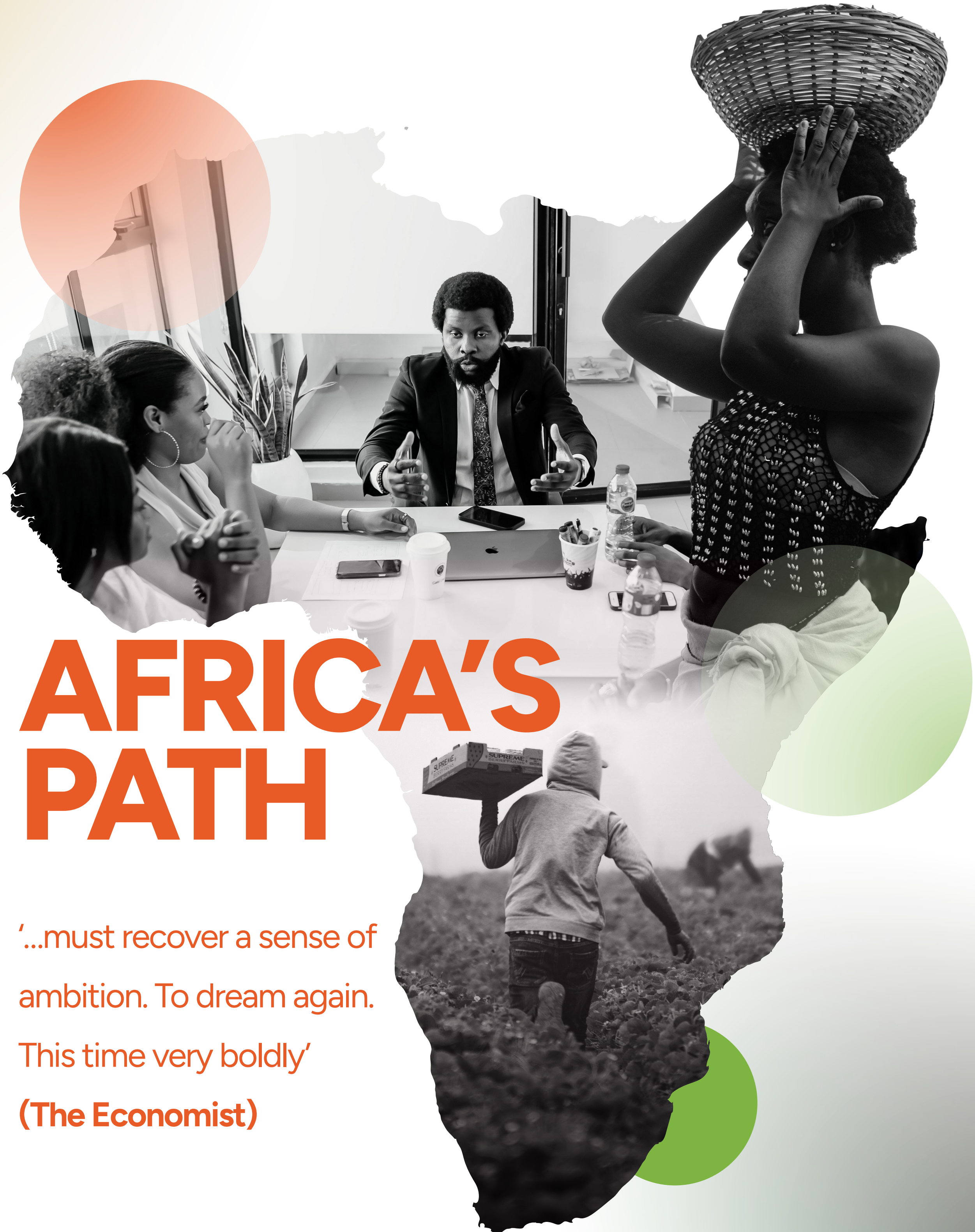

AFRICA'S PATH

'...must recover a sense of ambition. To dream again. This time very boldly'

(The Economist)

TENDAI MURISA | AUGUST 2025

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Introduction

The continent of Africa is once again at the crossroads. The continent's economies are either experiencing slow growth or stagnating. It was envisaged that for Africa to catch up with the rest of the world, it would have to go through consistent double-digit growth for at least a decade. Instead, the debt-to-GDP ratio in Sub-Saharan Africa has doubled over the past 15 years. Since COVID-19, the average growth has been sitting at less than 7% for most countries. Africa is the only region where its debt is growing faster than its Gross Domestic Product (GDP). The debt has increased by 183% since 2010, a rate roughly four times higher than its growth rate of GDP in dollar terms (United Nations Conference on Trade and Development (UNCTAD), 2023). The public debt currently stands at US$1.8 trillion. Furthermore, in 2022, there were 27 countries in Africa with a ratio of debt to GDP above 60%, a level seen as a threshold for sustainability, compared to the year before the pandemic, when 18 countries had debt levels above that threshold.

Recent foreign policy changes amongst several Global North countries with regard to the levels of Official Development Assistance have created new and urgent challenges for Africa. The funding landscape challenges us to think through new ways of funding the development agenda across the continent. Whilst the cuts to funding are seemingly abrupt, they have been under consideration for a longer time outside of President Trump's shock and awe approach. For instance, the USAID funding freeze and subsequent withdrawal have resulted in a $12 billion shortfall in Africa's healthcare financing (Sahlu, 2025). How will Africa survive in the post-aid era, where the new consensus is around leveraging trade approaches? The current challenges in Africa present both a crisis and an opportunity for transformative change. As traditional development funding sources have become less reliable, there is an urgent need for African countries to prioritise domestic resource mobilisation and press the reset button on the business-as-usual approach. Meaningful reforms will require high-level leadership and a coordinated effort from governments, regional institutions, and the private sector.

The Challenge

There is an emerging consensus that perhaps the struggles in Africa have overemphasised the questions of democracy at the expense of ensuring broader economic growth. There is a new picture emerging from the number of surveys carried out across the continent, which suggests that there are more citizens dissatisfied with the performance of the economy compared with those concerned with narrowly framed democratic outcomes, such as the holding of free and fair elections. Furthermore, the majority (90%) think that a democratic society should provide citizens with access to necessities – a higher proportion than those who insist on regular elections, a multi-party system and freedom of speech. More than 51% believe the most important problems facing their country are economic (mainly unemployment, poverty, and food shortages), and 42% consider social issues to be the most pressing. In addition, more people think that their living standards have worsened in the previous year than see improvements (Afrobarometer, 2002). This suggests that the current version of democracy is failing to deliver what Africans want the most.

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At present, the continent does not have sufficient productive capacity to produce enough to ensure food security for all. Over 20% of Africa's population, approximately 257 million people, are currently undernourished, underscoring the continent's struggle to achieve food security for all. Yet it has 60% of the world's uncultivated arable land but imports $45 billion in food annually and is projected to import more than $110 billion in 2025 if there are no interventions (North Africa Post, 2024). At least 82% of Africa's basic food imports come from outside the continent, and in Eastern Africa, 84% of wheat demand is met by imports (Akiwumi, 2022). The agriculture sector faces several challenges, including climate change, limited access to finance, poor infrastructure, and knowledge gaps, resulting in domestic food production that is insufficient to meet the growing demand.

The continent cannot clothe itself. We import most of what we wear. Even some of the so-called African fabric is imported. Most of the finished goods in our homes, offices and places of production are imported. According to the World Bank (2020), sub-Saharan Africa spent US$6.1 billion on imported apparel. This was not always the case.

African manufacturing collapsed due to competition from cheap Asian imports, mismanagement and poor infrastructure. The share of manufacturing in sub-Saharan Africa's GDP fell from 17% in 1995 to 10% in 2010 before a slight recovery to 12% in 2021. Evidence shows that the competition from cheaper imports has forced many African manufacturers out of business, stifling job creation and industrial development (Afesorgbor, Acquah, & Ayele, 2023). A significant component of the imports includes second-hand clothes. In 2023, Kenya became Africa's largest importer of second-hand clothes, importing used garments and textiles worth Sh38.5 billion ($298 million), a 12.5% increase from 2022 (Vanguard, 2025). How do we turn that around?

The Response – Reframing Prosperity

It is important to state that measuring GDP alone is not adequate; there is a need to include other considerations, especially well-being. In this instance, well-being is much broader than GDP; it examines how prosperity is widely shared, the extent to which all citizens have access to quality education and healthcare. It is also preoccupied with concerns about food security, decent accommodation, jobs and transportation. It is within this broader framework that this article makes suggestions for Africa's path out of the current stagnation. How do we secure well-being for all in Africa? There is no silver bullet or single path for Africa's transformation, and the suggestions below provide tentative suggestions for the continent and individual countries to consider.

Manufacturing played an important role in the transformation of most of the developed countries, and more recently in Japan, South Korea, Taiwan, Malaysia and China. **Is it still a viable path towards transformation for Africa?** At the moment, the manufacturing sector in Africa is very small; it contributed between 10-15% of GDP in 2024 (United Nations Industrial Development Organization, 2024). In other regions, such as Asia, manufacturing contributes 20-30% of GDP, and the global average is 21%. Manufactured goods as a percentage of merchandise exports for the region were at 22 % compared to a developing country average of 73%. Many reasons explain why manufacturing's contribution to GDP is limited in Africa; they include:

- The continent's continued dependency on commodity exports (oil, minerals and agriculture), and
- An underdeveloped industrial base due to infrastructure gaps, weak financing and reliance on imports.

For example, in countries like Libya, oil rents account for over 40% of GDP, while in Nigeria, oil generates over 5% of GDP. This focus on primary commodities limits the growth and diversification of manufacturing industries (ReportLinker, 2024). According to the UNCTAD Economic Report on Africa (2024), less than half of African countries have reliable electricity access, and closing the continent's energy gap would require $190 billion annually, or about 6% of Africa's GDP.

Poor transport, logistics, and energy infrastructure increase production costs and reduce competitiveness, making it difficult for manufacturers to operate efficiently and scale up. The African Development Bank (2024) highlights that one of the main challenges facing industrial growth in Africa is the lack of accessible and sustainable financing. Many local manufacturers struggle with prohibitive interest rates and insufficient credit access, which hampers their ability to modernise operations or scale up production. These persistent financial and investment gaps continue to constrain industrial development across the continent. The table below demonstrates the role of manufacturing in Africa's economies.

Table 1: Contribution of Manufacturing Sector to GDP in Africa by Region

Region	Country	Manufacturing % of GDP	Estimated Value (US$ Billion)	Main Industries
North Africa	Egypt	16%	50,00	Textiles, chemicals, autos
	Morrocco	14%	20,00	Automotive, aerospace, textiles
	Tunisia	5%	8,00	Machinery, food processing, textiles
	Algeria	10%	26,50	Oil-dominated economy
Southern Africa	South Africa	13%	35,00	Autos, machinery, food processing
	Zimbabwe	13%	4,40	Deindustrialising sectors
	Mauritius	13%	2,30	Textiles, food processing
East Africa	Kenya	8%	5,00	Food, beverages, textiles
	Tanzania	10%	7,50	Light manufacturing
	Ethiopia	8 %	9,40	Textiles, leather (fast-growing)
West Africa	Nigeria	9%	25,00	Food, cement (textiles collapsed)
	Ghana	6%	8,57	Agro processing dominates
	Senegal	10%	3,30	Food, chemicals
Central Africa	DR Congo	9%	6,39	Mining dominates
	Cameroon	11%	5,46	Agro processing, aluminium

Kenny (2025) has identified two forces that are reducing the global manufacturing-led growth opportunity. First, the continued technological advancement is increasing global manufacturing labour productivity alongside the demand for comparatively skilled workers to operate more complex machines. This negates earlier arguments for the competitiveness of regions with unskilled labour to the effect that it is no longer a significant determinant of location in manufacturing production chains. Second, as countries get richer and older, demand shifts away from goods towards services, and this reduces the market for manufactures. There is another countervailing argument to be made- experience has shown that as China moves up the ladder of technological sophistication, it tends to disinvest in less complex sectors such as clothing. For instance, the share of Chinese exports accounted for by clothing has declined from about 15% in 1995 to 4% in 2022. Furthermore, China is experiencing a growing labour shortage (Xie & Qi, 2021).

> …projected labour shortage of 30 million people in 2025 in major manufacturing industries

According to the country's Ministry of Human Resources and Social Security, there is a projected labour shortage of 30 million people in 2025 in major manufacturing industries, and young people tend to shun manufacturing jobs (Fujimura, 2024). Will these jobs be transferred to Africa? It's not clear at the moment. China is surrounded by emerging manufacturing powerhouses, including Vietnam, Malaysia and Indonesia. They have in the past struggled to compete against China, but nonetheless have maintained steady and growing manufacturing capacities, which are nonexistent in Africa. There is a possibility that several Chinese companies will shift their operational bases to African countries. However, previous trends suggest that Chinese manufacturers prefer to move into Southeast Asian nations rather than Africa.

However, Africa plays an important role in the global economy. It has significant deposits of minerals and the most arable land. Currently, African economies are driven by exports of primary agricultural and mining commodities. The continent's reliance on the mining and agriculture sectors is higher than in any other region. Over 50% of Africa's labour force is in agriculture, and up to 70% in other countries. The African Development Bank (2018) estimates that the economic value of agriculture could reach US$1 trillion by 2030. This is further supported by the World Bank (2013), noting that Africa's food and agriculture market was valued at $280–$313 billion per year as of the early 2020s, with the potential to triple by 2030 if investment and policy reforms are enacted. In many African nations, minerals and agricultural goods make up to 60—80% of exports. The two tables illustrate the importance of agriculture and mining across many African economies.

Table 2: Contribution of Mining to GDP in Africa by Region

Region	Country	Mining % of GDP	Key Minerals/Resources
Southern Africa	Angola	5%	Diamonds
	South Africa	7%	Gold, platinum
	Botswana	7%	Diamonds
	Madagascar	4%	Nickel, ilmenite
	Malawi	3%	Uranium, coal
	Mozambique	10%	Coal, natural gas
	Zimbabwe	14%	Gold, platinum, lithium
	Zambia	10%	Copper
Central Africa	DR Congo	29%	Cobalt, copper
	Gabon	6%	Manganese
	Congo Republic	7%	Oil, copper
	Chad	15%	Oil, uranium
	Cameroon	1%	Bauxite, gold
West Africa	Ghana	5-15%	Gold
	Nigeria	7%	Oil & gas
	Guinea	21%	Bauxite
	Mali	10%	Gold
	Ivory Coast	5%	Gold, manganese
	Niger	7%	Uranium
East Africa	Tanzania	10%	Gold, gemstones
	Kenya	1%	Soda ash, titanium
	Rwanda	3%	Tin, tantalum
	Uganda	2%	Gold, cobalt
North Africa	Algeria	5%	Oil & gas
	Morocco	10%	Phosphates
	Egypt	2%	Oil, gas, gold
	Tunisia	3%	Phosphates, oil
	Libya	60-68%	Oil, Gas and Mining

Table 3: Contribution of Agriculture to GDP in Africa by Region

Region	Country	Agriculture % of GDP	Top Agricultural Exports
East Africa	Ethiopia	2%	Coffee
	Kenya	22%	Tea, horticulture
	Tanzania	26%	Coffee, cashew nuts
	Uganda	25%	Coffee, tea, fish
	Rwanda	27%	Tea, coffee
	Burundi	25%	Coffee, tea
West Africa	Nigeria	26%	Cassava, cocoa
	Ghana	19%	Cocoa, palm oil
	Senegal	16%	Groundnuts, horticulture, cashew nuts
	Ivory Coast	14%	Cocoa, rubber
	Togo	40%	Cotton, coffee
Southern Africa	Angola	13%	Coffee, maize
	Botswana	2%	Livestock products
	Malawi	30%	Tobacco, tea
	Mauritius	3%	Sugar, flowers
	South Africa	3%	Maize, wine
	Zimbabwe	10%	Tobacco, cotton, horticulture
	Zambia	2%	Maize, sugar, tobacco
North Africa	Egypt	12%	Wheat, cotton
	Morocco	12%	Citrus, olives
	Tunisia	10%	Olives, dates
Central Africa	DR Congo	20%	Cassava, coffee
	Cameroon	17%	Cocoa, rubber, coffee, cotton

However, many have raised concerns about Africa's continued inability to carry out value addition on the continent (United Nations Economic Commission for Africa, 2023; World Bank, 2021), arguing that in the absence of industrialisation, Africa will remain a supplier of raw materials to more developed regions. Africa loses billions of dollars by exporting agricultural and mining commodities without value addition. For instance, Africa also produces 70% of the global total of cocoa, with much of that from Ghana and Côte d'Ivoire, the two largest producers globally (Adegoke & Adegoke, 2022).

Yet these two countries only receive 5% to 6% of the revenue from an annual market estimated to be worth US$130 billion annually. Africa produces about 45% of the world's cashew nuts, with 90% of the crop exported for processing overseas, but with little benefit to the 2.5 million farmers involved in the industry. The African Cashew Alliance (2025) estimates that a 25% increase in raw cashew nut processing in Africa would generate more than US$100 million in household income. Coffee exports from Africa were valued at over US$3.6 billion in 2022. Ethiopia was the leading exporter, earning around US$1.5 billion from coffee exports. Uganda followed with an export value of nearly US$813 million as of the same year. According to Dogbevi (2021), a study by KPMG in 2014 found that through roasting, blending, packaging, branding, etc., coffee from Africa was eventually sold abroad in final products, fetching approximately $100 billion.

What Must Africa Do?

There are many prescriptions on the table, and some have been implemented with disastrous consequences, such as the structural adjustment programs that were implemented across the continent. These programs contribute to the overall accelerated decline of Africa. They led to cuts in social spending (health, education and social welfare), removal of tariffs to allow free trade and also promotion of more liberal labour laws. Most of Africa is still yet to recover from the damage caused by structural adjustment. The modernisation framework would require Africa to make the shift from depending on smallholder agriculture to allow the emergence of large-scale and capital-intensive agriculture. Such a transition would move labour off the farms into industry. This is what is referred to as the classic path towards modernisation. However, Africa has gone through several false starts, and it does not look like this process can be replicated across due to several factors already discussed.

> "In thinking about Africa's future, one has to be alert to the real differences across countries and regions

In thinking about Africa's future, one has to be alert to the real differences across countries and regions. The North Africa region has made significant progress in terms of cohering a development approach that feeds into and relies upon the growth within the Middle East and North Africa (MENA). The rest of Africa (Sub-Saharan) does not have a uniform pattern except for a few instances of consistent growth in several East African countries such as Ethiopia, Rwanda and Tanzania. Central Africa, perhaps the richest in terms of natural resources, has very little to show for its vast endowment. The once promising economies of South Africa, Nigeria and even Zimbabwe are going through various crises due to several policy blunders. The post-colonial state has mostly disappointed. It has not lived up to the liberation promise.

In many instances, officeholders have presided over a process that many have called ‘primitive accumulation’, where only a few connected elites have benefited through murky contracting and state-based procurement arrangements. The capitalist class remains limited to comprador-like arrangements, either serving those of foreign capital or those of political godfathers. Yet the state remains critical to Africa’s transformation. The state has to date sought to intervene in the economy either through laws and policies or the establishment of state-owned enterprises. The latter has been a playground of dealmaking and outright stealing. The majority are in debt and on the verge of collapse. They have not adequately played the role of bridge-making between the state and the market.

A New Entrepreneurial African State

The African state has become notorious for the following: a bloated bureaucracy, lack of adequate capacities or will to implement policies, and is site for grand theft. The existing loopholes in procurement have served to enrich a new class of ‘entrepreneurs’ who have been derogatorily referred to as ‘tenderpreneurs’. The state is usually the biggest employer and customer across the globe. A significant number of businesses thrive by securing contracts from governments, and this should be within a transparent framework of laid-down procurement procedures that allow for competitive bidding. However, in many African countries, public procurement has been limited to a small minority. There is an urgent need for a brave project to rethink or renew the state-starting with finding ways of returning to respect for existing laws, policies and procedures. Many African countries have come up with procurement laws and set up institutions to manage and improve the ways in which the government buys goods. However, politically connected elites and businesses continue to violate these without facing the sanction of the law. Weak procurement procedure or willful violation of the same has led to the emergence of overnight millionaires across the continent. Rather than expecting an immediate end to these forms of corruption, we could start by making the state smaller. Could this be the time to dispose of the state-owned enterprises model and make them into truly market players? Globally, many state-owned enterprises have done well, including airlines such as Emirates, Qatar Airways and others. The failure of the State Owned Enterprise model in Africa seems to be due to how politicians intervene in the recruitment, role of boards, pricing of goods and reducing them into entities which help extend the patronage-based patterns of securing and holding power.

What if Africa charts a new path of devolution and privatisation of many services, not necessarily in pursuit of profit but to reduce incidences of corruption and ineffectiveness?

The state must retain a significant shareholding in the privatised entities to allow it to influence pricing. We have learnt over the years that market-based entities (the firm) have a better grasp on controlling costs and increasing shareholder value. Could a private entity perform better than the African state? The evidence on the ground so far suggests the superiority of market actors in supplying essential services. However, these tend to do well in well-endowed societies (especially neighbourhoods of the middle and upper classes). Could a different form of a firm, like a social enterprise, thrive even in poorly served markets? Recently, the Government of Zimbabwe launched (under unclear conditions) a new partnership with a purely for-profit private firm in the collection and recycling of refuse. These are early days since the launch, and the evidence so far suggests improved collection of refuse from households. In many industrialised countries, litter/refuse is an opportunity to create other goods, such as electricity and materials that can be used to fix roads. These new opportunities could lead to the creation of employment for the youth, especially in the untapped recycling and reuse industry.

Ditch Western Prescriptions

Most of Africa has, since the 1990s, been reading from the 'Bible' of neoliberal economics like the rest of the Western world. African governments have implemented various measures to 'reduce government inefficiencies', 'open borders by reducing tariffs', 'devalue their overvalued currencies', and 'introduce measures to attract investors'. Many governments exited or reduced their fiscal allocations towards economic activities such as agriculture to allow market forces, as per the dominant prescriptions. Agricultural production collapsed dramatically thereafter.

Several African economies grew their GDP at an accelerated pace in the first decade of the 21st century, thanks largely to the growing demand for natural resources from China. Countries such as Ethiopia, Ghana, and Rwanda, at times, posted double-digit growth. Yet poverty has remained intact and at times worsened.

> There is no better time than now to challenge the dominant Washington consensus-inspired neo liberal trickle-down economics.

There is no better time than now to challenge the dominant Washington Consensus-inspired neo liberal trickle-down economics. There is a need for a better framework for global trade. Even the President of the United States is ditching basic tenets that form the Washington Consensus through his new tariff regimes. Many in Africa had been advised to remove tariffs as part of the global free trade agenda, usually referred to as globalisation. The administration of tariffs and global trade, especially under the World Trade Organisation, has done nothing but curtail Africa's industrialisation.

Furthermore, the continent has been losing more money than it receives through what is referred to as illicit financial flows. A few studies, including the Thabo Mbeki-led African Union (AU) and United Nations Economic Commission for Africa (UNECA) commission, have demonstrated that Africa loses more than it gains in terms of flows of capital. The major component of these is flows of capital that are illicit in nature. They comprise of tax avoidance, trade mispricing and smuggling. If Africa were to plug the hole of illicit financial flows, it would have enough resources to fund its infrastructure gap and provide healthcare and education services to plug the illiteracy gap.

Adopt a More Unified and Coherent Vision of Transformation

Africa has partly been a victim of what The Economist calls low ambition/muddling through developmentalism, a destination anywhere approach which follows paths defined from outside without a clear sense of the paramount goal. We agree with The Economist (2025) when it argues for Africa to '…recover a sense of ambition. To dream again. This time, very boldly'. We differ on their rubbishing of developmentalism, but agree on the need for Africa to rid itself of outside influence and begin to chart its own progress towards inclusive development. However, the challenge of visions and ideologies tends to lead to empty and rhetorical sloganeering without a coherent action plan. Africa has enough action or development plans gathering dust across many offices, and the more recent ones are the AU's Agenda 2063 and the Africa Mining Vision. Neither has been adequately used to help design short-term and medium-term development for many African countries. Currently, the continent is on autopilot and its 'destination anywhere'. The danger with the current set-up is that Africa has once again re-opened herself to the exploitation of her natural resources by others. The race for African natural resources, including land, has been reopened through various circumstances and opportunities. Mobile phones have introduced the demand for cobalt. The need for cleaner energy is driving the increased demand for lithium. Countries such as the Democratic Republic of Congo, Zambia and Zimbabwe are once again the playground for global energy companies trying to satisfy demand. These are being mined and exported mostly in their raw form. Furthermore, there is a new commodity in town-dirty carbon. The emerging carbon markets are promoting new forms of large-scale land investments to be retained as carbon sinks (land that the locals cannot use).

Address Internal Governance Challenges

Significantly fewer people are satisfied with the state of their national economy (29%) than with the performance of democracy (58%). While the higher degree of satisfaction with democracy can be attributed to non-economic reasons, the gap is significant. Almost every country on the continent is dealing with the scourge of corruption and a lack of accountability regarding how public resources are being deployed. The biggest problems facing African countries are identified not as political, but as economic. Many have argued that resource-rich countries such as Angola, Ghana, Guinea, Nigeria and Zimbabwe should not be where they are in terms of economic and human development. The widely available evidence points towards rot within many African governments, ranging from purely administrative incompetence to organised grand looting. Many become rich by occupying public office or associating with those in public office. In most cases, public procurement processes are captured by connected elites. There is widespread evidence that elections, building of public infrastructure and even procurement of necessary agricultural inputs have become opportunities for grand looting. Leaders and their families have privatised the state for their benefit. In the absence of quick reforms to stem the tide of corruption, very little will be accomplished on the continent. There are quite a number who believe that any meaningful change will only begin once the existing political class has been removed from office.

How can we produce more food?

There are many factors that affect food production. There is a need for a three-pronged approach, one that addresses the policy framework (land and agricultural policies), improving manufacturing capabilities, infrastructure development and marketing discussed below.

Policy Challenges

Approximately 50% of smallholders live off plots that are very small or of poor quality. Rapsomanikis (2015) further highlights that two-thirds of the developing world's 3 billion rural people live in about 475 million small farm households, working on land plots smaller than 2 hectares. Furthermore, current tenurial arrangements in many countries do not (i) recognise the rights of women and (ii) do not align with the requirements of the financial services sector. The land is not bankable. In numerous African nations, women encounter both legal and traditional obstacles when it comes to owning land.

Even when official laws grant them the right to own property, customary norms frequently block their ability to inherit or manage land. There is no consensus within Africa on how to proceed. Treating land as a tradable asset is widely viewed as a sellout position. It has, instead, become the responsibility of governments to fund agriculture through what others have called smart subsidies (an attempt to separate the new generation forms of support to smallholders from the first generation). However, there is very little that is smart about these subsidies; governments are still paying for agricultural production, and in many instances, very few of the beneficiaries graduate into becoming independent producers. They require subsidies every year.

Furthermore, many African countries import most of the implements and inputs for agriculture. For instance, Egypt is projected to import 4.2 million tonnes of soybeans in the 2025–26 marketing year. The country's domestic soybean production is expected to meet only 2% of national demand, leaving sectors such as dairy, poultry, and aquaculture critically dependent on imports since soybeans are used in the production of feeds (Reidy, 2025). Africa currently imports over 6 million metric tons of fertiliser annually (Anyaogu, 2025). Africa's dependence on imported non-phosphate-based fertilisers has exposed the continent to external market disruptions. Events such as the Russia-Ukraine conflict significantly affected fertiliser supply chains, driving prices up and placing a heavy burden on smallholder farmers, many of whom can no longer afford these critical agricultural inputs (Arndt et al., 2023).

> “… the productivity of the smallholder-dominated agriculture sector depends on the extent to which governments allocate subsidies

Thus, the productivity of the smallholder-dominated agriculture sector depends on the extent to which governments allocate subsidies. Most smallholders, including medium-scale, are rainfall dependent with very limited investments in irrigation infrastructure despite the growing evidence of changes to rainfall seasons resulting from climate change. For example, in Ethiopia, it is estimated that more than 90% of the food supply in the country comes from low-productivity rain-fed smallholder agriculture, and hence, rainfall is the most important determinant of food (Mati, 2006; Manaswi and Thawait, 2014; Zewdie et al., 2020). According to the World Bank (2012), of the 183 million hectares of cultivated land in sub-Saharan Africa, 95% is rain-fed and less than 5% is irrigated. Furthermore, smallholder agriculture must grapple with the challenges of post-harvest losses. Farm production is rarely informed by market research; at times, farmers overproduce commodities in a particular period or area and thus leads to rotting or failure to properly store produced goods.

Improving Manufacturing Capabilities

Most tractors and related mechanised implements on African farms were imported from outside the continent. Yet the African conditions are somewhat different. African agriculture needs a technology revolution that aligns with the existing constraints. The average farm sizes in Africa do not warrant investment in a tractor- that perhaps explains why land preparation and cultivation are still dominated by ox-drawn plough. However, there are new technologies, especially from Asia, that may align and allow for scaling. Africa urgently needs a fertiliser strategy- the soils are tired, and there is limited foreign currency exchange to continue importing fertiliser. With adequate research and support, Africa could lead in ditching synthetic fertilisers for organic or bio-friendly types. There is a growing excitement around the potential of soil-friendly approaches to agriculture. For example, a 2024 study found that organic fertilisers such as standard compost (from crop and kitchen scraps), animal manure, and biogas slurry significantly improved soil organic carbon, soil moisture, and nutrient availability compared to non-fertilised soils or those treated with synthetic fertilisers (Ernest et al., 2024). However, funding remains a major issue. Governments remain committed to large-scale importations of synthetic.

How can we clothe ourselves?

There are several existing measures aimed at curtailing the importation of secondhand clothes. However, these restrictions have only served to benefit the smuggling route, and in the process, governments have missed out on import duty. The policies should focus more on incentives for local value addition and production. The opportunity in this moment is the fact that China and India have simplified technology and made it more affordable. African governments should set up funds to help entrepreneurs establish processing plants from cotton to fabric.

Dealing with Informality

Currently, the majority in Africa eke out an existence on the margins of the formal economy. According to the International Labour Organisation (2015), informal employment is the standard condition among most youth in Sub-Saharan Africa, where at least eight in ten young workers in all eight School-to-Work Transition Survey (SWTS) countries fall into the category of informal employment. Nearly 83% of employment in Africa and 85% in Sub-Saharan Africa is informal. This sector contributes about 55% of Sub-Saharan Africa's GDP (Ruzek, 2015). The informal enterprises that they establish have been categorised into micro, small and medium enterprises. They remain excluded from formal financial circuits, very few have bank accounts for their businesses, and a small minority of these have access to bank lending and insurance products (Chaora, 2024), yet they hold the key to Africa's next leap. Policy in many African countries tends to ignore this sector except when it comes to collecting taxes. Stephan, Hart & Drews (2015) argue that governments in Africa still view the informal economy as a welfare problem, neglecting the informal economy and the millions of people living therein. There are very few incentives offered to promote the shift from informality towards formality. Rather, governments across the continent are seized with attracting foreign direct investment as the main pathway to development. This stance is informed mostly by modernisation theory, which essentialises replicating what has worked elsewhere (especially the Global North). Any rejection of this usually attracts the rebuke like the one cited above from dominant narratives, such as the one pushed by The Economist Magazine, where they dismiss possibilities of an alternative path.

“ Africa's path will entail growing its business base.

Africa's path will entail growing its business base. The Asian miracle, including China, was based on leveraging entrepreneurship from within rather than depending on external investors. How African governments defer to foreign direct investments suggests a lack of imagination about what should be done.

They remain wedded to what is prescribed by the dominant powers and ignore the real experiences of the failure of the Foreign Direct Investment experiment over the last decades. Their attempts at reducing bureaucratic hurdles through what is fashionably called the ‘ease of doing business’ do not include the informal or even the formalised small and medium-scale businesses. Yet the sector employs a significant portion of the population and creates revenue to allow for the generation of livelihoods for many. A more sustainable strategy should focus on growing this sector through reducing bureaucratic hurdles, improving financial inclusion, and creating pathways into value-added services, including manufacturing. A bold strategy requires the governments to make a big bet on ensuring that locals are eased into the manufacturing sector, especially for the value addition of both agriculture and mining products.

A bold strategy requires the governments to make a big bet on ensuring that locals are eased into the manufacturing sector

Embracing Artificial Intelligence (AI)

Africa is yet to earnestly enter the AI race. It is currently just a consumer of what has been produced by others, but it is yet to earn any revenue from AI-based innovations. Yet it probably needs AI the most. The population is bulging in the middle with youths who, if given the right resources, can play a significant role in an AI-based ecosystem. At the moment, Africa has, on average, the highest costs of data, unreliable energy sources and limited access to cloud storage. African governments, together with the entrepreneurial class, should consider building ecosystems that support conditions for technology-based innovations. Africa missed out on the App revolution. There are a handful of Apps developed in Africa. Yet Africa spends more than US$500 million on the purchase of Apps and ongoing subscriptions.

The proposed AI ecosystem would allow for the emergence of Africa's own Silicon Valley and would serve many interests, from improving manufacturing, security checks, transportation solutions, to improving agricultural productivity, gaming, etc. The sector can potentially create a significant number of jobs, especially for the youth who are coming out of our universities.

Rethinking Financing Mechanisms

Dominant narratives seem to suggest that Africa is overly dependent on foreign resources. Yet the facts on the ground suggest otherwise. Africa is, in reality net creditor to the world. More resources leave Africa as both illicit and licit financial flows. According to UNCTAD (2020), Africa loses approximately $88.6 billion each year in illicit financial outflows—illegal movements of money or assets across borders, often through tax evasion, trade misinvoicing, and corruption. The Citizen (Sokutu, 2024) highlighted that commercial activities by the private sector were by far the largest contributor to illicit financial flows, followed by organised crime and the public sector, with corrupt practices playing a key role in facilitating outflows. Furthermore, Africans are holding significant deposits in the form of pension funds and collective savings groups such as Savings and Credit Cooperative Organisations (SACCOs), especially in Kenya. Kenyan SACCOs play a significant role in the country's economy, with total assets estimated at Ksh 1.8 trillion (Ng'ang'a, 2025). They are a major source of financial inclusion, offering savings, loans, and other financial services to their members. The SACCO sector is experiencing substantial growth, with increasing membership, deposits, and loan portfolios. There is reason to believe that ordinary Africans are holding more in savings and assets beyond what is kept in banks. ***Is there a way at all of mobilising these for development purposes?*** These savings can potentially be leveraged as security for government and private sector-based financing of social infrastructure. The communities can, if given a chance, play a more meaningful partnership role with governments and the private sector in rolling out infrastructure that is relevant to their day-to-day needs.

> “… savings can potentially be leveraged as security for government and private sector-based financing of social infrastructure

Beyond the seemingly underground sources of funding, the overall African tax administration system needs revamping. There is a need to widen the tax base and then focus on introducing a wealth tax. Multinationals, especially in the mining and mobile telephone sectors, are not being taxed adequately. African governments need to take a bold stance in fixing the problem of illicit financial flows.

Conclusion

The time for cut-and-paste-based prescriptions or copying from others is over. Like the Economist Magazine stated, this is the time for Africa to 'recover a sense of ambition. To dream again. This time, very boldly' (2025). It is an urgent need. Africa must forget about catching up, but instead dream of a more ecologically sustainable and climate-responsive strategy. Small, in terms of the size of enterprises, may otherwise be just as beautiful. The key tenets of Africa's transformation will have to include (i) inclusion, which entails broadening participation in economic value chains, (ii) transformation of the state- the cost of government is too high in many African countries and yet the return on investment is too little for many. Governments in many countries inhibit progress not only through corruption (although that is popular) but also in terms of the overwhelming costs of running a government. African state-making has seemingly abandoned the structural adjustment era consensus on the need to cut down on the size of the state. Expenditures on government salaries and benefits have been increasing dramatically across the continent.

Agriculture may be the driver that will most likely help secure a path for Africa's giant leap. Many have correctly touted technology, but have not made the necessary connection with Africa's untapped opportunity in producing food sustainably. Yet agriculture on the continent remains dependent on the handheld hoe. There is an urgent need to integrate African agriculture into emerging technology-driven innovation. There is potential for growing the levels of productivity by more than 1000% if we adopt smart agriculture practices aided by AI.

However, this is easier said than done.

First, we need to **fix the energy deficiency**. AI-based innovations will require an increased investment in energy. More than 50% of Africa's households, especially in the rural areas, have yet to get connected to the electricity grid.
Second, the politics and public policy scene needs to radically change to align with the disruptions in the global political economy.
Finally, we have to **recover our agency** in all spheres of public life. The dependency on external aid and other actors has to end.

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