

## BUCHBESPRECHUNGEN / BOOK REVIEWS

*Morten Jerven*

### **Poor Numbers**

#### **How We Are Misled by African Development Statistics and What to Do About It**

Cornell University Press, Ithaca and London, 2013, 187 pages, US\$ 65 (hardcopy) and US \$ 22.95 (paperback), ISBN: 978-0-8014-5163-8 (hardcopy); 978-0-8014-7860-4 (paperback).

It is not uncommon these days to find, say, Nigerian citizens expressing shock at development economics statistics, e.g. on ‘percentage of population at a certain level of poverty’, published by national or international bodies. The bewilderment usually relates to how the relevant authorities came about the numbers, whether any proper (field-based) data collection exercise was done at all, and how the published numbers fit within their everyday experiences which seem to be at variance with the import of such publications. In a very powerful way, *Jerven* uses this brilliant book to give an effective response to such queries and more. With this piece, *Jerven* draws our attention to the highly unreliable nature of much of the development economics and social statistics relating to, or emanating from, most countries in Africa, why this is the case, the (potential) negative implications of such flawed data on many endeavours (e.g. the development of knowledge, governance – in terms of transparency and accountability, and decision/policy-making), and what can be done to improve the situation.

Sandwiched between an effective introductory and concluding chapter, *Jerven*’s thoughts on the theme of the work are well captured in four chapters that quite clearly indicate the development of his argument – (1) ‘What Do We Know about Income and Growth in Africa?’, (2) ‘Measuring African Wealth and Progress’, (3) ‘Facts, Assumptions, and Controversy: Lessons from the Datasets’, and (4) ‘Data for Development: Using and Improving African Statistics’. In addition, apart from a List of Illustrations and a Preface, the book includes other useful and informative aspects like Appendix A and B – containing ‘A Comparison of GDP Estimates from the World Development Indicators Database and Country Estimates’ and ‘Details of Interviews and Questionnaires’ respectively; Notes connected to the main text; a body of References useful for those who wish to pursue the subject further; as well as a fairly comprehensive Index which would aid efficient navigations of the text. However, the Table of Contents is too narrowly drawn; it simply states the title of the chapters and does not include the subtopics under them which could help make the navigation of the book easier and improve the readers overall engagement with it.

What makes this work unique is not necessarily the fact that it tells us how poor and unreliable key development statistics in much of Africa are; after all, the book recognises the fact that similar scepticism has been expressed, or alarm raised, in the past by writers like

Sarah Berry,<sup>1</sup> Polly Hill,<sup>2</sup> and Roy Carr-Hill,<sup>3</sup> in the early 1980s and 1990s, including a foremost Nigerian economist, Pius Okigbo,<sup>4</sup> who before that period was engaged to prepare Nigeria's national account. What truly and majorly stands this book out and makes it a useful and interesting contribution to the discourse in this area is the relatively robust empirical approach it takes which substantiates earlier concerns, the solutions it proffers and echoes, and its recency – which indicates the persistence of old problems. Apart from the collection of 'published and unpublished reports on the sources and methods used in national accountings' (p. xii) and datasets assembled from different international agencies, the author spent several years visiting diverse African countries, conducting interviews with statistics offices, central banks and donor organisations, and collecting data across the African continent through email surveys. This body of mostly on-the-ground knowledge which were carefully woven together in this book, makes the piece a 'living' and practical one, difficult to fault its substance.

*Jerven* highlights a number of issues with national accounting and development economics statistics in most Africa countries and why data users should be cautious about how they use or rely on them. A major point that came out strongly in the book is the unavailability of data on the massive informal or unrecorded economic activities being carried out in many African countries, and the fact that this huge informal economy is therefore largely not included in the national accounting processes. In other words, the product of this accounting process, being more likely a severe underestimation of the state of the economy being measured, only ends up giving the (potential) users of the economic information a partial/misleading view of the true state of the economy (pp. 11, 47-49). This is not a recent problem, but one which was noted as being analogous to the exclusion (and later, marginal consideration) of 'subsistence economy' or the value added by 'African' producers in the colonial accounting process of the early 1900s (p. 37).

Another major issue raised in the book relates to the use of outdated 'base year' in the calculation of Gross Domestic Product (GDP) – which is arguably the primary economic indicator of the real state of any economy in terms of growth and contraction – by many African countries. 'Base year' is fundamental to the calculation of GDP as it 'determines the year at which prices are held constant when attempting to measure real economic changes' (p. 26). While international best practice is to rebase after every 5 year, thus allowing current economic realities to be capture in the national accounting process, *Jerven*'s survey of 47 African countries reveals that compliance by African countries is poor: the base year presently used by national statistics office of 13 of these countries remains undetermined; 13 others still

1 Sarah Berry, The Food Crisis and Agrarian Change in Africa: A Review Essay, *African Studies Review* 27 (1984), pp. 59, 60.

2 Polly Hill, *Development Economics on Trial. The Anthropological Case for Protection*, Cambridge 1986, p. 34.

3 Roy Carr-Hill, *Social Conditions in Sub-Saharan Africa*, London 1990, p. 210.

4 Pius Okigbo, *Nigerian National Accounts, 1950-1957*, Enugu 1962, pp. 65, 174.

have their base year as far back as the 1980s and 1990s; and only about 14 of these countries have their base year within the last 10 years (pp. 24-25).

Also noted is the huge importance of using an updated base year in the calculation of a nation's GDP as demonstrated in 2010 when Ghana revised its base year from 1993 to 2006 using new accounting methods, which allowed it to include new materials (giving how much economies change over a decade). The result shocked the development community as Ghana's GDP shot up by 60%, causing the World Bank to upgrade its status from a poor country to a low-middle-income country; this may give us an idea of why some countries are not too keen on the upward revision of their base year, as '[o]nly countries classified as poor are eligible for loans on concessional terms' from the World Bank (p. 27), or may receive more 'sympathy' from other external donor entities. The news about sub-Saharan's biggest economy – Nigeria – planning to rebase or revise its current 1993 base year has also been around, and as noted, there are reports that this could increase Nigeria's GDP by at least 50%, which would be a more accurate reflection of the state of its economy. What this means is that what we know about the economic growth and income of these African countries that use an outdated base year is most likely a severe underestimation of their current economic reality. In fact, in a survey by *Jerven* of statisticians in national accounts division of 23 African countries on the broad issue of whether they thought GDP was underestimated, 18 of them answered in the affirmative and 2 neither confirmed nor denied the fact that GDP was underestimated (p. 28). And, as *Jerven* stressed, giving the use of different base years by different African countries (and even international organisation) in the calculation of their GDPs, the ranking of economies in Africa should be taken with a pinch of salt, or even less.

Morten's research highlights a number of other challenges that have greatly compromised economic and social development numbers coming out from most African countries, making them toxic for data users. The production of good quality statistics is expensive, but many relatively poor African countries cannot afford the required cost, and many that can do better have not prioritised the production of quality statistics. Hence, national statistics offices, in terms of infrastructure and field-based data collection and analysis have remained severely under-funded in most places. And related to this is the inadequacy of manpower, in terms of number and training; in fact, *Jerven* makes reference to his return to Zambia in 2010 where he found that the national accounts was now being prepared by only one man (p. x). The political climate under which important economic and social statistics are produced is also noted in the book as contributing to the weakening of data quality in many African countries (pp. 84-85): examples and inferences, e.g. from Malawi, of the existence of strong pressure on government statisticians by politicians to 'manufacture' economic data, albeit baseless, that ensures their political survival are given (pp. 76-77); and using a case study, *Jerven* demonstrates how the validity and reliability of total population data (one of 3 most important variables for economic and social analysis (p. 55)) in Nigeria has been marred over the years by political contestation, especially giving its relevance to electoral representation and fiscal spending (p. 56) – not minding that this data is central to the planning and measurement of development in the various sectors of any society.

*Jerven* is also careful to note that these issues are generally not just African problems but are more widespread. He particularly discusses how international (donor) entities have contributed to the confused, misleading and unreliable quality of economic development data relating to most African countries. For example, he demonstrates how (the) three major sources of data on national income (i.e. the World Development Indicator, the Penn World Tables, and the datasets of Angus Maddison), though agree on the ranking of some African countries by per capital GDP, differ on most and largely so in some cases; their figures also differ in many cases from those published by many African countries (pp. 16-23) – so which should data users go with? *Jerven* also holds the International Monetary Fund (IMF) and the World Bank to account on the undue pressure they placed on nearly all African countries to undergo ‘structural adjustment’ – a policy reform as condition for financial support – in the 1980 s and 1990 s. This policy saw the privatisation of basic state functions and the reduction of government role, resulting in the disappearance or grave deterioration of the state’s statistical ability (or ability to record national data) compared to what used to be the case (pp. 47, 52). The pressure mounted on statistical offices in some African countries in undertaking specific donor-funded projects and the negative impact of this on their ability to produce quality data on other important sectors of national concerns, is also discussed (pp. x-xi, 105).

In addition, a serious issue brought to the fore by *Jerven*’s (empirical) research, and one which runs through the book, is how the validity and reliability of some important economic and social statistics is not only a result of significant technical inaccuracies, but of high levels of arbitrariness in the process of producing the relevant data. So whether from national statistical authorities in many African countries or international organisations like the World Bank, published development economics and social statistics, *Jerven* argues and demonstrates, are in many cases generally products of pure guesswork, conjecture, unreasonable estimation, faulty assumption, non-transparent adjustment and revision of data, and negotiation with official stakeholders, and not based on information properly collected from the fields and analysed. This is apart from the potential problem of data mistrust created by insufficient transparency by international data disseminators (like the World Bank and IMF) as it relates to metadata or background information that could enable inquisitive data users to assess data quality and determine how much confidence to place on it (pp. 97-99).

Appropriately, the book, in chapter 4 especially, also offers some words on what to do to improve the situation, most of which should be obvious from the discussion in the preceding chapters. Among others, there are recommendations that national statistics offices, as well as the collect and analysis of data, be adequately and appropriately funded; that the number of staff involved in the preparation of relevant statistics be improved; and that the staff should be appropriately trained and updated on how to carry out their functions more effectively and efficiently, and in considerations of local circumstances. Part implementation of these was noted to have generally enabled Ghana better reflect the state of its economy, as well as kept the Ugandan statistics offices and the quality of their products ahead of what is obtainable in many African countries. The issue of more independence for national statistics offices, espe-

cially from stakeholders like international organisations and domestic political leaders that sometime exert generally unhealthy pressure on them, is also hinted.

Finally, there are a few words on some secondary issues with the book before the recommendation. On page 74 of the book, the first sentence of the first indented paragraph seems problematic, and the penultimate sentence on page 10 contains a grammatical error. There are also some typographical errors in the book (e.g. see p. 16 – line 2; p. 49 – penultimate line; p. 59 – line 11; p. 70 – line 18; and p. 97 – line 4). Perhaps a bit distracting, none of these seriously affects the clarity of the relevant arguments in this timely and elegantly written piece. Hence, I will highly recommend this book to academics working in the field of Humanities and Social Sciences (chiefly, legal scholars (especially socio-legal researchers), economists and political scientists), government officials and policymakers (national and international), donor and international financial entities, as well as journalists. And written in a largely accessible and non-technical manner, the book will be a useful addition to the library of all individuals broadly interested in the (measurement of the) realities of development within the African continent and its relations with international donor and financial entities.

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### **Constitutionalism and Transitional Justice in South Africa**

#### **Human Rights in Context, Volume 5**

Berghahn Books, New York, 2011, 240 pages, € 58.99 (hardcopy), ISBN: 978-1-84545-764-8 (hardcopy)

Andrea Lollini's book *Constitutionalism and Transitional Justice in South Africa* is the fifth volume in the series "Human Rights in Context".

The topic of *Lollini's* well-balanced book might be at first sight a bit general but the various political and legal changes in South Africa are just too tempting for any serious legal comparativist to abstain from.

And rightfully so: massive disruptions in nations such as the post-apartheid era in South Africa and their impact on society because of a new "Wertesystem" (system of values) introduced almost over night are still too little researched. So *Lollini's* analysis is another attempt to catch up with legal reality in South Africa and to categorize it aptly pursuant to Western comparative methodology.

The book is divided into two parts (Part I: "The Constitution-Making Process and Procedure", p. 17 *et seq.*; Part II: "The Constituent Role of the Truth and Reconciliation Commission", p. 93 *et seq.*) each of which consist of two chapters.

The first part describes South Africa's transition from apartheid to democracy, focusing on the establishment of the new constitutional order. *Lollini* thereby distinguishes deliberately between "constituent facts" and "constituent acts" (Chapter 1 "Constituent Facts", p. 19 *et*