BUILDING AFRICA’S HUMAN CAPITAL OPPORTUNITIES AND CHALLENGES

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This title will be presented under the sub-theme 6.0 (g) Capacity Building for Sustainable Development and Good Governance, of the Roundtable objectives and the objective of the paper is to highlight opportunities in leveraging Africa’s abundant human capital.

The African continent presents a major paradox. It is a continent rich in human capital, mineral and other agricultural resources and yet its development history, poverty, debt and other social ills have once again become the focal agenda in the international arena.

Africa’s growth opportunity will to a large extend be driven by the level of the development of its human capital. The Asian economies; Japan, Singapore, and Hong Kong are driven by the focussed strategic development of their human resource capital in line with the emerging 21st century development requirements. India and China are fast becoming the new super powers and challenging the dominant economies of the West and the United States of America.

“Where nations will eventually stand in the economic ladder will depend on their strategic human resource management development” Singapore

“Because people make our automobiles, nothing gets started until we train and educate our people” Toyota President Fujio Cho

Africa has a large reservoir of talent that remains largely untapped. If appropriately leveraged, this talent potential can become a global platform for Africa. However, this talent has to be educated, trained and motivated. Africa’s policy makers have to anticipate, influence and respond to global trends, understand and develop capability frameworks of performance standards and what will differentiate them from the rest of the world. China’s capability is high volume low costs, whilst Singapore’s capability is based on high cost technology investment.

1.0 Historical context

Africa has from time immemorial and throughout the Colonial Era been regarded as a land of opportunity, endowed with the world’s best quality mineral resources from the gold mines in South Africa to the Gold Coast in West Africa. The rich coffee and tea plantations in East Africa to the cocoa plantations in West Africa. The Human Capital that has driven the economies of the west from the era of slavery to post colonial Africa.
Africa’s endowment has however failed to translate into a better quality of life for the majority of African citizens. This endowment has in some cases become a catalyst for social discontent and political instability. Political coups, military dictatorships and major destructions of social and governance structures have all contributed to the human capital displacement, migration and under development.

The democratisation process in Africa during the last thirty to forty years gave many in Africa hopes and expectations for a better life for all. Accordingly most governments put in place mechanisms for such developments. The processes and progress towards these noble goals has however been far from satisfactory; for many governments the challenges have been too many and daunting, and very few resources for delivery. Consequently many people in Africa are yet to achieve a better quality of life.

The Commission for Africa established that Africa is the only continent that is getting poorer and that its development has in relative terms been overtaken by developments in other continents; most notably in Asia. Africa’s development in the sixties was recorded as higher than that of Asia and that there has since been a major decline in its development history to the extent that it has now become the poorest continent as illustrated at table 1 below.

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<td><strong>Comparative Developments</strong></td>
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<td>World Poverty rates: share of people living on less than $1 a day (%)</td>
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2.0 Human Capital Development

Africa is a big and diverse continent with countries of varying geographical and population sizes, language and governance systems. Its total population is over 900 million, and over 50% of the population is under the age of 25. This huge population present an investment opportunity and platform for Africa’s human capital and economic development.

The UNDP Human Development Report 2005 reported significant progress in human development globally and the minimal progress registered in developing countries. Sub-Saharan Africa however registered major reversals in human development and this has been attributed to the HIV/AIDS pandemic, which has afflicted the region and consequentially the Life Expectancy Index has declined to 0.35. A comparative sample of HDIs in selected countries is given below:
The Human Development Report and graphical representation illustrate the magnitude of the African development challenge. The progress achieved and the rate of human development is far too small to create a catalytic process for development. Major systemic changes and investments will be required for an effective turn around.

There is a global recognition that the creative requirements of global developments in the 21st Century and the competitiveness of nations will be dictated by the quality of the human capital stock resident in each country and across different regions. It is the human capital that will create the conditions for technological and economic advancement, and countries with high investments in the institutions and processes that create human capital development will forge ahead in their competitiveness whilst those which fail to invest will remain uncompetitive.

The Asian development has been driven by the strategic investments in the key institutions aligned to the technological developments required. The more developed and richer countries in Asia, such as Singapore, Korea and Japan focussed investments in high quality technology innovation together with the development of the requisite human capital. Other countries such as India and China focussed investments on high volume production technologies, technology adaptation and the development of the requisite human pool to meet the demand.

The Africa Commission identified that the African human capital development base was very weak, adult literacy levels were very low, access to institutions of learning were
limited by the inadequacy of available institutions and support mechanisms for
education. The status had a direct impact on human capacity development and the
creation of a professionally qualified talent pool, and that presently the total talent pool
was very small, overstretched, under sourced and a porous target for talent migration.

Human capital development in Africa has to be premised on Africa’s diversity. The
regional economic blocks that have been established in Africa, such as the Southern
Africa Development Community (SADC) in Southern Africa, East Africa Commission
(EAC) in East Africa and Economic Community of West Africa (ECOWAS) in West
Africa, the African Union (AU), the New Partnership for African Development (NEPAD)
provide the infrastructure for human capital development.

3.0 Strategy for Human Capital Development

Human capital development refers to the process by which the national human stock is
moulded into a technical and professional capability for enhanced economic
performance, and for personal and national benefit which can be translated into a better
quality of life at individual and national level. This is a multi-dimensional process of
development which requires clarity of desirable outcomes at all levels.

3.1 Human Development Levers

Each country and sub-region has to define its development priorities and the human
development levers that are critical for driving sustainable development and economic
growth. The common levers can be defined at the following levels: Personal, National,
Regional and Global.

a) Personal Lever

The foundation for human capital development is the totality of the progress
achieved through the personal development of individual citizens/groups within a
country and within different organisations. There is an established relationship
between the degree of individual educational achievement and the quality of life.
Education is an empowerment tool, it is a lever that unlocks individual potential,
creates opportunities for individual development and a better quality of life.
Individuals with little or no education have limited opportunities for creating a
better life for themselves and their families, most of them are caught in the
poverty trap which creates a vicious cycle for generations.

Effective and efficient personal development for economic utilisation must be
premised on the need for individuals to acquire qualities and competencies that
encourage and promote economic progress and successful utilisation of
knowledge gained:

- Basic personal development skills and competencies that facilitate
  excellence and that strategies be put in place to assist individuals attain these
  basic competencies
- The desired values and ethos must be inculcated within the education
  systems such as discipline, dedication, integrity, accountability etc.
There is a need for African governments to review and reinvent their educational infrastructure and improvements necessary to deliver on the national vision and development priorities. The Africa Commission report, established that over four million children do not have access to basic education, Ngugi wa Thiong’o and others have raised the African dilemma of the schooled but uneducated citizen groups.

There are citizen concerns in different countries that the calibre of educational graduates and the behaviours displayed are in some cases not compatible with the required capabilities and behaviour standards. The purpose for education and the outcomes required have to be clearly defined beyond the years of basic education.

b) National
This refers to the aggregate level of the educational and technical capability resident in the national stock. The quality and quantity of the talent pool is vital for accelerated national development and quality service delivery. It is a key factor in attracting and promoting investment opportunities. Potential investors assess a country’s potential for business investment based on among other things the availability of a ready pool of individuals with the requisite talent, production capabilities, work ethic and work culture. The smallness of the talent pool in Africa, the technical capability and work ethic have been major negatives in attracting investments into the region and a major contributory factor to the underdevelopment of the private sector in most African Countries.

In order for Africa to create major breakthroughs it is imperative that:

- Investments in human capital development must be supported by systematic and stringent performance measurement systems with inbuilt external auditing of skill capabilities
- Investments in building social capital to promote national pride and unity in diversity
- Lessons must be learnt from past experiences, opportunities created and missed, and from successful nations such as the Asian economies and others.

Singapore’s strategy for human capital developed was based on a multi pronged strategy which included major investments in:

(i) educational infrastructure, quality of teaching and defined high performance educational outcomes both the investment capital in infrastructure;
(ii) social capital to promote national cohesiveness and prosperity by integrating the social norms and customs of the different ethnic groups that make up the country in the educational curriculum; and
(iii) a deliberate and systematic talent harvest strategy to identify the best and to give them the best opportunities for learning and career development.

c) Regional
The forces of globalisation and trade liberalisation require multi dimensional approaches and collective responses at different levels. The formation of regional
blocs, bilateral, multilateral agreements and various protocols between countries are collective efforts that designed to enhance the capabilities of both parties to engage with each other, maximise the benefits of the globalisation processes for national and inter regional.

To make it work requires both the political will and technical capability. The political will is expressed through the signed agreements and showing up for a collective voice by the political leadership. The Technical capability is the nuts and bolts that are designed by the Technocrats of the parties involved.

The major weakness in Africa as observed and expressed by most of the political leadership is the inability of technocrats in most cases to translate the political will into robust strategies with defined key outcomes and tangible results. "Nothing gets done until it is done" Thabo Mbeki, President of South Africa- Southern Africa Development SADC Heads of State meeting, Victoria Falls 2000.

Regional Agreements and inter country collaboration must be leveraged by a performance plan, and human capital development must be a key component of the delivery of the plan. It is imperative that the:

- skill sets required to deliver on the agreement are clearly incorporated
- talent pool availability is established and strategies for building such capability are developed,
- performance standards are defined and performance management processes are agreed as well as
- Reward and recognition modalities to enhance attraction and retention are developed.
- Tourism, Trade and many others are potential areas for the development of common and baseline skill sets and performance standards.

The major breakthrough for the Asian economies has been that for each collaboration, specified skills and competencies must be achieved within a defined period and there are processes to systematically monitor the progress and performance capabilities of local counterparts, including the systematic gradual increase of responsibilities to Citizens.

In Africa as part of the collaboration, technical capability is often imported to deliver and maintain the collaboration, mechanisms for managing the processes of skills transfer to local counterparts where developed remain on paper, there is in most cases no coordinated process including assessment of local capabilities. And consequently where such skills have been transferred, there has been no comprehensive strategy to facilitate recognition and reward. This weakness has created a vicious dependency cycle on external expertise at the expense of local capacity development. This has also in most cases contributed to xenophobic attitudes and resentment amongst locals.

d) Global

The emergence of globalisation added a complex dimension to the management and development of human capital. Most significantly increased talent mobility within countries, in between countries and across continents, and the net result has been the major brain drain from Africa and the developing world.
Africa has on the other hand failed to optimise on the positive aspects of talent mobility such as strategically positioning itself in strategic places and organisations and on the negative side being unable to stem the tide of talent outflow. It is important that if Africa is to become a global force it has to put in place internal mechanisms to understand and anticipate global developments and implications on national and regional priorities. The global skill sets requirements for the global market and for positions in international organisations. These requirements are also constantly changing in response to global improvements.

The current skill sets include requirements for individuals who can:

- Understand the big picture on the global platform;
- Develop a deeper understanding of their countries bilateral and multilateral organisations and partners;
- Leverage diversity and respect different cultures;
- Develop a detailed understanding of at least one foreign language;
- Align high intellect with high integrity levels;
- Commitment to high standards of performance; and
- Multi skilled and quality driven.

The British government in the 1980s in response to challenges for breaking through the OECD employment requirements designed a strategy to increase the number of British citizens employed in the Organisation for European Economic Development by targeting young graduates and mid career professionals by specifically recruiting them for a grooming programme for recruitment into the OECD. The project was so successful that in 6-10 years they had a very high percentage of Britons employed in the OECD and other countries started developing similar programmes.

3.2 Human Capital Management

The continent is beset with a number of challenges which range from critical inadequacies of qualified and capable human capital, high levels of talent migration and increasing excess capacities in some areas as well as several other development challenges.

a) Talent Outflow

It is estimated that Africa loses approximately nine thousand of its trained human capital to Europe and the Americas per annum and given the prevailing inadequacies these losses represents a significant proportion of the African talent pool. Talent is attracted to powerful economies because of opportunities for better salary packages as well as opportunities to put some of the learned skills into practice. Given the poor state of most of the African economies Africa may continue to be vulnerable to such losses and it is imperative that alternatives to attracting talent back into Africa be considered.
Several International protocols on the movement of professionals have been signed by different governments and the extent to which these will stem the flow of talent migration remains to be seen.

An option for African governments will be to consider a second level of bilateral and multilateral protocol on the development of the excess human capacity for export.

create investment opportunities in training more nationals, as well as benefit from managed talent outflows through direct and indirect taxation.

b) Attracting Talent Inflow

It is important for Africa to understand and play the global game of talent attraction and retention. The 21st century citizens are highly mobile global citizens with the ability to move across countries and continents. The management of this talent requires new approaches and increased flexibilities on the management styles and conditions of service. Conditions have to be created to induce locals to return and serve in their countries. This will increase the opportunities for broadening the knowledge and expertise base within national organisations.

External recruitment missions undertaken by different countries should include a component for targeting nationals and there should be an equitable incentive provided to induce the top level national talent required.

The common practice in countries is that when individuals leave their organisations prematurely doors are permanently closed against them and there is no provision for smooth re-entry, any such attempt is often viewed negatively and in some cases is regarded as an acknowledgement of failure on the enterprising individuals.

c) Absorptive Capacity

African countries have to develop strategies for managing the critical balance between demand and supply. There are on one hand critical skill shortages in most of the highly technical and scientific professional areas such as in medicine, engineering, technology and others, and on the other hand there are increasing challenges of unemployment in the unskilled and semi skilled cadres, there are also real challenges of market saturation in some professional skill areas.

There is a gradual increase in the number of qualified professionals who cannot be absorbed in their national sectors because of sector saturation and the limited state and private sector capacities to absorb all graduates. It has been reported that in some cases graduates take up to over three years before they can be absorbed in their professional areas and sometimes these graduates ultimately change careers in order to earn a living. Given the limited resource base in Africa, this can be classified as misdirected investment which can also result in an explosive social cost. It is imperative that:

- countries consolidate and strengthen their national human resource planning machineries for strategic investment in human capital development;
- Develop strategies for positive and productive management of excess capacity;
- Promote bilateral and inter-regional agreements on import/export and exchange of the talent pool; and
- Continuously monitor the management of protocols on baseline capacities.

d) Managing in House Talent

Employers have to understand that contract employment in the global economy is a contract of choice, and high quality talent will choose to work with this or that organisation. The 21st century human capital is highly mobile and continuously in search of opportunities for self-actualisation. This talent is often attracted by a number of factors such as:

- a) high salary packages;
- b) better opportunities for creating new knowledge and personal growth;
- c) Flexibility in negotiating terms and reward package;
- d) Flexibility in working conditions; and
- e) Recognition for good performance.

There is also a major phenomenon of underutilised human capital in organisations. The human potential in graduates is in some instances not fully optimised. There are instances where graduates are reportedly not given opportunities and intellectual space for effective performance.

4.0 Emerging Human Resource Management Issues

The centrality of human capital in development dictates that governments, chief executive officers of both multinational and national organisations put in place sound mechanisms for the management of this critical resource. Research studies undertaken by Public management scholars and practitioners across the world and including the Commonwealth Association of Public Administration (CAPAM) indicate that the management of human resources has become a top priority governance issue. Leaders surveyed have identified the following HRM issues as amongst the most critical:

- Modernisation of human resource management;
- Leadership retirement, succession planning, recruitment, development and coaching;
- Managing Performance, ethics, integrity and accountability;
- Change management and knowledge management; and
- Managing diversity in the workplace.

5.0 Conclusion

Africa has the potential to transform itself into a global force and a global hub. The slave trade and the colonial scramble for Africa were manifestations of the rich potential within Africa, and whilst it has to be acknowledged that these processes had a negative impact on the historical evolution of the continent, it has to be equally recognised that the power to move on and create opportunities anew rests with the African leaders and citizens.
There are major human development challenges that have to be addressed in order to create the necessary breakthroughs in development. Most significantly the need for a common human development agenda between the different parties and stakeholders in government. Increased investments in educational institutions and strengthening the delivery capacities and quality of educational outcomes. Major Leadership and managerial deficiencies in public sector institutions that impact on the quality of public policy and technical delivery capabilities. Talent outflow and under optimisation of in-house talent. HIV/AIDS and its impact on human development.

Great opportunities have also been created to help Africa forge ahead, The Africa Commission, the G8 summit, the cancellation of debt, the investment opportunities created through agreements such as the Africa Growth Opportunity Agreement (AGOA), the NEPAD strategy and others.

The opportunity to transform African challenges into opportunities and to transform Africa from a poor third country to a well performing continent rests with the African leadership “More than forty years ago Lee Kuan Yew transformed what was a poor decrepit colony into a shining rich and modern metropolis (Singapore) – Rupert Murdoch .Chairman and Chief Executive, News Corporation.”

Reference Material
PRESENTER’S NOTE

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