Industrial Policy for meeting the Sustainable Development Goals in Africa

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Sustainable Development Goal 9

• Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

• Manufacturing = economic development + employment + social stability
Take home message

Critical reflection

SDGs = (S)Development = Industrialisation

• Industrial policy lives on and it works
Background

- **Economic development** = Industrialisation

Comparison of mineral rents (% of GDP) between LIC, MIC and HIC

Source: World Bank
Manufacturing is good for income

Comparison of MVA (% of GDP) between HIC, MIC and LIC
Advice to Africa

- Prebisch-Singer hypothesis
- Resource curse thesis
- Primary resources price volatility challenge
How to industrial?
Role of the state

The market can drive industrialisation

The government lacks information to intervene

State interventions lead to rent seeking

State can intervene to address market imperfections

State can intervene to create markets

Development = structural change

SDG = Double structural change

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Why industrial policy for SDGs

• Industrial policy has a history
  (i) Britain-Calico Acts (1700, 1721)
  (ii) The USA
  (iii) The High Performing Asian Economies
  (iv) China-the capitalist state
  (v) GREEN ECONOMY
  (vi) Africa?
Conclusion: How for Africa

- Good industrial policy is limited *temporally and in scope*

- Big swings produce *big hits or big misses*

- *Policy agility*- Strength of freight train agility of a Mini Cooper (motor-bike)
NGIYABONGA,
MEDASE,
ASANTE SANA
THANK YOU