ECONOMIC AND SOCIAL TRANSITION (Parallel Session, STA 4)

20 November 2018, 14:30-17:30

Recommendations

1. The economic power of cities in terms of their contributions to GDP, employment creation, consumerism, production, ICT services and transport networks is well documented. However, what is not clear is the role that local authorities at city and subnational levels could play to take advantage of the economic and social transitions that are happening at different levels across Africa. What are the policy instruments and institutional arrangements that need to be put in place for Africa’s local and subnational governments to be effective in harnessing the economic and social opportunities that multiple transitions offer? Fiscal decentralisation in tandem with institutional strengthening at local and subnational levels are critical enablers of economic and social development.

2. Africa’s youth bulge can potentially be a blessing (demographic dividend) or curse depending on how authorities tackle the situation. It is generally recognised that youth have the potential to drive economic growth by their involvement in formal labour markets. Despite the economic transitions that have enabled some countries to graduate from a low-income status to middle-income status with enhanced economic opportunities, many youths continue to eke out a living in informal sectors where productivity and incomes are relatively low. Economic transition that does not translate into economic opportunities and empowerment of the people is meaningless. While part of the problem for youth unemployment is skills mismatch i.e. youth do not possess the right skills needed in the formal labour markets, local and subnational authorities have a critical role to address labour market challenges. How can local and subnational authorities harness the youth bulge to address youth unemployment at their level? Investments in quality education including the production of technical, vocational and entrepreneurial skills as well as targeted business opportunities are imperative to addressing youth unemployment both at local and subnational levels.

3. Africa’s rapid urban transition driven my natural population increase presents both opportunities and challenges for local and subnational authorities. Some of the opportunities range from agglomeration and economies of scale, large pool of labour for industries to an expanded consumer base for goods and services. The challenges especially from unplanned urbanisation could be in form of pressure on limited urban services, sprawling and increase in social vices. In this context, planned urbanisation and well-functioning urban systems including transport and information networks have a cascading positive effect on inclusive and sustainable urbanisation.