Editorial: Africa's Economic Development Agenda and Sustainable Growth

This special issue 'Africa's economic development agenda and sustainable growth' paid attention in addressing ills existing in the African economy. Africa's development is triggeredby high unemployment, crime, poverty, inequality, low productivity and poor quality of the public service among others. The current discourse on what can stimulate economic development in Africa has rekindled the attention of scholars and policy makers to direct their energies to important factors for sustained economic growth and development. This is subsequent to the widely shared view among scholars that poor economic development poses a major threat to most developing economies, particularly in African states. The persistence of Africa's development challenges called for a search for solutions, and scholars engaged in debates to provide those solutions.

The *Journal of Reviews on Global Economics* has brought out a special issue on Africa' economic development agenda and how it contribute to sustained economic growth. The ***first paper*** found a relationship between agriculture, industrial output and financial sector development in South Africa with the use of Autoregressive Distributed Lag, Error Correction models and Granger causality. Evidence from the models indicated the presence of a long-run relationship between industrial output and agriculture, which suggests that these sectors depend on each other for raw materials and inputs. In addition, stock market development represented by market capitalization had a long-run relationship with agriculture. However, no long-run relationship established between credit extension and agriculture as well as between gross fixed capital formation and agriculture. The evidence also showed a long-run relationship between exports and agricultural output, which is consistent with the export-led growth hypothesis. There is also evidence that manufacturing output, domestic credit extension to the private sector, JSE market capitalization and exports Granger-cause agricultural output in the short run.

The ***second paper*** dealt with the relationship between financial development and poverty reduction in the SADC countries utilizing the Generalized Method of Moments technique. The empirical results indicated that the effect of the different measures of financial sector development on poverty in the SADC region is mixed. Six out of nine financial development variables have a negative effect on poverty in the SADC region. In terms of financial depth, the empirical results presents mixed results. Results on financial system stability confirm the notion that a stable financial system is beneficial to the poor. Financial inclusion or access is pivotal for the development of the poor; results reveal that an increase in the number of ATM outlets available to the public significantly reduces the poverty rate in the SADC region.

The ***third paper*** examined whether the key macroeconomic policies are co-integrated in order to create a springboard for a sustainable monetary union. The study employed panel data analysis on 14 SADC countries. The empirical results showed that there is fiscal and monetary policies convergence amongst SADC countries. However, cross-country differences such as debts, fiscal balances and money supply may hinder the formation of a monetary union and obstruct the economic survival initiatives for trade amongst member states. The paper concluded that monetary union might naturally become necessary to facilitate cooperation and trade amongst countries once there exists shared goals despite some differentials.

The ***fourth paper*** addressed declining mining sector output in South Africa that is economically detrimental as it leaves large numbers of mining workers unemployed. The article paper provides some of the first well-identified estimates of the viability of how post mining transformation can take place through agricultural production. Therefore, the paper aimed to examine the relationship between the mining production economic activities and the agricultural economic growth employing the autoregressive distributive lag approach and impulse response functions in South Africa. Results indicated that the mining production has a significant long run relationship and can positively influence the agricultural economy. It is recommended that mines can formulate policies that address post-mining transformation into agricultural activities to redirect labor skills when the time of closing mines come. Suggested policies range from skill redirection of mineworkers to agricultural activities. For instance, plantation of some fibrous plants that can grow well in mining land, and engage in some more economic activities like manufacturing and tourism of those agricultural products.

The ***fifth paper*** investigated the implications of labour productivity and labour costs on the South African economy using the Autoregressive Distributed Lag (ARDL) approach. Since South Africa is faced with several challenges such as high levels of unemployment, higher wage bills and high levels of poverty, this study is envisaged to provide an empirical evidence to policy makers and union leaders alike to begin to recognize more fully the importance of labour productivity and labour costs towards economic growth. The results indicated that labour productivity had a significant positive impact on economic growth however; labour costs have a significant negative impact on economy of South Africa. Policy formulation should focus on policies that can help to improve the quality labour force in order to achieve desired economic growth levels that can help to increase the levels of employment and the reduction of poverty.

The ***sixth paper*** examined the effects of financial crises on economic growth and foreign direct investment in some African countries using a panel vector error correction model (PVECM). From economic growth model, in the long run, it is observed that gross domestic product per capita is positively influenced by investment, trade and foreign direct investment; with investment and trade being statistically significant. Gross domestic product per capita has a negative significant relationship with real effective exchange rate. On the other hand, in the long run, the investment model shows that investment has a significant positive relationship with both gross domestic product per capita and investment; while it has a negative significant relationship with real effective exchange rate and trade. Also, observed from the results is that financial crisis has a negative relationship with both economic growth and foreign direct investment. This study recommends more openness of the economy to promote both economic growth and inflow of foreign direct investment in countries. It also recommends the need to encourage more gross fixed capital formation in order to promote both economic growth and foreign direct investment.

The ***seventh paper*** motivated by the desire to expose a possible nonlinearity and non-proportionality in linking financial deepening and economic growth. Authors investigated the finance-growth nexus from a linear and nonlinear perspective in Nigeria using the Autoregressive Distributed Lag (ARDL) and Nonlinear Autoregressive distributed Lag (NARDL) models. Results found that economic growth tends to adjust nonlinearly to financial deepening than it does linearly. This is expected to guide policy makers towards ensuring that the linearity and nonlinearity polarity of the finance-growth nexus are always factored-in while formulating policies relative to driving sustained growth through financial deepening.

The ***eighth paper*** highlighted qualitatively the impact of the programme on maize production, grain import bill, and domestic maize prices in Zimbabwe, thereby reviewing the overall gains and losses of the programme to the economy. Findings showed that timely access to inputs as provided by the programme, in conjunction with the adequate amount of rainfall had the capability of increasing Zimbabwe’s annual maize production and reducing dependency on imports. The study recommends an extensive evaluation of the wins and losses of the programme by the Zimbabwe Ministry of Agriculture, as it will serve as a pointer on areas to concentrate effort and commit more resources on matters of maize production in the country.

The ***ninth paper*** investigated if there is a link between economic complexity index (ECI) and monetary policy lending rates in selected Sub-Saharan African countries using a panel autoregressive distribution lag methodology. Results indicated a long-run significant relationship with the Kao and Johansen combined cointegration. It was further illustrated in the long-un that ECI estimates have a negative and significant impact on monetary policy lending rates. The series could correct to equilibrium at a significant rate of 25%. These results provided new insights needed for appropriate development economic policy to reduce monetary policy lending rates.

The ***tenth paper*** used an exploratory research design to uncover various practices and procedures that have been accredited to the success of foreign owned Spaza’s in townships. Through qualitative engagement with relevant literature published over a period of six years, the study examined a relationship between foreign owned businesses and locally owned businesses in the townships of South Africa. The study outcomes identified motives for increased and successful foreign owned businesses in townships. These are Networking and Economies of Scales; Socio-Economic Motivators; Geographic Location; Financial Management, Entrepreneurial Orientation and Business practice. All of these motives are seen as equally important and can be used to upskill and motivate local informal traders to be as competitive within the township economy.

The ***eleventh paper*** assessed the dynamics of microcredit and its capacity to reduce poverty in the Eastern Cape Province in South Africa. Microcredit is acclaimed as one of the tools for enhancing poverty reduction efforts in developing regions. A survey of available literature was adopted in this study to investigate the reasons behind this development. The paper suggested strategies that can be used to enhance the impact of microcredit programmes on poverty reduction in the province. It argued that microcredit has been in existence for a long time in the province; however, it has failed to make a significant contribution on poverty reduction across the province. The principal findings outline some of the main challenges associated with microcredit and the results suggest that removing key challenges can improve the scale and mitigate the impact of microcredit.

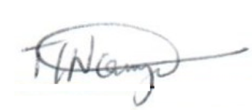
The ***twelfth paper*** aimed to explore local township traders' perceptions on the displacement effects from shared value-creation in emerging markets; and to establish the extent of the transformation of retail enterprise development and the displacement of local traders. The study used quantitative methods to analyze the data collected from 301 respondents to amass primary data. The study found that, while local traders appreciate the transformation and development of the townships brought about by shopping mall development, their businesses have been displaced by the emergence of township malls.

The ***thirteenth paper*** scrutinized how demand-planning information is shared at N ZAR for optimal performance. A quantitative explorative case study research design was used and data was collected through a structured self-administered questionnaire. Data analysis used descriptive and multivariate statistics. The study findings showed most of the participants responded positively to the statements that information sharing achieves demand chain coordination. This study recommends that top management should provide full support to information sharing initiatives to facilitate the demand planning process.

The ***fourteenth paper*** evaluated the effect that electronic payment channels had on financial inclusion in Nigeria. Quarterlies data obtained from the statistical bulletin of Central bank of Nigeria were used. The Autoregressive Distributed Lag Model was adopted and used for the estimation. Digital financing channels were not only significant but at the same time positive with the financial inclusion variables under investigation. However, the observed financial inclusion may not have delivered access to all because the channels are elitist. The study advocates for a policy reform that takes care of structural rigidities to accommodate the excluded.

The ***fifteenth paper*** qualitatively evaluated the extent at which Value added Tax (VAT) is used as an instrument by countries to meet their fiscal deficit and meet the needs of their citizenry. The VAT due to its buoyancy nature contributes sizable amount of taxes which alleviate the financial burden of countries in meeting the financial obligations. Numerous kinds of literature demonstrate that whenever countries experience any budget shortfall they always look for fiscal remedies in either introduction of VAT or changing the rate of VAT. This article is conceptual in approach and uses the literature to argue that VAT can be used as an effective instrument to meet fiscal objectives in some African Countries. The paper concludes that many countries that have introduced VAT have managed to meet their fiscal obligation due to high revenue contribution that have emanated from it, making the VAT the best tax methods to enable the country to meet their fiscal obligations.

In the light of the above discussions, this special issue hopes to provide deeper insight into different aspects of African economy linking to the subject of its development agenda. I believe that policy makers; planners and readers will benefit from reading this special diversified collection of papers on the development agenda of Africa. It will prove to be an asset for the researchers working on diversified aspects of the African economy. Finally, I am thankful to contributors and reviewers to meet the deadlines. I am also grateful to Prof. Dr Badar Alam Iqbal [Editor for Special Issues] for inviting me as a Guest Editor for this special issue.



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