

Six key investment areas for Africa to achieve the SDGs - Jeffrey Sachs

By  Sindy Peters

30 Jan 2017

[Professor Jeffrey Sachs](#), director of [The Earth Institute](#), addressed attendees at the sixth World Sustainability Forum, recently held in Cape Town, providing six key investment areas that he believes need to be a priority for Africa in order for the continent to meet the targets of the [17 Sustainable Development Goals \(SDGs\)](#).



Professor Jeffrey Sachs, director of The Earth Institute. Image source: www.adb.org

Sachs, Quetelet professor of sustainable development and professor of health policy and management at Columbia University in the US, believes China's journey to industrial development should serve as a blueprint for Africa in ending extreme poverty on the continent and becoming a key player in the world economy. China, emphasised Sachs, invested heavily across most of these six types of capital, reducing extreme poverty in that country from more than 80% in 1980 to roughly 5% today - modern technology makes societal transformation at such a huge scale and within such a short space of time now possible.

The six key areas of investment, according to Sachs:

1. Business capital: ensuring Africa is attractive to international business investment is critical - it's the type of investment featured prominently in the news, but isn't the only kind that requires significant consideration.

2. Infrastructure: Africa is way overdue for breakthroughs in modern infrastructure, said Sachs, in terms of energy, transport, communications etc.

3. Human capital: investing in the development and wellbeing of people through health services, nutrition programmes, promoting safe and secure environments, and access to secondary education and beyond.

4. Intellectual capital: research, development and innovations that are relevant specifically to the African context.

5. Social capital: this refers to building trust in communities - trust with each other and trust in our governments, notes Sachs: "This is a huge challenge because societies function on trust, and when trust doesn't exist, societies do not work."

6. Financial capital: making worthwhile, long-term investments into the various forms of capital.

Apart from its physical infrastructure, China also invested heavily in health and education. According to Sachs, "the dramatic improvement of education per child in China is absolutely one of the key explanatory factors for China's remarkable economic growth during the past 35 years, and this is again something I think needs to be replicated in Africa and other places in the world where the challenge remains to overcome extreme poverty".

Double African investment

During its economic boom, explained Sachs, China's investment rates were roughly 40-50% of its national income. He believes Africa needs to double its current saving and investment rates if it is to successfully achieve the SDGs: "If Africa can substantially raise its investment rates across these six areas of investment and do so in an intelligent way, then Africa's overall economic growth rate could double from 5% per year to 10% per year. Poverty would plummet and these investments could be undertaken in a way that promotes social inclusion, especially by ensuring that every child has the chance for a decent, hopeful start of a life, adequate nutrition, and a quality education, because there is nothing more important to social inclusion than the equal access to capital in all its forms in health, nutrition, brain development and education."

Critical role of the university sector

According to Sachs, the academic and university sector has several critical roles to play in achieving sustainable development and meeting the targets of the SDGs, including partnering with government bodies and branches to provide the technical know-how and knowledge they lack, educating future leaders, and performing context-relevant research.

"I believe the convening power of universities to be a neutral ground where government, the business sector, civil society, and leading scientists can come together to brainstorm and to forge common cause," he said.

The sixth World Sustainability Forum took place 27-28 January 2017 at the Southern Sun Cape Sun in Cape Town. For more info, [click here](#).

ABOUT SINDY PETERS

Sindy Peters (@sindy_hullaba_lou) is a group editor at Bizcommunity.com on the Construction & Engineering, Energy & Mining, and Property portals. She can be reached at sindy@bizcommunity.com

- 2022 Lesedi Award winner Faeza Marshman on what drives her giving spirit - 9 Dec 2022
- #ESGAfricaConference: Why integrating the environmental and social components of ESG is key - 3 Nov 2022
- #ESGAfricaConference: ESG an opportunity for purposeful shareholder engagement - 1 Nov 2022
- #ESGAfricaConference: Success in ESG starts with leadership, partnerships and good governance - 31 Oct 2022
- #ESGAfricaConference: What should ESG reporting look like in Africa? - 26 Oct 2022

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>