



EXPORT DIVERSIFICATION AND EMPLOYMENT





EXPORT DIVERSIFICATION AND EMPLOYMENT



© 2018, United Nations Conference on Trade and Development

The designations employed and the presentation of material on any map in this work do not imply the expression of any opinion whatsoever on the part of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

This publication has not been formally edited.

UNCTAD/ALDC/2018/3

Acknowledgements

This paper was commissioned by UNCTAD as part of its activities geared towards strengthening linkages between Trade and Poverty Reduction in Africa and the Least Developed Countries (LDCs). The paper was prepared by Augustin Fosu, Professor, University of Ghana, under the supervision of Patrick Osakwe, Head, Trade and Poverty Branch, Division for Africa, LDCs and Special Programmes, UNCTAD, and overall guidance of Paul Akiwumi, Director, Division for Africa, LDCs and Special Programmes, UNCTAD. Valuable contributions by Eric Ogunleye, Development Expert, Abuja, Nigeria, and useful discussions, comments and suggestions by UNCTAD colleagues, Mussie Delelegn, Nicole Moussa and Amelia Santos-Paulino, are gratefully acknowledged.

The paper was presented at a side-event on “Export Diversification and Employment in Africa” organised jointly by UNCTAD and the African Capacity Building Foundation (ACBF) at the margins of the 2018 Africa Think Tank Summit held in Accra, Ghana, from 5-7 April 2018. We thank panellists and participants at the side-event and Summit for very useful comments and suggestions.

The overall layout, graphics and desktop publishing was done by Madasamyraja Rajalingam. Stefanie Garry designed the cover. Paulette Lacroix and Regina Ledesma provided secretarial and administrative support.

Table of Contents

Executive Summary

vii

1. INTRODUCTION	1
2. EXPORT PERFORMANCE/DIVERSIFICATION, AND EMPLOYMENT IN AFRICA – STYLIZED FACTS	5
2.1 Africa's Export Performance and Diversification	5
2.2 Africa's employment situation	10
3. LITERATURE REVIEW	14
3.1 Export Diversification, Growth and Employment: Theoretical Foundations	14
3.2 Export Diversification, Growth and Employment in Africa: The Empirical Literature	16
3.2.1 Export diversification vs. specialization	16
3.2.2 Trade and growth	17
3.2.3 Export diversification and growth	18
3.2.4 Exports and employment	20
4. EXPORT DIVERSIFICATION AND EMPLOYMENT – SOME ECONOMETRIC EVIDENCE	22
5. EXPORT DIVERSIFICATION: DETERMINANTS AND INITIATIVES	29
5.1 Determinants of Export Diversification	29
5.2 Export Diversification Initiatives at the Country Level	30
6. EXPORT DIVERSIFICATION AND EMPLOYMENT: OPPORTUNITIES AND CHALLENGES	34
6.1 Opportunities	34
6.2 Challenges	41
7. EXPORT DIVERSIFICATION AND EMPLOYMENT STRATEGIES: LEARNING FROM PEERS	47
7.1 Republic of Korea	47
7.2 Brazil	48
7.3 Thailand	50

8. POLICY RECOMMENDATIONS AND CONCLUSION	52
8.1 Policy Recommendations	52
8.1.1 For Africa and LDC governments and policymakers	52
8.1.2 For continental, regional and sub-regional institutions	55
8.1.3 For private sector businesses	57
8.1.4 For development partners	57
8.2 Conclusion	58
References	60
Appendices	71

List of Charts

1. Value of total merchandise exports of Africa, compared with other developing regions of Asia and the Americas	6
2. Percentage share of total merchandise exports of Africa, compared to other developing regions of Asia and the Americas	7
3. Export concentration index for Africa, compared with other developing regions of Asia and the Americas	9
4. Bilateral export concentration index for Africa, compared with other developing regions of Asia and the Americas	10
5. Export diversification index for Africa, compared with other developing regions of Asia and the Americas	11
6. Total employment to population ratio, 15 years and above	11
7. Electricity access and consumption	42
8. Performance of African countries in the 2016-2017 Global Competitiveness Index	46

List of Tables

1. Growth in total merchandise exports of Africa, compared with other developing regions of Asia and the Americas	7
2. Manufactures and agricultural raw materials exports by African countries	8
3. Cross-country regression results: Export diversification and employment, developing countries, including Africa	23
4. Cross-country regression results: Export diversification and labor force participation, developing countries including Africa	24
5. Cross-country regression results: Export diversification and industrial employment, developing and advanced countries	25

6. Cross-country regression results: Export diversification and vulnerable employment, developing and advanced countries	25
7. Two-Step SYS-GMM panel regressions: Export diversification and employment ratio, developing and African countries, 1991-2010	26
8. Two-Step SYS-GMM panel regressions: Export diversification and labor force participation, developing and African countries, 1991-2010	26
9. Two-Step SYS-GMM panel regressions: Export diversification and industrial employment, developing and advanced countries, 1991-2010	27
10. Two-Step SYS-GMM panel regressions: Export diversification and vulnerable employment, developing and advanced countries, 1991-2010	27
11. U.S. imports from Sub-Saharan Africa under the AGOA	37

Executive Summary

There is a general consensus that trade has high potential to foster inclusive growth and create employment. Thus, classical trade theorists recommended active trade participation for both developed and developing countries based on comparative advantage. They also recommended that countries should specialize in producing and exporting commodities for which they have comparative advantage, while importing those for which they lack comparative advantage. Hence, exports specialization was touted as being economically preferable to diversification. However, more recent theoretical and empirical studies have emphasized the importance of export diversification, rather than export specialization or concentration. Key reasons for this paradigm shift include the likelihood that export diversification favorably influences the pattern of growth and structural transformation that countries and regions experience, coupled with the fact that diversification increases a country's ability to meet objectives such as job creation and improvements in income distribution.

A strong link is deemed to exist between the poor state of export diversification and the dismal nature of employment creation in developing countries, especially in Africa. Indeed, there is a major concern that the pattern of African exports manifests instability that has been found to be independently growth-inhibiting. Concurrently, sub-Saharan Africa (SSA) currently has one of the highest levels of unemployment in the world, with its 2010-2014 average official unemployment rate of 8 per cent, in contrast with 3.9 percent and 4.4 percent, respectively, in South Asia and East Asia and Pacific (ILO, 2017). Meanwhile, SSA's 'vulnerable employment' in 2016 stood at 68.0 percent, compared with the global average of 42.9 percent. Thus, this paper seeks to answer three main questions: (1) Is there a relationship between export diversification and employment generally and particularly in Africa and least developed countries (LDCs)?; (2) What does the theoretical and empirical literature reveal about the relationship?; and (3) Assuming that export diversification is potentially an important positive determinant of employment creation in Africa and least

预览已结束，完整报告链接和二维

<https://www.yunbaogao.cn/report/index/report?reportl>