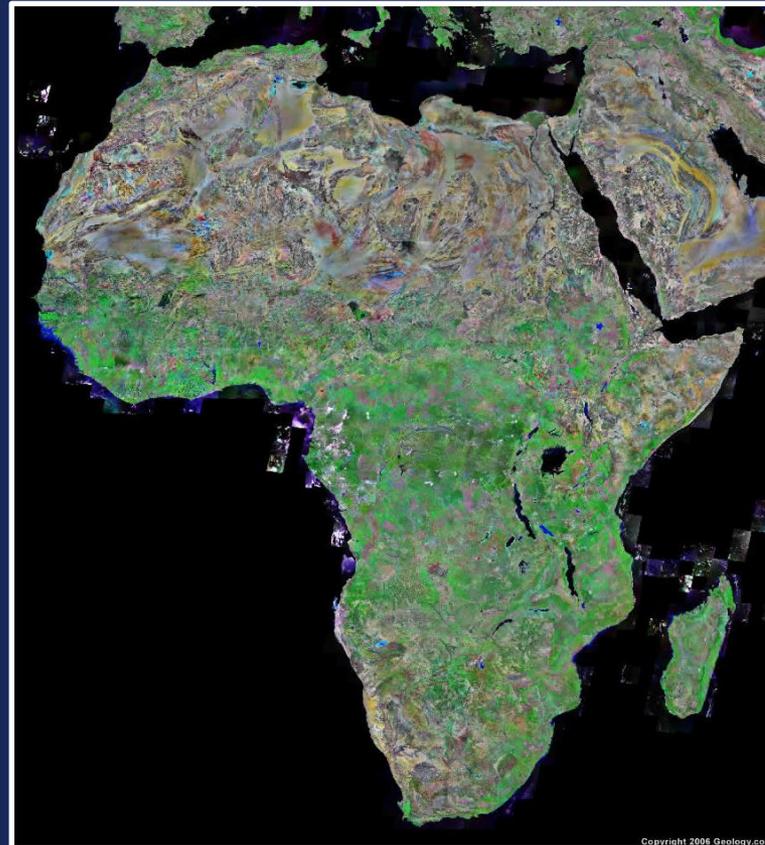


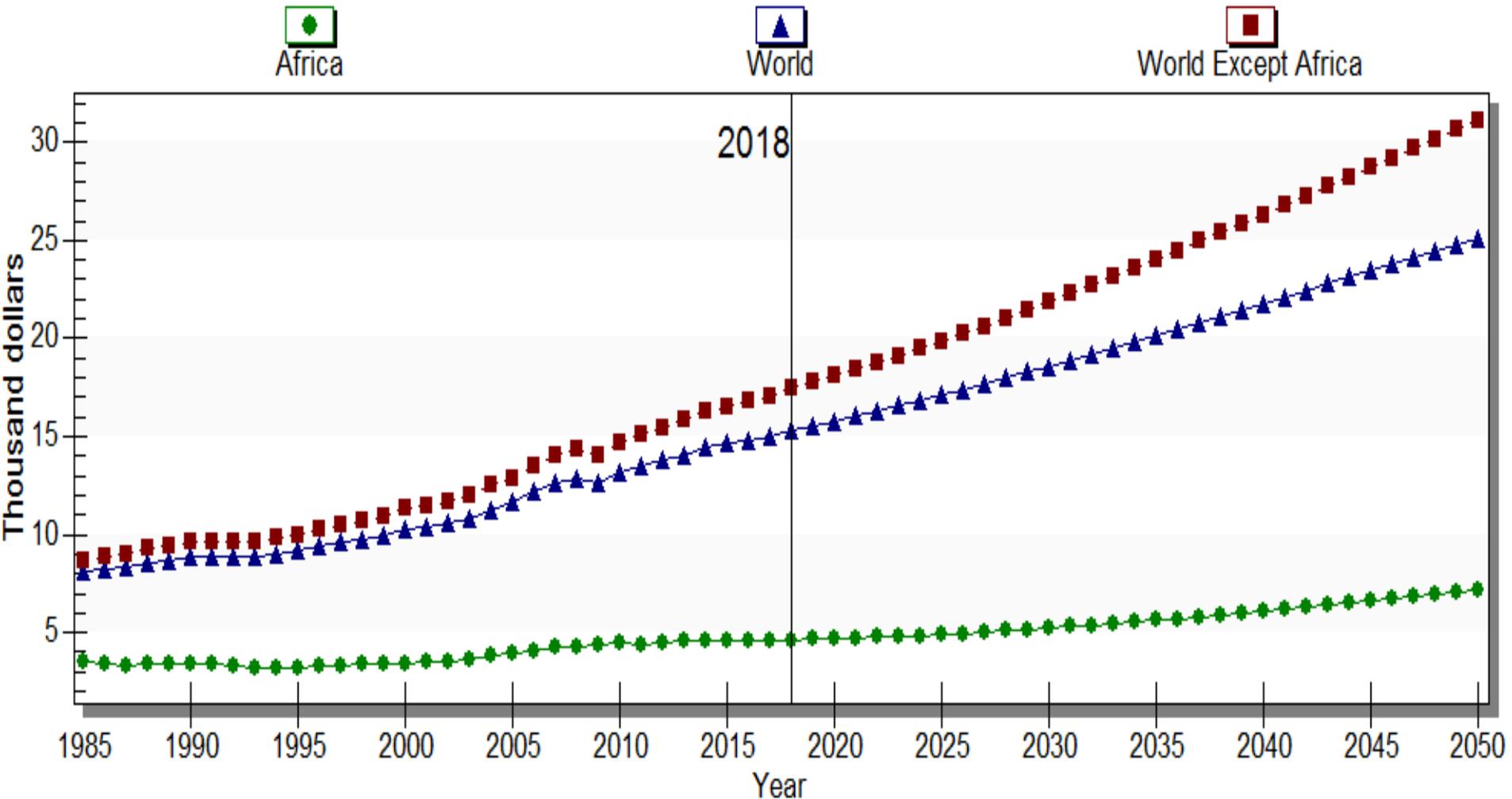
PERSPECTIVES ON THE FUTURE OF AFRICA



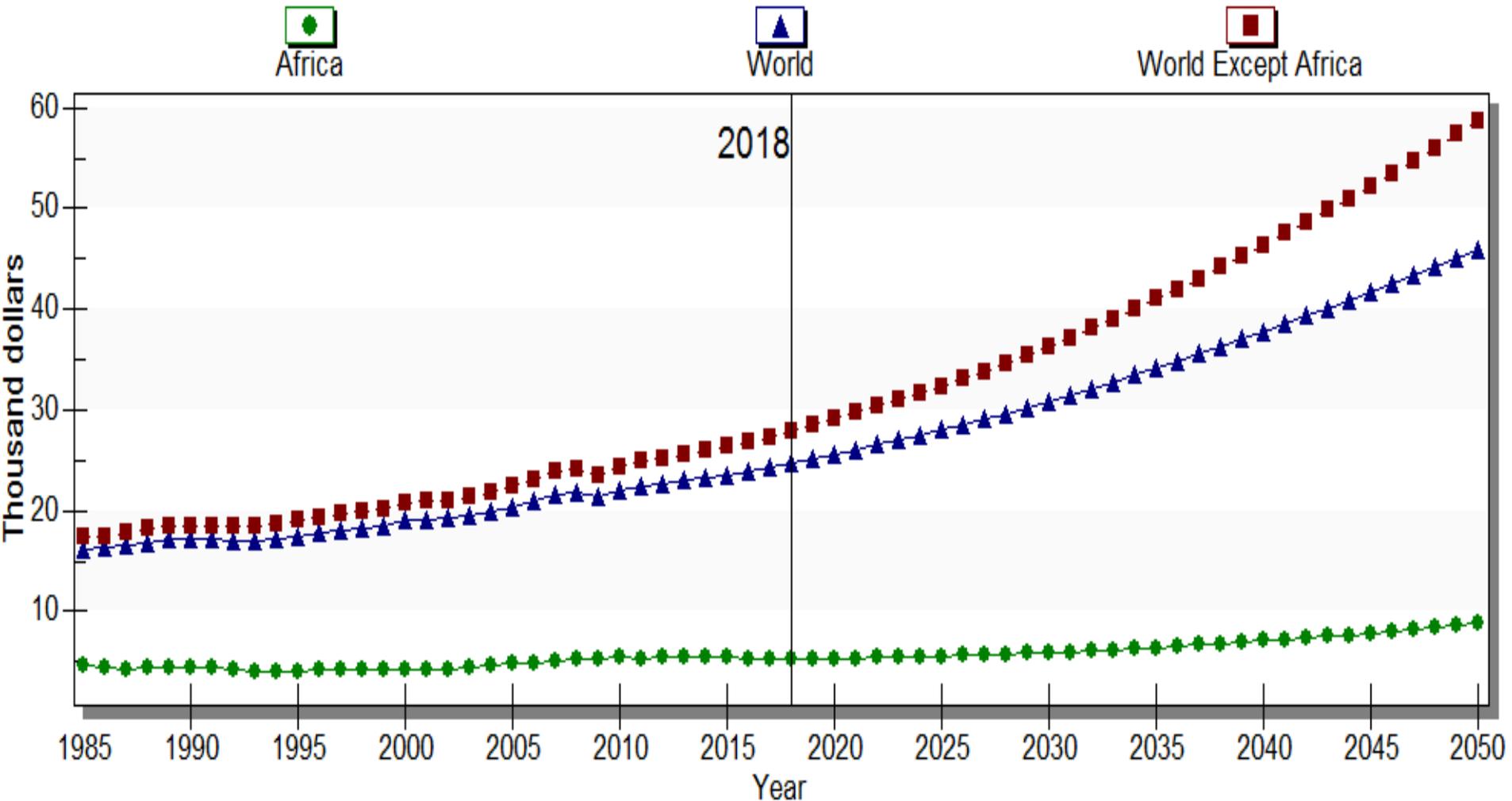
Jakkie Cilliers
Institute for Security Studies
12 February 2018

- Divergence and convergence
- Transition 1: Industrializing Africa
- Transition 2: The demographic dividend
- What needs to be done?

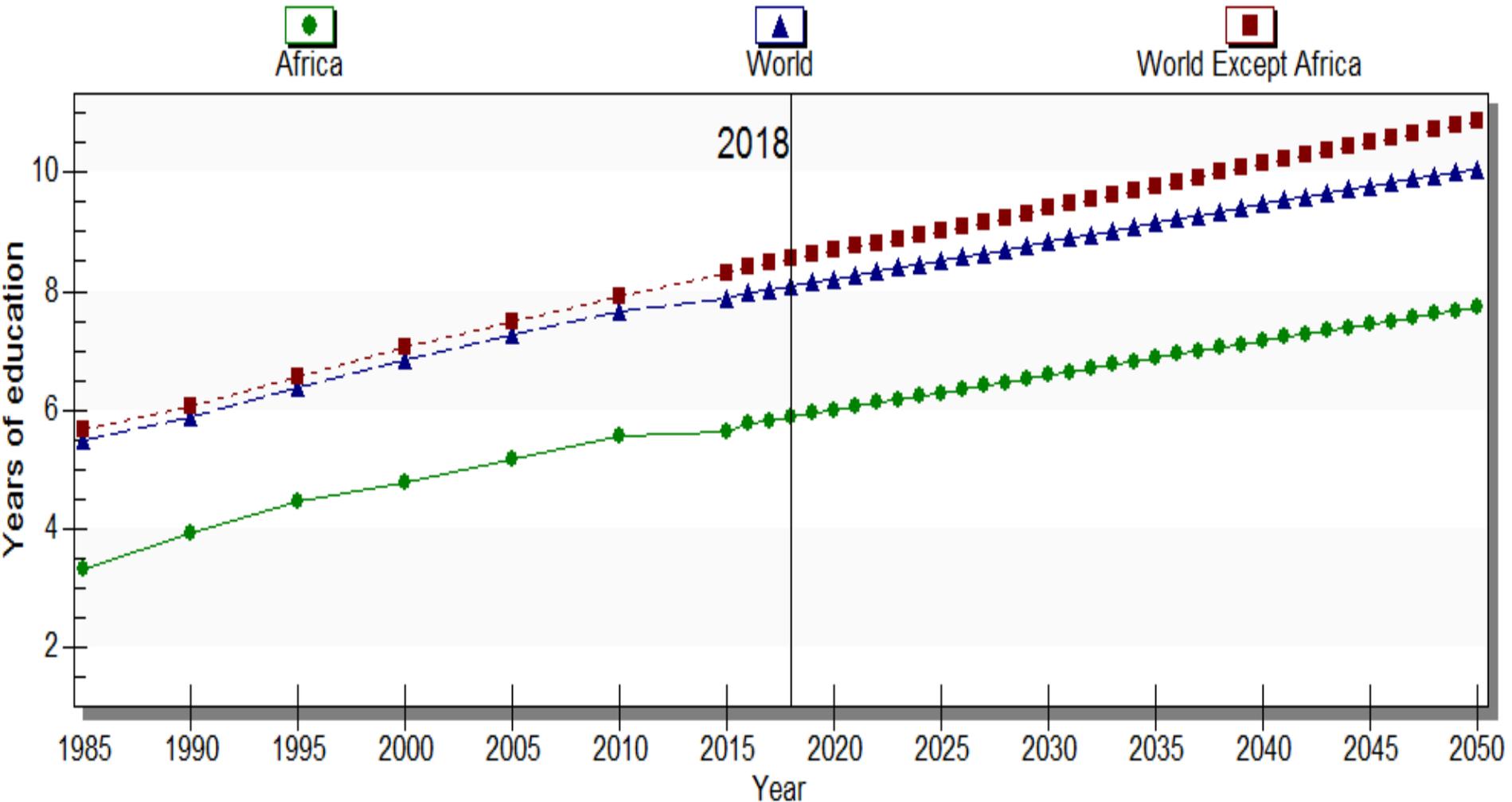
GDP per Capita (PPP), History and Forecast



Labor Productivity, History and Forecast



Education Years, Mean, 15+ Age Group, History and Forecast



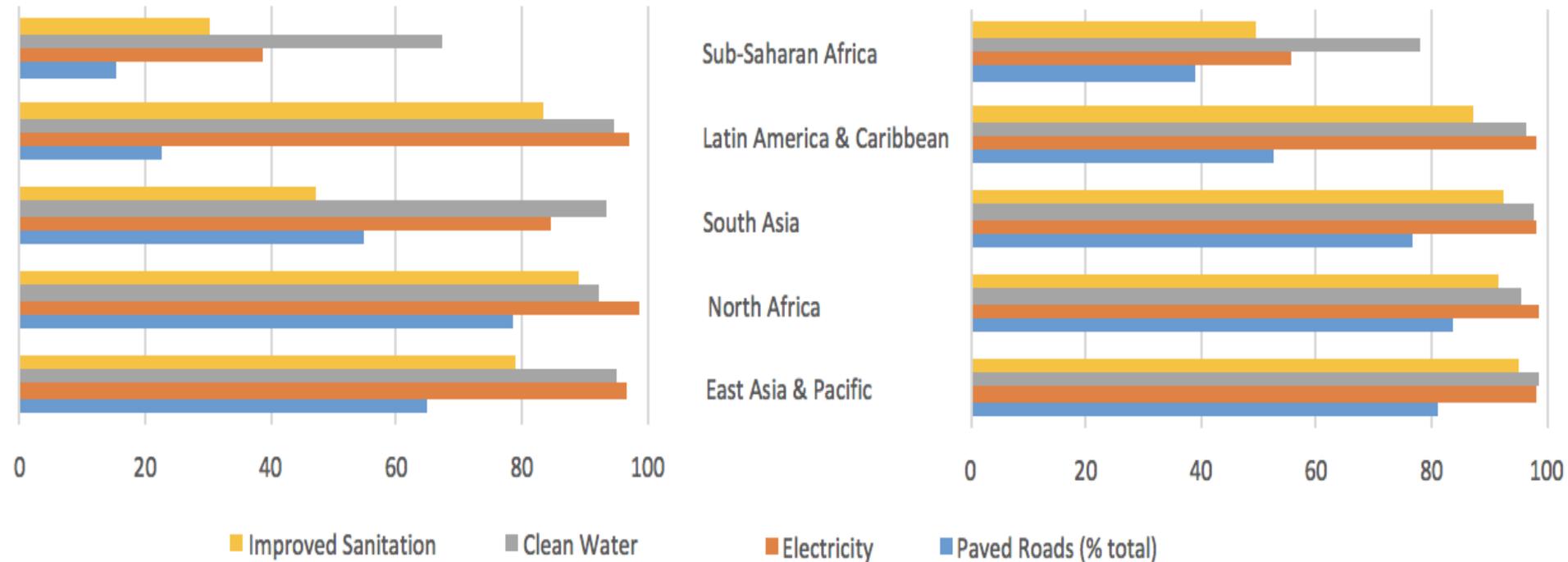
EARTH LIGHTS FROM SPACE



AFRICA'S INFRASTRUCTURE DEFICIT

2016

2035



1. 'Made in Africa' – the need for growing the manufacturing sector
2. Getting to Africa's demographic dividend

Countries grow wealthy and prosperous through structural transformation of economies

- Moving capital and labour from lower (agriculture) to higher productivity (manufacturing) sectors
- Higher productivity within manufacturing sector

But in Africa ... From agriculture to low-end retail services in urban areas

A vibrant manufacturing sector boosts productivity throughout economy, eg:

- Agriculture
- Materials, beneficiation in particular
- High-end services (finances and logistics)

But in Africa ... early deindustrialization

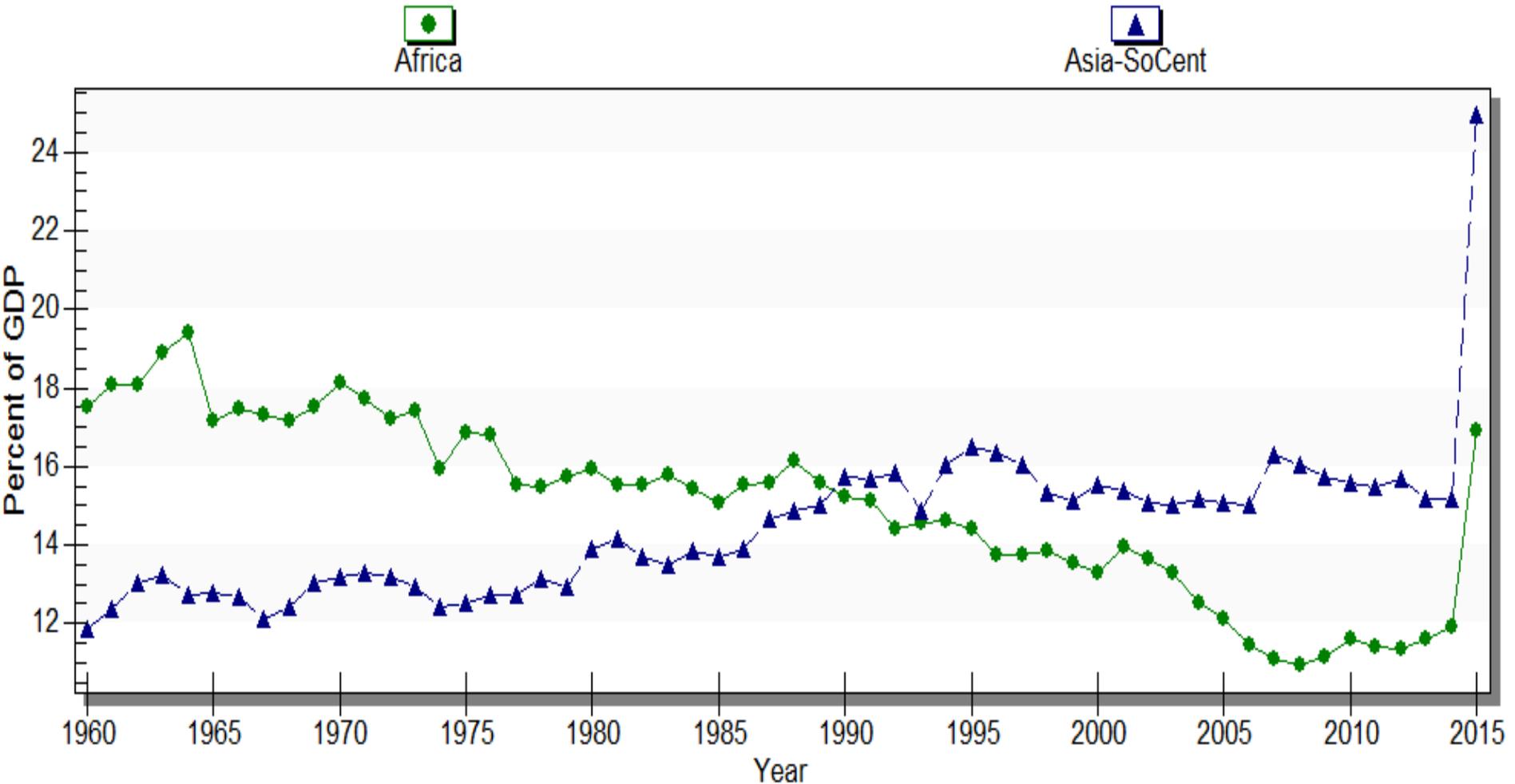
Countries in East Asia grew rapidly over long periods of time because of rapid productivity gains that followed movement of labour from agriculture to low-end manufacturing and then to complex manufacturing products.

Manufacturing value-add to GDP in Africa:

- 6% below global ave for lower-middle countries
- 7% below global ave for upper-middle countries

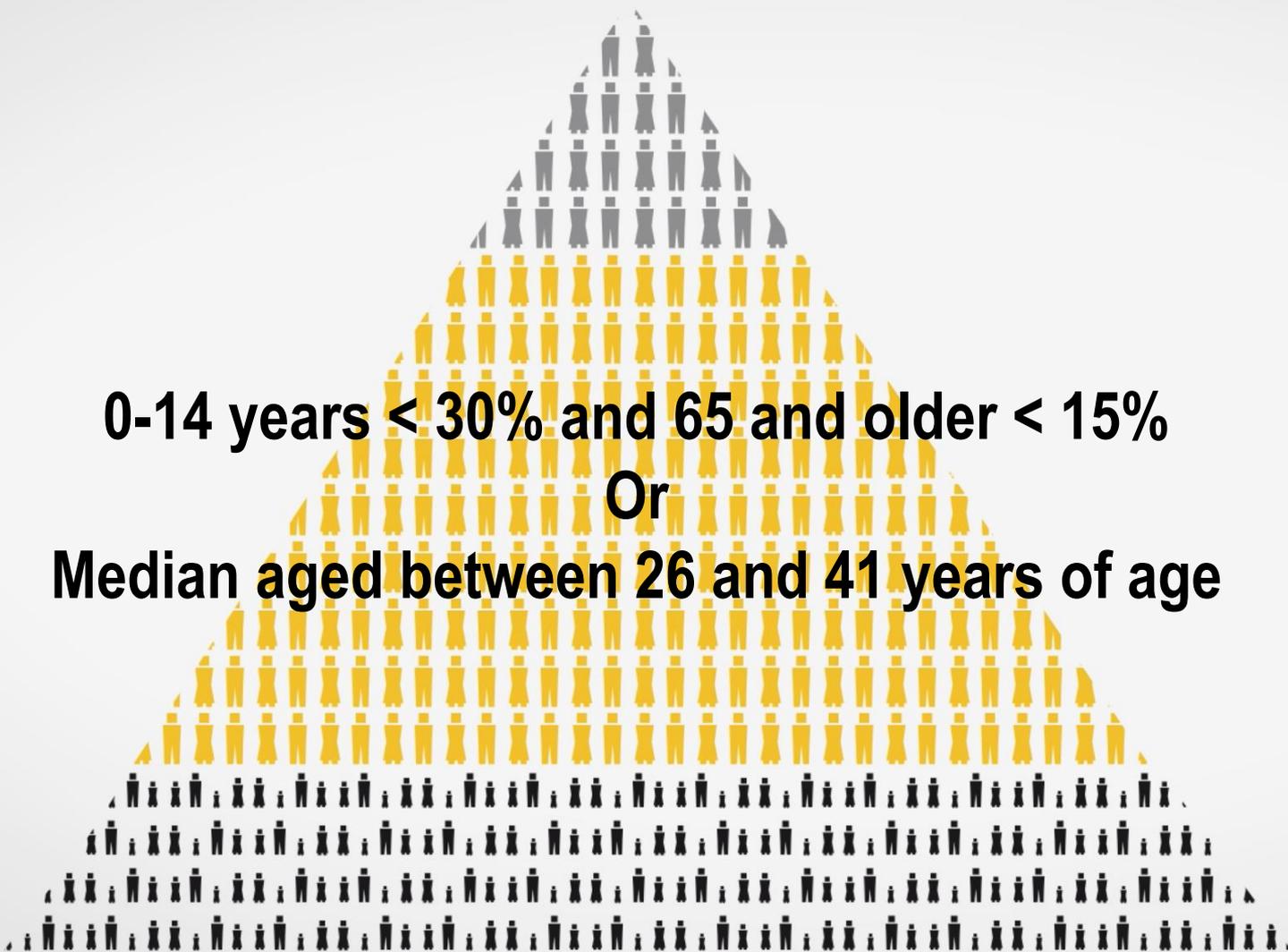
Africa is significantly under-industrialized

Manufacturing Value Added, History and Forecast



1. 'Made in Africa' – the need for growing the manufacturing sector
2. **Getting to Africa's demographic dividend**

DEMOGRAPHIC DIVIDEND



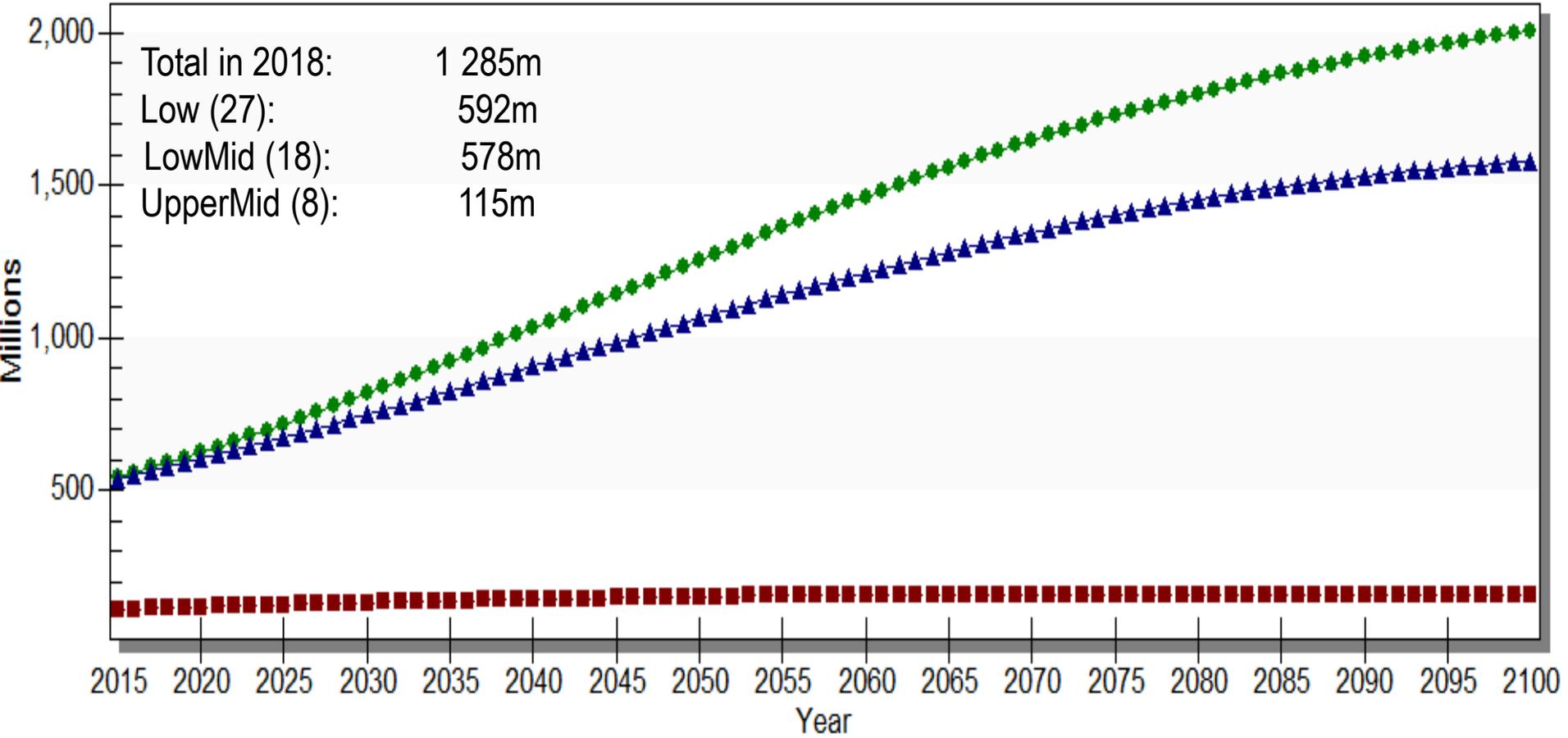
ELDERLY
65+

WORKING
AGE
15
to
65

CHILDREN
0 to 15

Population

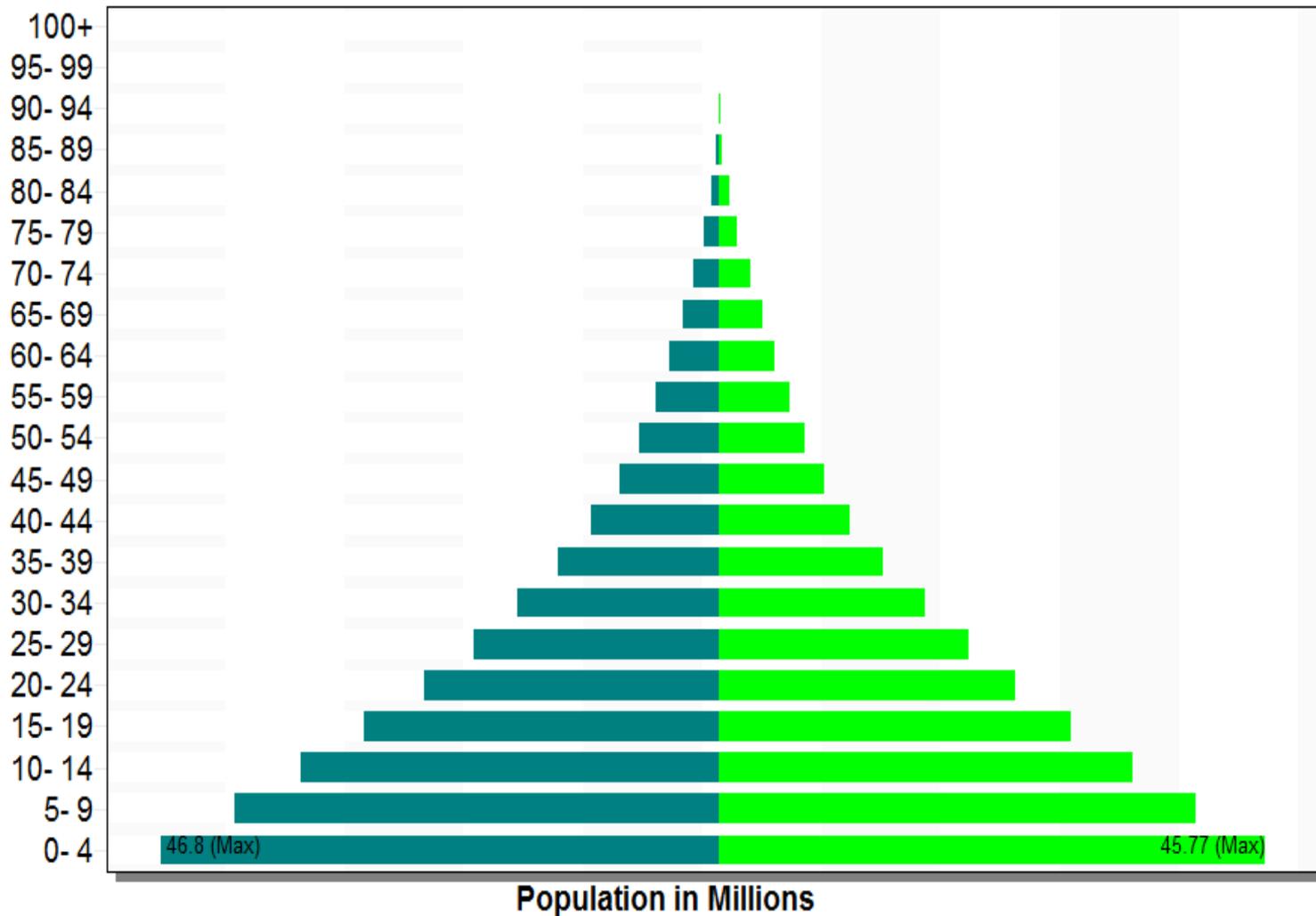
● WB Africa low-income
▲ WB Africa LowMidIncome
■ WB Africa UpMidIncome



Population Distribution for WB Africa low-income in Year 2015 [Base Case]

Males

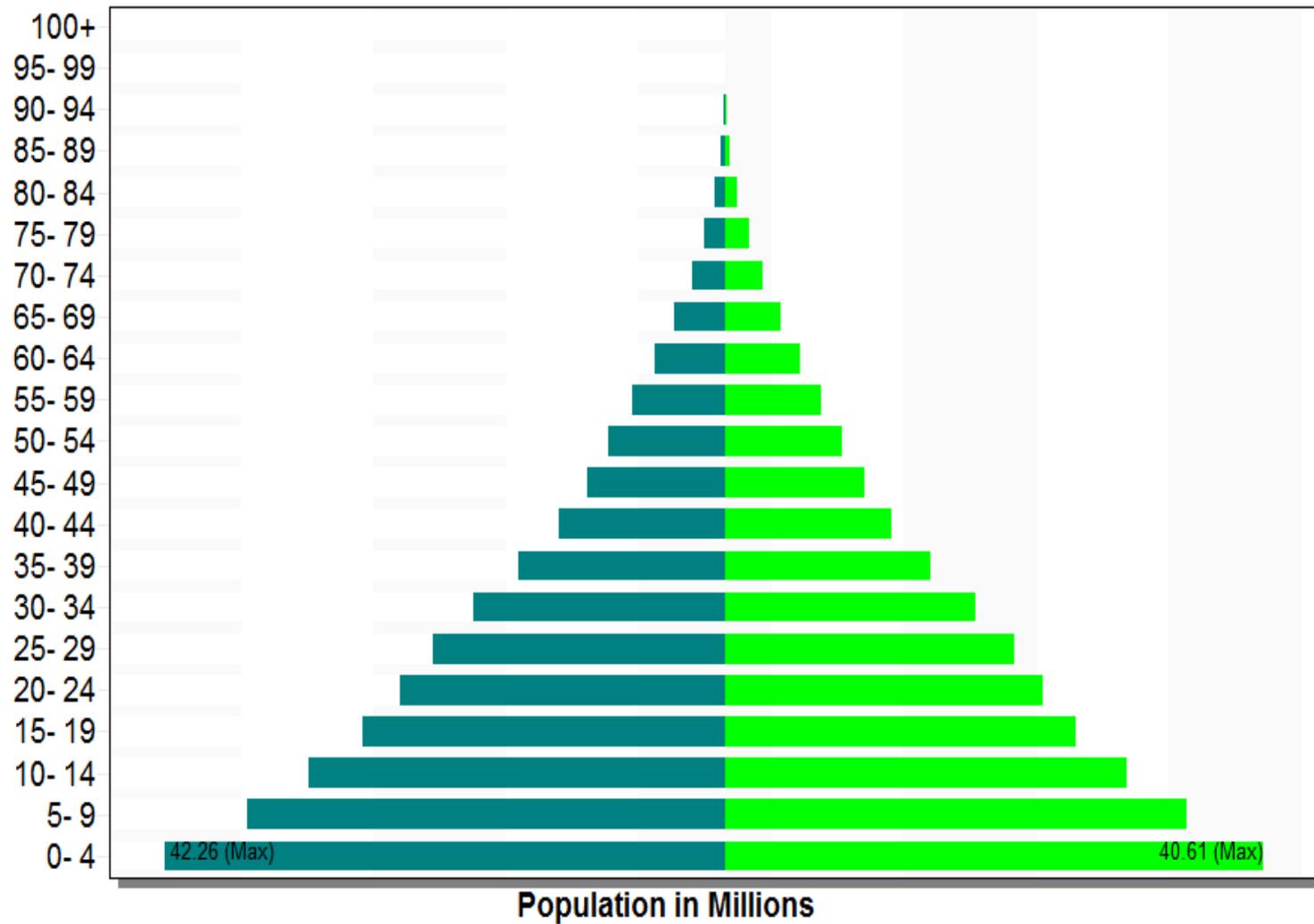
Females



Population Distribution for WB Africa LowMidIncome in Year 2015 [Base Case]

Males

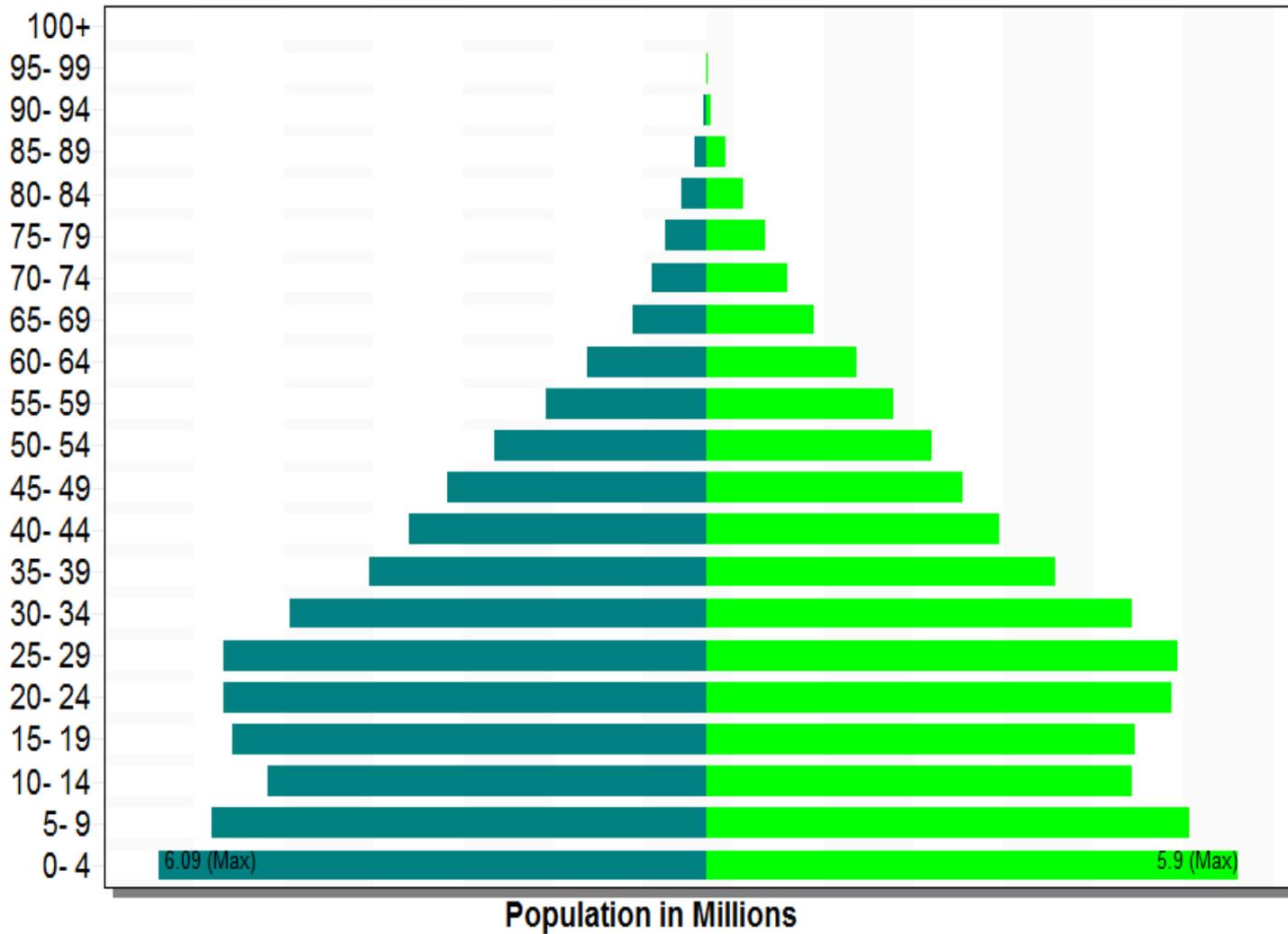
Females



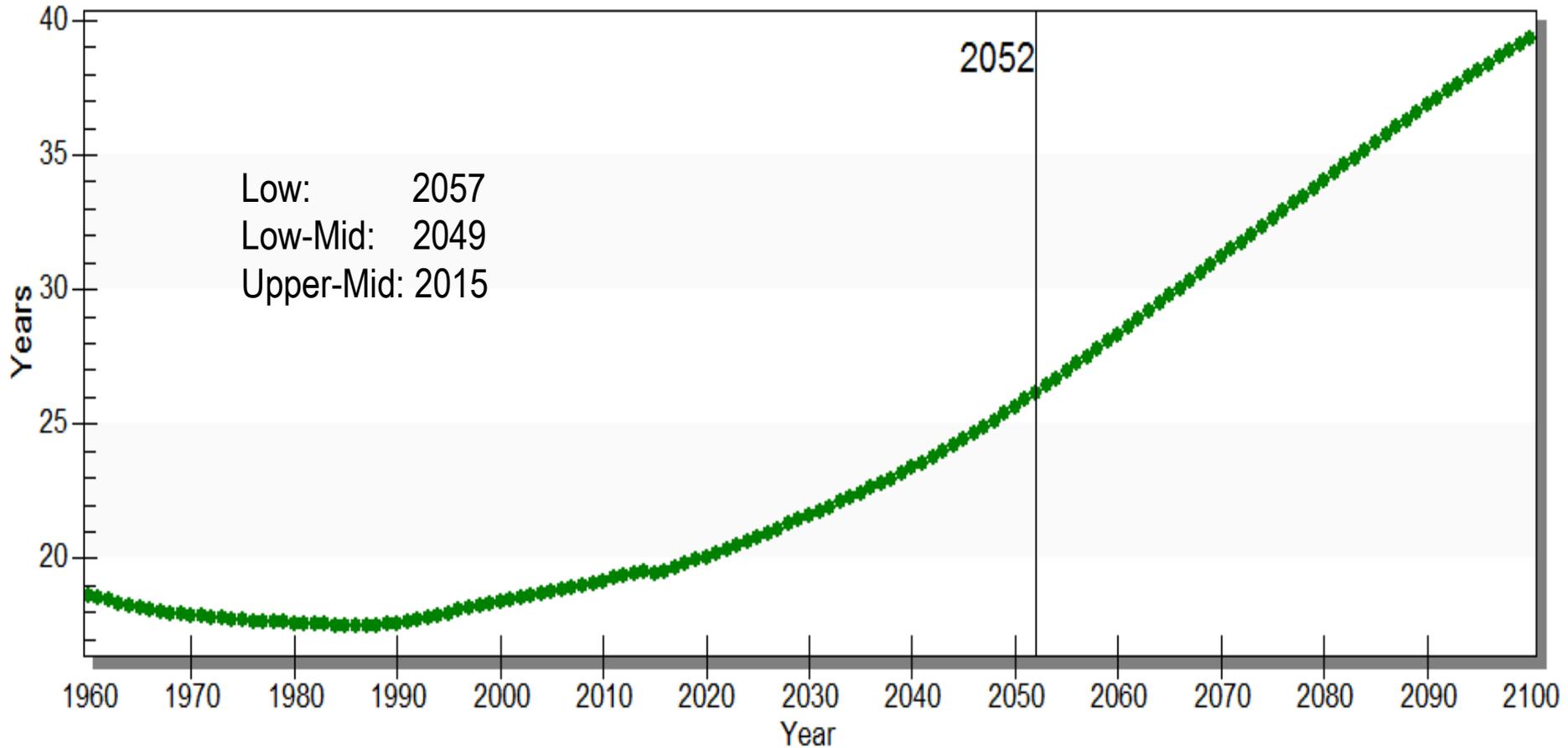
Population Distribution for WB Africa UpMidIncome in Year 2015 [Base Case]

Males

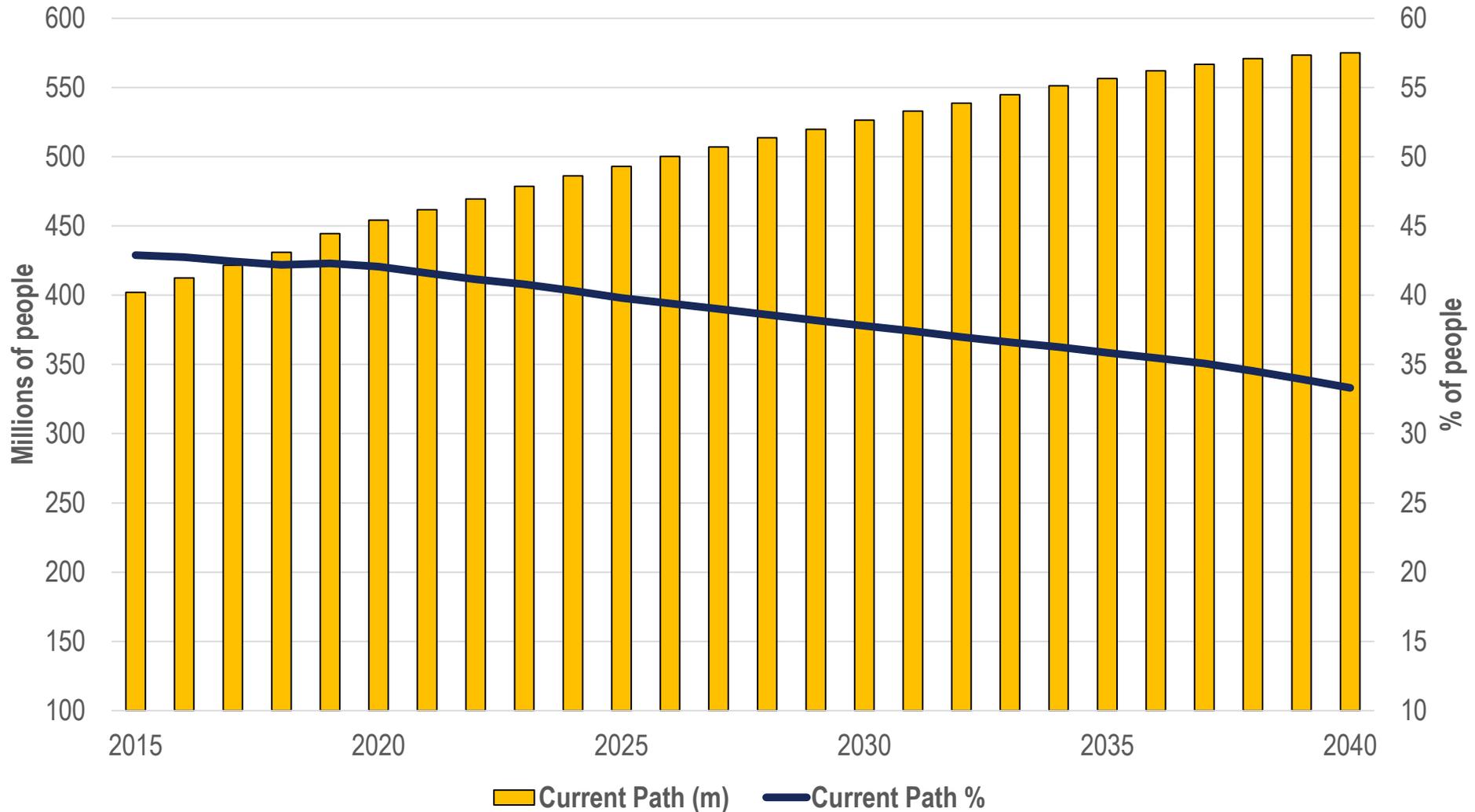
Females



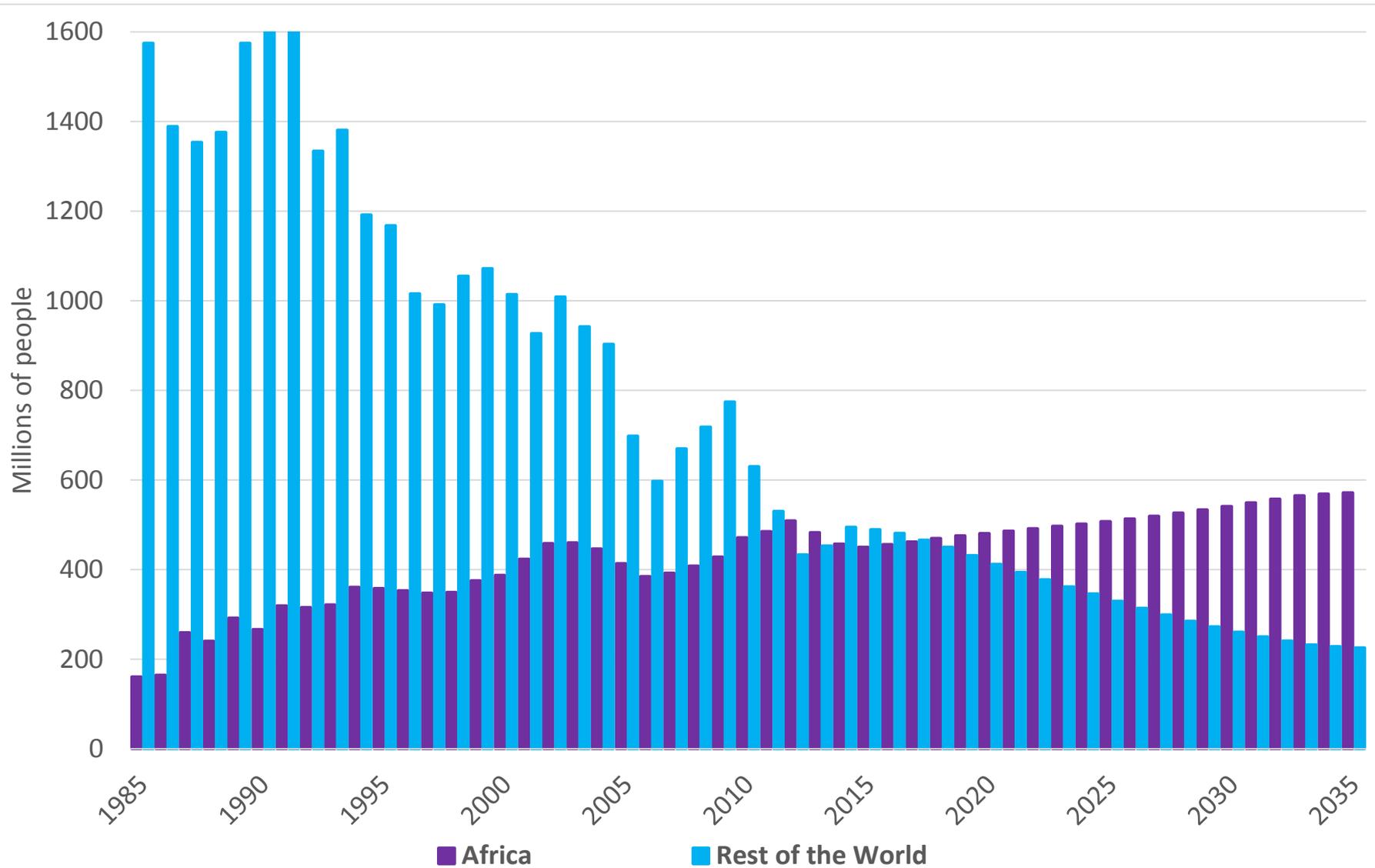
Median Age of Population, History and Forecast Africa



SSA: Poverty totals and rates



POVERTY AFRICA VS REST OF WORLD



- Africa needs to trade with itself – establish regional value chains
- Regional economic integration is key
- Establish, nurture and protect domestic industry
- Attract foreign industry located in Africa
- Use ICT to leapfrog education
- Move towards decentralized renewables
- Accelerate demographic transition through:
 - Greater focus on female education
 - Provision of basic health facilities
 - Much greater access to family planning
 - Rapid and planned urbanization
 - Public education

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