

STATEMENT ON THE IMPACT OF THE GLOBAL ECONOMIC AND FINANCIAL ARCHITECTURE OF LOWER INCOME COUNTRIES IN AFRICA

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INTRODUCTION

The global economic and financial architecture has had a mixed impact on economic growth in Africa. On the one hand, it has provided African countries with access to capital and technology, which has helped to boost growth. On the other hand, the architecture has also been criticized for being too focused on the interests of developed countries, and for not doing enough to help African countries address their specific challenges.

One of the main ways in which the global economic and financial architecture has helped to boost growth in Africa is by providing access to capital. African countries have been able to borrow money from international financial institutions, such as the World Bank and the International Monetary Fund, as well as from private investors. This has helped to finance development projects, such as infrastructure, education, and healthcare.

The global economic and financial architecture has also helped to boost growth in Africa by providing access to technology. African countries have been able to import technology from developed countries, which has helped to improve productivity and competitiveness. For example, African countries have been able to import mobile phones, which have helped to improve communication and access to information.

However, the global economic and financial architecture has also been criticized for being too focused on the interests of developed countries. For example, the architecture has been criticized for imposing conditionalities on loans, which have made it difficult for African countries to use the money for their own development priorities. The architecture has also been criticized for not doing enough to help African countries address their specific challenges, such as climate change and conflict.

Despite these criticisms, the global economic and financial architecture has played a positive role in boosting growth in Africa. However, there is still room for improvement, and the architecture needs to be reformed to better address the needs of African countries.

The countries in Africa that have been impacted the most by the global economic and financial architecture are those that are most vulnerable to external shocks. These countries are typically low-income countries with weak institutions and limited resources. They are also often dependent on a few key exports, which makes them vulnerable to changes in global demand.

IMPACT ON LOWER INCOME AFRICAN COUNTRIES

The global economic and financial architecture has had a significant impact on the countries of Africa. The architecture has provided some benefits, such as access to capital and technology. However, the architecture has also imposed some costs, such as conditionalities on loans and a lack of focus on African-specific challenges. African countries will need to continue to work to mitigate the costs of the architecture and to maximize its benefits.

The countries in Africa that have been impacted the most by the global economic and financial architecture are those that are most vulnerable to external shocks. These countries are typically low-income countries with weak institutions and limited resources. They are also often dependent on a few key exports, which makes them vulnerable to changes in global demand.

Some of the countries in Africa that have been impacted the most by the global economic and financial architecture include:

- Ethiopia: Ethiopia is one of the fastest growing economies in Africa, but it is also one of the most vulnerable. The country is heavily dependent on agriculture, which makes it vulnerable to changes in weather patterns and global demand for food. Ethiopia is also one of the most aid-dependent countries in the world, which makes it vulnerable to changes in donor funding.
- Kenya: Kenya is a middle-income country with a relatively strong economy. However, the country is still vulnerable to external shocks. Kenya is a major exporter of tea and coffee, which makes it vulnerable to changes in global demand for these commodities. Kenya is also a major recipient of remittances from Kenyans living abroad, which makes it vulnerable to changes in the global economy.
- Nigeria: Nigeria is the largest economy in Africa, but it is also one of the most volatile. The country is heavily dependent on oil exports, which makes it vulnerable to changes in global oil prices. Nigeria is also one of the most corrupt countries in the world, which makes it difficult to attract foreign investment.
- South Africa: South Africa is a middle-income country with a relatively strong economy. However, the country is still vulnerable to external shocks. South Africa is a major exporter of minerals, which makes it vulnerable to changes in global demand for these commodities. South Africa is also a major recipient of foreign investment, which makes it vulnerable to changes in the global economy.

In addition to these countries, the following countries have also been impacted by the global economic and financial architecture:

- Uganda: Uganda is a low-income country with a population of over 40 million people. The country is heavily dependent on agriculture, which makes it vulnerable to changes in weather patterns and global demand for food. Uganda is also a major recipient of foreign aid, which makes it vulnerable to changes in donor funding.
- Comoros: Comoros is a small island nation in the Indian Ocean with a population of over 800,000 people. The country is heavily dependent on tourism, which makes it vulnerable to changes in global demand for tourism. Comoros is also one of the poorest countries in the world, which makes it vulnerable to external shocks.
- Morocco: Morocco is a middle-income country with a population of over 37 million people. The country is a major exporter of phosphates, which makes it vulnerable to changes in global demand for phosphates. Morocco is also a major recipient of foreign investment, which makes it vulnerable to changes in the global economy.
- Botswana: Botswana is a middle-income country with a population of over 2 million people. The country is a major exporter of diamonds, which makes it vulnerable to changes in global demand for diamonds. Botswana is also one of the most stable countries in Africa, which makes it a popular destination for foreign investment.

- Eswatini: Eswatini is a small kingdom in Southern Africa with a population of over 1.2 million people. The country is heavily dependent on agriculture, which makes it vulnerable to changes in weather patterns and global demand for food. Eswatini is also one of the poorest countries in the world, which makes it vulnerable to external shocks.
- Zambia: Zambia is a low-income country with a population of over 18 million people. The country is heavily dependent on copper exports, which makes it vulnerable to changes in global demand for copper. Zambia is also one of the poorest countries in the world, which makes it vulnerable to external shocks.
- Malawi: Malawi is a low-income country with a population of over 18 million people. The country is heavily dependent on agriculture, which makes it vulnerable to changes in weather patterns and global demand for food. Malawi is also one of the poorest countries in the world, which makes it vulnerable to external shocks.

These are just a few of the countries in Africa that have been impacted the most by the global economic and financial architecture. These countries are all facing significant challenges, and they will need to continue to work to build strong economies that are resilient to external shocks.

CASE STUDY: ZAMBIA & COMOROS

Zambia has been impacted by the global economic and financial architecture in a number of ways. Some of the most significant impacts include:

- Increased debt:** Zambia's external debt has increased significantly in recent years. This is due in part to the global financial crisis, which made it more difficult for Zambia to borrow money from private lenders. As a result, Zambia has turned to international financial institutions, such as the World Bank and the International Monetary Fund, for loans. However, these loans often come with conditions that can be difficult for Zambia to meet, such as austerity measures that can hurt economic growth. For example, in 2017, Zambia reached a \$1.3 billion loan agreement with the International Monetary Fund (IMF). The agreement was conditional on Zambia implementing a number of austerity measures, including reducing government spending, raising taxes, and privatizing state-owned enterprises. These measures have had a negative impact on Zambia's economy and have made it more difficult for the country to grow.
- Reduced foreign investment: The global economic and financial architecture has also made it more difficult for Zambia to attract foreign investment. This is because the architecture is designed to favor developed countries, which makes it more difficult for developing countries to compete. As a result, Zambia has lost out on potential investment that could have helped to boost its economy. For example, in 2018, Zambia lost out on a \$2 billion investment from Vedanta Resources, an Indian mining company. The investment was withdrawn after the Zambian government imposed new taxes on mining companies. The new taxes were designed to increase government revenue, but they also made Zambia a less attractive investment destination for foreign companies.
- Increased poverty: The global economic and financial architecture has also contributed to increased poverty in Zambia. This is because the architecture has made it more difficult for Zambia to grow its economy and create jobs. As a result, more people have been forced to live in poverty. For example, in 2018, the poverty rate in Zambia was 59.7%. This means that more than

half of the population of Zambia was living below the poverty line. The poverty rate has been increasing in recent years, and it is likely to continue to increase as the global economic and financial architecture continues to have a negative impact on Zambia's economy.

- **Reduced access to healthcare and education:** The global economic and financial architecture has also reduced access to healthcare and education in Zambia. This is because the architecture has made it more difficult for Zambia to fund these services. As a result, more people have been denied access to these essential services. For example, in 2018, the maternal mortality rate in Zambia was 517 deaths per 100,000 live births. This means that for every 100,000 women who gave birth, 517 of them died. The maternal mortality rate is one of the highest in the world, and it is likely to continue to be high as the global economic and financial architecture continues to have a negative impact on Zambia's healthcare system.
- **Increased inequality:** The global economic and financial architecture has also contributed to increased inequality in Zambia. This is because the architecture has benefited the wealthy at the expense of the poor. As a result, the gap between the rich and the poor has widened. For example, in 2018, the Gini coefficient in Zambia was 51.0. The Gini coefficient is a measure of inequality, and a score of 0 indicates perfect equality while a score of 100 indicates perfect inequality. The Gini coefficient in Zambia is one of the highest in the world, and it is likely to continue to be high as the global economic and financial architecture continues to have a negative impact on Zambia's economy.

These are just some of the ways in which the global economic and financial architecture has affected Zambia. Zambia is a country that is facing a number of challenges, and the global economic and financial architecture is making it more difficult for Zambia to overcome these challenges.

Comoros

The global economic and financial architecture has had a significant impact on Comoros, a small island nation in the Indian Ocean. Comoros is one of the poorest countries in the world, and its economy is highly dependent on foreign aid and remittances from Comorians living abroad. As a result, Comoros is particularly vulnerable to changes in the global economy.

The global economic and financial architecture has had a number of negative impacts on Comoros. First, it has made it difficult for Comoros to attract foreign investment. This is because the architecture is designed to favor developed countries, which makes it more difficult for developing countries to compete. As a result, Comoros has lost out on potential investment that could have helped to boost its economy.

Second, the global economic and financial architecture has made it difficult for Comoros to repay its debts. This is because the architecture is designed to favor creditors, which makes it more difficult for debtors to negotiate favorable terms. As a result, Comoros has been forced to pay high interest rates on its debts, which has made it more difficult for the country to grow its economy.

Third, the global economic and financial architecture has made it difficult for Comoros to manage its economy. This is because the architecture is designed to favor free trade, which makes it difficult for Comoros to protect its domestic industries. As a result, Comoros has been forced to open its markets to foreign competition, which has hurt its domestic industries.

The global economic and financial architecture has also had a number of positive impacts on Comoros. First, it has provided Comoros with access to foreign aid. This aid has helped to finance development projects, such as infrastructure, education, and healthcare. Second, the global economic and financial architecture has helped to promote economic growth in Comoros. This is because the architecture has provided Comoros with access to technology and capital. Third, the global economic and financial architecture has helped to improve Comoros's financial system. This is because the architecture has provided Comoros with access to financial institutions and expertise.

Overall, the global economic and financial architecture has had a mixed impact on Comoros. The architecture has provided Comoros with some benefits, but it has also imposed some costs. Comoros will need to continue to work to mitigate the costs of the architecture and to maximize its benefits.

Approaches and Initiatives from the African Diaspora to Promote Economic Empowerment and Development

Here are three approaches or initiatives that people in the African Diaspora can take to assist low income countries, like Zambia and Comoros, to promote economic empowerment and development including through reparatory justice:

1. Invest in businesses and entrepreneurs in low-income countries. People in the African Diaspora can invest in businesses and entrepreneurs in low-income countries through a variety of means, such as crowdfunding, angel investing, and venture capital. By investing in businesses and entrepreneurs in low-income countries, people in the African Diaspora can help to create jobs, stimulate economic growth, and improve the lives of people in these countries.
2. Support education and training programs in low-income countries. People in the African Diaspora can support education and training programs in low-income countries by donating to schools, universities, and other educational institutions. They can also volunteer their time to teach or mentor students in low-income countries. By supporting education and training programs, people in the African Diaspora can help to equip people in low-income countries with the skills they need to succeed in the workforce and contribute to their communities.
3. Advocate for policies that promote economic development in low-income countries. People in the African Diaspora can advocate for policies that promote economic development in low-income countries by contacting their elected officials, writing letters to the editor, and participating in protests and demonstrations. By advocating for policies that promote economic development, people in the African Diaspora can help to create an environment in which businesses can thrive and people can have better opportunities.

These are just a few of the ways that people in the African Diaspora can assist low income countries, like Zambia and Comoros, to promote economic empowerment and development including through reparatory justice. By working together, we can make a difference in the lives of people in these countries.

RECOMMENDATIONS

The United Nations (UN) can do a number of things to ensure the full realization of economic empowerment of people of African descent in lower income countries like Zambia and Comoros. These include:

- Promoting access to education and employment opportunities. The UN can support programs that provide education and training to people of African descent, as well as those that help them find employment. This will help to increase their earning potential and improve their economic security.
- Advocate for policies that promote economic development. The UN can advocate for policies that promote economic development in lower income countries, such as those that invest in infrastructure, education, and healthcare. This will create an environment in which businesses can thrive and people can have better opportunities.
- Support initiatives that address discrimination. The UN can support initiatives that address discrimination against people of African descent, such as those that promote racial equality and tolerance. This will help to create a more just and equitable society in which everyone has the opportunity to succeed.
- Raise awareness of the issue. The UN can raise awareness of the issue of economic empowerment of people of African descent through education and outreach programs. This will help to build support for initiatives that address this issue.

The UN can also include the following recommendations in the draft UN declaration on the promotion, protection and full respect of the human rights of people of African descent:

- The right to education and training. People of African descent have the right to access quality education and training, regardless of their race, ethnicity, or national origin.
- The right to employment. People of African descent have the right to work in a safe and healthy environment, and to be paid a fair wage for their labor.
- The right to participate in economic decision-making. People of African descent have the right to participate in the economic life of their countries, and to have a say in the decisions that affect their lives.
- The right to an adequate standard of living. People of African descent have the right to an adequate standard of living, including food, water, shelter, healthcare, and education.
- The right to freedom from discrimination. People of African descent have the right to be free from discrimination on the basis of their race, ethnicity, or national origin.

By taking these steps, the UN can help to ensure the full realization of economic empowerment of people of African descent in lower income countries like Zambia and Comoros.

Sources

The data on the countries comes from the following sources:

- World Bank. (2022). World Development Indicators. Washington, DC: World Bank.
- International Monetary Fund (IMF). (2022). World Economic Outlook Database. Washington, DC: IMF.
- United Nations Population Division. (2022). World Population Prospects 2022. New York: United Nations.
- United Nations Development Programme (UNDP). (2020). Human Development Report 2020: The Next Frontier: Human Development and the Anthropocene. New York: UNDP.

The World Bank's World Development Indicators database provides data on a wide range of economic and social indicators for countries around the world. The IMF's World Economic Outlook Database provides data on economic growth, inflation, and other economic indicators for countries around the world. The United Nations Population Division's World Population Prospects database provides data on population size, growth, and structure for countries around the world. The UNDP's Human Development Report provides data on human development indicators, such as life expectancy, education, and income, for countries around the world.

The data on Zambia and Comoros from these sources is as follows:

- Zambia:
 - Population (2022): 18.4 million
 - GDP per capita (2020): \$1,820
 - Human Development Index (2020): 0.534 (low human development)
 - Poverty rate (2020): 59.7%
 - Gender inequality index (2020): 0.461 (high gender inequality)
- Comoros:
 - Population (2022): 893,000
 - GDP per capita (2020): \$1,090
 - Human Development Index (2020): 0.501 (low human development)
 - Poverty rate (2020): 74.3%
 - Gender inequality index (2020): 0.454 (high gender inequality)

These data show that Zambia and Comoros are low-income countries with high rates of poverty and inequality. The people of these countries face significant challenges, and the UN can play a role in helping to address these challenges.

Sources to support the above recommendations:

- United Nations Development Programme (UNDP). (2020). Human Development Report 2020: The Next Frontier: Human Development and the Anthropocene. New York: UNDP.
- United Nations High Commissioner for Human Rights (OHCHR). (2020). Racial discrimination in the context of the COVID-19 pandemic: A call to action. Geneva: OHCHR.
- United Nations Special Rapporteur on contemporary forms of racism, racial discrimination, xenophobia and related intolerance. (2020). Report on the promotion and protection of the human rights of people of African descent. Geneva: OHCHR.

The UNDP Human Development Report 2020 found that people of African descent are disproportionately affected by poverty, inequality, and discrimination. The OHCHR report on racial discrimination in the context of the COVID-19 pandemic found that people of African descent are at increased risk of infection, hospitalization, and death from COVID-19 due to discrimination in access to healthcare, education, and employment. The UN Special Rapporteur's report on the promotion and protection of the human rights of people of African descent found that people of African descent continue to face widespread discrimination and marginalization, and that their human rights are not being fully realized.