CAN AFRICA EMPLOY ITS YOUTH? THE AFRICAN “GROWTH MIRACLE” CONFRONTS THE WORLDWIDE LOSS OF MANUFACTURING JOBS

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Africa’s Agrifood System Transformation
Africa’s Agrifood System Transformation

Global Deindustrialization
Africa’s Agrifood System Transformation

Global Deindustrialization

African Employment?
Africa’s agrifood system transformation
Urbanization and income growth in Africa are driving a **Diet Transformation**.
... which will (need to) drive other transformations ...

Science applied to...

... large farms ...

... and small farms
Agribusiness orientation at large scale…

… and small scale
Reaching consumers through modern retail ...

... and improved traditional retail
… all of which will be heavily influenced by public policy and investment.
IMPLICATIONS FOR...

Nutrition
Energy and water use
Employment
Skill needs
Public policy
Baseline scenario projection of jobs in East and Southern Africa, 2010 to 2040

- Non-AFS
- Farming, own and wage labor
- Food manufacturing
- Marketing and transport
- Food preparation away from home

Share of all jobs

2010 & 2040
Baseline scenario projection of jobs in East and Southern Africa, 2010 to 2040

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Share of all jobs

- 2010
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<thead>
<tr>
<th>Category</th>
<th>2010</th>
<th>2040</th>
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<td>Non-AFS</td>
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Global Deindustrialization

African Employment?
Global deindustrialization
HOW HAVE COUNTRIES GOT RICH IN THE PAST?
HOW HAVE COUNTRIES GOT RICH IN THE PAST? (2)
WHAT THIS DID

Facilitated rapid rises in **labor productivity**
Provided **stable, secure employment**
Facilitated delivery of **social benefits**
WHAT’S HAPPENING TODAY?
WHAT'S HAPPENING TODAY?

~ $12,000 pc, 22% share
WHAT’S HAPPENING TODAY?

Simulated manufacturing employment shares

~ $4,000 pc, 18% share

~ $12,000 pc, 22% share
WHAT’S DRIVING THIS?

Factor of 1,000 every 15 years
WHAT’S DRIVING THIS?

Factor of 1,000 every 15 years

Constantly improving precision
WHAT’S DRIVING THIS?

Factor of 1,000 every 15 years

Constantly improving precision

Everything we do is now data
WHAT’S DRIVING THIS?

- Factor of 1,000 every 15 years
- Constantly improving precision
- Everything we do is now data
WHAT’S DRIVING THIS?

And global trade spreads effects around the world
WHY DOES THIS MATTER?

African labor coming off farm now going largely into self-employed services

Issues

▪ How to raise labor productivity?
  ▪ The technology elevator
▪ How to enhance the stability and security of employment?
  ▪ Formal services might also do this
▪ How to deliver social benefits
THE PROCESS IS LIKELY TO PLAY OUT DIFFERENTLY IN DIFFERENT COUNTRIES...
GOING FORWARD

To design policies and programs, we need a much better understanding of how these dynamics will play-out in different types of countries over next 10-20 years

The meso paradox

- Countries most in need of making investments in infrastructure, education, strong institutions, and capacity building among private enterprises …
- Have the least capacity to make the investments …
- And global deindustrialization will make it harder for them to improve their fiscal situation in future
- So external resources – crucially complemented by a positive enabling policy environment – will continue to be required for some time