



**Inclusion and Transformation: Examples of WIDER
Research
Presentation at USAID
Washington D.C., USA, 23 November 2015**

By Finn Tarp



**UNITED NATIONS
UNIVERSITY
UNU-WIDER**

30th Anniversary Conference

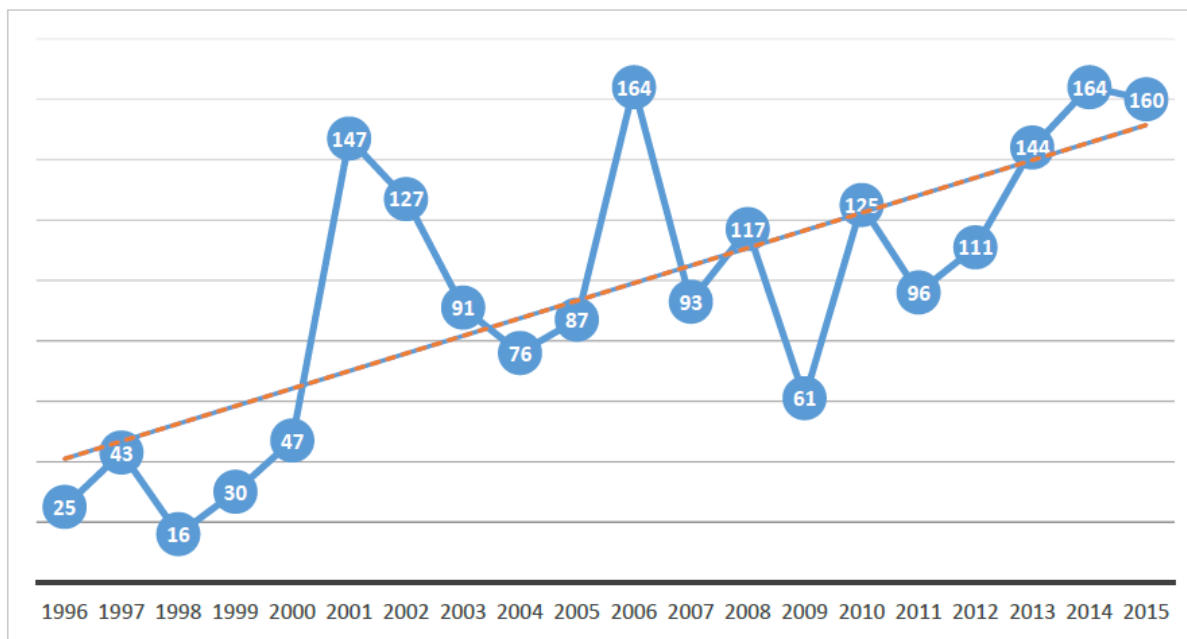


17-19 September 2015, Helsinki
3 days with 154 presentations (videos)
422 participants from 69 countries

‘Introduction to UNU-WIDER –
Looking Back, Looking Forward’:
<https://youtu.be/tPMzEkz0wAc>

Research Output

Chart 2: Number of WIDER Working Papers (1996-2015⁸)



Two thirds of WP and half of WIDER peer-reviewed outputs (co-)authored by a developing country researcher

Chart 3: Number of peer-reviewed journal articles

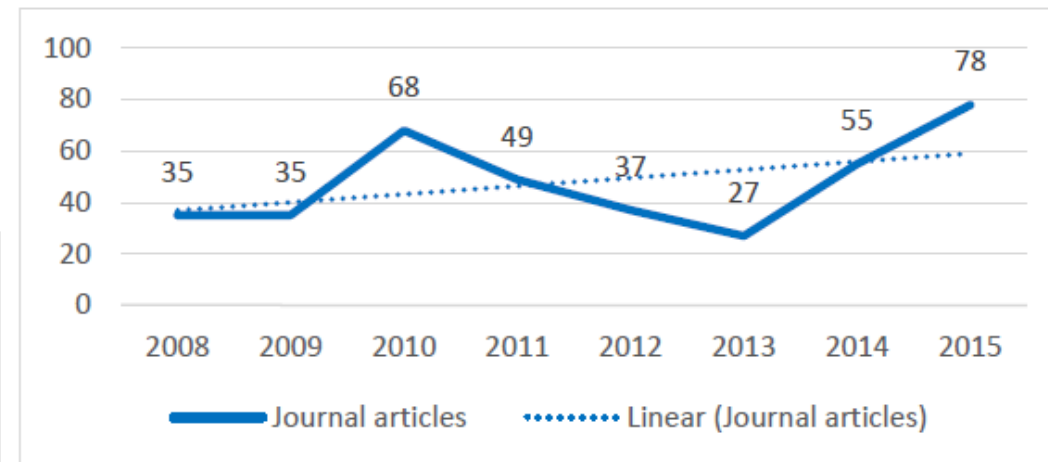
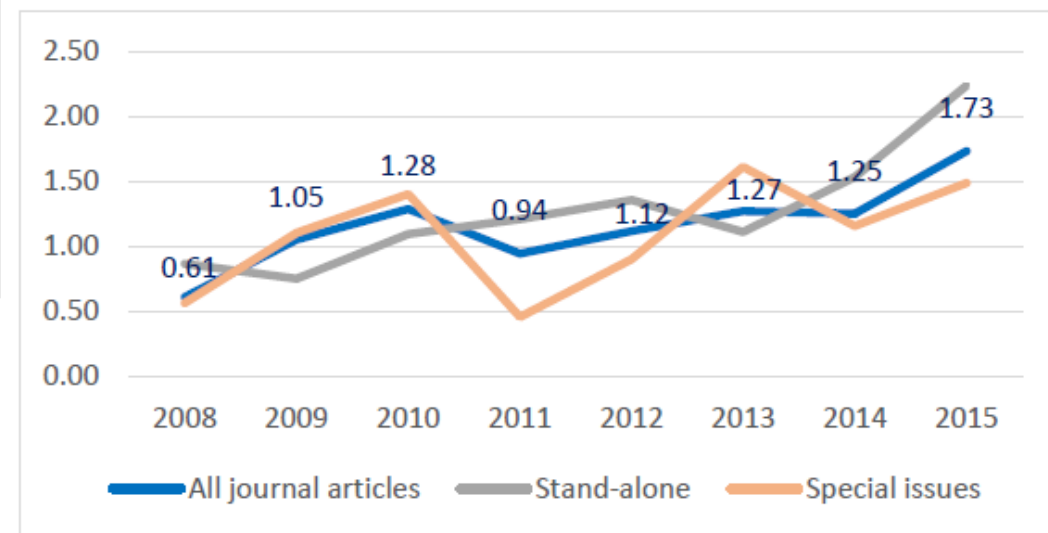


Chart 4: Average impact factor of journal articles per year



Research Programme 2014-18

- **3 challenges**
 - Transformation
 - Inclusion
 - Sustainability
- **3 concerns**
 - Africa's inclusive growth
 - Gender equity
 - Aid effectiveness
- **3 audiences**
 - Decision-makers in developing countries
 - International agencies, both bilateral and multilateral
 - Global research community

Some Forthcoming Research Outputs

- [Growth and Poverty in Sub-Saharan Africa](#), *Oxford University Press* 2016, edited by Channing Arndt, Andy McKay and Finn Tarp
- [Measuring Poverty and Wellbeing in Developing Countries](#), *Oxford University Press* 2016, edited by Channing Arndt and Finn Tarp
- [Made in Africa](#), *The Brookings Press* 2015, authored by Carol Newman, John Page, John Rand, Abebe Shimeles, Måns Söderbom, and Finn Tarp
- [Manufacturing Transformation: Comparative Studies of Industrial Development in Africa and Emerging Asia](#), *Oxford University Press* 2016, edited by Carol Newman, John Page, John Rand, Abebe Shimeles, Måns Söderbom, and Finn Tarp
- Other titles:
- [The Practice of Industrial Policy](#), under review with *Oxford University Press*, edited by John Page and Finn Tarp
- [Growth, Structural Transformation and Rural Change in Vietnam: A Rising Dragon on the Move](#), under review with *Oxford University Press*, edited by Finn Tarp
- [The Economics of Africa](#), a synthesis volume by Justin Lin (see also [WIDER Annual Lecture](#))
- + a lot more: see <https://www.wider.unu.edu/publications> and <https://www.wider.unu.edu/>



New Structural Economics

4 May 2011, 08:00 – 11:30

CENTRO DE CONFERÊNCIAS JOAQUIM CHISSANO
MAPUTO, MOZAMBIQUE

“The West took 200 years to innovate and industrialize, Japan less than 100, and East Asia took only 40 to develop like flying geese and catch up. Like their fore-runners, China and India have exploited their low-wage advantage to power labour-intensive manufacturing and service industries and accelerate growth. While wages rise in the ‘Asian dragons’, what can poorer country governments do to catch up? In the new structural economics and the growth identification and facilitation, I will present a framework that can guide governments of poorer countries on how to foster new industries which reflect its latent comparative advantage. A forthcoming World Bank report, *African Competitiveness in Light Manufacturing Industries*, shows how African governments can jump start the manufacturing sector, but the results apply to other poor countries keen to industrialize and catch up.”

Justin Yifu Lin - Annual Lecturer 15

Senior Vice President & Chief Economist
The World Bank

ORGANIZED IN COLLABORATION WITH THE GOVERNMENT OF MOZAMBIQUE

Africa

- The *Economist* (11 May 2000): Hopeless Africa
- The *Independent* (15 July 2009): Africa – the lost continent
- The *Economist* (3 December 2011): The hopeful continent – Africa rising
- A recent *Afrobarometer* survey suggests that ‘despite high reported growth rates, lived poverty at the grassroots remains little changed’ (Dulani et al. [2013](#)); and others even question the growth revival referring to poor data
- A personal note + the WIDER perspective: from colonialism to independence, to stabilization and structural adjustment in the 1980s, and the turn around from 1995 (note also Steve Radelet’s *Emerging Africa and The Great Surge*)

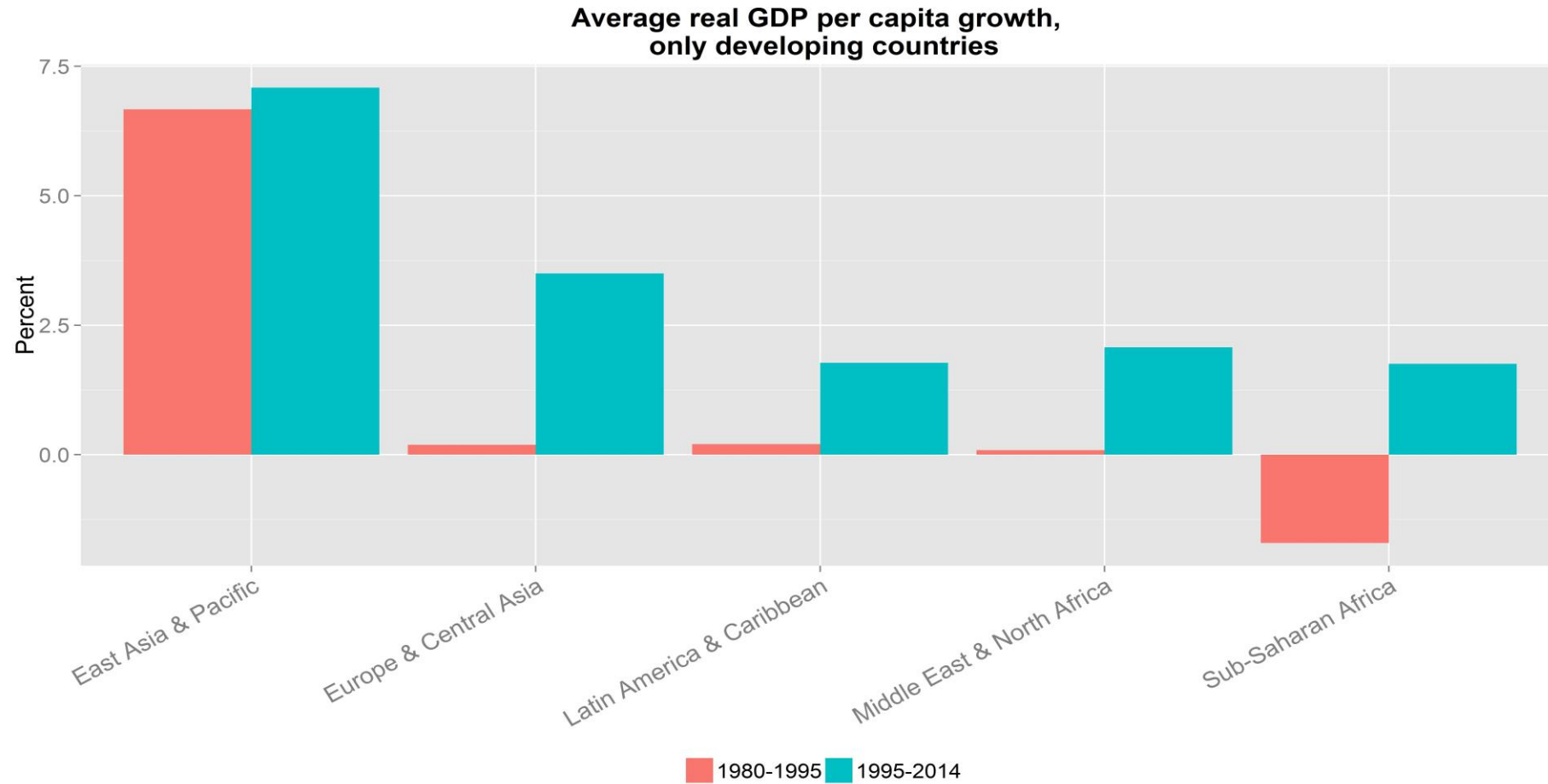
GAPP

- GAPP implemented 16 carefully designed country case studies among the 24 most populous countries in Africa [covering almost 75% of the population of the region and 9 of the top 10 countries]
 - Ethiopia, Ghana, Malawi, Rwanda, Uganda, Burkina Faso, Mozambique, Nigeria, Tanzania, Zambia, Cameroon, Côte d'Ivoire, Kenya, Madagascar, South Africa, DRC
 - Conducted by analysts with expert knowledge of the context and strengths and weaknesses of the available data
- Focus on monetary and non-monetary indicators of well-being
- Key message: There is a lot to celebrate in African development – yet key challenges remain
 - By 2013 GDP/capita was only 7.7% higher than in 1974
 - So two cheers, but not three

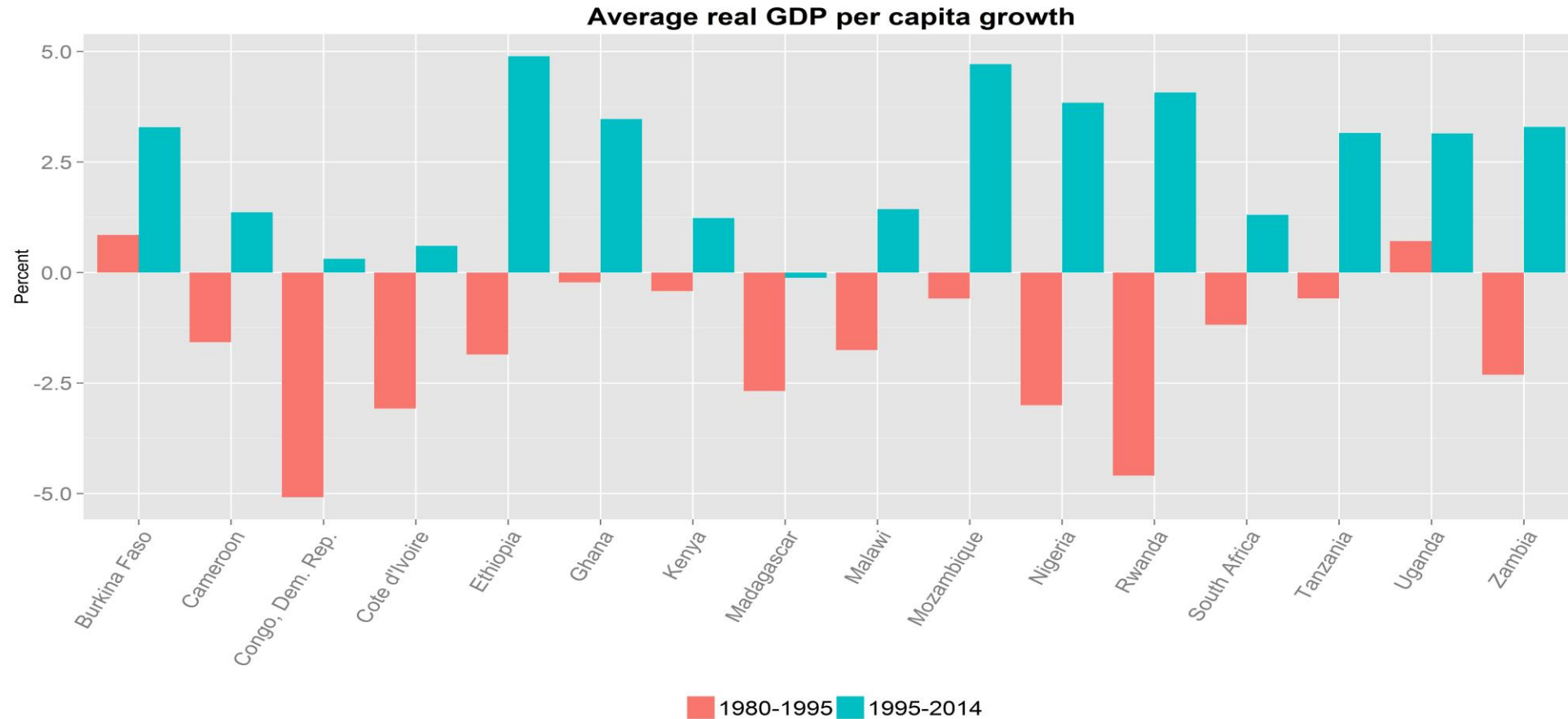
L2C

- A four year WIDER, Brookings and AfDB research programme which offers a comprehensive, comparative, cross-country analysis of Africa's industrialization experience
 - Ethiopia, Ghana, Kenya, Mozambique, Nigeria, Senegal, Tanzania, Uganda, Tunisia, Cambodia, Vietnam
 - By teams of national and international researchers
- Focus: Why is there so little industry in Africa; does it matter; and what can be done about it?
- Key message: changes in the global economy offer a window of opportunity – but business as usual is not enough; only with a more strategic approach to industrial development and a strong commitment of the region's political leadership can Africa industrialize.

The African Turn-Around

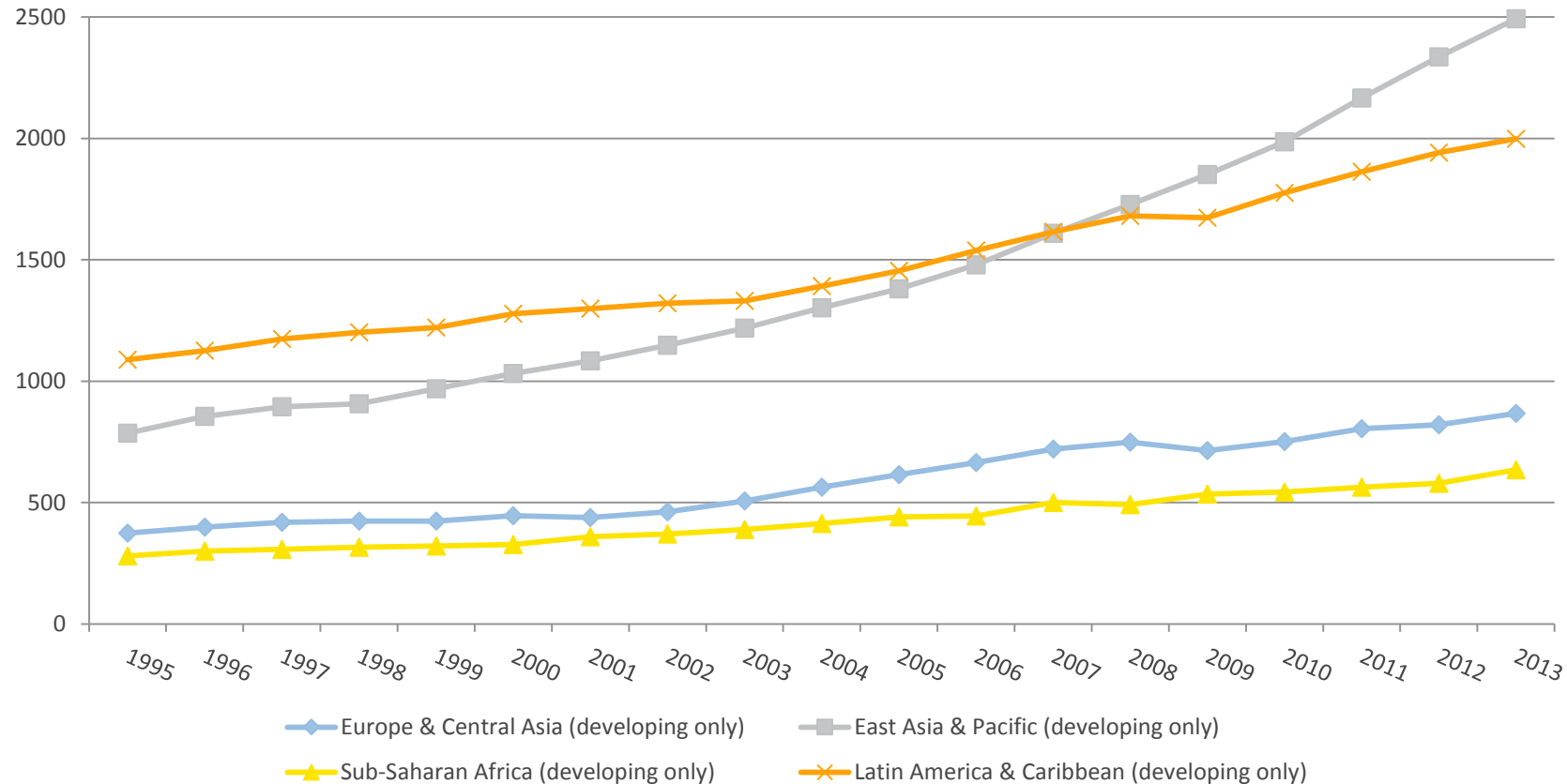


16 Country Cases



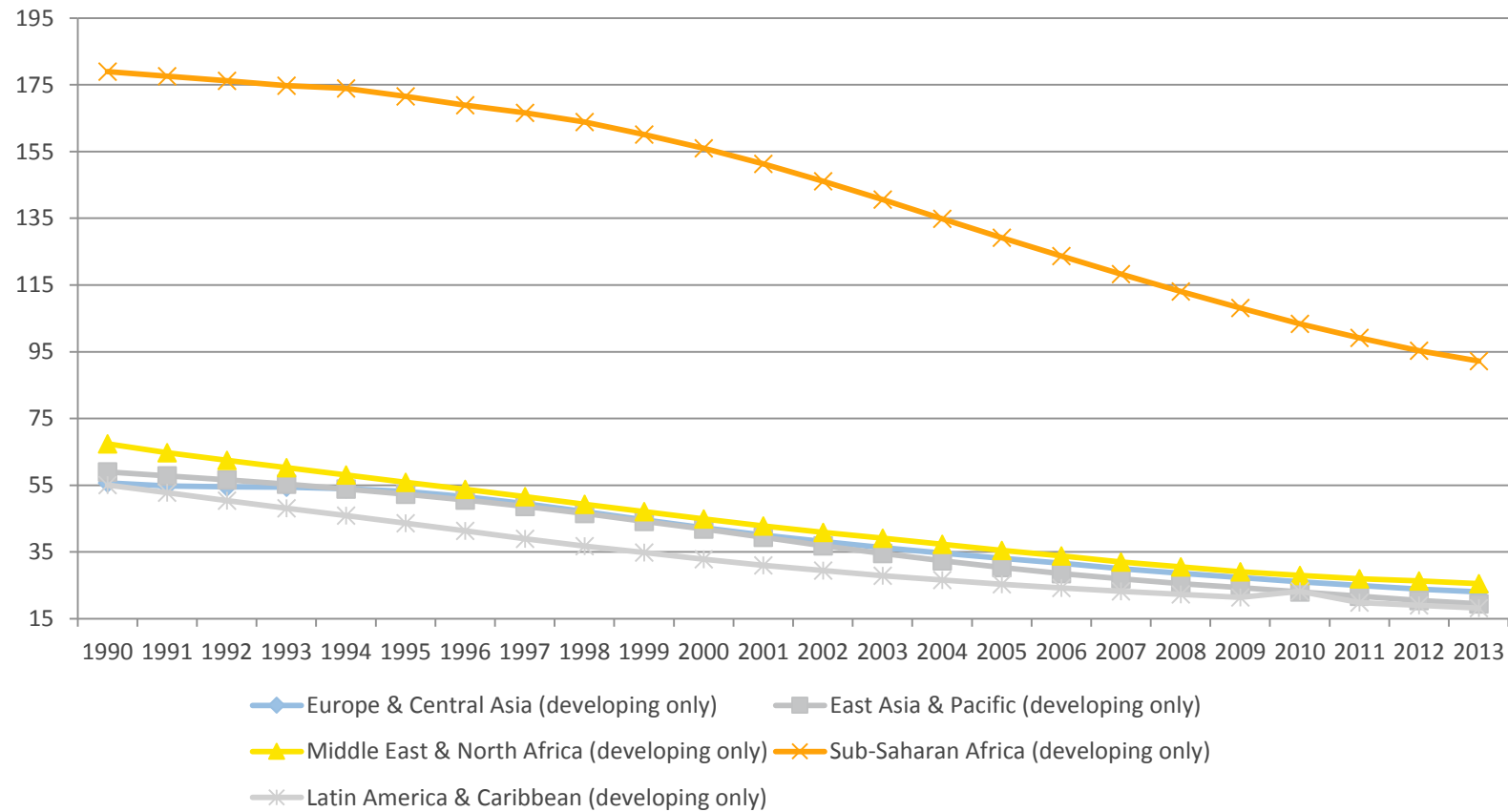
Household Consumption – Doubled Since 1995

Household final consumption expenditure (constant 2005 billion US\$)



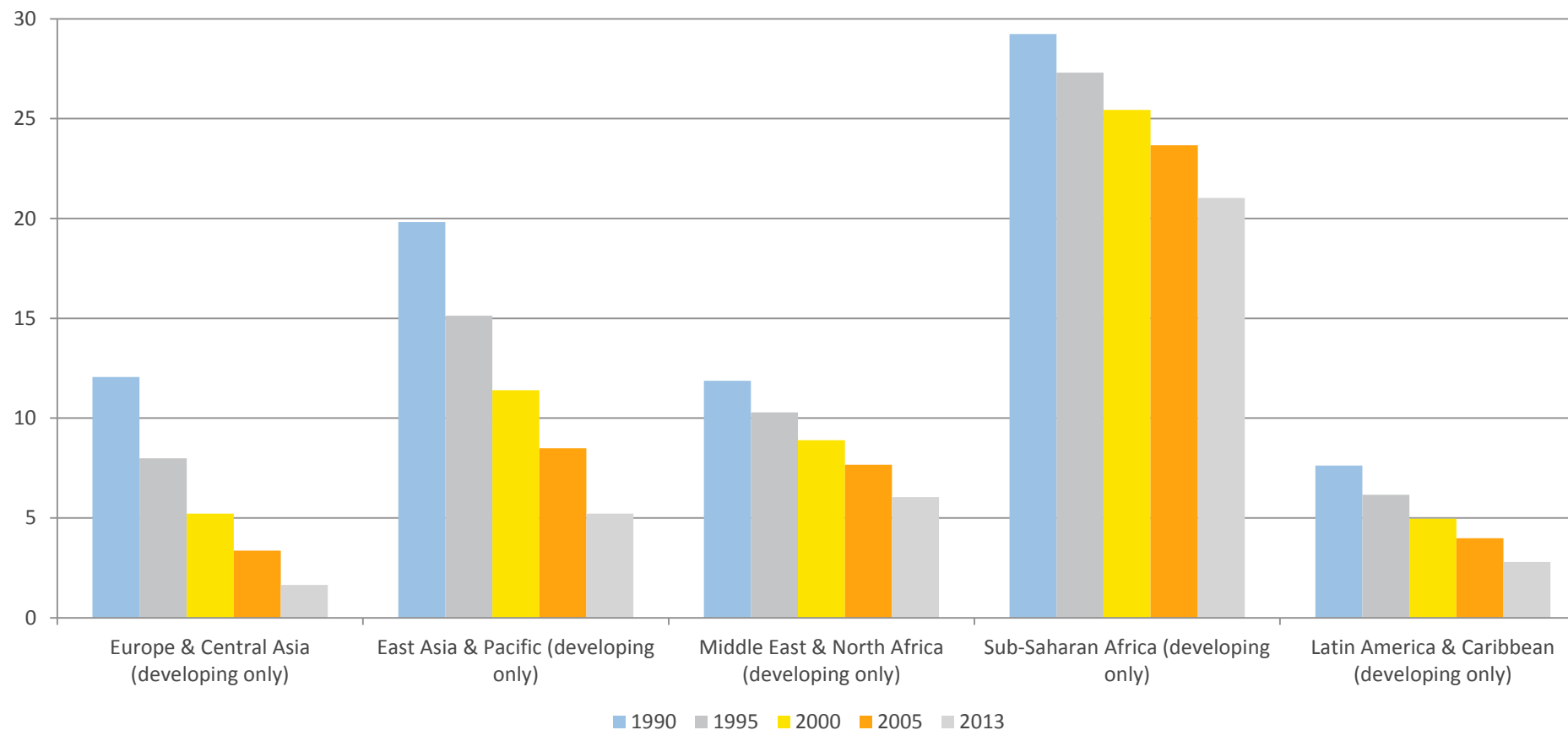
Child Mortality – Nearly Halved Since 1995

Mortality rate, under-5 (per 1,000 live births)



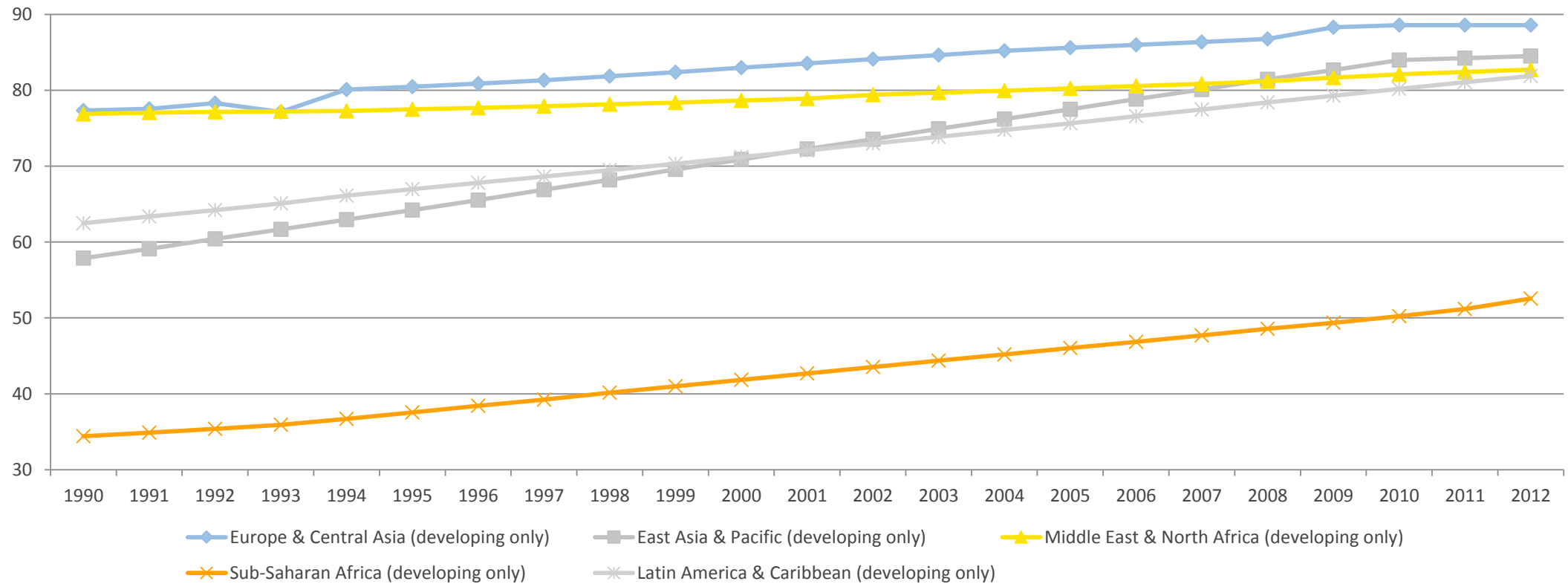
Child Malnutrition Reduced

Malnutrition (weight for age) prevalence (% of children under 5)



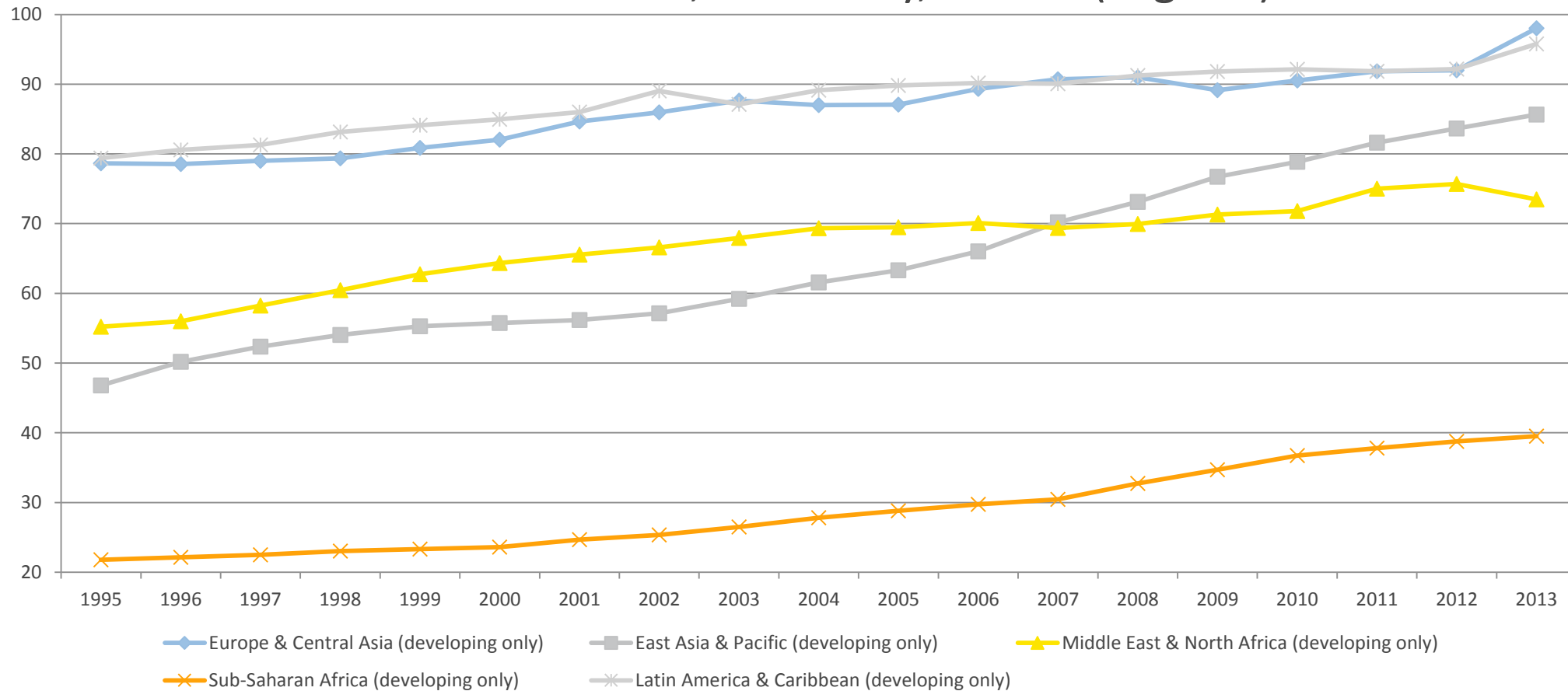
Access to Clean Water in Rural Areas – Improved Significantly since 1990...

Improved water source, rural (% of rural population with access)



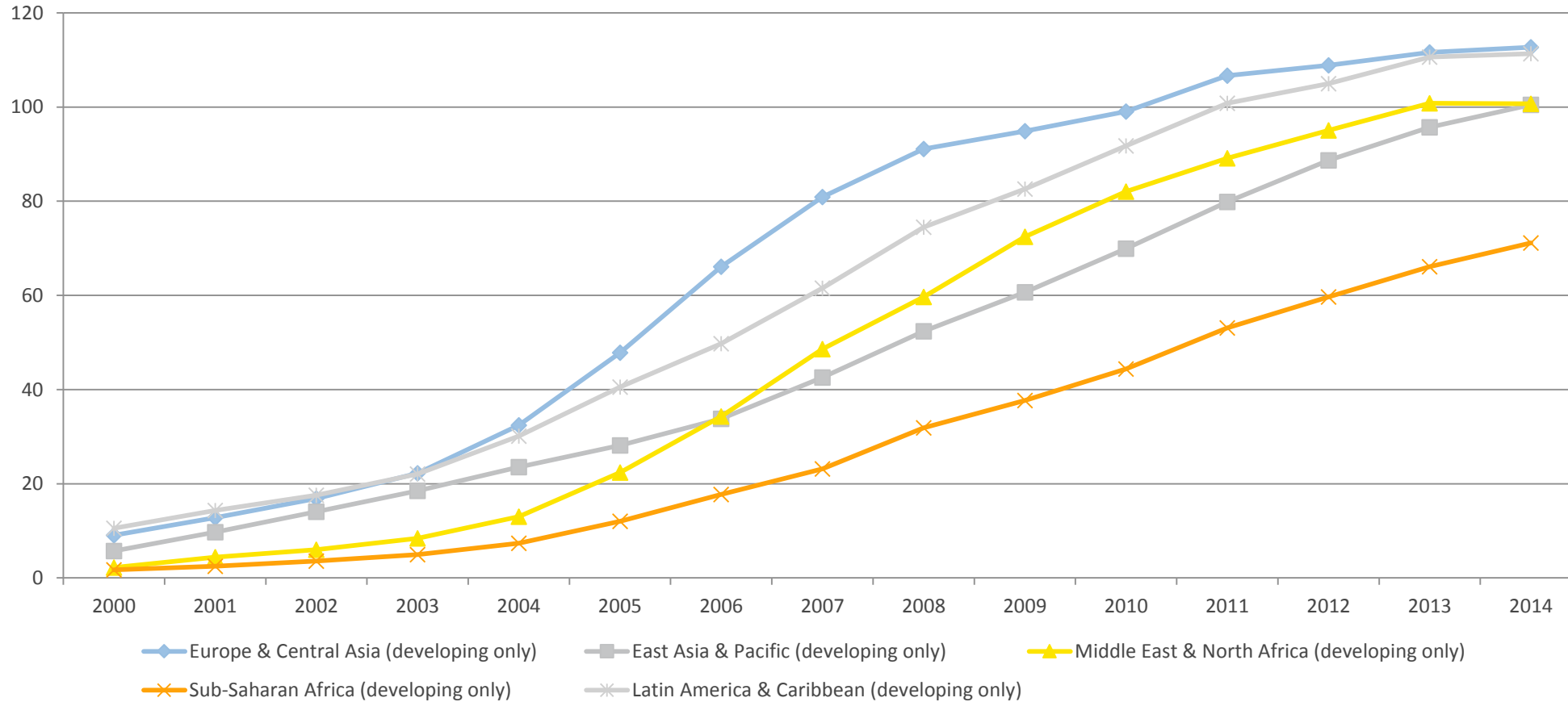
Girls' Secondary School Enrolment – Doubled Since 1995

School enrolment, secondary, female (% gross)

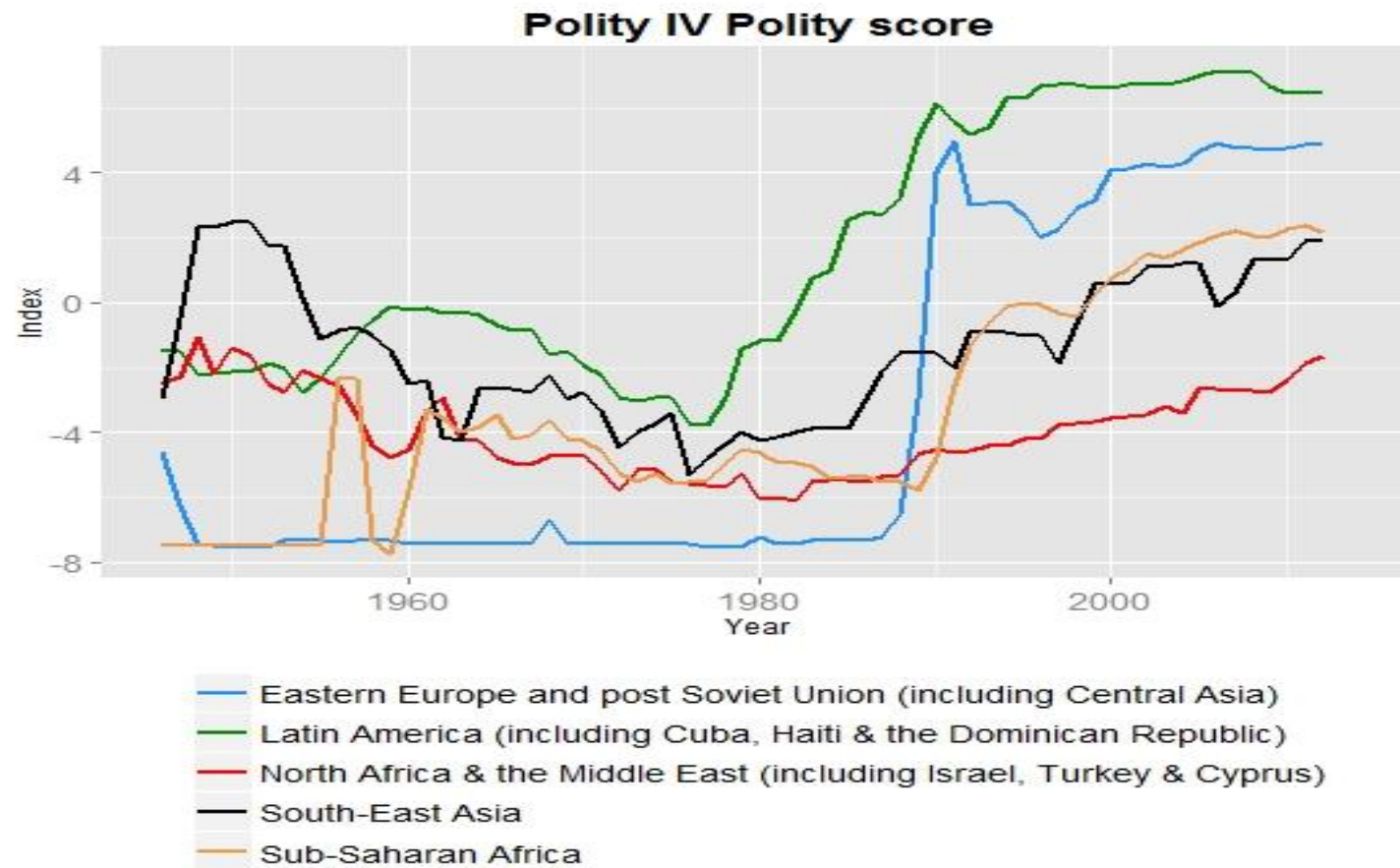


Mobile Phone Subscriptions

Mobile cellular subscriptions (per 100 people)



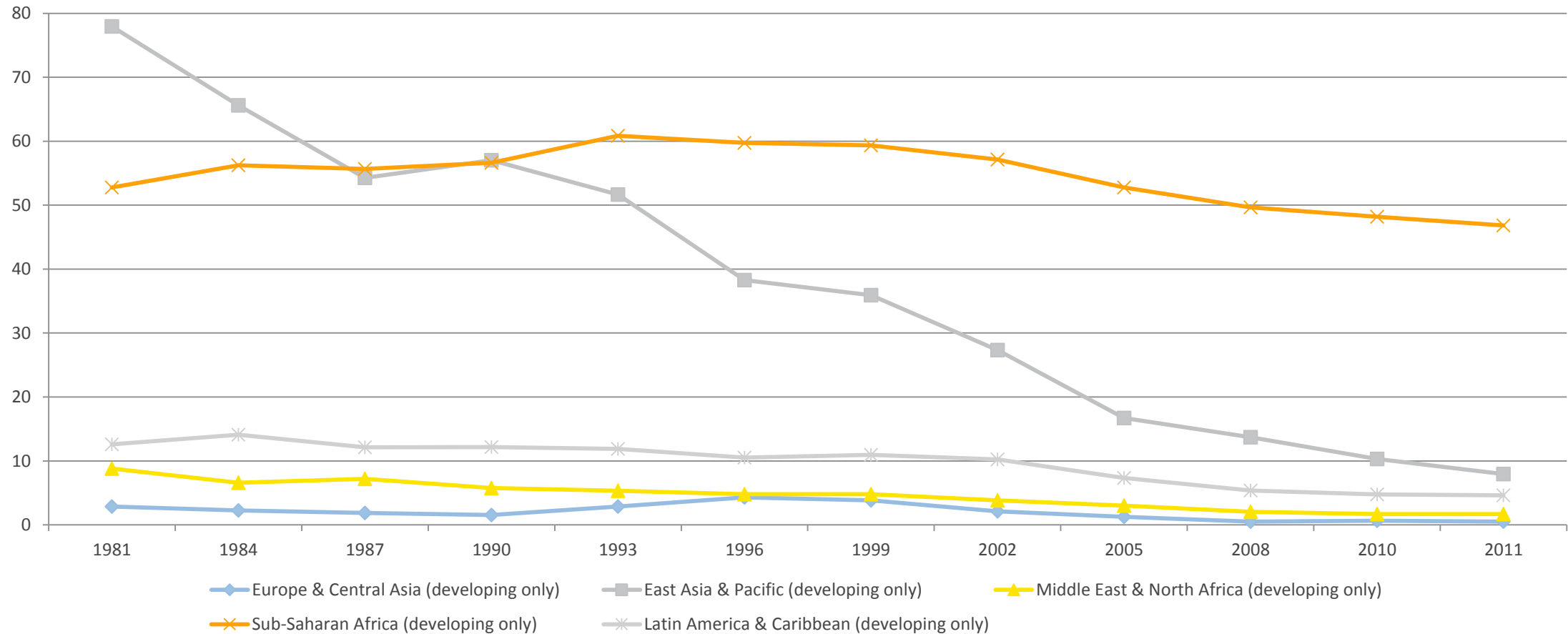
Democracy



Data source: Polity IV Polity 2 score. The index takes values between -10 and 10, with -10 reflecting autocracy and 10 democracy.

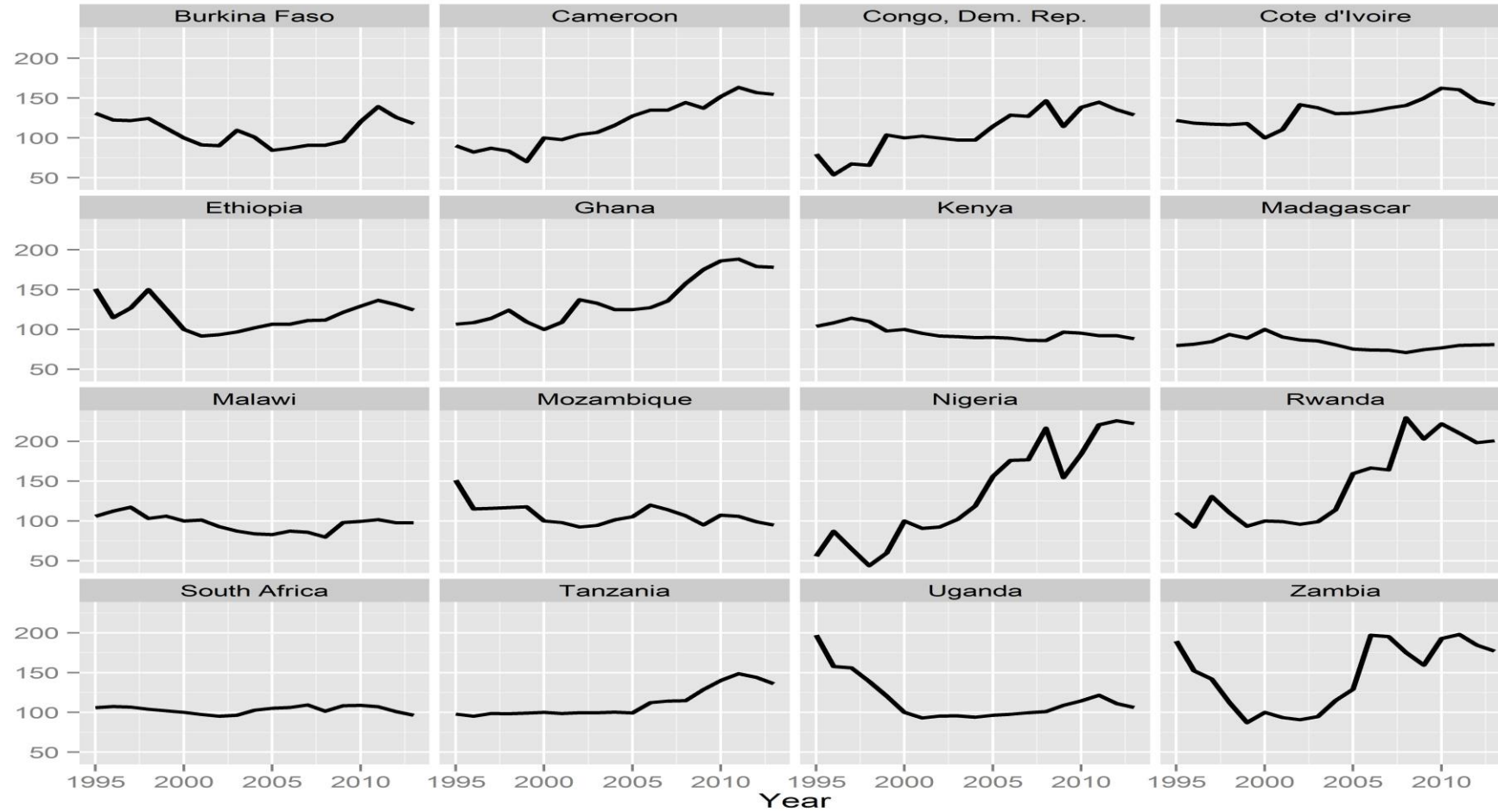
Poverty Headcount

Poverty headcount ratio at \$1.25 a day (PPP) (% of population)



Terms of Trade

Terms of Trade, index 2000=100



Av. annual growth, value added in manufacturing (1965-2010)

	1965-70	1970-75	1975-80	1980-85	1985-90	1990-95	1995-00	2000-05	2005-10
Ethiopia	8.5	3.2	4.6	3.9	1.5	1.0	3.9	5.0	9.5
Ghana	8.2	1.4	-4.7	-4.4	7.5	-7.4	4.7	4.5	2.6
Kenya	7.4	7.7	11.5	3.8	5.8	2.5	-0.0	3.1	4.4
Mozambique						-1.3	19.0	15.2	3.0
Nigeria	5.5	12.2	13.6	-1.0	4.1	-1.1	0.3	8.9	8.4
Senegal		3.2	1.3	2.6	4.1	3.2	2.9	3.1	2.0
Tanzania	10.0	4.7	2.4	-5.0	2.4	-0.0	5.7	8.1	8.6
Uganda				2.1	6.4	12.8	13.5	6.1	7.1
Tunisia	-0.7	20.5	13.6	6.4	0.5	5.7	5.8	2.8	4.89
Cambodia						8.9	21.4	13.9	8.7
Vietnam				9.5	2.4	10.4	11.3	11.7	9.3

Summing-Up

- Progress in SSA has been markedly better than most expected 10 or 15 years ago
- Relative to previous periods, macroeconomic management has improved significantly; a new generation of policy makers and business leaders have entered the scene; and important gains have been registered in four key areas:
 - Overall political stability (more democratic and accountable governments)
 - Rates of economic growth
 - A large array of non-monetary poverty indicators; and
 - Monetary poverty as measured by household consumption
- Commodity prices played a role; yet there is a lot more going on: durable factors of physical, human and institutional accumulation are at play

Summing-Up for 16 Countries: Four Categories

- Relatively rapid economic growth and corresponding poverty reduction: Ethiopia, Ghana, Malawi, Rwanda, and Uganda
- Relatively rapid economic growth and limited poverty reduction: Burkina Faso, Mozambique, Nigeria, Tanzania, and Zambia
- Uninspiring or negative economic growth with corresponding stagnation or increasing poverty: Cameroon, Côte d'Ivoire, Kenya, Madagascar, and South Africa
- Low-information countries: DRC

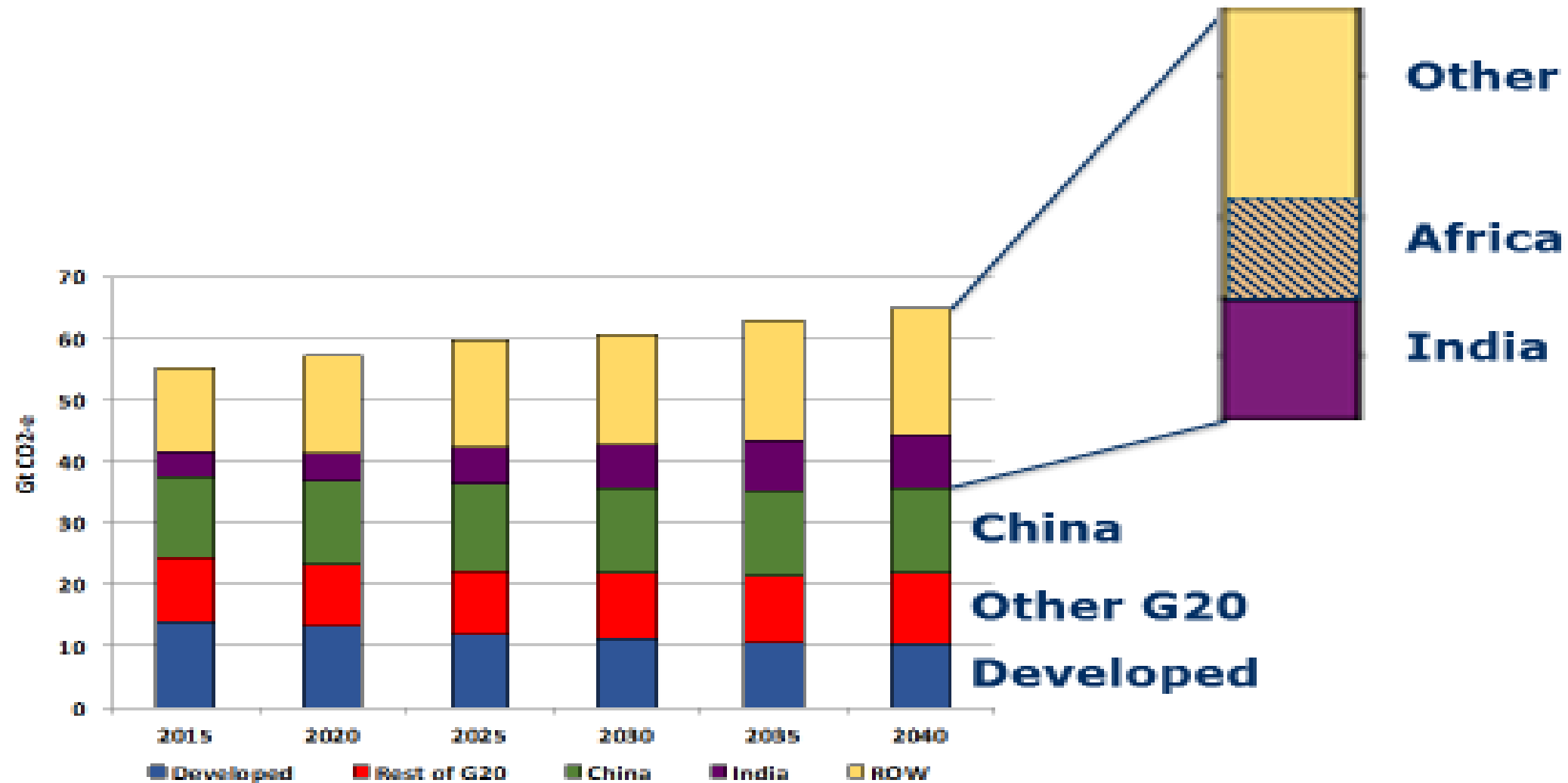
Outstanding Challenges and a Thorny Dilemma

- Demographic projections (2015-2050): from 7.3 to 9.7 billion, and Africa's population is set to double to 2.5 billion [bigger than both China and India and Nigeria > US]
- Structural transformation slow
- Jobs and employment creation lagging
- Agriculture and industrialization constrained
- A long walk to prosperity: recall $T \times G = 69$
- In other words: a lot more growth in Africa is needed, which with present technology will imply a significant contribution to CO2 emissions [Africa uses a lot of "dirty" coal]
- But the world has changed: Global emission constraints

Launching a New Climate Regime

- Henry 'Jake' Jacoby's presentation of the EPPA (Emissions Prediction & Policy Analysis Model) emissions estimates at UNU-WIDER's 30th Anniversary Conference on 19 September 2015
- See:
<http://www1.wider.unu.edu/30thanniversary/sites/default/files/IGA/Jacoby.pdf>

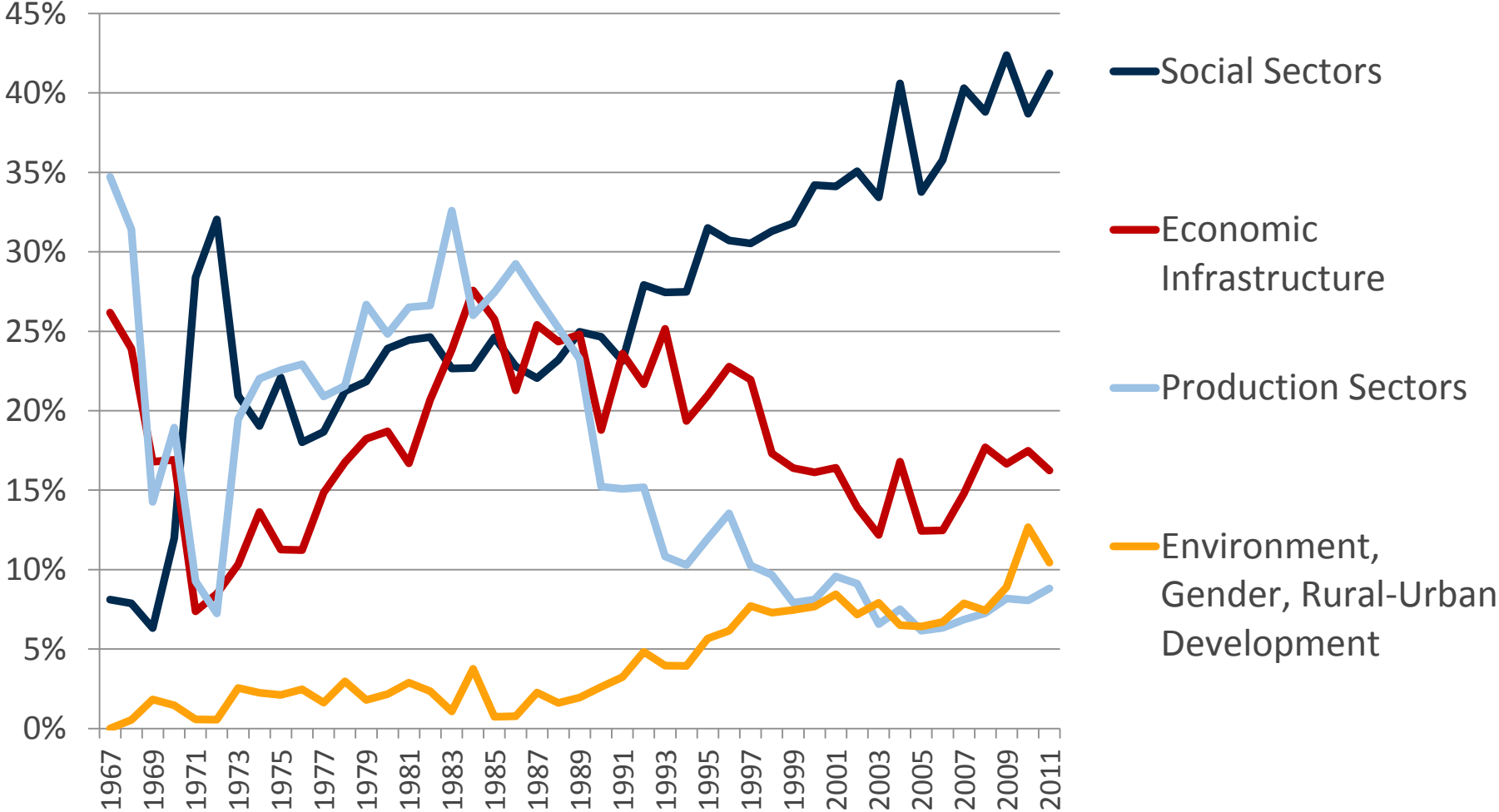
Expected Post-Paris Emissions



UN High-Level Panel report on the post-2015 development agenda

- Calls for:
- “..A quantum leap forward in economic opportunities and a profound economic transformation to end extreme poverty and improve livelihoods...”
- How can aid help?
- Aid to social sectors builds human capital BUT being educated & healthy is not enough

What Will Happen to Aid Allocation Post-2015?



From the 2015 MDGs to the 2030 SDGs

- Aid helps economic growth (overall). But to achieve a **‘quantum leap’** it must support:
 - **Aid to agriculture** – slumped & still too low (esp. crop research). IFAD & AfDB ‘going to scale’
 - **Structural transformation** – industrial policy & don’t just focus on SMEs (“East Asia’s donors do it better?”)
 - **Creation of ‘good jobs’** – donors pay too little attention to employment – fragmented livelihood projects
 - **Gender equity at scale** – rhetoric, but too-small-scale
 - **Infrastructure** – use aid to leverage private capital (e.g. AfDB Africa50 fund). Note **climate change** challenge



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