T\_he%20Gender%20Dimension%20of%20Entrepreneurship/Employment%20Creation%20for%20Youth%20in%20Afric\_a%20The%20Gender%20Dimension.pdf (accessed November 15, 2014).

<sup>&</sup>lt;sup>40</sup> Ibid, pgs. 2-4

<sup>&</sup>lt;sup>41</sup> Ibid, pgs. 2-4

underemployed, or not in a job that pays a full-time, living wage.<sup>42</sup> Underemployment is the condition where a person is not able to obtain full employment level, based on the ILO Employment Policy Convention of 1964, stating that a person is underemployed if:

"(i) there is work for all persons who are willing to work and look for work; (ii) that such work is as productive as possible; and (iii) that they have the freedom to choose the employment and that each workers has all the possibilities to acquire the necessary skills to get the employment that most suits them and to use in this employment such skills and other qualifications that they possess. The situations which do not fulfil objective (i) refer to unemployment, and those that do not satisfy objectives (ii) or (iii) refer mainly to underemployment."<sup>43</sup>

The magnitude of unemployment and underemployment effects on African society is dependent on density which currently is focused on major metropolitan centers through Sub-Saharan Africa.<sup>44</sup> The major reason for urban growth is the migration of youth to urban areas. Migration contributes to increased poverty and unstable security environments.<sup>45</sup> Several studies have linked high level of unemployed youth with the increased probability of violent conflict, because of youth's predisposition to radicalization.<sup>46</sup> These trends are much higher in resource rich Member States where extraction is the primary industry, a major contribution to the phenomenon known as the "resource curse."<sup>47</sup>

Young Africans are forced to work within a narrow labor market, where the agricultural and the manufacturing sectors are not large enough to accommodate highly educated youth.<sup>48</sup> The result is that African youth is not able to stay idle, because they have to supply the necessary food, shelter and other resources to fulfill basic human needs.<sup>49</sup> As a result, youth are forced to participate in informal markets, or contributing to domestic instability within individual Member States.<sup>50</sup> Without the broad safety nets found in larger, upper income Member States (food relief, low-income housing, unemployment benefits, public schools, public healthcare), most Africans are forced to work, even in subsistence living jobs, which contribute to a very low unemployment rate (according to the World Bank, three percent).<sup>51</sup> Many depend on family units for social support, or peer groups in cities, pooling resources to

<sup>42</sup> Regional Overview: Youth in Africa, United Nations,

http://social.un.org/youthyear/docs/Regional%20Overview%20Youth%20in%20Africa.pdf (accessed November 8, 2014).

<sup>&</sup>lt;sup>43</sup> International Employment Policy Convention of 1964. International Labor Organization. <u>http://www.ilo.org/global/statistics-and-databases/statistics-overview-and-topics/underemployment/lang--en/index.htm</u> (accessed November 8, 2014).

 <sup>&</sup>lt;sup>44</sup> Regional Overview: Youth in Africa, United Nations
 <u>http://social.un.org/youthyear/docs/Regional%20Overview%20Youth%20in%20Africa.pdf</u> (accessed November 8, 2014).

<sup>&</sup>lt;sup>45</sup> Address the Youth Employment Challenge, The World Bank, December 10, 2013, <u>http://www.worldbank.org/content/dam/Worldbank/Event/safetynets/2.%20Lundberg\_Honorati%20Youth%20Employ</u> <u>ment%20Challenge.pdf</u> (accessed October 14, 2014).

<sup>&</sup>lt;sup>46</sup> Youth Unemployment And Political Instability In Selected Developing Countries, African Development Bank Group, May, 2013, <u>http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/Working Paper 171 -</u> Youth Unemployment and Political Instability in Selected Developing Countries.pdf (accessed November 8, 2014).

<sup>&</sup>lt;sup>47</sup> Ibid

<sup>&</sup>lt;sup>48</sup> Youth Employment in Sub-Saharan Africa, World Bank, 2014, pg. 6, <u>http://www-</u>

wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2014/01/22/000333037\_20140122102826/Rendere d/PDF/840830V10Youth0SSA0Overview0English.pdf (accessed October 14, 2014).

<sup>&</sup>lt;sup>49</sup> Ibid, pg. 3.

<sup>&</sup>lt;sup>50</sup> Marc Sommers, Urbanization, War, and Africa's Youth Risk, Creative Associates International Inc. Washington, DC, 2003, pg. 2, <u>http://www.beps.net/publications/beps-urbanizationwaryouthatrisk-.pdf</u> (accessed November 14, 2014).

<sup>&</sup>lt;sup>51</sup> Youth Employment in Sub-Saharan Africa, World Bank, 2014, pgs. 2-4, http://www-

wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2014/01/22/000333037\_20140122102826/Rendere d/PDF/840830V10Youth0SSA0Overview0English.pdf (accessed October 14, 2014).

provide the minimum standards for personal and economic subsistence.<sup>52</sup> When looking at subsets of youth, college graduates and those who come from high income families have the highest unemployment rates, because they fall to a traditional measure of underemployment.<sup>53</sup> However, policymakers need to view the overall situation in two distinct ways: Human security and how high youth unemployment contributes to regional instability, and the potential for an African labor force to attract economic development to the continent, while addressing the ways policies can be implemented.

## **Current** Situation

## The Youth Bulge and Political Instability

Youth unemployment plays a large role in producing social unrest in vulnerable Member States, where the existence of corruption, lack of protected legal property rights, low job growth, and high population density produce a higher likelihood for civil conflict and war.<sup>54</sup> The lack of job security, idleness of youth workers, and the size of the youth population that is capable of organizing for political purposes is a major threat to the economic and political security of individual African States. These "youth bulges," or large youth populations resulting from high fertility among mothers and low infant mortality rates, contribute to civil unrest and conflict to varying degrees.<sup>55</sup> In East Africa, one of the fastest growing areas of the continent, cities are experiencing a high concentration of migrants that, by 2025, will make half of all East Africans urban dwellers.<sup>56</sup> Young men here have been recruited by groups like Al-Shabab as terrorists in war-torn Somalia, which has created a terrorism component to African security.<sup>57</sup>

Cheetahs are vulnerable to radicalization by violent political groups, because there are few jobs for even educated youth who have weak ties to traditional society. The Africa Center for Strategic Studies, a think-tank organization that studies security issues facing the African continent, reported that violent extremist organizations (VEO) prey upon youth through a variety of appeals, centered on socioeconomic opportunities and political agitation.<sup>58</sup> Groups like the Somali group Al-Shabab, are prime recruiters of jobless youth who believe their future uncertain and that civil society is too weak to provide social services and economic opportunities.<sup>59</sup> The Internet is a major tool that VEOs use to radicalize young people, who are the most prominent users of information technology relative to all other age groups, which include the Cheetahs. Exposure to popular culture i.e. music, film, and art from abroad via computer influence working youth at the same time that traditional family structures have declined, and the labor market being unable to absorb them, as discussed earlier.<sup>60</sup> Finally, the lure of religious inspired appeals by VEOs towards disaffected youth, further alienated by corruption and nepotism in national governments bring new recruits to both Islamist groups and local rebels groups that brand themselves effectively, and penetrate social groups

wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2014/01/22/000333037\_20140122102826/Rendered/PDF/840 830V10Youth0SSA0Overview0English.pdf (accessed October 14, 2014).

<sup>55</sup> Youth Employment in Sub-Saharan Africa, World Bank, 2014, pgs. 2-3, <u>http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2014/01/22/000333037\_20140122102826/Rendere</u> d/PDF/840830V10Youth0SSA0Overview0English.pdf (accessed October 14, 2014).

<sup>&</sup>lt;sup>52</sup> Youth Employment in Sub-Saharan Africa, World Bank, 2014, pg. 5, <u>http://www-</u>

<sup>&</sup>lt;sup>53</sup> Ibid, pg. 6.

<sup>&</sup>lt;sup>54</sup> Marc Sommers, *Urbanization, War, and Africa's Youth Risk*, Creative Associates International Inc. Washington, DC, 2003, pgs. 1-2, <u>http://www.beps.net/publications/beps-urbanizationwaryouthatrisk-.pdf</u> (accessed November 14, 2014).

<sup>&</sup>lt;sup>56</sup> Ibid, pg. 4.

 <sup>&</sup>lt;sup>57</sup> Regional Overview: Youth in Africa, United Nations, <u>http://social.un.org/youthyear/docs/Regional%20Overview%20Youth%20in%20Africa.pdf</u> (accessed November 8, 2014).

<sup>&</sup>lt;sup>58</sup> Preventing Youth Radicalization in East Africa, pgs. 7-8, <u>http://africacenter.org/wp-</u>

content/uploads/2012/03/PreventingYouthRadicalizationProgramReport-2012.pdf (accessed November 2, 2014).

<sup>&</sup>lt;sup>59</sup> Ibid, p. 7-8

<sup>&</sup>lt;sup>60</sup> Ibid, p. 7-8.

effectively with recruiters.<sup>61</sup> Young people are more likely to join a radical organization than older adults, causing a greater potential for civil conflict and violent war.<sup>62</sup>

Kenya is the best example of a Member State that suffers from four basic problems: lack of strong domestic security, youth radicalization, weak border security, and lack of coordination between Member State domestic security forces fighting radical groups. However, Kenya has also come a long way in establishing best practices to address these problems, particularly through its ongoing conflict with jihadists in Somalia.<sup>63</sup> Kenya is the southern neighbor of Somalia, where a condition of civil war has raged since 1991 between tribal organizations and Islamist militias.<sup>64</sup> Al-Shabab, alongside domestic groups like the Mombasa Republican Council, has increasing appeal among disaffected young people.<sup>65</sup> These VEOs use social media to recruit followers and spread propaganda to further radicalize and drive recruitment.<sup>66</sup> Internationally, the Islamic State of Iraq and the Levant (ISIL) has demonstrated through using the Internet how to draw young people from across the world to its cause under common messages and promise of an understanding community. Even with deploying Kenyan forces into Somalia as part of the African Union (AU) response to the 2012 Mall Shootings, it has not eliminated the potential threat posed from loitering youth in the informal sector (i.e. black markets).<sup>67</sup> Currently, there lacks two approaches to addressing the issue: 1) a lack of multi-sectorial cooperation among individual governments (including civil societies) to engage with the informal sector and offer alternatives to Cheetahs in the form of employment, education, and other basic needs, and 2) considerably strengthened multinational efforts to secure borders and reduce the effectiveness of VEOs that operate in destabilized territories, including Somalia.<sup>68</sup>

#### The Challenges for New Labor

Despite problems that youth unemployment creates for policymakers and governments in maintaining political and social order, Cheetahs have the potential to create greater economic opportunities for African Member States.<sup>69</sup> This is attributed to Africa's peculiar age distribution that has more than half the population between the ages of 15 and 25.<sup>70</sup> Other major manufacturers and economic leaders, especially Japan, China, and the Asian Tigers have an age distribution that is skewed towards the 65 plus age group.<sup>71</sup> The disparity between the two workforces, caused by rising to falling birthrates, places African youth in the labor market as being highly in demand, relative to their counterparts. Yet, even if African migrants were to search for jobs in these more advanced economies, they may not be able to gain positions relative to their education, and forced to take lower wage jobs that, while an improvement over their homeland, still barely provide an adequate standard of living.<sup>72</sup>

Despite openings for young Africans to seize a sizable share of the global labor market, the sociopolitical environment restricts economic growth and investment that would bring jobs to resource rich African Member

content/uploads/2012/03/PreventingYouthRadicalizationProgramReport-2012.pdf (accessed November 2, 2014).

<sup>&</sup>lt;sup>61</sup> "The Internet as a Terrorist Tool for Recruitment and Radicalization of Youth." Homeland Security Institute. Arlington, VA, 2009. Pgs. 3-5, <u>http://www.homelandsecurity.org/docs/reports/Internet\_Radicalization.pdf</u> (accessed December 12, 2014).

<sup>&</sup>lt;sup>62</sup> Preventing Youth Radicalization in East Africa, pg. 10, <u>http://africacenter.org/wp-</u>

 <sup>&</sup>lt;u>content/uploads/2012/03/PreventingYouthRadicalizationProgramReport-2012.pdf</u> (accessed November 2, 2014).
 <sup>63</sup> Preventing Youth Radicalization in East Africa, pg. 10, <u>http://africacenter.org/wp-</u>

 <sup>&</sup>lt;sup>64</sup> Anneli Botha, *Radicalization in Kenya: Recruitment to Al-Shabaab and the Mombasa Republican Council*, Institute of Security Studies, 2014, pgs. 1-2, <u>http://www.issafrica.org/uploads/Paper265.pdf</u> (accessed November 15, 2014).

<sup>&</sup>lt;sup>65</sup> Ibid, pgs. 1-2.

<sup>&</sup>lt;sup>66</sup> The Internet as a Terrorist Tool for Recruitment and Radicalization of Youth. Homeland Security Institute. Arlington, VA, 2009. Pgs. 1-2, <u>http://www.homelandsecurity.org/docs/reports/Internet\_Radicalization.pdf</u> (accessed December 12, 2014).

<sup>&</sup>lt;sup>67</sup> Preventing Youth Radicalization in East Africa, pgs. 17-18, <u>http://africacenter.org/wp-</u>

<sup>&</sup>lt;u>content/uploads/2012/03/PreventingYouthRadicalizationProgramReport-2012.pdf</u> (accessed November 2, 2014). <sup>68</sup> Ibid, pgs. 18-20.

<sup>&</sup>lt;sup>69</sup> Youth Employment in Sub-Saharan Africa, World Bank, 2014, pgs. 3-4, <u>http://www-</u> wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2014/01/22/000333037\_20140122102826/Rendere

<sup>&</sup>lt;u>d/PDF/840830V10Youth0SSA0Overview0English.pdf</u> (accessed October 14, 2014).

<sup>&</sup>lt;sup>70</sup> Ibid, pg. 3.

<sup>&</sup>lt;sup>71</sup> Ibid, pg. 3.

<sup>&</sup>lt;sup>72</sup> Ibid, pg. 3-4.

States.<sup>73</sup> Furthermore, the education that is designed around vocational programs, as attempted by current governments, will not provide skills applicable to the rapidly changing global market, which requires post-secondary education in a wider variety of skill sets.<sup>74</sup> The trend in unemployment among educated young Africans is that the unemployment rate is higher among youth compared to adults, called the "greying effect," unless they have post-secondary degree with a favorable local labor market.<sup>75</sup> The skills mismatch applies to the outward migration of talent and skilled labor abroad, as youth education does not provide skills applicable to the African economy largely based in agribusiness and resource extraction.<sup>76</sup> The existence of informal economies within national markets provides unemployed youth with the opportunity to survive, especially in urban areas. Groups that participate in black markets are filled with youth whose expectations and education trained them for white collar jobs, greatly restricting their opportunities in a blue collar and agrarian job market. This contributes to crime and socialization outside of normal civil society, with accepted norms becoming the exception, and trust between citizens and the government increasingly absent.<sup>77</sup>

Finally, Member States that are not resource rich have a greater challenge building economic foundations for growth and have to invest in a larger base of skilled and diversified labor.<sup>78</sup> Nigeria, for instance, has a large supply of oil that brings stronger revenue streams, relieving the government of urgent needs to provide social assistance or invest in a diversified workforce.<sup>79</sup> However, research shows that little of the revenue is invested back into the economy, instead pocketed by such persons as rent collectors and tribal leaders in the Niger Delta region.<sup>80</sup> Even though youth workers agitate regularly for services, jobs, and education, including resorting to violent action against government troops, each administration has failed (in some cases, neglected to try) to relieve their plight, leaving Nigeria impoverished and ill prepared to compete in a post-oil world.<sup>81</sup> South Africa, opposite of Nigeria, has moved beyond emphasis on unskilled labor at the primary level of education.<sup>82</sup> Instead, South Africa has developed stronger secondary schools, coupled with technological investments in the manufacturing sector of the economy.<sup>83</sup> Yet, while creating South Africa's trade-based economy (similar to the export policies of the Asian Tigers) and tying education to the needs of the government's directed economic policies, reducing unemployment across the spectrum, South Africa still possesses a 60 percent unemployment rate among urban youth.<sup>84</sup>

## International Action

Many African governments have tried to address the current youth unemployment as both a domestic security risk and an economic resource to tap for future growth. Member States like Nigeria, South Africa, and Kenya have

<sup>&</sup>lt;sup>73</sup> Education and Skills Mismatch, African Economic Outlook, 2012,

http://www.africaneconomicoutlook.org/theme/youth\_employment/education-skills-mismatch/ (accessed October 14, 2014).

<sup>&</sup>lt;sup>74</sup> Ibid.

<sup>&</sup>lt;sup>75</sup> Education and Skills Mismatch, African Economic Outlook, 2012,

http://www.africaneconomicoutlook.org/theme/youth\_employment/education-skills-mismatch/ (accessed October 14, 2014).

<sup>&</sup>lt;sup>77</sup> Ibid.

<sup>&</sup>lt;sup>78</sup> Chukwuma Osakwe, *Youth Unemployment, Youth, and National Security*, International Journal of the Humanities and Social Science, 2013, pgs.260-262, <u>http://www.ijhssnet.com/journals/Vol 3 No 21 [Special Issue December 2013]/28.pdf</u> (accessed November 28, 2014).

<sup>&</sup>lt;sup>79</sup> Annegret Mahler, Nigeria: A Prime Example of the Resource Curse? Revisiting the Oil-Violence Link in the Niger Delta, German Institute of Global and Area Studies, No. 120. Hamburg, 2010, pgs. 14-26, <u>http://www.giga-hamburg.de/en/system/files/publications/wp120\_maehler.pdf</u> (accessed December 12, 2014).

<sup>&</sup>lt;sup>80</sup> Ibid, pgs.17-19.

<sup>&</sup>lt;sup>81</sup> Chukwuma Osakwe, Youth Unemployment, Youth, and National Security, International Journal of the Humanities and Social Science, 2013, pgs.260-262, <u>http://www.ijhssnet.com/journals/Vol\_3\_No\_21\_[Special\_Issue\_December\_2013]/28.pdf</u> (accessed November 28, 2014).

<sup>&</sup>lt;sup>82</sup> Education and Skills Mismatch, African Economic Outlook, 2012, <u>http://www.africaneconomicoutlook.org/theme/youth\_employment/education-skills-mismatch/</u> (accessed October 14, 2014).

<sup>83</sup> Ibid.

<sup>&</sup>lt;sup>84</sup> Marc Sommers, Urbanization, War, and Africa's Youth Risk, Creative Associates International Inc. Washington, DC, 2003, pg. 2, <u>http://www.beps.net/publications/beps-urbanizationwaryouthatrisk-.pdf</u> (accessed November 14, 2014).

developed education and job training initiatives that focus on various vocational and scientific skills.<sup>85</sup> Many of these programs look to train youth for general labor and skill-based jobs that do not require traditional postsecondary education, such as farming, masonry, welding, construction, etc.<sup>86</sup> Some programs focus on information technology (IT) jobs that prepare some of the more educated young people to work in the growing IT sectors on the continent and abroad.<sup>87</sup> All of these efforts are part of the broader African movement to support African youth, characterized by the African Plan of Action for Youth Empowerment and Development.<sup>88</sup> Based on the African Youth Charter that was approved in 2011 by the African Community, the framework promotes a multi-faceted approach to youth engagement and development, based on economic rights, human rights, and various other legal principles that promote youth development.<sup>89</sup> While the tangible executions of this program are small, such as Youth Councils and Networks that provide coordination between public and private groups to develop program policies, the momentum is both national and across the AU.<sup>90</sup> Programs such as small Farm Credit Loan Services (FCLS) and fostering the growth of private schools have improved local opportunities for youth to make a living and gain an education suitable for the rural context.<sup>91</sup>

There are many multinational efforts by African Member States and United Nations (UN) agencies to coordinate regional programs for development, recognizing youth unemployment as a transnational issue. Many UN organizations have been historically working towards managing youth unemployment and reverse the growth of unemployed youth in Africa. These bodies have acted under the auspices of UN frameworks, resolutions and mandates that provide key goals for addressing this major threat to African stability, including but not limited to the Millennium Development Goals (MDGs) and the 2000 Dakar Framework For Action On Education For All.<sup>92</sup> These partners have included, among others, the Economic Commission for Africa (ECA), the United Nations Children's Fund (UNICEF), the United Nations Development Programme (UNDP), the ILO, and the United Nations Educational, Scientific and Cultural Organization (UNESCO).<sup>93</sup> The Regional Coordination Mechanism (RCM) takes all active UN agencies, partners, and government institutions across several Member States towards specific projects and initiatives.<sup>94</sup> Coordinated efforts by so many actors bring resources hitherto unavailable, guided by regional goals and existing policy objectives, to support from the AU.<sup>95</sup>

Local partnerships with the AU and national governments are currently underway in Malawi, which undertook a vocational training program promoting Higher Education, Science and Technology (HEST) Program.<sup>96</sup> While results from this program have not been appraised, it demonstrates a local commitment by African States to diversify their labor market and create economic opportunities for post-secondary students.<sup>97</sup> East African States have launched cooperative programs through Small Industrial Development Organizations (SIDO), transnational

<sup>&</sup>lt;sup>85</sup> Education and Skills Mismatch, African Economic Outlook, 2012,

http://www.africaneconomicoutlook.org/theme/youth\_employment/education-skills-mismatch/ (accessed October 14, 2014).

<sup>&</sup>lt;sup>86</sup> Ibid.

<sup>&</sup>lt;sup>87</sup> Ibid.

<sup>&</sup>lt;sup>88</sup> African Plan of Action for Youth Empowerment and Development, African Union, May 2011, pgs. 1-3, <u>http://africa-youth.org/sites/default/files/African%20Youth%20Decade%20Plan%20of%20Action.pdf</u> (accessed November 15, 2014).

<sup>&</sup>lt;sup>89</sup> Ibid, pgs. 1-3.

<sup>&</sup>lt;sup>90</sup> Youth Employment Interventions in Africa, International Labour Organization, 2012, pgs. 3-6, <u>http://www.ilo.org/wcmsp5/groups/public/---africa/documents/publication/wcms\_206325.pdf</u> (accessed November 1, 2014).

<sup>&</sup>lt;sup>91</sup> Ibid, pgs. 15-16.

<sup>&</sup>lt;sup>92</sup> Regional Overview: Youth in Africa, United Nations,

http://social.un.org/youthyear/docs/Regional%20Overview%20Youth%20in%20Africa.pdf (accessed November 8, 2014).

<sup>93</sup> Ibid.

<sup>&</sup>lt;sup>94</sup> Youth Employment Interventions in Africa, International Labour Organization, 2012, pg. 7,

http://www.ilo.org/wcmsp5/groups/public/---africa/documents/publication/wcms\_206325.pdf (accessed November 1, 2014).

<sup>95</sup> Ibid.

<sup>&</sup>lt;sup>96</sup> Support to Higher Education Science & Technology & Technical, Entrepreneurship and Vocational Education Project, African Development Bank (AfDB), July 23, 2012, <u>http://www.afdb.org/en/projects-and-operations/project-portfolio/project/p-mw-iad-001/</u> (accessed October 14, 2014).

<sup>97</sup> Ibid.

networks of small businesses to help recruit educated youth.<sup>98</sup> In Tanzania alone, 1.27 million jobs have been created, though this may be the exception rather than a rule.<sup>99</sup> All these programs have shortcomings, including funding, infrastructural development, and social stability; nevertheless, such initiatives have provided small microcosms from which stronger local and regional development and job programs are developed.<sup>100</sup>

#### Conclusion

The Cheetah Generation poses the greatest prospect for Africa's success, along with the most significant threat to security on the continent and its Member States.<sup>101</sup> They share a fundamental desire for advancement, but lack the educational and skills background focused on Africa's unique economic conditions, attracted instead to more comparable markets in Europe, East Asia, and North America.<sup>102</sup> For those who cannot escape poverty in the cities or rural disposition, the prospect of radicalization by VEOs and opponents of the political system who, dissatisfied with the current political environment, have turned to violence to achieve political solutions.<sup>103</sup> Finally, the continuity of informal markets and forced employment in subsistence wage jobs restrict economic growth and endanger capitalist societies through producing consistent market failures, which civil society is unable to cope with in most Member States.<sup>104</sup> This situation is most persistent in resource rich Member States, like Nigeria, Angola, and the Democratic Republic of the Congo (DRC), where the extracted resource revenues line the pockets of political elites instead of being invested in economic drivers, like education and infrastructure.<sup>105</sup>

#### **Committee Directive**

The current challenges facing Africa's economic future are pressing in the face of increasingly globalized markets, more open to aberrations in international markets, and increasing inequality of wealth. Furthermore, the continent cannot begin to address economic development without ensuring an environment where political and social stability exists, coupled with effective economic policies. The African Community shares the post-colonial experience of instability, war, social unrest, and self-discovery of its own place in the global community. The task requires addressing several complex issues on local, national, regional, and continental scales. How can youth unemployment be addressed in these different contexts? Are these issues better addressed by individual Member States, or collectively by region or Africa as a whole? In this time of economic slowdown, how can Africa develop labor markets to account for the large groups of displaced and unemployed youth? If jobs can be created, what educational, social safety nets, and training programs will benefit Africa's unique economic needs? When considering African security, how can we defuse the appeal that radical groups hold among working youth? What political reforms, if necessary, are required to create a stronger workforce in safer economic conditions? Member States that suffer from the resource curse should consider how they develop more secure socio-economic growth, reduce violence, and develop stronger economic ties with their neighbors. All Member States should consider infrastructural improvements, commitment to education, and research and development policies for national and regional growth. These questions should be considered in the African context, with limited attention to how it

98 Regional Overview: Youth in Africa, United Nations,

http://social.un.org/youthyear/docs/Regional%20Overview%20Youth%20in%20Africa.pdf (accessed November 8, 2014).

<sup>101</sup> Youth Employment Interventions in Africa, International Labour Organization, 2012, pgs. 1-2, <u>http://www.ilo.org/wcmsp5/groups/public/---africa/documents/publication/wcms\_206325.pdf</u> (accessed November 1, 2014).

<sup>&</sup>lt;sup>99</sup> Ibid.

<sup>&</sup>lt;sup>100</sup> Ibid.

<sup>&</sup>lt;sup>102</sup> Ibid, pgs. 1-2.

<sup>&</sup>lt;sup>103</sup> Preventing Youth Radicalization in East Africa, pgs. 13-16, <u>http://africacenter.org/wp-</u> content/uploads/2012/03/PreventingYouthRadicalizationProgramReport-2012.pdf (accessed November 2, 2014).

<sup>&</sup>lt;sup>104</sup> Education and Skills Mismatch, African Economic Outlook, 2012, <u>http://www.africaneconomicoutlook.org/theme/youth\_employment/education-skills-mismatch/</u> (accessed October 14, 2014).

<sup>&</sup>lt;sup>105</sup> Annegret Mahler, Nigeria: A Prime Example of the Resource Curse? Revisiting the Oil-Violence Link in the Niger Delta, German Institute of Global and Area Studies, No. 120. Hamburg, 2010, pgs. 2-3, <u>http://www.giga-hamburg.de/en/system/files/publications/wp120\_maehler.pdf</u> (accessed December 12, 2014).

connects to the larger global market. No solution is a perfect one-size, fit-all, but each Member State needs to see youth unemployment as a problem for all Africans, regardless of your economic well-being or national tranquility.

# II: Strengthening Intra-African Trade through Infrastructure Development and Investment

"Africa's risks are mainly perceived and not real. Unfortunately for us in Africa we are not really very good at telling our own story. But things are changing and people are beginning to understand that things are going very, very well."

-Aliko Dangote<sup>106</sup>

#### Introduction

Intra-African commerce is an essential component for economic growth and development in a global context.<sup>107</sup> Economic development refers to the development of technologies, practices, and policies that result in the improvement of living standards within the targeted region.<sup>108</sup> Africa is the second largest and populous continent in the world. Including the adjacent islands, the African continent covers about 30.2 million squared kilometers totaling 20.4 percent of the Earth's total land mass.<sup>109</sup> Despite being one of the most resource-endowed continents, Africa's economic growth has lagged behind. International organizations, such as the African Development Bank (AfDB), are the engines by which economic development is being stimulated within the continent.<sup>110</sup> Economic development plans are tools utilized by financial institutions to charter a new path toward sustainability. Thus, they are the policies implemented by private and public institutions to stimulate financial growth within a specific region.<sup>11</sup> Proper implementation of economic development plans has stimulated growth in entire geographical regions that as a result have been able to ameliorate social injustices and successfully combat poverty.<sup>112</sup> Thus, poverty reduction through trade is a feasible goal.<sup>113</sup>

The African economic climate is characterized by a high degree of openness to trade. In 2009, the overall trade ration of exports and imports to Gross Domestic Product (GDP) was 55.7 percent.<sup>114</sup> However, this ratio has not been accompanied with sustainable economic growth and development within the continent. Dependency on aid and the inability to eliminate poverty have proliferated. The lack of economic growth as a result of trade on the African continent may be attributed to three interrelated factors: the size, the structure and the direction of trade.<sup>115</sup> Africa's lack of intra-regional trade has adversely affected economic development in the continent by enabling financial atrophy. Intra-regional trade accounts for 10 percent of the total trade in Africa.<sup>116</sup>

To effectively combat poverty and underdevelopment within the African continent, it is critical to look inward. Through the collaboration necessary to create a common African economy and market, Member States would benefit from increasing export capacity. Feasible regional integration policies are fundamental to the implementation of effective intra-continental trade treaties. Regional integration would facilitate manufacturing and

<sup>&</sup>lt;sup>106</sup> Africare, http://www.africare.org/made-in-africa/ (accessed October 21, 2014).

<sup>&</sup>lt;sup>107</sup> Ibid.

<sup>108</sup> Ibid.

<sup>&</sup>lt;sup>109</sup> An Assessment of the Resource Base that Supports the Global Economy, United Nations Environment Programme, http://www.wri.org/sites/default/files/pdf/worldresources1988-89\_bw.pdf (accessed October 22, 2014).

<sup>&</sup>lt;sup>110</sup> Africare, http://www.africare.org/made-in-africa/ (accessed October 21, 2014).

<sup>&</sup>lt;sup>111</sup> Ibid.

<sup>&</sup>lt;sup>112</sup> Ibid.

<sup>&</sup>lt;sup>113</sup> Ibid.

<sup>&</sup>lt;sup>114</sup> 2015 Index of Economic Fredom: Why Trade Matters and how to Unleash it, The Heritage Foundation, http://thf\_media.s3.amazonaws.com/2014/pdf/SR161.pdf (accessed October 21, 2014).

<sup>&</sup>lt;sup>115</sup> Action Plan for Boosting Intra-African Trade, African Union, http://www.au.int/en/sites/default/files/Action%20Plan%20for%20boosting%20intra-African%20trade%20F-English.pdf (accessed October 24, 2014).

<sup>&</sup>lt;sup>116</sup> Ibid.

enhance investment opportunities.<sup>117</sup> The implementation of efficient trade practices within the continent has the potential to stimulate socio-economic development within an "African Renaissance" context.<sup>118</sup> The "African Renaissance" is the current movement by African people and Member States to overcome the current challenges confronting the continent in an attempt to achieve cultural, scientific, and economic renewal.

The economic benefits of trade are tremendous, unfortunately not all Member States that have embraced trade liberalization policies have seen a concomitant rise in their growth. Member States can thusly be classified into three categories: winning globalizers, non-globalizers, and losing globalizers.<sup>119</sup> The term "winning globalizer" refers to Member States that have embraced globalization and as a result have increased trade and seen a substantial growth of their financial markets.<sup>120</sup> "Non-globalizers" are Member States that have eschewed trade and thus have seen little growth in trade. "Losing globalizers" are Member States who have lowered barriers to commerce and increase trade but have experienced little to no growth associated with these practices.<sup>121</sup>

## **History**

The AfDB contributes to the State's ability to properly allocate financial resources.<sup>122</sup> The State has historically played an essential role in the advocacy of intra-African trade through infrastructure development and investment by emphasizing State-led initiatives.<sup>123</sup> The State impacts economic development by the role it plays in the provision of public goods and the regulation of markets. The success of State led infrastructure investment ventures depend on three factors: the State's allocation of financial resources, the management of political polarization within public organizations, and the ability to create capable institutions that are reactive to the needs of the population.

The AfDB has mobilized its resources to increase the number of development projects in Africa. The Bank has disbursed an excess of \$1 billion USD through its Fragile States Facility (FSF) program to fragile Member States between 2008 and 2011.<sup>125</sup> Thru its financial support of development projects, the AfDB has established itself among the ten largest donors of official development assistance.<sup>126</sup> The AfDB seeks to strengthen fragile Member States by enhancing their financial literacy. The majority of fragile Member States have an abundance of natural resources that may be utilized to form the foundation for stronger employment opportunities especially through the development of sustainable infrastructure. Historically, fragile Member States have lacked the capacity necessary to effectively transform natural resources into viable economic ventures. Natural resources frequently exasperate conflicts undermining infrastructure development. Instances such as the diamond fields in Sierra Leone and the

<sup>&</sup>lt;sup>117</sup> Action Plan for Boosting Intra-African Trade, African Union,

http://www.au.int/en/sites/default/files/Action%20Plan%20for%20boosting%20intra-African%20trade%20F-English.pdf (Accessed October 24, 2014).

<sup>&</sup>lt;sup>118</sup> Action Plan for Boosting Intra-African Trade, African Union,

http://www.au.int/en/sites/default/files/Action%20Plan%20for%20boosting%20intra-African%20trade%20F-English.pdf (Accessed October 24, 2014). <sup>119</sup> Ibid.

<sup>&</sup>lt;sup>120</sup> Development Effectiveness Review 2012: Fragile States and Conflict-Affected Countries, African Development Bank Group, http://www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/Development Effectiveness Review 2012 - Fragile States and Conflict-Affected Countries.pdf

<sup>(</sup>Accessed December 1, 2014).

<sup>&</sup>lt;sup>121</sup> Ibid.

<sup>&</sup>lt;sup>122</sup> Ibid.

<sup>&</sup>lt;sup>123</sup> Ibid.

<sup>&</sup>lt;sup>124</sup> Public Administration and Democratic Governance: Governments Serving Citizens, 7th Global Forum on Reinventing Government, Building Trust in Government, 26-29 June 2007, Vienna, Austria, ST/ESA/PAD/SER.E/98, http://unpan1.un.org/intradoc/groups/public/documents/un/unpan025063.pdf (accessed December 1, 2014).

<sup>&</sup>lt;sup>125</sup> Development Effectiveness Review 2012: Fragile States and Conflict-Affected Countries, African Development Bank Group, http://www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/Development Effectiveness Review 2012 - Fragile States and Conflict-Affected Countries.pdf (Accessed December 1, 2014).

<sup>&</sup>lt;sup>126</sup> The New Role of the African Development Fund in the Changing Aid Architecture, African Development Bank, http://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/BP%20The%20Role%20of%20ADF%20in%20Aid%20Architecture.FINAL.EN.pdf (Accessed November 25, 2014).

current tension between South Sudan and Sudan due to oil fields are examples of the consequences of improper resource management and the disconnect between policy and implementation.<sup>127</sup>

## Infrastructure, Natural Resources and Trade

Infrastructure is of the utmost importance to long-term economic growth because it builds legitimacy. The inequitable access to services and opportunities increases conflicts within a Member State. Member States must consider three key variables when implementing infrastructure development programs (1) equity, (2) cultural, historical, and traditional context of the target population, and (3) the current political climate and state building endeavors that may pre-exist the program.<sup>128</sup> Any program targeting infrastructure development will rely on a complex set of inputs. The inputs frequently include: land, water, and other natural resources that may be in high demand in other sectors of the economy or short supply.<sup>129</sup> Thus, Member States should consider the repercussions of limiting the supply of any variable (input) through careful cost and benefit analysis of the selected project.

Infrastructure development is a top priority for resource management and improved trade because (1) infrastructure facilitates the access to natural resources and the benefits that can be derived from them, and, (2) the lack or existence of infrastructure can mediate the demand and supply of resources directly influencing the size and the flow of trade. Infrastructure is any physical and organizational structure that facilitates the operation of a society or enterprise. The AfDB, in collaboration with the World Bank, has financed an initiative that utilizes community planning to work in partnership with local governments in the Central African Republic to improve infrastructure such as: wells, rural markets, schools, health centers, drying yards, village pharmacies and improved access to agricultural production.

The African continent has lagged behind in infrastructure development and maintenance. Consequently, the number of positive externalities associated with the current infrastructure has been minimal. The negative externalities include: lack of basic services, constricted macroeconomic benefits for the population, prolonged conflicts and decreasing standards of living. In 2008, five of the six Member States with the highest number of people lacking access to electricity were in Africa.<sup>130</sup> Approximately, only 27 percent of the roads in sub-Saharan Africa are paved.<sup>131</sup> Strong infrastructure is a requirement for the effective provision of basic services and viable economic growth. For example, roads are a key component of trade. Roads increase the number of individuals that have access to the market; they improve the number of job opportunities and access to financial institutions. However, greater access to the market can detrimentally affect the prices of agricultural produce, it can increase land values leading to decreasing affordable housing, and land grabbing by elites. Member States must mitigate the adverse effects of infrastructure projects by identifying the potential negative impacts and alleviating them through planning.<sup>132</sup>

Member States must consider any program targeting infrastructure development holistically. A harmonious relationship should be the ultimate goal of all initiatives by reducing inequalities across all groups. Plans should encourage intra-continental trade by empowering local and regional governments. Infrastructure development should have feasibility as its primary characteristic and should take into consideration all aspects of trade including the private and informal sectors.

## Status of Intra-continental Trade

Economic growth within the continent requires a clear understanding of the current status of intra-continental trade and its application within the eight regional economic communities. The African Union (AU) in the Abuja Treaty

<sup>&</sup>lt;sup>127</sup> Getting it Right: Lessons from the South, United Nations Development Programme (UNDP), <u>http://ssc.undp.org/content/dam/ssc/documents/partnership/Getting\_it\_right.pdf</u> (accessed November 26, 2014).

 <sup>&</sup>lt;sup>128</sup> USAID Frontiers in Development: Ending Extreme Poverty, United States Agency for International Development (USAID), <u>http://www.usaid.gov/sites/default/files/documents/1870/USAID Frontiers in Development 2014.pdf</u> (Accessed December 1, 2014).
 <sup>129</sup> The development of the development o

<sup>&</sup>lt;sup>129</sup> The State of the World's Land and Water Resources for Food and Agriculture: Managing Systems at Risk, Food and Agricultural Organization, <u>http://www.fao.org/docrep/017/i1688e/i1688e.pdf</u> (Accessed December 6, 2014).

<sup>&</sup>lt;sup>130</sup> Ibid.

<sup>&</sup>lt;sup>131</sup> Ibid.

<sup>&</sup>lt;sup>132</sup> Ibid.

has outlined the African Economic Communities (AEC), which are meant to form the foundation for intra-regional trade.<sup>133</sup> Member States have established connections with specific AEC's crafting a framework upon which through collaboration the AfDB seeks to address the size of trade in the continent. Algeria, Cape Verde and Mozambique are the only Member States that belong to a single regional community.<sup>134</sup>

Over the current temporal period of 1996 to 2011, empirical evidence substantiates the fact that while African merchandise trade has steadily risen at a faster rate than that of the develop economies the total African share of global trade is relatively low.<sup>135</sup> Total global African merchandise trade (exports and imports) in 1996 was USD 251 billion and rose to USD 1.151 billion in 2011.<sup>136</sup> From 2001 to 2006, the annual average rate of exports grew at 17.5 percent surpassing the average rate of exports for developing economies, 11.5 percent, and developed economies, 9.3 percent.<sup>137</sup> African imports depict a similar progression growing at a faster rate than those in developing and developed economies. An analysis of rates reaffirms the attractiveness of the African market. Africa achieved the highest real growth between 2007 and 2011.<sup>138</sup> However, these figures have not properly translated into financial influence in the international market. In global trade, Africa continues to play a marginal role. The continent contributed only 2.8 percent of total global exports and 2.5 percent of global imports.<sup>139</sup>

Member States are encouraged to question why the share of intra-African trade is higher for non-fuel exporters than for fuel exporters. Critical analysis of the situation must consider the thriving informal sector and its influence on official statistics. Member States must engage in intellectual inquiries of how to strengthen intra-regional trade. Modes of facilitating the legitimization and assimilation of the informal economy into the formal sector thru the reduction of informal cross border trade.

## Challenges to Intra-continental Trade

There is sufficient empirical evidence to indicate that there has been an increase in intra-continental trade in the past decades. However, the fact remains that the current rate of trade is not enough in comparison to the potential rate of trade. The African continent has unexploited opportunities for regional trade that would stimulate economic growth. The continent consists of 733 million hectares of arable land yet many African Member States are now net importers of food and agricultural products.<sup>140</sup> Food insecurity in the continent is a concern that may be addressed through the successful implementation of infrastructure development programs. Intra-continental trade can decrease food insecurity by boosting trade partnerships.<sup>141</sup>

A large number of regional trade blocs, in Africa, have caused diverse outcomes. Policymakers on the continent have advocated trade blocs in order to achieve the following goals (1) promote regional trade, (2) increase economic growth, and (3) engineer development opportunities. Regional blocs aim to achieve their goals by more efficiently allocating resources through the reduction of barriers to trade. Unfortunately, this has mixed results. Market liberalization within trade blocs in some instances has shifted production from low-cost producers outside the bloc to high-cost producers within the bloc resulting in inefficient resource allocation.

Intra-African trade is threatened by weak competitiveness in production and trade. Weak infrastructure has resulted in the continent's inability to supply regional markets and weaken export competitiveness. Dependency on cash crops has undermined infrastructure development ventures that would improve production efficiency. African firms have high production cost due to weak social and physical infrastructure that limits access to reliable: electricity,

<sup>&</sup>lt;sup>133</sup> Status of Integration in Africa, African Union, <u>http://www.au.int/en/sites/default/files/SIA%202013%28latest%29\_En.pdf</u> (Accessed October 2, 2014).

<sup>&</sup>lt;sup>134</sup> Economic Development in Africa: Intra-African Trade: Unlocking Private Sector Dynamism, United Nations Conference on Trade and Development (UNCTAD), <u>http://unctad.org/en/publicationslibrary/aldcafrica2013\_en.pdf</u> (Accessed November 13, 2014).

<sup>&</sup>lt;sup>135</sup> Ibid.

<sup>&</sup>lt;sup>136</sup> Ibid.

<sup>&</sup>lt;sup>137</sup> Ibid.

<sup>&</sup>lt;sup>138</sup> Ibid.

<sup>&</sup>lt;sup>139</sup> Ibid.

<sup>&</sup>lt;sup>140</sup> The State of the World's Land and Water Resources for Food and Agriculture: Managing Systems at Risk, Food and Agricultural Organization, <u>http://www.fao.org/docrep/017/i1688e/i1688e.pdf</u> (Accessed December 6, 2014).

credit, skilled labor, transportation, and other inputs.<sup>142</sup> High production and market concentration has reduced intra-African trade. Products being produced on the continent are not appealing to consumers in Africa. The primary exports of the continent include: raw diamonds, uranium, coffee, cotton, textiles, tobacco, sugar, and copper. African exports are primarily concentrated in raw materials or cash crops. To increase intra-African trade, Member States should innovatively increase the production of finished goods in the continent.<sup>143</sup>

The successful resolution of these concerns will require that Member States implement successful regional trade agreements. Barriers to trade should be a crucial concern in the drafting of any new policy. Monitoring of regional trade agreements and implementation of regional infrastructural development plans is essential to practical intra-African trade.

#### Actions of the AfDB: Collaboration with ECOWAS

The Economic Community of West African States (ECOWAS) has resolved to reconcile economic and financial policies within the region.<sup>144</sup> ECOWAS through multilateral surveillance policies adopted by the ECOWAS Authority of Heads of State and governments, in 1999, has moved towards regional policy harmonization.<sup>145</sup> By gathering economic data and the appropriate evaluation processes ECOWAS promotes economic integration in "all fields of economic activity, particularly industry, transport, telecommunications, energy, agriculture, natural resources, commerce, monetary and financial questions, social and cultural matters."<sup>146</sup>

In 2013, the AfDB in collaboration with ECOWAS scheduled a workshop on regional migration policy. The workshop was hosted by Senegal, an ECOWAS Member State, and focused on the development of migration policy that converges the migration policy of all Member States while contemplating present-day concerns. Officials from the region and experts collaborated in the drafting of aspirational regional policy goals.<sup>147</sup>

The resulting policy targets one of ECOWAS founding objectives: the free movement of persons, goods and services. The ECOWAS Commission adopted the Protocol on Free Movement of Persons, in 1979, which delineates the rights of residence and establishments.<sup>148</sup> In 1980, the first phase of the Protocol became effective guaranteeing the free entry of citizens from ECOWAS Member States within the region without visa(s) for 90 days. The second phase dealing with Right of Residence is yet to be comprehensively enforced and was enacted in July 1986. ECOWAS citizens are among the most mobile. Since the adoption of the Protocol on Free Movement of Persons, ECOWAS has abolished entry visas for Community Citizens and implemented a unified regional passport policy.<sup>149</sup>

The Protocol has been successful in increasing mobility and decreasing the barriers to trade within the region. However, as a result of recent labor and migration trends several gaps in the original Protocol have been revealed. Member States are encouraged to seek solutions to these gaps and to look for alternative solutions. The feasibility of similar policies should be closely scrutinized.<sup>150</sup> This is especially true for policies such as the Right of Residency and Establishment. The international community has taken steps toward addressing these discrepancies. The conference in Senegal was a regional attempt to provide stakeholders, in the public and private sector, a platform to present their policy concerns and provide input to help develop a common regional Policy on Migration.<sup>151</sup>

http://www.comm.ecowas.int/sec/index.php?id=about a&lang=en (accessed October 25, 2014).

<sup>&</sup>lt;sup>142</sup> Beck T, Maimbo S, Faye I and Triki T (2011). Financing Africa: Through the Crisis and Beyond. World Bank. Washington, DC.

<sup>&</sup>lt;sup>143</sup> Nkurunziza J (2012). The development of African landlocked countries. In: Aryeetey E, Devarajan S, Kanbur R and Kasekende L, eds. The Oxford Companion to the Economics of Africa. Oxford University Press. Oxford

<sup>&</sup>lt;sup>144</sup> " ECOSTAT," ECOSTAT, <u>http://www.ecostat.org/</u> (accessed October 29, 2014). 145 Ibid.

<sup>&</sup>lt;sup>146</sup> "About ECOWAS," Economic Community of West African States (ECOWAS),

<sup>147</sup> Ibid.

<sup>&</sup>lt;sup>148</sup> Ibid.

<sup>149</sup> Ibid.

<sup>&</sup>lt;sup>150</sup> Ibid. 151 Ibid.

#### **Financing** Options

#### Capital Solution

Bonds are essentially loans or economic IOU's.<sup>152</sup> By issuing a bond, the Member State promises the purchaser (lender) to repay the money, plus an agreed amount of interest.<sup>153</sup> Bonds sold in the international marketplace are critically different from foreign aid received as loans and the benefits that Member States derive from bonds in the private sectors transcend the benefits allotted by foreign aid loans.<sup>154</sup> Member States must first gain a "rating," a guide used by investors in the international bond market to measure the risk associated with their involvement in a financial endeavor, in the international market before they can issue bonds for sale. Then, Member States must approach potential investors.<sup>155</sup> Collaboration between Member States and financial institutions are crucial to the success of bond issuance. Finally, after issuing the bonds, Member States receive their cash. For example, Ghana issued a USD 750 million ten-year bond, in 2007, to the international capital market.<sup>156</sup> The bonds had a 10-year maturity date.<sup>157</sup> The Gabonese Republic followed suit issuing a USD 1 billion ten-year bond.<sup>158</sup> In these instances the real cost of gathering funds is ultimately defined by the fluctuation of exchange rates over the course of the bond issuance.<sup>159</sup> The International Monetary Fund (IMF) estimates that Ghanaian gross domestic product will fall, in 2014, to 4.5 percent based on the recorded rate of 7.1 percent in 2013.<sup>160</sup> Ghana faces domestic and international vulnerabilities that are currently being augmented by the atrophy in economic growth, rising inflation, and its large fiscal deficit.<sup>161</sup> Ghana has been utilized as the model for development in the African continent due to its constant GDP growth and export practices, however, due to the discovery of oil and the fluctuation in the price of gold Ghana is wrestling with fiscal imbalances. The mode by which Ghana can combat the current financial situation is through intra-continental trade. Intra-continental trade increases in trade within the interior of the African continent.

Investors are closely following emerging markets in the African continent.<sup>162</sup> Traditionally investors followed only select opportunities but with the growing demand for natural resources this trend is slowly changing.<sup>163</sup> However, Member States should be weary of the risks associated with bond practices.<sup>164</sup> Member States should take heed of the lessons learned during the Asian crisis in 1997, Russian dilema in 1998, and the Argentinian default in 2001 when issuing future bonds.<sup>165</sup>

## Foreign Direct Investment (FDI)

The African continent is ripe for FDI. The low labor cost and high number of investable ventures in the continent has the potential to make it a natural recipient of FDI. Unfortunately in 2006 Africa, as a continent, received 20 percent of the FDI invested in China alone (USD 80 billion).<sup>166</sup> The largest obstacle to FDI, in Africa, is weak

<sup>153</sup> Ibid.

<sup>&</sup>lt;sup>152</sup> Moyo, Dambisa. Dead Aid: Why Aid is not Working and How There is a Better Way for Africa, New York: Stratus and Giroux, 2009.

<sup>154</sup> Ibid.

<sup>&</sup>lt;sup>155</sup> Ibid.

<sup>&</sup>lt;sup>156</sup> Ibid.

<sup>&</sup>lt;sup>157</sup> Ghana's Fiscal Problems Threaten Economic Growth: IMF, CNBC, <u>http://www.cnbcafrica.com/news/western-africa/2014/09/27/ghana-fiscal-problems-imf/</u> (Accessed November 3, 2014).

<sup>&</sup>lt;sup>158</sup> Ibid.

<sup>&</sup>lt;sup>159</sup> IMF Urges Caution in Africa's Eurobond Borrowing Spree, CNBC,

http://www.cnbcafrica.com/news/financial/2014/10/21/imf-eurobond/ (Accessed November 1, 2014).

<sup>&</sup>lt;sup>160</sup>Ibid.

<sup>&</sup>lt;sup>161</sup> Ibid.

<sup>&</sup>lt;sup>162</sup> Action Plan for Boosting Intra-African Trade, African Union,

http://www.au.int/en/sites/default/files/Action%20Plan%20for%20boosting%20intra-African%20trade%20F-English.pdf (Accessed October 24, 2014).

<sup>&</sup>lt;sup>163</sup> Ibid.

<sup>&</sup>lt;sup>164</sup> Ibid.

<sup>&</sup>lt;sup>165</sup> Ibid.

<sup>&</sup>lt;sup>166</sup> 2013 Ibrahim Forum Facts & Figures Africa: The Next 50 years, Mo Ibrahim Foundation, <u>http://www.moibrahimfoundation.org/downloads/publications/2013/2013-facts-&-figures-an-african-conversation-africa-ahead-the-next-50-years.pdf</u> (Accessed December 5, 2014).

infrastructure. The high cost of production for goods and services is directly linked to weak roads, telecommunication and power supplies. It is cheaper to produce products in Asia and ship to Europe than it is to produce materials in Africa even when proximity is taken into consideration.

The physical constraints imposed on FDI by weak infrastructure are marginal when compared to disincentives such as: corruption, bureaucracy, restrictive legal and regulatory policies, and political red tape. For example, according to the World Bank's "Doing Business" survey in Cameroon it takes an investor approximately 426 days to receive the necessary licenses to start a new firm.<sup>167</sup> In comparison, in the USA it takes only 40 days.<sup>168</sup> An investor in Angola would have to wait 119 days to create a new firm while in South Korea he could start a new business in 17 days.<sup>169</sup> The lack of transparency and accountability in the business sector combined with weak infrastructure makes Africa an unappealing recipient for FDI. FDI has the potential to strengthen infrastructure within the African continent by facilitating programs that are conductive to an increase in trade. Member States must recognize that FDI is not a fix all but rather is a tool that can optimize the resources that are already in the continent.

#### Conclusion

In the coming years, the economic growth and stability of African markets will be reliant on the expansion of Intra-African trade. Thus, the expansion of business development, the facilitation of access to financial options, and the strengthening of the investment environment in Africa are of the utmost importance. Improving Africa's import and export environment as well as improving and simplifying administration in order to facilitate cross-border trade will strengthen Intra-African trade.<sup>170</sup> The free movement of goods and services through the continent will increase access to human rights through an increase in consciousness. Proper regulation of trade guarantees that individuals are protected from exploitation and are empowered through economic mobility.<sup>171</sup> The reduction of constraints on information and communication technology will expand human rights through the dispersion of knowledge and increased awareness. Access to information is vital to keep institutions, both private and public, accountable to the populous.<sup>172</sup> The increase of infrastructure development is critical to Intra-African trade. Furthermore, human mobility will be enabled with the growth of infrastructure. The continent must increase investment by reducing the opportunity costs of business registration and licensing to strengthen integration.<sup>173</sup> Integration refers to the convergence of similar methods and optimization of resources by Member States. Thus, production, distribution and the possibility of a single currency should be carefully analyzed.<sup>174</sup> Regional integration denotes the streamlining of trade practices that would optimize trade, thru improvements in transportation, communication, infrastructure and all other necessary sectors. Member States should look at local, national and regional policies that will facilitate collaboration toward African integration.

## **Committee Directive**

Delegations should remain conscious of the historical and cultural context of the topic. The research should be guided by the overarching theme of implementation feasibility. Member States are encouraged to pursue costanalysis of recommended development programs and their direct relationship to regional and national interest. Collaboration amongst regional and non-regional Member States is essential in the exploration of possible solutions. Thus, delegates are encouraged to seek innovative methods of addressing the current situation. Delegates should initiate their research from sources such as but not limited to the IMF, other United Nations (UN) bodies, international banks and other reputable financial institutions.

Member States should expand their research to enshroud the regional and global implications of trade. Specific trade agreements should be consulted and their corollaries should be accounted for in any proposed solution. Thus,

<sup>167</sup> 2013 Ibrahim Forum Facts & Figures Africa: The Next 50 years, Mo Ibrahim Foundation,

http://www.moibrahimfoundation.org/downloads/publications/2013/2013-facts-&-figures-an-african-conversation-africa-ahead-<u>the-next-50-years.pdf</u> (Accessed December 5, 2014). <sup>168</sup> Ibid.

<sup>&</sup>lt;sup>169</sup> Ibid.

<sup>&</sup>lt;sup>170</sup> Ibid.

<sup>&</sup>lt;sup>171</sup> Sachs, Jeffrey., The End of Poverty: Economic Possibilities for Our Time, London: Penguin, 2005 <sup>172</sup> Ibid.

<sup>&</sup>lt;sup>173</sup> Intra-African Trade, AllAfrica, <u>http://allafrica.com/stories/201409051489.html</u> (accessed October 22, 2014).

<sup>&</sup>lt;sup>174</sup> Ibid.

Member States should resolve to institute ambitious and feasible timetables for the implementation of trade reform and the transparent evaluation of the necessary resources. Member States should seek to collaborate with one another and create strong partnerships that will enhance accountability and facilitate reform implementation. Intra-African trade will create new employment opportunities, stimulate FDI, foster social growth, and enhance the integration endeavors of regional and continental agencies. Member States must focus on creating an environment that is conducive to entrepreneurship by providing the necessary infrastructure to their citizens. The reduction of trade barriers will facilitate financial growth and increase production capacities on the continent. Intra-African trade may serve as an insulator in the event of another global financial crisis.

# **Technical Appendix Guide (TAG)**

# I. Addressing the Youth Employment Challenge

African Development Bank (AfDB), 2012, *Government Action Promoting Youth Employment has a Poor Track Record*, African Economic Outlook,

http://www.africaneconomicoutlook.org/theme/youth\_employment/government-action-promoting-youth-employment-has-a-poor-track-record/

African Economic Outlook is a website sponsored by the AfDB to convey economic data on the African economy, including macro- and microeconomic data. The data includes economic forecasts based on 2012 and 2013 data, and covers youth employment, labor market conditions, and a general assessment of African programs implemented to address the current economic challenges. The site also includes an Index of statistical data, charts and graphs that further illustrate points of interests.

United Nations Development Programme (UNDP), *Youth Employment in Lesotho*, (2007) <u>http://www.undp.org/content/undp/en/home/ourwork/povertyreduction/projects\_and\_initiatives/projects\_le\_sotho.html</u>

The Lesotho Summary is part of UNDP's larger case files for cooperation on projects throughout Africa and Asia. Aside from examples presented in the background guide, this site will provide other cases that are informative for describing various technical and educational programs. Several research publications have been made on economic conditions and cooperative programs between Member States and UNDP, and are available alongside this study.

The United Nations Department of Economic and Social Affairs (UNDESA) provided in this report a global overview of youth employment challenges as observed in the last five years. The period covered includes the aftermath of the global financial crisis, which has helped keep 75.8 million youth workers out of work. Separated into four chapters, the report covers key demographic information, presents data on employment trends, the challenges facing labor markets in hiring youth, wages, and labor conditions. It also uses information from the International Labour Organization (ILO) to describe the labor market in details relevant to youth employment challenges, as needed by Member States.

UNDP, Kenya's Youth Employment Challenge, (January 2013)

http://www.undp.org/content/dam/undp/library/Poverty%20Reduction/Inclusive%20development/Kenya\_ YEC\_web(jan13).pdf

Kenya's youth bulge provides a case study of the relationship between economic conditions and domestic security. It provides information on key demographic changes and trends that have resulted from the youth bulge, and how the Kenyan government has adapted its economic programs to account for the changes. The report from the UNDP also incorporates data from previous reports, including the Kenyan National Economic Reports, and the key insights of policymakers from Kenya and partners in the continent.

ILO, Global Employment Trends for Youth 2013: A Generation at Risk, (2013). http://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/publication/wcms\_212423.pdf

The ILO released a comprehensive study of global economic and labor conditions for youth workers in 2013, which covers important areas of study, such as education, the term of unemployment, quality of workplace, etc. The study provides detailed analysis of multiple measures of labor and employment activity, and breaks that down by regions, including both North Africa and Sub-Saharan Africa. The final part describes how Member States have created, executed, and evaluated policies to address youth unemployment in the wake of the global financial crisis and foreseeable challenges in global labor markets.

United Nations Educational, Scientific and Cultural Organization (UNESCO), *World Youth Report*, (March 2014) <u>http://www.redetis.iipe.unesco.org/wp-content/uploads/2014/03/un\_worldyouthreport\_single.pdf</u>

# II: Strengthening Intra-African Trade through Infrastructure Development and Investment

Ridley, T., Yee-Cheong, L. and Juma, C. (2006), *Infrastructure, innovation and development*, Int. J. Technology and Globalisation, Vol. 2, Nos. 3/4, pgs.268–278.

The focus of infrastructure development in recent years has shifted from merely construction of physical facilities to appropriate provision of services. Environmental and social factors have become part of infrastructure development and planning. Yet, most infrastructure projects are not explicitly linked to technological development efforts.

*Regional Economic Outlook: Sub-Saharan Africa: Fostering Durable and Inclusive Growth*, International Monetary Fund (2014). <u>https://www.imf.org/external/pubs/ft/reo/2014/afr/eng/sreo0414.htm</u>

The report from the IMF provides a great overview of current economic trends in the African continent. There is empirical analysis of the economic environment on the continent and policy suggestions on how to foster further economic growth.

Africa, the World Bank. (2014) http://www.worldbank.org/en/region/afr

The website linked above is dedicated to everything concerning African investment and development projects funded by the World Bank. This may be a great tool for delegates seeking an approach to the issue that would involve other organizations and banks.

Africa Development Indicators 2012/13, The World Bank (2013.) https://openknowledge.worldbank.org/bitstream/handle/10986/13504/9780821396162.pdf?sequence=1

The report critically analyzes the financial status of the African continent by measuring specific indicators. The report is a great introduction into development opportunities and programs on the continent while providing an in-depth analysis of the programs.

*Economic Brief- Taking Africa's Irregular Migrants into Account Trends Challenges and Policy Options*, African Development Bank (2014). <u>http://www.afdb.org/en/documents/document/economic-brief-taking-africas-irregular-migrants-into-account-trends-challenges-and-policy-options-50783/</u>

This report is a great case study from the African Development Bank on Migration policy. Infrastructure is closely related to migration as the facilitator for human mobility. Policy challenges with respect to migration are both negative and positive externalities of infrastructure development.

Liberia- Harper Road Project Karloken- Fish Town & Harper Junction- Cavalla, African Development Bank (2014). <u>http://www.afdb.org/en/documents/document/liberia-harper-road-project-karloken-fish-town-harper-junction-cavalla-lot-2-of-the-zwedru-esia-report-49346/</u>

This report is also a case study from the African Development Bank. This report, however, deals with infrastructure construction and its effects on the population and region specifically in Liberia. This is a great read for delegates as it shows the relationship between infrastructure construction and an individual Member State and may give insight in to what has worked and what may work in the future.

2012-Evaluation of the Assistance of the AfDB to Fragile States, African Development Bank (2014). <u>http://www.afdb.org/en/documents/document/2012-evaluation-of-the-assistance-of-the-afdb-to-fragile-states-30889/</u>

The report listed here is a critical publication and self-analysis of the programs of the AfDB. There are several great programs cited in the report that can expand the understanding and knowledge of the

delegates toward the topic and is a great tool for a foundation of possibly a position paper or working papers to be done at the conference.