

Understanding Economic Transformation in Africa



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ODI's - Supporting Economic Transformation (SET) Programme Event
23 September, 2015

Example from Tanzania



- **Knowledge on Policies**
- **Data Availability**
- **Historical Analysis**

Knowledge on Policies

Beware of arguments based on blue print



KEY Targets: Middle Income Country 2025

1. GNI (gross national income) annual average growth rate of 8% over 15 years, equivalent to GNI per capita growth rate of 5%, assuming population growth remains around 3%

2. Targets

- The share of agriculture - ↓ from 27.8% in 2000 to 20.7% in 2025,
- the share of employment in agriculture ↓ from 74.6% in 2010 to 41.2%,
- the share of manufacturing in GDP ↑ twofold: from 9.8% in 2010 to 17.8%.
- The growth rate in agriculture ↑ from 4.4% in the 2000 to 2010 period to 6% p.a
- Manufacturing ↑ from 8.2% in to 2000 to 2010 period to 13% per annum

3. Key Premise: release labour by raising productivity

- ↑ productivity in agriculture ↑ production and generate excess labour supply, both fuelling agro-processing and leading to a sharp expansion in the manufacturing sector
- ↑ activities in the downstream nodes of value chains will create employment and growth in the industrial sector

Data Availability

Take care with splicing patterns across different NA series



Economic Activity	1992 National Accounts series (as % of GDP at factor costs)				2001 National Accounts series (as % of GDP at basic prices)		
	1987	1992	1996	2001	2001	2005	2010
Agriculture	153,336	612,402	1,658,275	3,406,146	2,789,853	4,636,136	8,241,811
	50.7%	48.0%	48.0%	44.7%	32.9%	31.8%	28.1%
Industry	47,399	206,718	490,885	1,215,091	1,638,459	3,316,757	7,225,731
	15.7%	16.2%	14.2%	15.9%	19.3%	22.7%	24.7%
Service	116,449	513,788	1,440,356	3,161,164	4,139,962	6,786,597	14,188,185
	38.5%	40.3%	41.7%	41.5%	48.8%	46.5%	48.4%
GDP	302,683	1,275,916	3,452,559	7,624,616	8,488,274	14,597,767	29,297,677

Source: NBS(1999) National Accounts 1987-1998, table 3; NBS (2006) National Accounts 1992-2004, table 3; NBS (2012) National Accounts 2001-2011, table 3.

Note: 1992 National Account series use GDP at factor cost; 2001 National Account series use GDP at current basic prices

Data Availability

When double counting tells you something



Industry	Currently Employed Population (Main Activity Only)								
	1- Total			2- Informal			3- Other [= 1 – 2]		
	1990/91*	2000/1*	2006**	1990/91*	2000/1*	2006**	1990/91*	2000/1*	2006**
Agriculture	9,164,059	13,253,395	12,713,234	13,160	40,272	19,498	9,150,899	13,213,123	12,693,736
	84.2%	85.4%	76.5%	1.4%	2.8%	1.2%	92.1%	93.8%	84.9%
Industry	445,697	332,297	714,217	264,944	256,089	341,592	180,753	76,208	372,625
	4.1%	2.1%	4.3%	27.7%	17.8%	20.3%	1.8%	0.5%	2.5%
Service	1,279,449	1,935,538	2,560,546	677,543	1,143,487	1,321,293	601,906	792,051	1,239,253
	11.7%	12.5%	15.4%	70.9%	79.4%	78.5%	6.1%	5.6%	8.3%
Total Employed	10,889,205	15,521,229	16,627,133	955,647	1,439,847	1,682,383	9,933,558	14,081,382	14,944,750

Source: Constructed by the authors using ILFS 1990/91 Table M1 page 2-15 & Table INF1 page 2-27; ILFS 2000 Appendix 7B & Appendix 20 and ILFS 2006, from Figure 5.2 page 35, Table B3 page 118 and Table C2 page 119.

Data Availability

When double counting tells you something

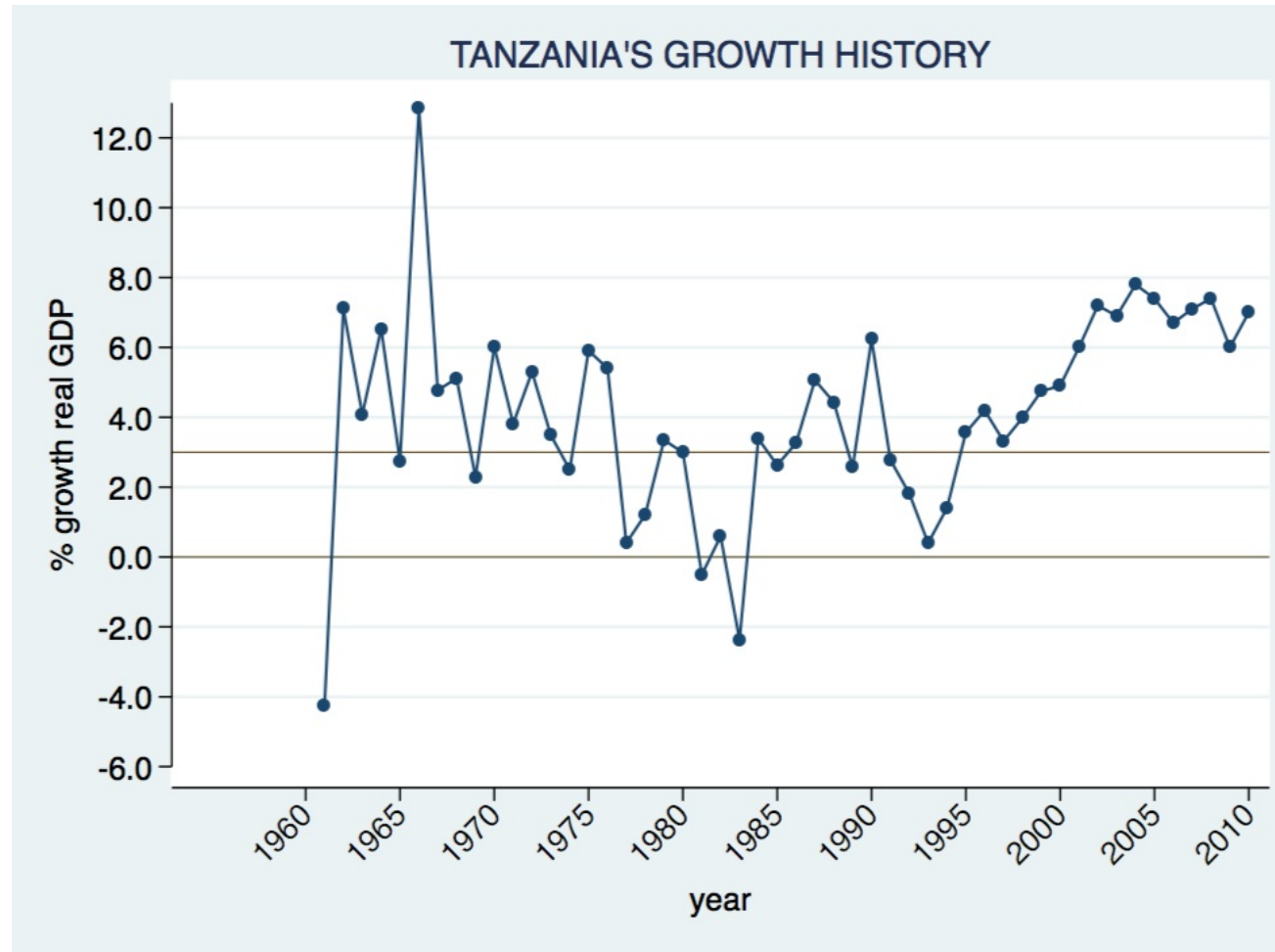


Industry	Currently Employed Population (Secondary Activity Only)					
	Total			Informal		
	Male	Female	Total	Male	Female	Total
Agriculture/ hunting/ forestry	1,218,842	573,391	1,792,234	120,175	18,538	138,714
	35.9%	12.3%	22.2%	10.7%	1.8%	6.5%
Mining & quarry	256,669	301,134	557,803	209,572	273,729	483,301
	7.6%	6.4%	6.9%	18.7%	27.2%	22.7%
Manufacturing	1,289		1,289	1,289		1,289
	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%
Construction	625,468	496,099	1,121,567	569,892	458,202	1,028,094
	18.4%	10.6%	13.9%	50.8%	45.5%	48.3%
Wholesale & retail trade	76,501	242,783	319,285	69,289	227,784	297,073
	2.3%	5.2%	4.0%	6.2%	22.6%	14.0%
Hotels & restaurants	51,882	3,144	55,026	31,011	899	31,910
	1.5%	0.1%	0.7%	2.8%	0.1%	1.5%
Transport/storage & communication	873		873	16,814	12,026	28,840
	0.0%	0.0%	0.0%	1.5%	1.2%	1.4%
Other community/social & personal service activities	854,801	3,013,198	3,867,999	103,022	16,208	119,230
	25.2%	64.4%	47.9%	9.2%	1.6%	5.6%
Totals	3,397,310	4,677,151	8,074,461	1,121,063	1,007,387	2,128,450

Source: Constructed by the authors using ILFS 2006, from Table C2 page 119 and Table D2 page 120

Historical Analysis

Avoid Cherry Picking



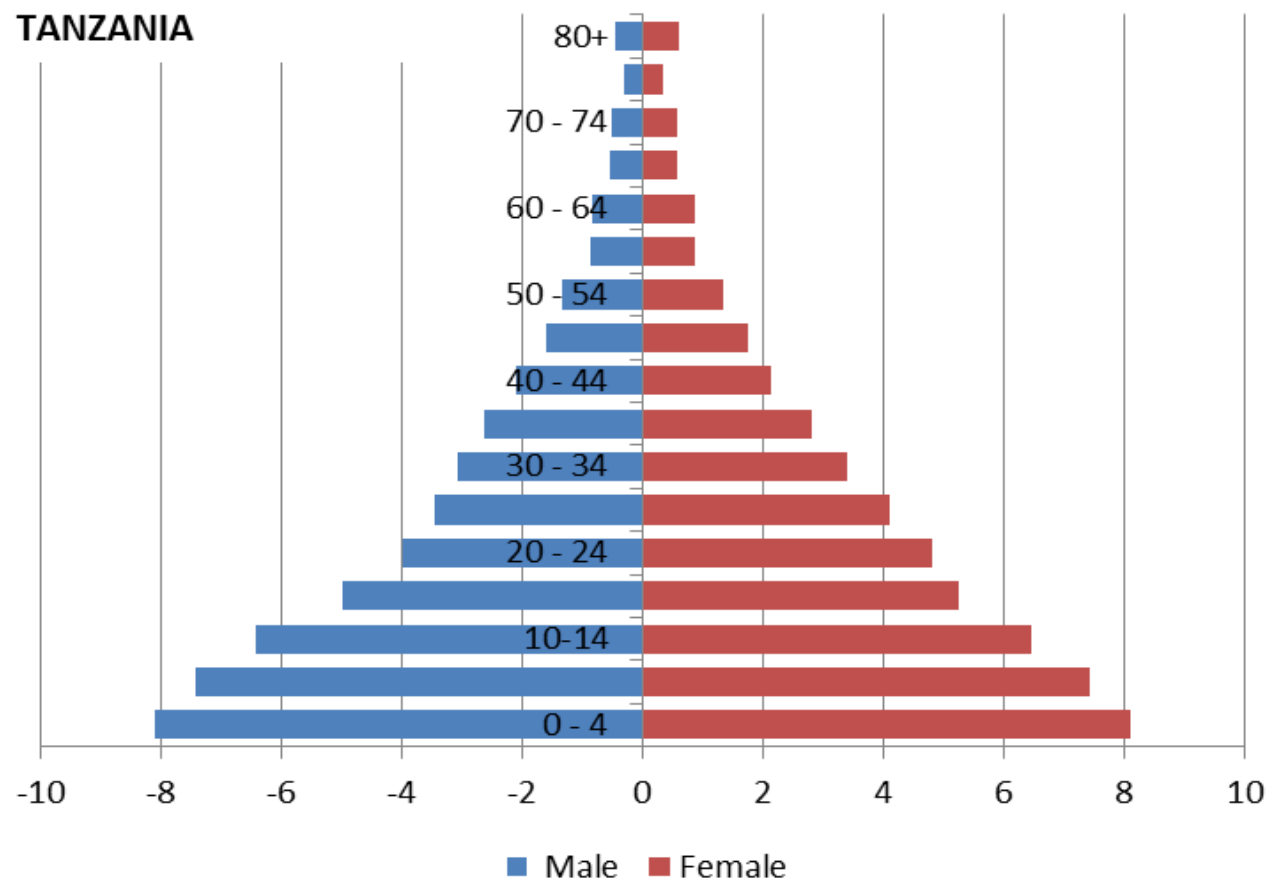
Beware of the denominator (P).

Source: National Bureau of Statistics, Tanzania, 1995a, Table 7.1; 1995b, Table 1; 1999, Table 3 and 4; 2012, Table 1 and 3 (author's own calculations)

Historical Analysis

Denominator matters

- level, rate, structure, momentum and spatial distribution.



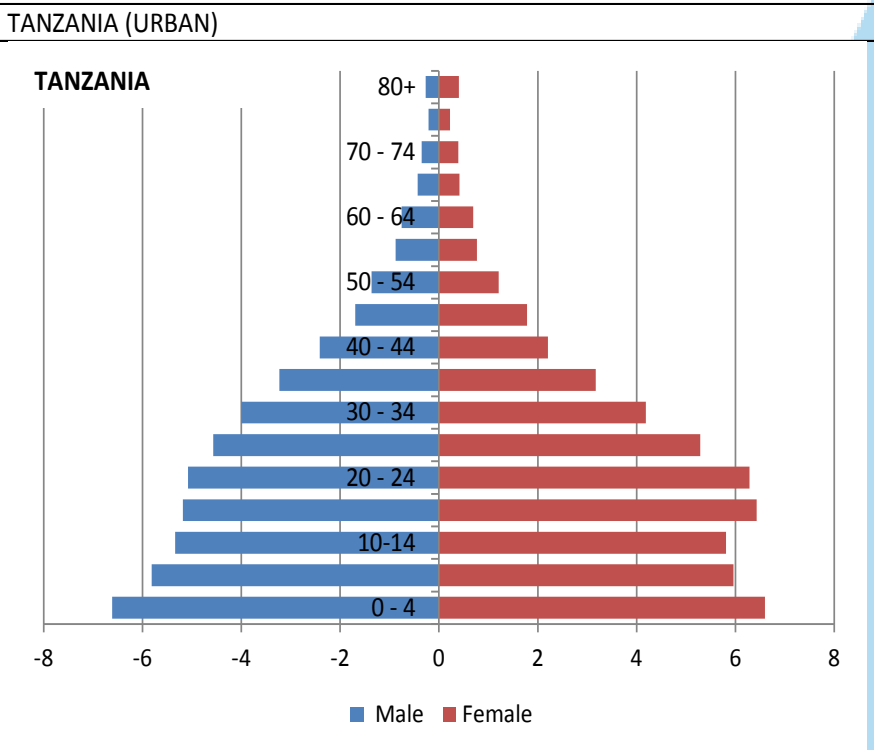
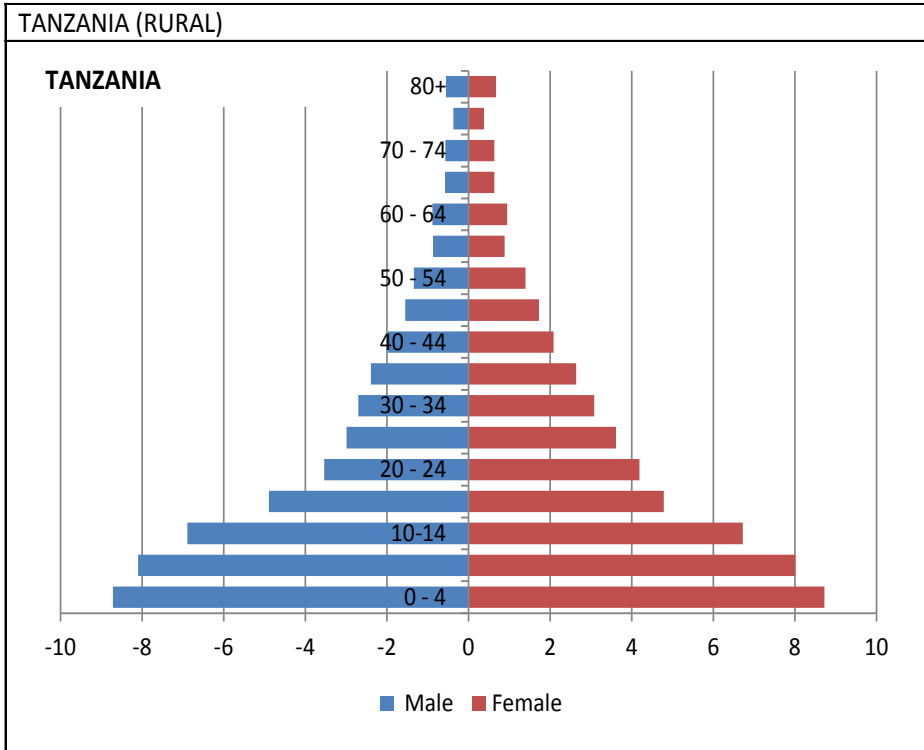
Source: NBS 2013 Population and Housing Census

Historical Analysis

Denominator matters



- level, rate, structure, momentum and spatial distribution.



Source: NBS 2013 Population and Housing Census

Historical Analysis

Zoom in for more details



Economic Activity	1998	2001	2005	2008	2010
Agriculture, Hunting and Forestry	30.3%	29.0%	27.6%	25.7%	24.1%
Crops	22.9%	21.4%	20.5%	19.0%	17.8%
Industry and construction	18.5%	18.0%	20.8%	21.0%	22.5%
Mining and quarrying	1.4%	1.8%	2.9%	3.4%	3.3%
Manufacturing	9.7%	8.4%	7.9%	7.8%	9.0%
Construction	5.2%	5.2%	7.8%	7.7%	8.0%
Services	44.0%	45.5%	42.5%	43.8%	43.9%
Communications	1.1%	1.2%	1.7%	2.5%	2.1%
Gross Domestic Product at current market prices	100.0%	100.0%	100.0%	100.0%	100.0%

Source: NBS (2007), table 1 (annex); NBS (2012) National Accounts 2001-2011, table 3.



Thank You