



UNITED NATIONS
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UNU-WIDER resources on industrialization

Publications and briefs

Project | Jobs, poverty and structural change in Africa

The twin concerns of jobless growth and slow poverty reduction are central challenges on the policy agenda in Africa. Poverty in Africa continues to be high and the region has the lowest responsiveness of poverty to per capita income growth of any of the world's developing regions. The goal of the project **Jobs, poverty and structural change in Africa** is to help fill the current knowledge gap on why Africans are 'working hard but working poor'.

The research objective is to broaden understanding of the structural transformation challenge in Africa, link it to issues of employment creation and poverty reduction in a more systematic way, and to provide practical guidance for policy makers.

The project includes two subprojects: **Natural resources, structural change, and industrial development in Africa** and **Industries without smokestacks**.

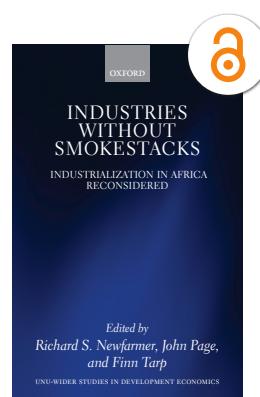
The project on natural resources in Africa focuses on factors that impact the pace of structural transformation and job creation in five emerging natural resources economies: Ghana, Mozambique, Tanzania, Uganda, and Zambia.

The project on 'industries without smokestacks' looks at African industries related to employment-intensive growth other than manufacturing. These industries can create good jobs in agriculture and services, but investors don't see Africa as an attractive location. The project seeks to find ways to change this and identify patterns of growth and transformation that can contribute to diversification and to building dynamic economies.

Publications

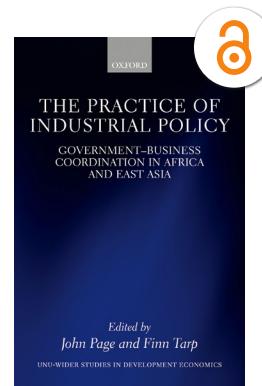
Open Access | **Industries without Smokestacks – Industrialization in Africa Reconsidered**

In 2014, the average share of manufacturing in GDP in sub-Saharan Africa hovered around 10 per cent, unchanged from the 1970s, leading some observers to be pessimistic about Africa's potential to catch the wave of sustained rapid growth and rising incomes. This book challenges this view. It argues that other activities sharing the characteristics of manufacturing—including tourism, ICT, and other services as well as food processing and horticulture— are beginning to play a role analogous to that played by manufacturing in East Asia. This reflects not only changes in the global organization of industries since the early era of rapid East Asian growth, but also advantages unique to Africa.



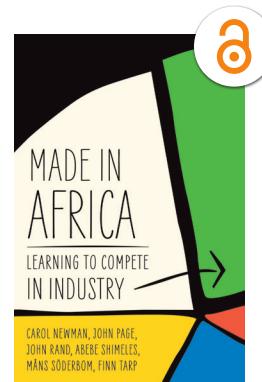
Open Access | [The Practice of Industrial Policy – Government–Business Coordination in Africa and East Asia](#)

This book, written by national researchers and international experts, presents the results of the research done under the project 'The Practice of Industrial Policy'. The objective of the project was to help African policy-makers develop better coordination between the public and private sectors in order to identify the constraints to faster structural transformation and to design, implement, and monitor policies to remove them.



Open Access | [Made in Africa – Learning to Compete in Industry](#)

Made in Africa: Learning to Compete in Industry outlines a new strategy to help Africa gets its fair share of the global market. Here, case studies and econometric and qualitative research from Africa, as well as emerging Asia, help the reader understand what drives firm-level competitiveness in low-income countries. The results: while traditional concerns such as infrastructure, skills, and regulations are important, they alone will not be sufficient for Africa to industrialize. The region's growing resource abundance also presents a challenge, and industrialization strategies will need to adapt.



Policy briefs

[The practice of industrial policy – four lessons for Africa](#)

FINDINGS

In Asian economies, senior members of the political and government elite were publicly committed to and held accountable for industrial development outcomes

One way in which the flow of information between the public and private sectors can be encouraged is by focusing on specific constraints to firm performance

Africa faces a major constraint to experimentation with policy—the donors

Feedback was an essential element of the Asian industrial policy process and an important means of building accountability

RECOMMENDATIONS

To promote industrial development African governments must make efforts to engage the private sector

Effective implementation of the public actions derived from the state–business dialogue requires effective coordination in government

Industrial development requires learning how to successfully conduct industrial policy using trial and error and effective feedback

[Made in Africa – the challenge of industrialization: international goals and Africa's aspirations](#)

FINDINGS

The 'investment climate reforms,' beloved of the World Bank and some bilateral donors have not and will not bring industry to Africa

In Africa manufactured exports per person are about 10 per cent of the global average for low income countries

Three closely related drivers of firm-level productivity—exports, agglomeration and firm capabilities—have been largely responsible for East Asia's industrial success

The absence of these drivers in Africa helps to explain the continent's lack of industrial dynamism

RECOMMENDATIONS

Increasing the amount of industry in Africa is key to creating good jobs

To compete in the global market for manufactures, African governments need to develop new policies to promote industrial exports, build the capabilities of domestic firms and foster industrial clusters

There is a need to re-examine the aid industry's approach to the investment climate, let go of the soft target of regulatory reform and ramp up support for infrastructure and skills

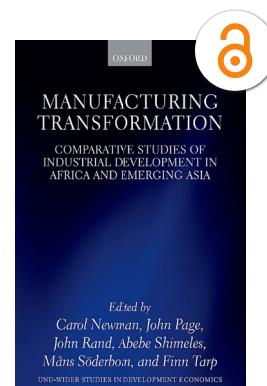
Project | Learning to compete

The project **Learning to Compete** seeks to answer a seemingly simple but puzzling question: why is there so little industry in Africa? Industry — including modern services and agro-industry — is often the key to job creation, poverty reduction, and growth. Most Asian economies began their industrialization processes with initial conditions quite similar to many African countries today, yet, while Asia had explosive industrial growth, Africa's shares of global manufacturing value-added and exports have fallen.

Publications

Open Access | [Manufacturing Transformation - Comparative Studies of Industrial Development in Africa and Emerging Asia](#)

This book presents results of comparative country-based research that sought to answer a seemingly simple but puzzling question: why is there so little industry in Africa? It brings together detailed country case studies of industrial policies and industrialization outcomes in eleven countries, conducted by teams of national researchers in partnership with international experts on industrial development. It provides the reader with the most comprehensive description and analysis available to date of the contemporary industrialization experience in low-income Africa.



FINDINGS

The policies pursued by sub-Saharan Africa — state-led import substitution, structural adjustment, and reform of the investment climate — failed in sparking dynamic industrial growth

Two decades of piecemeal reforms have not succeeded in pushing a single low-income African country over the threshold above which industrial growth becomes explosive

Africa lacks the infrastructure, skills, and institutions needed to support industrial productivity growth

Africa will learn to compete only once donors and policy makers accept the need for a comprehensive strategy for industrial development

IMPLICATIONS

Breaking into export markets will need an 'export push': a concerted set of public investments, policy, and institutional reforms focused on increasing the share of industrial exports in GDP

African governments can foster export-oriented industrial agglomerations by concentrating investment in high-quality institutions, social services, and infrastructure in a limited physical area such as an export processing zone (EPZ)

The sub-Saharan African countries need to build better investment promotion institutions

Research briefs

[Clustering, competition, and spillover effects in Cambodia](#)

FINDINGS

There is significant evidence of productivity spillovers associated with the clustering of informal firms in Cambodia

Formal and manufacturing firms, however, do not experience the advantages of agglomeration economies due to pressure from direct competitors

Benefits derived from improvements in productivity as a result of the clustering of economic activity of firms in Cambodia most often do not outweigh the negative effects of competition created by nearby firms

RECOMMENDATIONS

Policy efforts should focus on removing constraints that prevent formal firms from reaping the benefits of clustering

Reducing the imposed costs of competition within clusters will allow manufacturing firms to become more productive

[The effect of clustering in Tunisia](#)

FINDINGS

Tunisian firms often choose to locate near each other in central business districts (CBDs) in coastal areas where there is high local demand

More than 83% of industrial firms are located on the country's coast, with nearly 40% of these located in either the Tunis governorate or the Sfax governorate

RECOMMENDATIONS

The connectivity of interior zones must be improved by developing infrastructure, transportation, and information networks in order to facilitate the creation of more CBDs to reduce regional disparities