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Manufacturing is an answer to poverty in Africa – UN report



A young boy learns to weave in Côte d'Ivoire

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A new United Nations report released today on development in Africa calls for increased manufacturing on the continent to reduce poverty.

“Africa now accounts for about 1 per cent of global manufacturing, and cannot realistically hope to reduce widespread poverty if its governments don’t take effective measures to expand this vital economic sector,” says the report by the UN Industrial Development Organization (UNIDO) and the UN Conference on Trade and Development ([UNCTAD](#)).

The Economic Development in Africa Report 2011 calls for “a practical, well-designed approach to industrialization, that is adjusted to specific country circumstances and based on extensive discussion with and feedback from businesses and entrepreneurs,” the agencies said in a [news release](#).

The report says that Africa is losing ground in labour-intensive manufacturing – which is generally the entry-level step in industrial development, and is a category especially important in Africa, where jobs are needed in rapidly growing cities.

Strategies to spur industrial development – in order to be effective – must be individually tailored by governments, according to the agencies.

The report says government support to private firms is necessary to steer investment and business activities into areas of industry critical for long-term economic growth and employment generation. But such support should not be open-ended. It should be terminated if improved performance – such as the production of competitive export goods – is not achieved within a specified period of time.

It also calls for building effective state-business relations; improvement in roads, railroads and electricity supplies; and “putting into place a mechanism for monitoring, evaluation, and accountability.”

“While the report stresses the need to promote manufacturing development, it argues that this must not be achieved at the expense of the agricultural sector,” the agencies noted, adding that agriculture has been and will continue to be a major source of revenue, employment, and foreign exchange earnings, in the short to medium term.

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