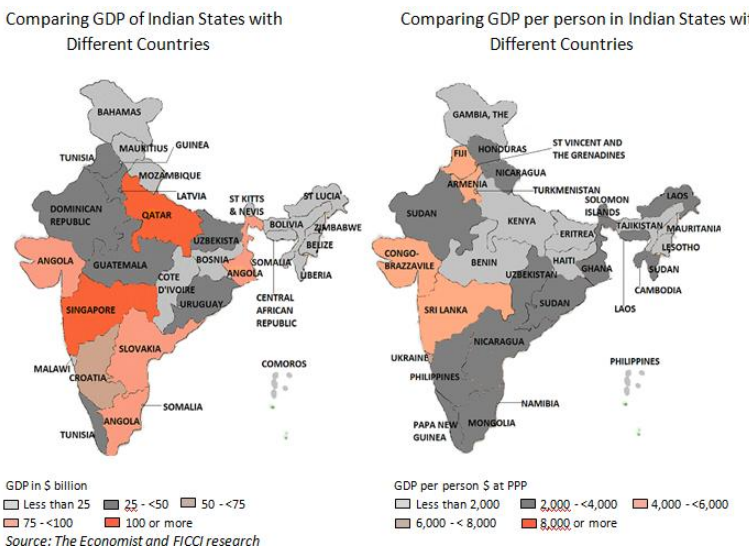
India and Sub-Saharan Africa: The Mirage of Perceptions

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India's Growth Story

Rapid economic rise with an annual average growth of 7.3% has led India becoming the third largest economy in terms of GDP (PPP) in 2011. Notwithstanding the recent slide in growth, our states are comparable with countries across the globe. For instance, Maharashtra has a GDP similar to Singapore, shown in an interactive table recently published by the Economist. Similarly, GDP of Gujarat and Tamil Nadu individually are similar to that of Angola, the oil-producing fastest growing economy in the world during the last decade. Optimism about India's growth story is also echoed in projections by consultancies around the globe like PWC that India's GDP at market exchange rates would overtake Brazil, UK, Italy and France by 2018, Germany by 2022 and Japan by 2028, making it the third largest economy of the world, behind the US and China. Against this impressive perception about India, it is interesting to see how these economic achievements compare with India's social indicators.

While India has been growing rapidly, inequality in India is becoming a daunting issue with spillovers on social as well as economic life. While GDP of some states in India is as high as some of the middle and high income countries as demonstrated above, in terms of GDP per capita, they are comparable to some of the poorest countries. While these differences may also be attributed to the size of population in these states, there is still flagrant inequality in incomes between the various states.



India has seen a heated debate on all pervasive corruption in the country. The recent exposé of scandals showing how vast resources of the government earmarked for the development of the country found their way into coffers of corrupt officials of national and state governments has also resulted in staunch protests against the political parties in our country. It is no surprise then that India stands at an index of 3.1 according to the corruption index published by Transparency International wherein the index takes a value between 0 (highly corrupt) to 10 (very clean). With this phenomenal rise in corruption India has slid to 95th place in 2011 from 72nd 2007.

This also has repercussions in terms of business environment in India. A recent report from the World Bank ranked India 132nd out of 183 economies for ease of doing business, and as low as 181st for dealing with construction permits and 182nd for enforcing contracts.

While income inequality in India is on the rise, higher gender inequality index also remains unaddressed. Women significantly lag behind their male counterparts in education, parliamentary representation and labour force participation. South Asia has the highest gender inequality in the world but India is within the lowest rung even within this region with only Afghanistan ranking lower.

The UNDP Human Development Report in 2011 reveals that in spite of India's medium value of the Human Development Indicator (HDI) the overall picture is not very impressive. Out of the 187 countries around the world, India was ranked 134th. Moreover, when adjusting for inequality, India's HDI had an overall loss of a staggering 28.3% in its value. As per the education index, mean years of education in the country is 4.4, an unimpressive performance compared to its per capita income.

Progress on other aspects of social development has also been slow in India. Despite the rising prosperity, India has the highest number of malnourished children in the world. Following the Hunger and Malnutrition report published in 2011, the Prime Minister of India observed that it was indeed a matter of national shame that 42% of India's 160 million children are underweight and malnourished. According to WHO's global hunger index (GHI), a composite of three equally weighted indicators namely the proportion of the population that is undernourished, the proportion of children who are underweight and under-five child mortality, India fared worse in 2011 than the previous year. In 2011, according to the UNICEF more children under the age of five died in India than anywhere else in the world. The number was an appalling 1.7 million children or over 4,650 child deaths a day. For every 1,000 children born in India, 61 are unlikely to make it to their fifth birthday.

Sanitation is another social infrastructure where progress has been at a snail's pace. According to WHO, India is home to most number of people defecating in the open. The brazen practice in India accounts for 59% of the 1.1 billion people in the world that engage in the practice. In 2012, the Drinking Water and Sanitation Minister, Jairam Ramesh termed India as world's capital for open defecation. Even some of the poorer countries in the world also have greater access to improved sanitation than India including neighbouring Bangladesh and Bhutan in South Asia. Let us compare some of these parameters with Sub-Saharan Africa where perceptions have often lagged behind the developments on the ground.

Africa – The Hopeless or the Sunrise Continent?

The pessimistic outlook about Africa, especially Sub-Saharan Africa can be seen from the abundant literature and academic titles like 'Africa's Growth Tragedy', 'The Bottom Billion' and

so on. The challenge in changing this perception is summarized in the following quote by Ms. Obiageli Katryn Ezekwesili, Vice President, Africa Region, World Bank:

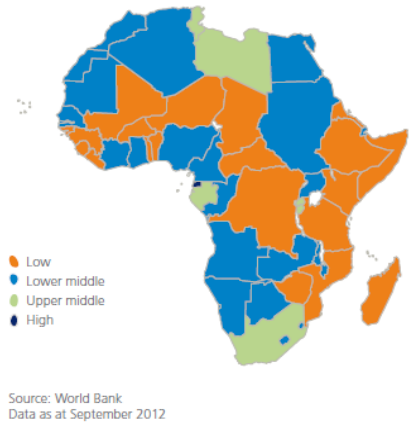
"*The tendency to dwell on Africa's challenges, longstanding problems, and failures rather than on its opportunities and successes is one of the continent's most enduring stereotypes. Despite an acceleration of economic growth over the past 10 years and a growing army of African middle-class consumers, the narrative about Africa has remained one of poverty, disease, and conflict.*"

In order to demonstrate that this pessimism about Sub-Saharan Africa is unwarranted, a comparison of a few socio-economic indicators from Indian and Sub-Saharan Africa is made. This reveals some perplexing facts.

Year 2011	**Sub-Saharan Africa**	**India**
Population (millions)	874.8	1241.5
Land Area (sq. km)	23,587,900	3287260
GDP (US$ billions)	1245.7	1847.98
GDP per capita (US$)	1424	1489
GDP growth	4.1	6.9
Urban Population (% of total)	36	27.8
Life expectancy at birth (years)	54.2	65.5
Infant Mortality rate (per 1,000 live births)	69.4	47.2
Female Literacy rate	68.7	65.5

Source: World Bank, IMF, Indian Census

Before delving into the subject, we should bear in mind that we are comparing a country (India) against a sub-continent (Sub-Saharan Africa). A vast and diverse region consisting of 48 countries, Sub-Saharan Africa (hereafter SSA) is labeled as the poorest region in the world. India's income is comparable with atleast 15 other lower-middle income countries in SSA and exactly the same as Ghana's. It is interesting to note that the middle class in SSA is comparable with or even more than India in spite of the fact that India has a larger population.



Growth in Africa over the last decade has majorly been associated with broad scale economic as well as social reforms. The results of such reforms can be seen from the rising investments in the region along

with the enabling business environment in many of these countries. Indian Industry has also joined forces to explore various trade and investment opportunities in the region.

While India has the same per capita gross national income as Ghana, it is much easier to do business in Ghana than India according to the World Bank. There are 14 countries in SSA that are ranked higher than India on the ease of doing business index by the World Bank including countries like Rwanda, Zambia, Kenya, Ethiopia and so on. In spite of this, the general perception still persists that business environment in the region is unfavourable. Similarly, while it is perceived that corruption is rampant in the region, 12 countries including post-conflict low income economies like Rwanda and Liberia are less corrupt than India according to the corruption index published by Transparency International. Ghana has an index value of 3.9, higher compared to India's 3.1. India's index is comparable with Swaziland in Southern Africa, Benin and Burkina Faso in Western Africa.

There are other aspects of social development in SSA which are also often overlooked. Many countries irrespective of income have lesser gender inequality than India. This includes some of the poorest countries in the world like Rwanda, Burundi, Tanzania, Burkina Faso and Mozambique among others. In fact in Rwanda, despite significant income inequality gender disparity seems to be amongst the lowest in the continent. The number of women parliamentarians is the highest in the world at 48.8% of the total members in the national assembly. Almost all SSA countries (42 to be precise) engage more women in their labour force than India.

Conventional wisdom would say that human development in Sub-Saharan Africa is in shambles. However this is also not always true. In terms of the HDI, two countries namely Seychelles and Mauritius have a high HDI value. Gabon, Botswana, Namibia, South Africa and Cape Verde also rank higher than India. Ghana is just a rank below India at 135. SSA countries have been much more successful in promoting education than India. As many as 23 countries have a higher rank than India. Despite comparable incomes, Ghanaian students have more years of education (7.1) compared to Indians (4.4). Not only India's other lower middle income counterparts in SSA like Cameroon, Republic of Congo, Nigeria, Swaziland and Zambia but also people from low income countries like Kenya, Tanzania, Uganda and Zimbabwe enjoy more years of education than in India.

SSA countries also report lesser malnutrition than in India inspite of wide-spread 'poverty and inequality', the common enemy of malnutrition. According to A.K. Shiava Kumar, a development economist and advisor to UNICEF, "*Compared to India, child malnutrition is lower among many countries in Sub-Saharan Africa with not only greater income inequality but also lower per capita incomes. Gambia, Mali, Nigeria and Guinea Bissau, for example, report both lower levels of income and greater income inequality, and yet levels of child malnutrition in these countries are lower than in India*." Again, not only almost all middle income countries but

also as many as 17 lower income countries including Rwanda and Uganda performed far better than India in this regard. So is Africa the poverty stricken and hunger-ridden place we think it is?

In order to make poverty levels comparable across regions, the UN Human Development Report introduced the concept of multidimensional poverty. This criterion accounts for deprivation at individual level of most important aspects for decent life like access to clean water, sanitation facility, fuels and so on. It accounts for both headcount as well as the intensity of multidimensional poverty. According to the UN Human Development Report last year, India has the world's highest multidimesionally poor people in the world, at 612 million. India has more multidimensionally poor people than in entire Sub-Saharan Africa!

One of the important deprivations of a decent life is lack of access to sanitation. While this holds true in many countries in SSA, there are a lot of exceptions as well. Apart from middle countries, low income countries like Rwanda, Malawi and Zimbabwe among others again fare better than India suggesting that it is very much possible to attain these levels irrespective of income levels. Inspite of the lack of data, 21 countries in the region (from the data that are available) have a larger proportion of their population with access to better sanitation facilities, access to clean drinking water than India. There are belts in Africa, especially the southern region, which have a greater proportion of its population with access to clean water. There are many countries which have made significant strides in the past decade in terms of improving access to clean water including Malawi, Rwanda among others.

What can we infer from this?

The above comparisons have revealed some perplexing facts – India, no doubt, is ahead of Africa in certain indicators. But it is also fairly lagging behind some African countries in certain other important indicators. Healthy economic indicators do not necessarily lead to sound social and development indicators of a country. Unfortunately, India cannot wish away the pressures of an exploding population on its social infrastructure. Political will and public consciousness, awareness and ambition to reach global standard of living is imperative if India has to keep pace with its economic growth profile. Otherwise there will be a mismatch between perceived and real India.

Fighting perceptions is a major challenge in many countries more so since perceptions are based on incomplete knowledge, lack of awareness and adequate understanding. Many African countries have been globally applauded for performing well on the socio-development indicators. However, as World Bank puts it, "*perceptions often lag behind the development on the ground*". For some reason these achievements have still not reached the psyche of the larger Indian population. Increasingly Africa has to fight perceptions about its backwardness in India despite having achieved considerable success not only in economic growth but on the socio-development indicators.

India on the other hand lags behind in a number of areas on the socio-development indicators. There is an urgent need to shake off this ignorance about Africa in our population and a major initiative in this regard will not only help India learn from the African example but enhance the scope for future collaboration in areas which touches the lives of more than 2 billion people in both the regions.

Indicator/ Index	**India's Rank/Score**	**Sub-Saharan African Countries ahead of India**	**Sub-Saharan African Countries comparable with India**
Ease of Doing Business	132 (of 183)	14 including Rwanda, Ghana, Ethiopia	Uganda, Swaziland, Nigeria, Sudan
Gender Inequality	129 (of 146)	21 including Rwanda, Burundi, Swaziland, Uganda, Ghana	Congo Rep., Zambia, The Gambia, Sudan
Human Development	134 (of 187)	6 including Cape Verde, Botswana	Ghana, Congo Rep., Swaziland, Eq. Guinea
Education	145 (of 187)	19 including Ghana, Zimbabwe, Uganda, Congo Rep.	Nigeria, Angola, Liberia, Malawi
Health	142 (of 194)	Cape Verde, Seychelles, Mauritius, Madagascar	Ghana, Gabon, Namibia
Hunger	23.7	34 including Ghana, Swaziland, Uganda, Nigeria,	Sudan, Niger, Zambia, Angola, Sierra Leone
Multidimensional Poverty	0.283	11 including Ghana, Zimbabwe, Congo Rep., Kenya	Togo, Cameroon, Nigeria, The Gambia
Corruption	0.31	12 including Rwanda, Ghana, Liberia, Zambia	Swaziland, Benin, Burkina Faso, Djibouti,

Source: World Bank, UN HDR, IFPRI, Transparency International

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