Africa’s Transformation through Industrial Policies and Implementing the Agenda 2063

On August 26, the Japan International Cooperation Agency (JICA) held a seminar on strategies for transforming the African economy through Industrial Policies at the Hilton Nairobi Hotel. The seminar was co-organized by the United Nations Development Programme (UNDP), the African Development Bank (AfDB) and the Initiative for Public Dialogue (IPD) at Columbia University.

The seminar discussion was based around the book “Industrial Policy and Economic Transformation of Africa,” published by Columbia University Press, which describes the outcomes of the joint research by the IPD led by Professor Stiglitz and JICA-RI. In addition to the discussion points from theoretical perspectives based on the publication, members in the panel discussion shared their views on the way forward for the further industrialization of the African continent.

In his opening remarks, JICA President Kitaoka pointed out the role industrialization can play on the various challenges Africa faces today, such as income gaps and unemployment. He shared an example of industrialization from Meiji era Japan when the export industry grew into success. He also introduced JICA’s initiatives such as the KAIZEN project in Ethiopia which promotes improvement of management and organizational capabilities of private enterprises, and the African Business Education (ABE) Initiative that provides opportunities for students from Africa to receive Master’s degrees and internships in Japanese universities and firms. He also stressed on the importance of development in agriculture and education sectors to support industrialization.

Professor Joseph Stiglitz from Columbia University first expressed his gratitude for the joint research now entering its fourth phase in partnership with JICA. On the theme of industrialization, he stressed the importance of establishing a “Learning Society” as the strategy to promote structural transformation and creating jobs in Africa. He also pointed out how this would be important in promoting Africa’s dynamic comparative strengths, and raised the example of JICA’s KAIZEN projects introduced in the book as a good example of this process. He raised the challenges we face
in capturing the ultimate well-being of people through GDP, and stressed the need of introducing an alternative measure that reflects important aspects such as income gaps, employment, stability, protection of the environment and ensuring sustainability.

Miss Helen Clark, Administrator of UNDP raised important issues to promote industrialization and structural transformation, such as human resource development, support to the youth, ensuring rule of law and creating an enabling environment for the private sector, utilizing Africa’s natural resources while maintaining the ecosystem, and support to regional integration. She also emphasized the importance of ensuring the “quality” of growth, comprised of factors such as inclusiveness, sustainability, and employment. She also introduced UNDP’s endeavors in Rwanda to support entrepreneurs through ICT, and connecting farmers to the supply chain to strengthen the agricultural sector in Ethiopia.

Mr. Charles Boamah, Finance Vice President of AfDB agreed to the various challenges towards industrialization raised by other speakers, and introduced the “Strategy for the African Industrialization” which was launched in late July by the AfDB. The strategy includes six flagship programs, such as support to industrial policies, investment to infrastructure and industry projects, support to increase liquidity of effective capital markets, promoting enterprise development, and promoting strategic partnership with enterprises and investors. He stressed the commitment by AfDB to promote Africa’s industrialization through these strategies and programs.

The ensuing panel discussion was moderated by Dr. Go Shimada from JICA-RI. The panelists discussed obstacles to structural transformation in Africa and the policies necessary to overcome them. Discussions were also held on the roles of government and the international community to respond to the development challenges which Africa faces today.

Mr. Kenichi Tomiyoshi, Vice-President of JICA, pointed out the importance of government having long term industrial policies and plans based on the experience of economic transformation in Thailand. Other panelists mentioned the necessity of adopting various industrial policies such as development finance and foreign exchange policies, importance of innovation, and long term development visions with attention to trade systems.

In his closing remarks, Dr. Naohiro Kitano, Director of JICA-RI, emphasized the importance of the nexus between practice in the field and research, and the role of JICA-RI to be the catalyst to bridge the two stages. He concluded that JICA-RI will continue to work on the theme of Africa’s structural transformation with special focus on the latest research agenda of “Quality Growth” in partnership with Professor Stiglitz.

Participants
- Boamah, Charles, Finance Vice President, AfDB
- Ansu, Yaw, Chief Economist, African Center for Economic Transformation
- Clark, Helen, Administrator, UNDP
- Kitano, Naohiro, Director, JICA-RI
- Kitaoka, Shinichi, President, JICA
- Monga, Célestin, Vice-President and Chief Economist (appointed), AfDB
- Noman, Akbar, IPD, Columbia University
- Shimada, Go, Visiting Scholar, JICA-RI
- Stiglitz, Joseph, IPD, Columbia University
- Sundaram, Jomo Kwame, former Assistant Secretary-General, United Nations Department of Economic and Social Affairs
- Tomiyoshi, Kenichi, Vice-President, JICA