

TICAD Seminar

New Vision of Africa in 2050

Theodore Ahlers
Centennial Group International
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Context

- Africa's economic performance has been stronger since mid-90s
 - Accelerating per capita income growth
 - Result of better policies, improved governance, political stability and reduced conflict but also of commodity price boom
- But people's aspirations have risen even faster
 - Need not just to grow to improve people's lives but also to catch up with the rest of the world
 - Improved global image and associated FDI depend on sustained reform and performance
- Challenge for Africa's leaders is to deliver on these aspirations

Vision: Africa 2050

- Africa is at critical turning point
.....what Africa and its leaders do *now* will determine whether the aspirations of Africans are met or crushed
- JICA's flagship "For Inclusive and Dynamic Development in Sub-Saharan Africa" and Centennial's "Development Challenges in Africa towards 2050" offer a ***vision of what could be***

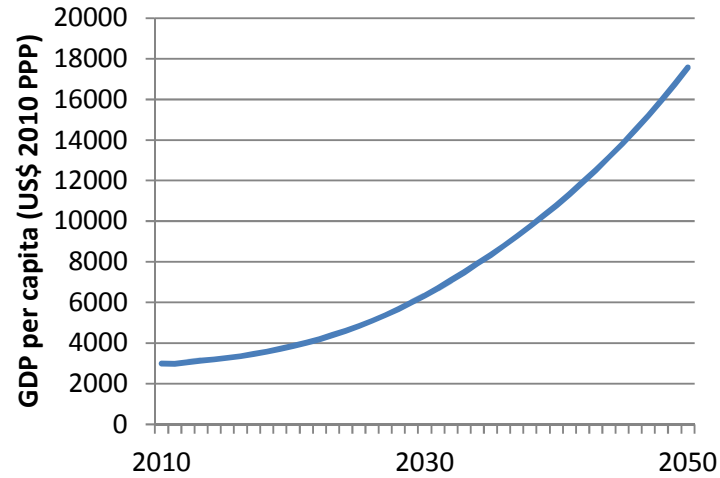
Vision: Africa 2050

- Per capita income increased six-fold to over \$17,000
- Number of poor reduced ten-fold to fewer than 50 million
- Two-thirds of the population in middle class
- Share of global GDP tripled to 9 percent
- Interaction with the world based on trade and FDI, not aid

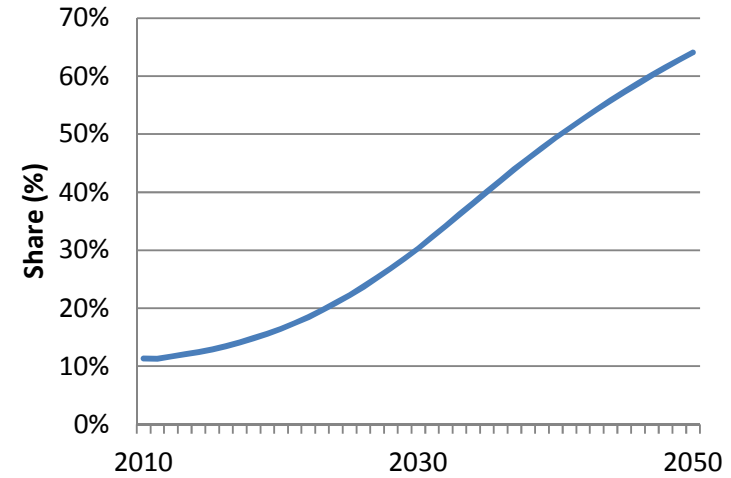
Perfectly plausible.....but not automatic, depends on what African leaders do ***now***

Vision: Africa 2050

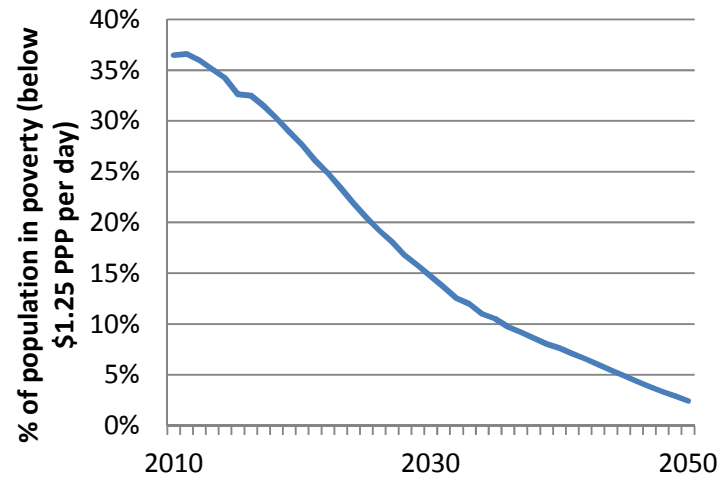
GDP per capita



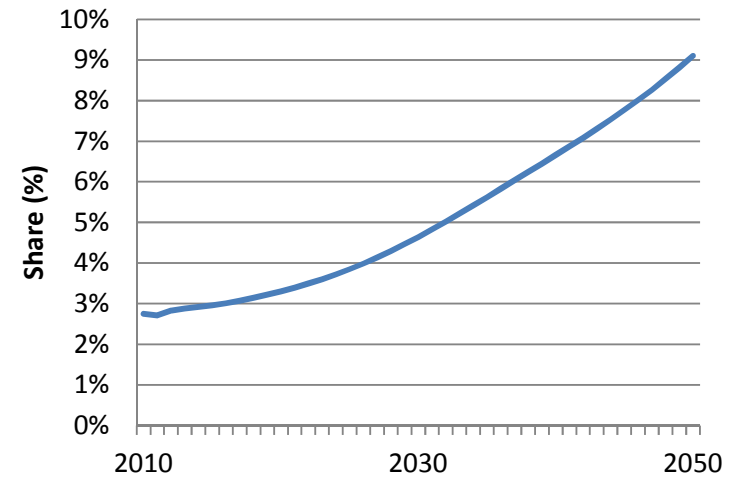
Share of middle class



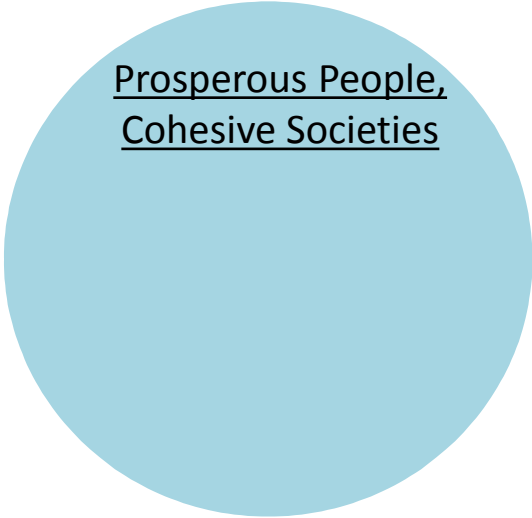
Poverty level



Share of World GDP

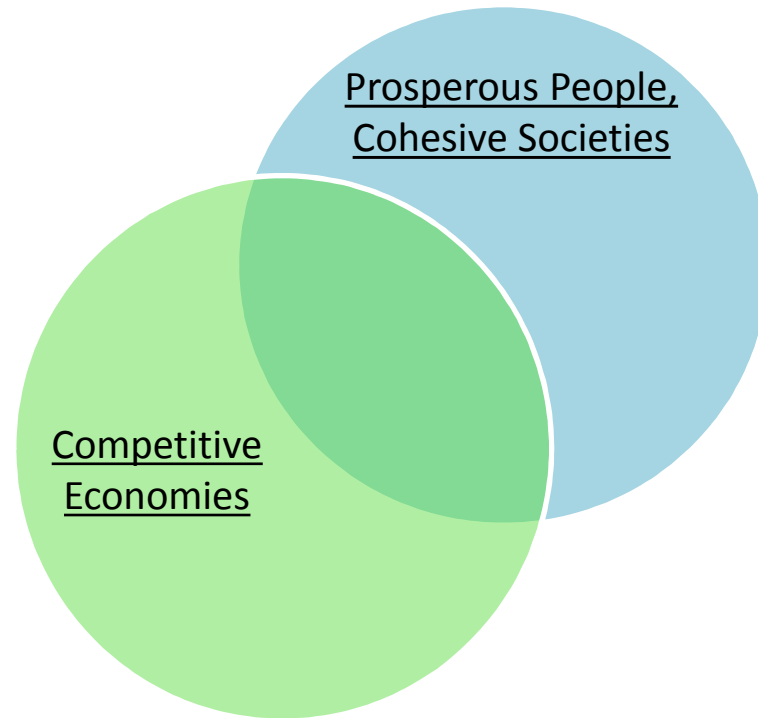


Vision for People and Societies

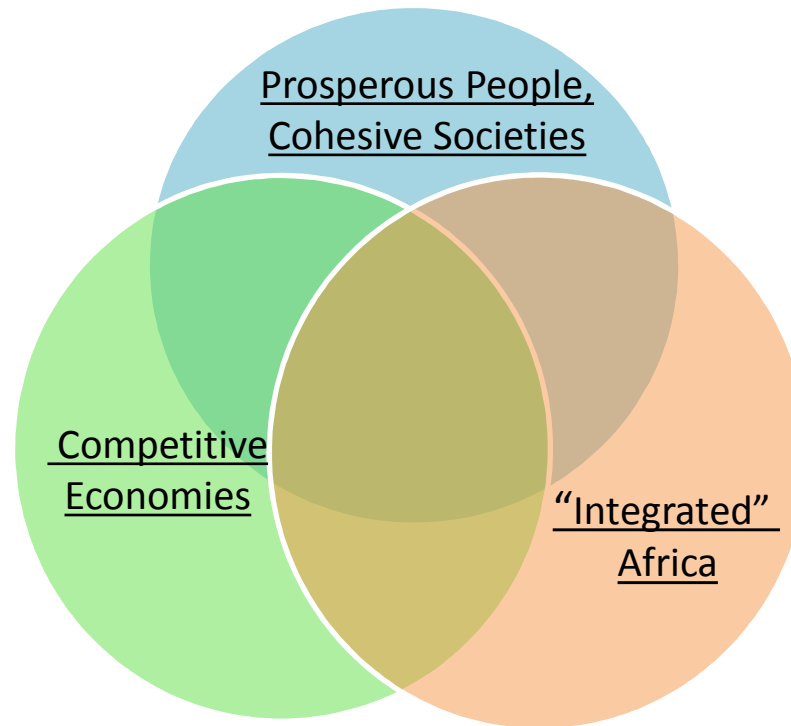


Prosperous People,
Cohesive Societies

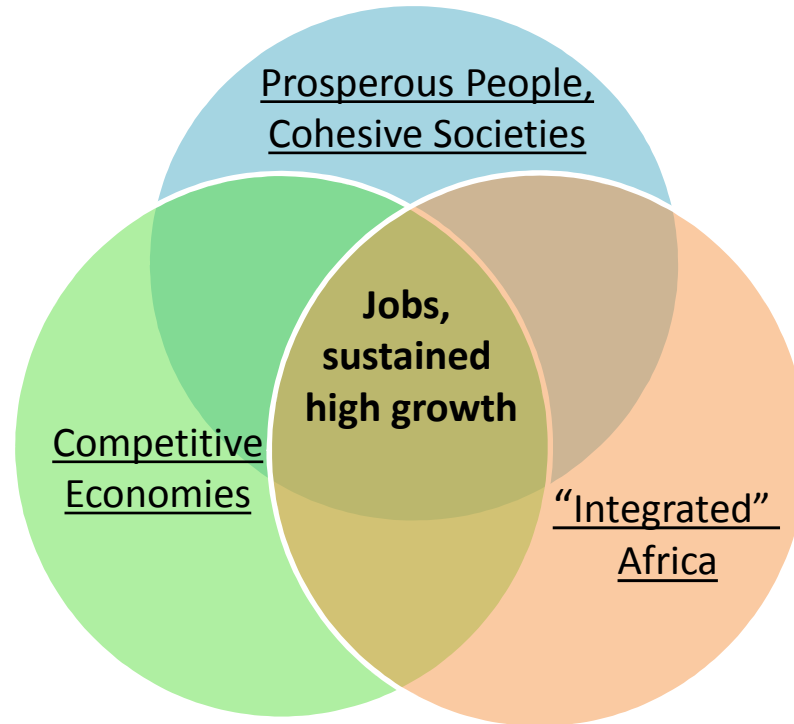
Vision for Economies



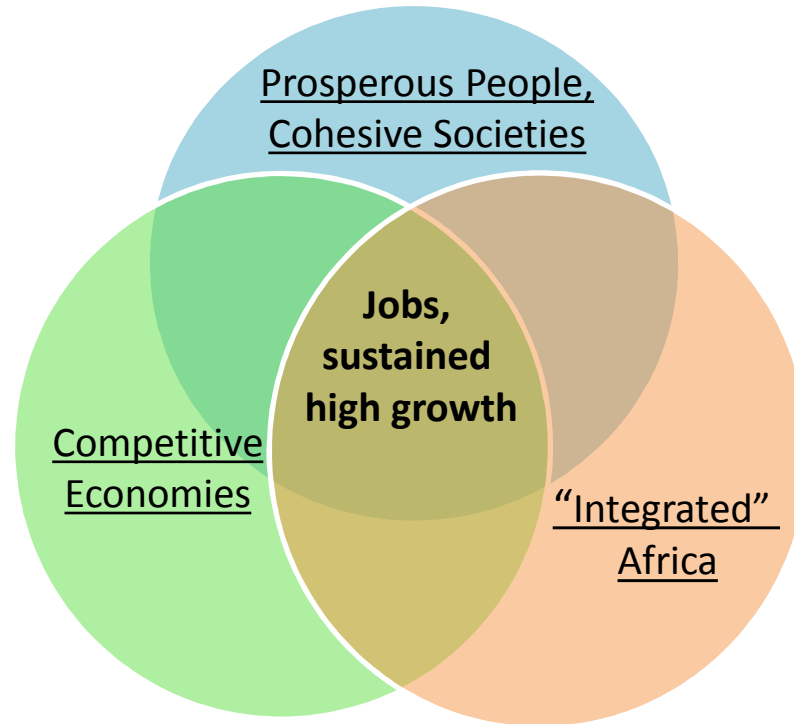
Vision for the Continent



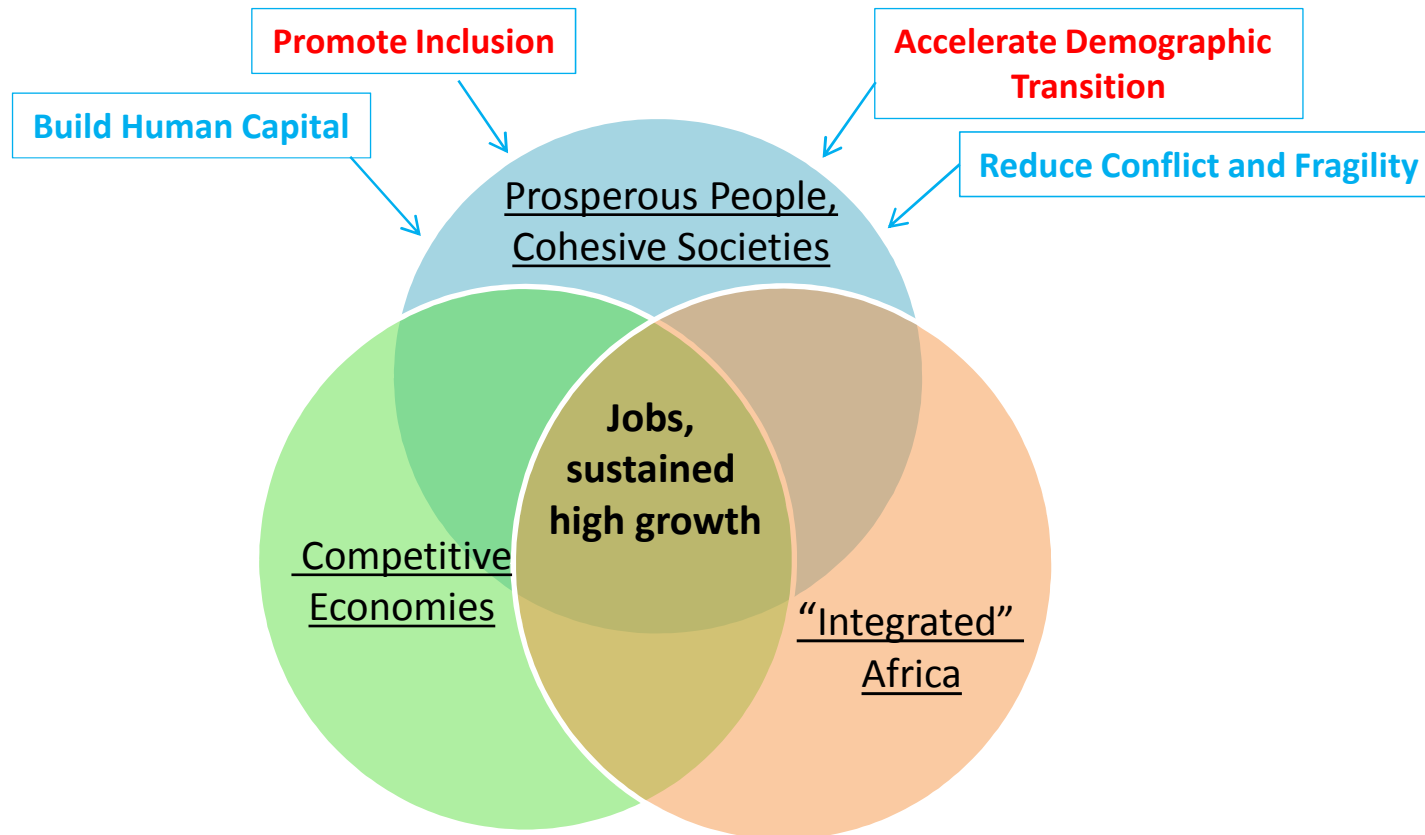
Jobs will be the key



Turning the Vision into Reality

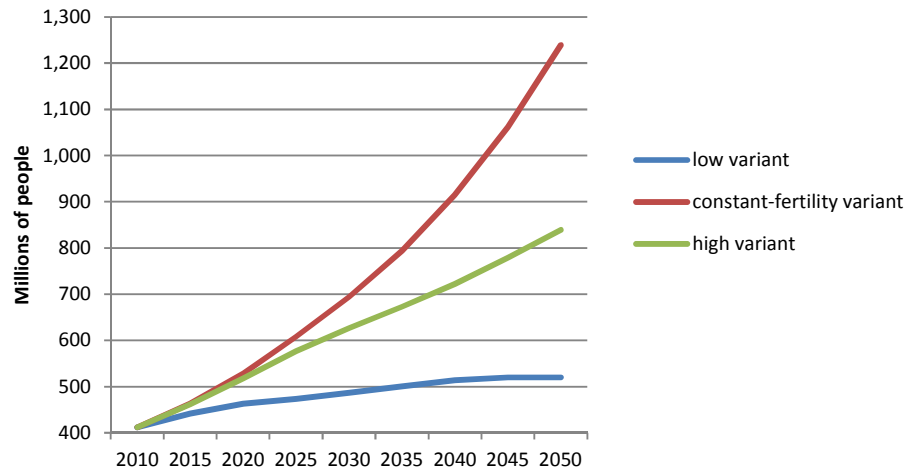


Delivering prosperity and cohesion

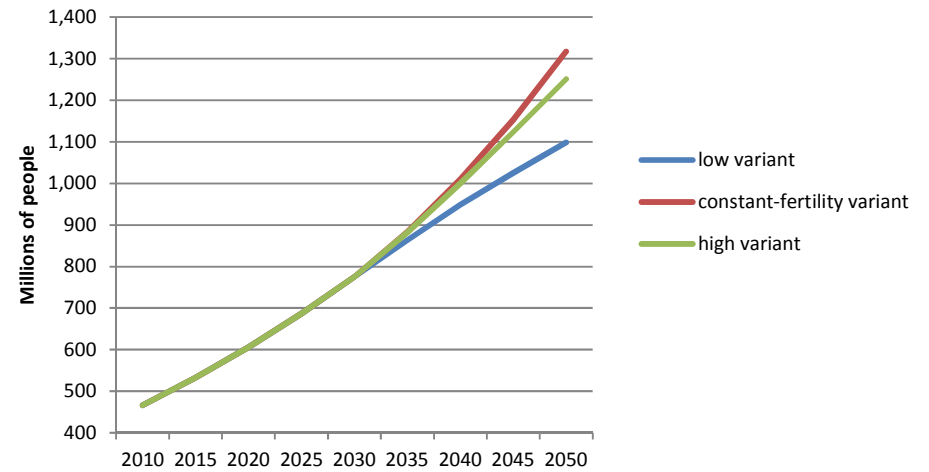


Demographic dividend.... ...or social time bomb?

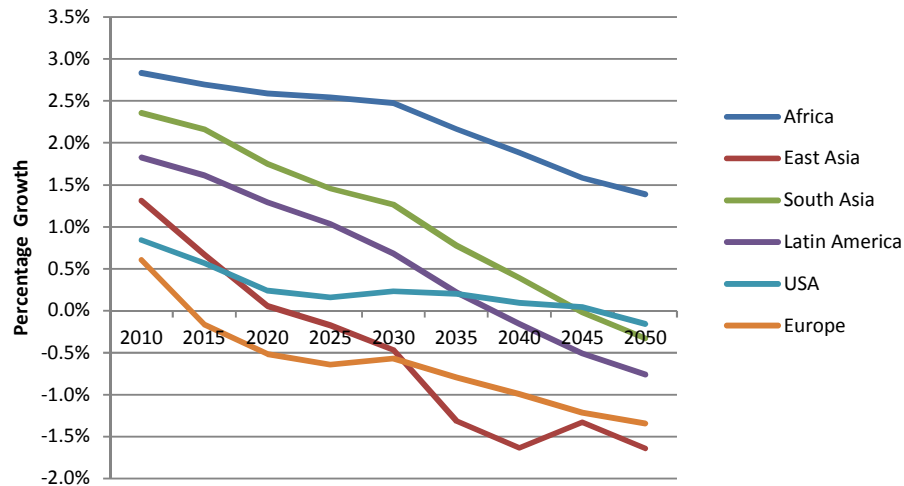
Population Growth, Age 0-14



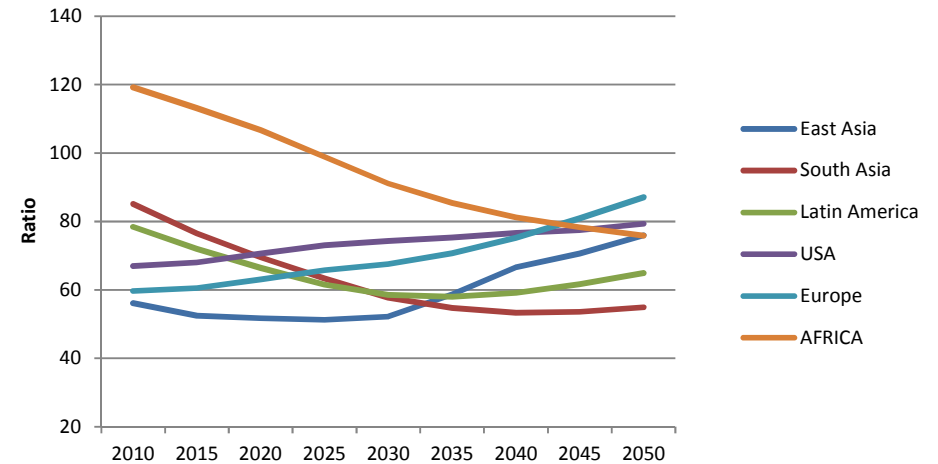
Population Growth, Age 20-64



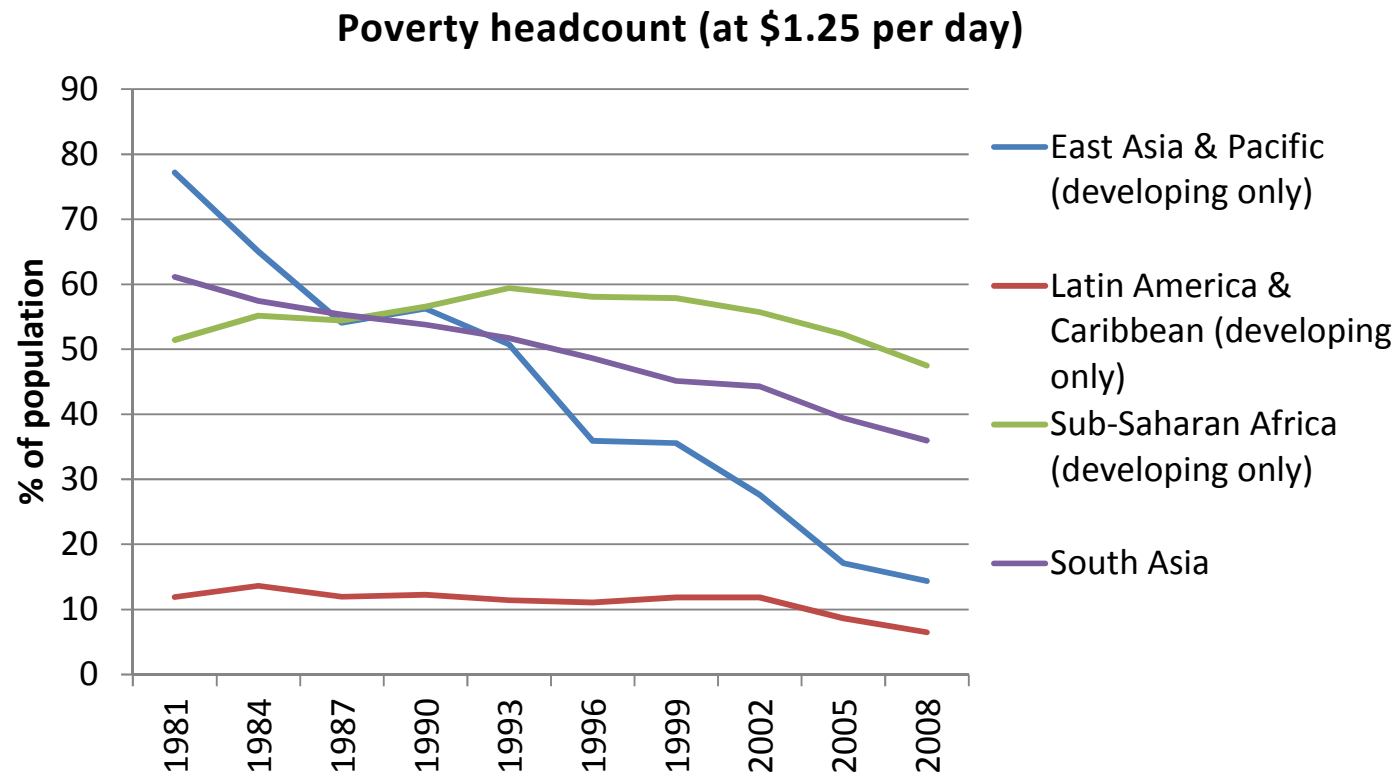
Population Growth Rate for Ages 20-64 (low fertility)



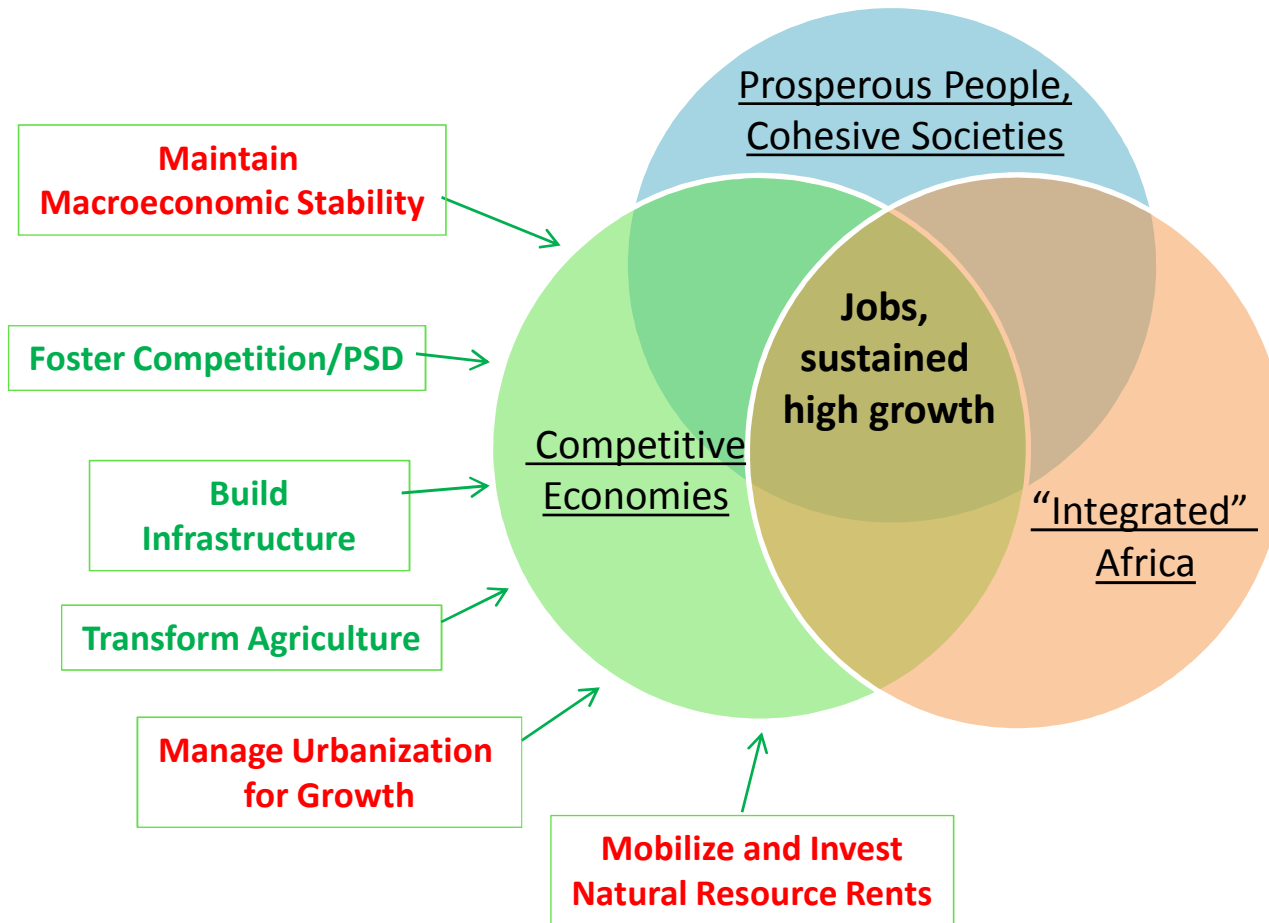
Dependency Ratio (low fertility)



Inclusive growth... ...or growing inequality?

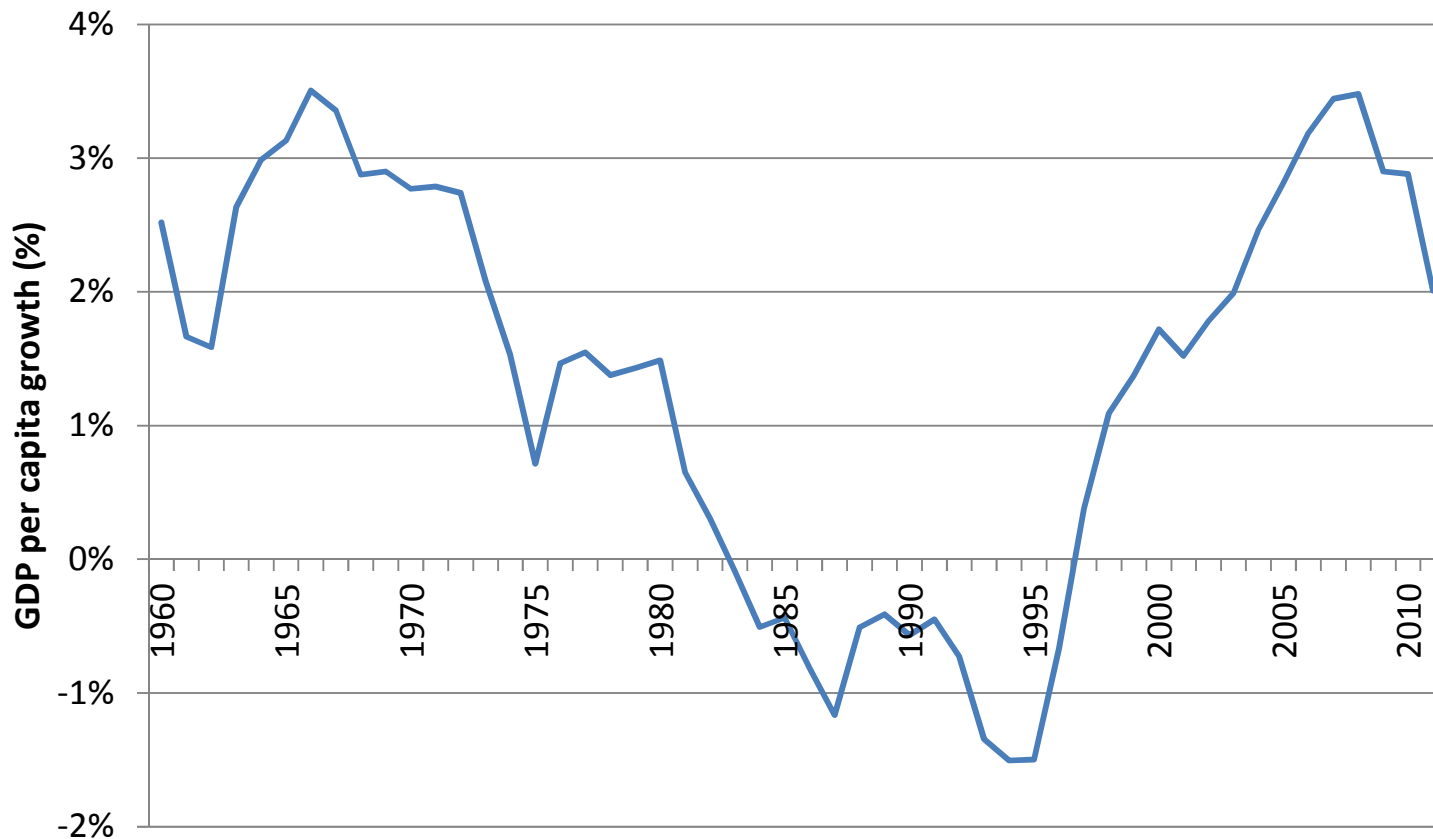


Building diversified, competitive economies



Macroeconomic framework for sustainable growth and inclusion

**Figure 1: African economies have turned around since 1995
(Five-year GDP per capita growth rates 1960-2011)**



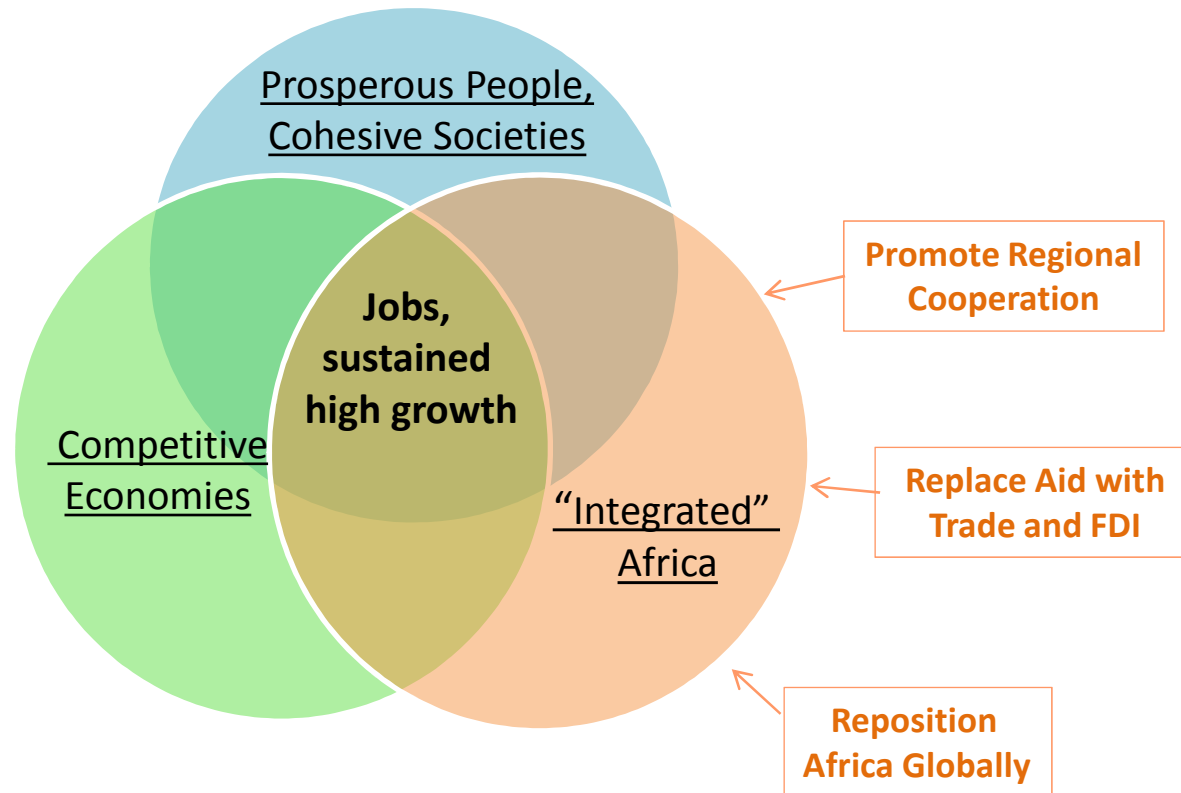
Cities—dynamic growth platforms... ...or explosive slums?

- Six out of ten Africans will live in cities by 2050
- 15 mega-cities of more than 10 million people by 2050
- Action agenda
 - Clarify functional responsibilities of cities
 - Establish legal framework for functional & fiscal operations
 - Determine predictable sources of local revenues
 - Strengthen accountability and better governance
 - Develop institutional capacity of city governments

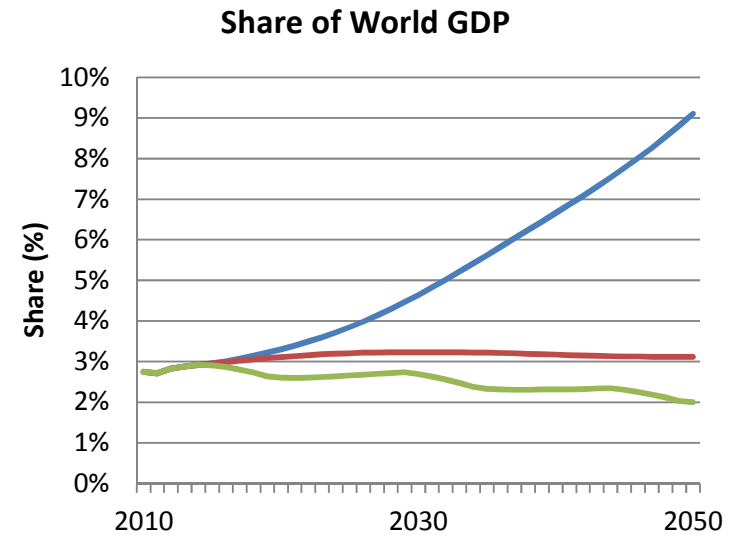
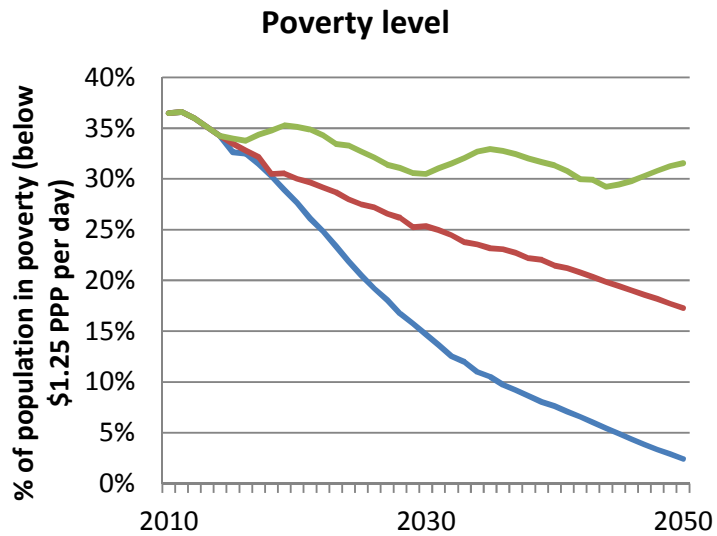
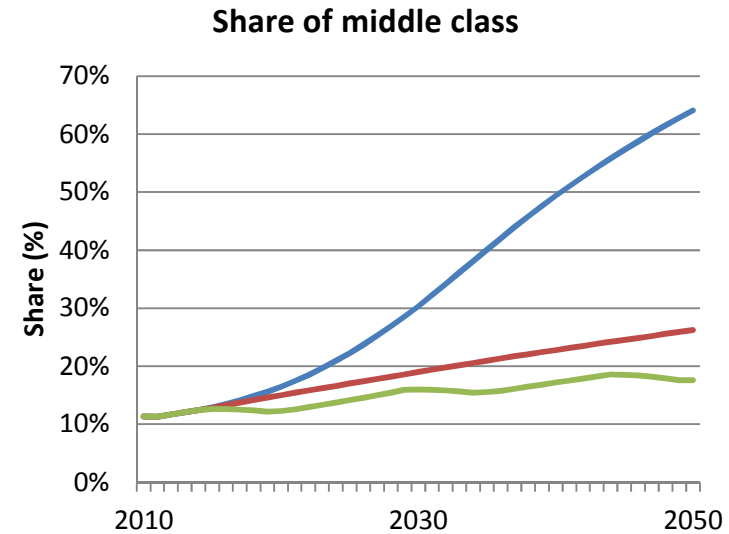
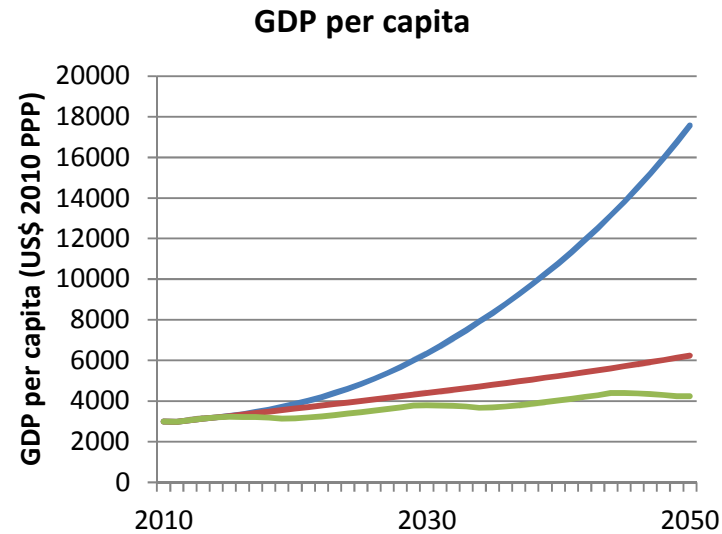
Oil and minerals—blessing or curse?

- Africa is rich in oil and minerals—but their extraction creates few jobs and may hinder competitiveness of other activities
- Three challenges
 - Mobilize a larger share of the resource rents
 - Transform rents into human, physical, and financial wealth
 - Diversify economies
- Action agenda
 - Require transparency in terms and payments
 - Mobilize world-class expertise in contract negotiation
 - Lock in revenue management rules and rule-based wealth funds
 - Strengthen public finance programming

Fostering regional and global integration

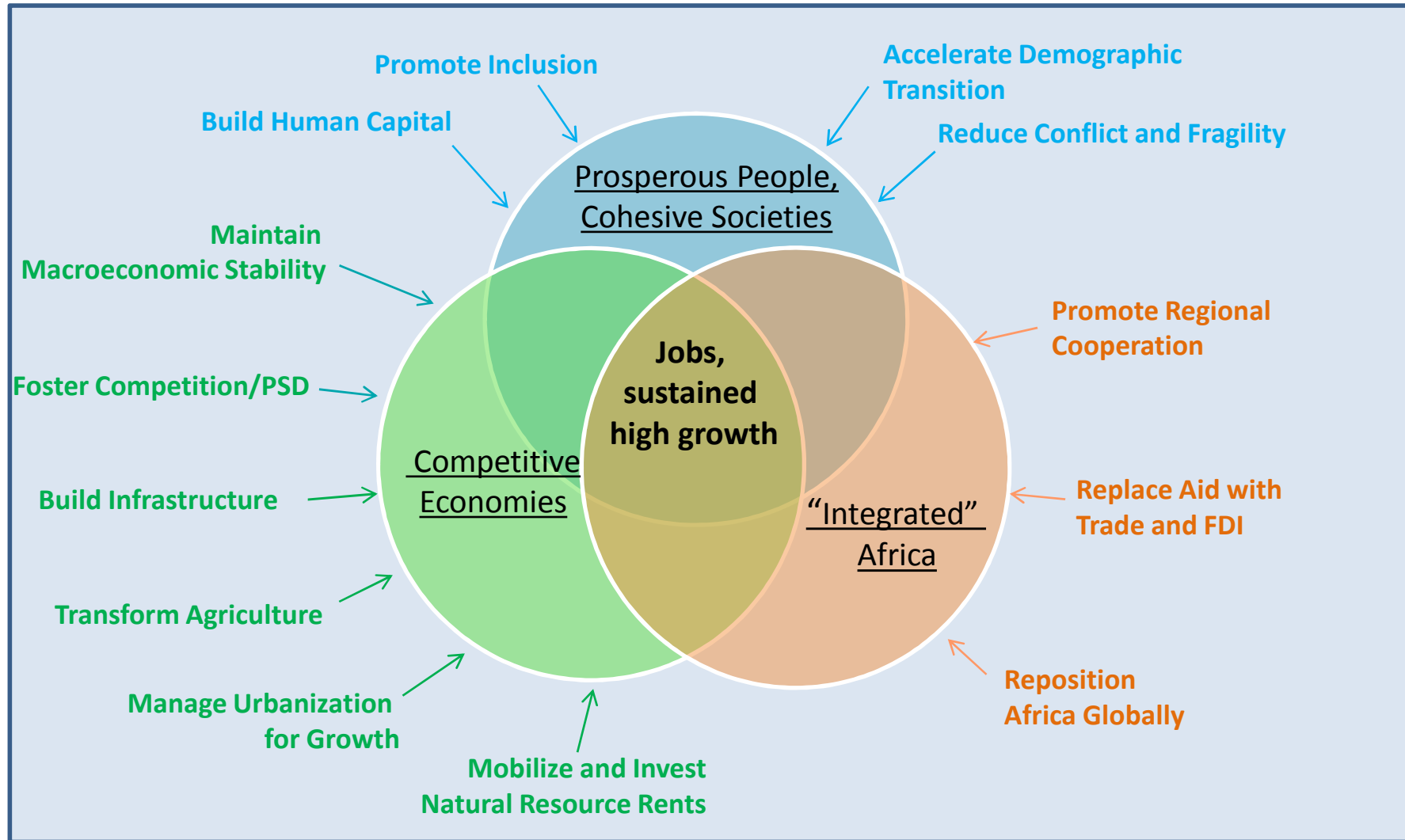


Stakes are high—failure has enormous costs



— Convergence Scenario — Business as Usual Scenario — Downside Scenario

Delivering on Vision will require capable states..



↑
Capable states, Strong Institutions, Rule of law

...and pragmatic leadership

