

Industries Without Smokestacks Objectives and Key Questions

Author's Workshop

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Origins and Motivation

- Learning to Compete was motivated by the concern that there was too little structural transformation in Africa
 - Now everyone (including the *Economist*) shares that concern
- But L2C also concluded that the pattern of structural change in Africa in the 21st Century was likely to differ from Asia's in the 20th
 - Differences in factor endowments, natural resources and industrial technology

What does industry mean in the 21st Century?

- Our economic statistics are a product of the 1950s
- Today many tradable services and agro industrial processes share the firm characteristics of manufacturing
- Tradable services and agro-industry provide new opportunities for export development
- Services are crucial for the development of the rest of the economy
 - growth in services productivity is closely linked to productivity growth in manufacturing and exports of manufactures

Scope of the project

- Five key sectors
 - IT-enabled services (including back office operations and mobile money)
 - Tourism (cultural, resort and wildlife)
 - Horticulture (flowers, fruits and vegetables)
 - Agro-industry (food processing)
 - Transport (particularly air transport and trucking services)
- Four levels of analysis
 - Global
 - Regional
 - National (including sectors and firms)

Key Questions: Global Issues

- What is the organization of the industry?
- How have changes in technology created obstacles or opportunities for African trade?
- What do we know about the industry's country-level development impacts?
- What are the emerging issues in global rules that may improve or constrain Africa's opportunities?

Key Questions: Regional Opportunities

- What are the specific regional rules concerning services— including finance, telecommunications, and professional services?
- How will regional trade impact what are now frequently domestic oligopolies?
- How do regulations at the regional level impact critical services like transport (i.e., trucking and rail) and tourism (e.g., visa requirements)?
- What are the priorities for reform?

Key Questions: Country Studies

- How have sectors developed and what is their significance to the economy?
- How have public policies impacted sector performance?
 - macroeconomic and trade
 - labor market policies
 - Industry-specific policies
- What are the constraints to future growth
- What policy changes are needed to address them?

The Bottom Line

- We will have succeeded if we can give African policy makers some concrete advice regarding:
 - Advocacy at the global level for trade policy changes
 - Priorities for reform in regional communities
 - Some ideas how to mainstream Industries without Smokestacks into national development strategies