

STRUCTURAL TRANSFORMATION IN SUB-SAHARA AFRICA'S CONFLICT-PRONE COUNTRIES: A MULTI-COUNTRY STUDY OF COTE D'IVOIRE, ETHIOPIA, MOZAMBIQUE AND RWANDA.

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Abstract

Acknowledged as structural change, UNCTAD (2016) defines structural transformation as the movement of labour and other productive resources from low productivity to high productivity economic activities. It further reveals that productivity increases in agriculture foster the steady release of labour and capital in favour of more productive industries like manufacturing and modern services. Consequently, the movement of the factors of production from low- to high-productivity industries holds particular benefits for developing economies, where productivity differentials across industries are usually deep. However, unlike the emerging economies of East Asia, structural transformation in sub-Saharan Africa has trended differently, with shifting of labour from agriculture finding its way to services rather than industry. The IMF (2017), in a report, conducted an analysis on the structural transformation among low- and low-middle-income countries in the region, with an assessment on the extent and speed of structural transformation in output, employment and productivity. Findings reveal that there was structural transformation in some Sub-Saharan Africa economies during 2000-10 and convergence in sector productivities within countries. Transformation of output is particularly noticeable in agriculture, the lowest-productivity sector, which has declined as a share of higher-productivity sectors, which has increased as a share of GDP. However the rate of impoverishment remains rather high across the region, a drag on positive economic outcome. A major factor constraining structural transformation in the region is endemic conflict, which is a critical factor undermining development trends in the region. Over the past several decades, sub-Saharan Africa has emerged with conflicts more than any other major region in the world, with grave implications. With the decline in conflict in the region in recent times, opportunities are emerging for policy makers and their global partners to fast track structural transformation.

1.0. INTRODUCTION

1.1 Preamble

Africa has an estimated population of 1.3 billion people and is widely endowed with natural resources, In a paradox, its natural endowments are yet to transform human livelihoods across the continent, leaving its economic potential largely unrealized. Indeed the continent is home to some of the world's most impoverished people. For example, Africa continues to dominate the world's least developed countries, a grouping of the most underdeveloped countries. Of the 47 least Developed countries (LDCs) in 2019; 32 are from the continent (UNCTAD, 2019).

The state of Africa's underdevelopment challenges lies with its poor economic performance dating back to several decades. Africa's perennial economic underperformance was particularly severe since 1970, when the majority of African nations recorded poorer economic outcomes than in the 1960s (ODI, 1970). With very few expectations, African economies recorded poor performance throughout the 1970s into the early 1980s, culminating in a crisis proportion by the mid-1980s, particularly in sub-Saharan Africa. The economic crisis in the region prompted the intervention of the World Bank and the International Monetary Fund (IMF) to design a model of economic reform agenda in exchange for financial assistance to African countries undermined by the economic crisis. The economic reform, otherwise known as the Structural Adjustment Programme (SAP) comprises structural stabilization and economic liberalization, aimed at reviving growth and development (IMF 1999; 2000). The economic reform initiative was embraced by most countries in sub-Saharan Africa, characterized by devaluation of national currencies, liberalization of commodity markets and exports, commercialization and privatization of state-owned enterprises, as well as the transformation of development policies from import-substitution industrialization to export orientation, among other things. While success with economic reform agenda varied across African countries in the 1990s; there was an unmistakable trend: most countries in sub-Saharan Africa were on a pathway to economic transformation (NEPAD, 2012).

A major impediment undermining structural transformation in sub-Saharan Africa is the prevalence of conflict across the region. Until recently, over one-half of the countries were engaged in armed conflict, with devastating consequences for development across the region.

Apart from destroying physical and social infrastructure, which are critical transformation, armed conflict has left millions dead, with men, women and children fleeing across national boundaries as refugees, while others are trapped in conflict zones as Displaced Persons(DPs) (Luckhan, Muggah and White, 2001). From Chad, Niger, Burkina Faso, and Mali to Sierra Leone, Liberia, Angola, DRS, Rwanda, Sudan, Ethiopia, Somalia and Mozambique; conflict has devastated large segments of African societies, fueling impoverishment and increasing mortality and morbidity rates (Moe, 2009).

The major objective of this paper is to shed light on structural transformation in sub-Saharan African conflict-prone countries, with a multi-country study of Cote D'Ivoire, Ethiopia, Mozambique and Rwanda. Specifically, the study aims to:

- i. assess the state of the structural transformation
- ii. determine the factors that spur or hinder structural transformation
- iii. strategies associated with structural transformation
- iv. elaborate structural transformation in Cote D'Ivoire, Ethiopia, Mozambique and Rwanda.

The study employs empirical data to assess structural transformation in conflict-prone countries in sub-Saharan Africa. Its methodological approach embraces both qualitative and quantitative analyses, employing both normative and inferential statistics. Data are sourced from various and international agencies, including the World Bank, IMF, African Union, as well as the United Nations and its agencies; other information are also sourced from academic journals and other periodicals, as well as monographs, complemented by interviews of stakeholders across the region.

1.2 Structural Transformation: A Conceptual Framework

Structural Transformation is acknowledged as an essential factor spurring economic growth (Kuznets, 1973). It is aptly defined as the reallocating of economic activity across the three broad sectors (Agriculture, manufacturing and services), accompanied by modern economic growth (Herrendorf, Rogerson and Valentinyi, 2013). Also acknowledged as structural change, UNCTAD (2016) defines structural transformation as movement of labour and other productive resources from low productivity to high productivity economic activities. It further reveals that productivity increases in agriculture foster the steady release of labour and capital in favour of more productive industries like manufacturing and modern services, in a development that often

triggers productivity and income growth. Consequently, the movement of the factors of production from low- to high-productivity industries holds particular benefits for developing economies, where productivity differentials across industries are usually deep. The trend is illustrated in figure 1.

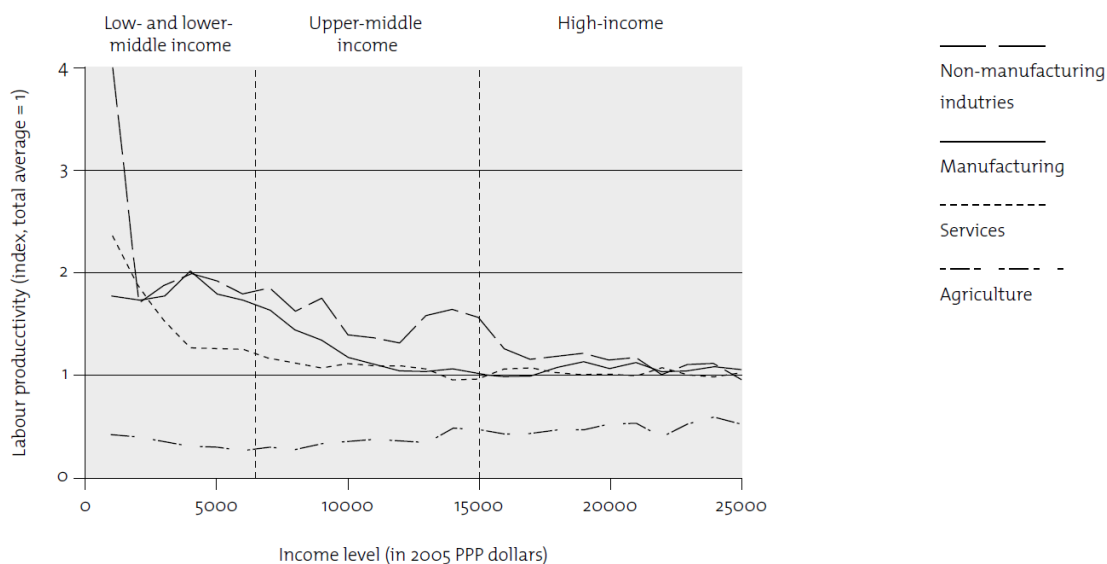


Figure 1: Relative labour productivity by sector, 1991–2010
Source: UNIDO (2013)

Figure 1 reveals structural heterogeneity in developing economies, illustrating relative labour productivities in agriculture, industry (both manufacturing and non-manufacturing industries), as well as services averaged over the period between 1991 and 2010 and measured against 2005 income levels. In the study, relative labour productivity is computed as the output-labour ratio (labour productivity) of each sector and that of the whole economy.

Also, economic activities differ in accordance to the strength of their linkages with the rest of the economy, particularly in developing economies, where the weak linkages between high-and low-productivity activities that account for the back of the economy tend to reduce the chances of structural transformation and technological change. Indeed, McMillan and Rodrick (2011) demonstrated the existence of a negative relationship between differences in intersectoral productivity and average labour productivity. Their study is revealed in figure 2.

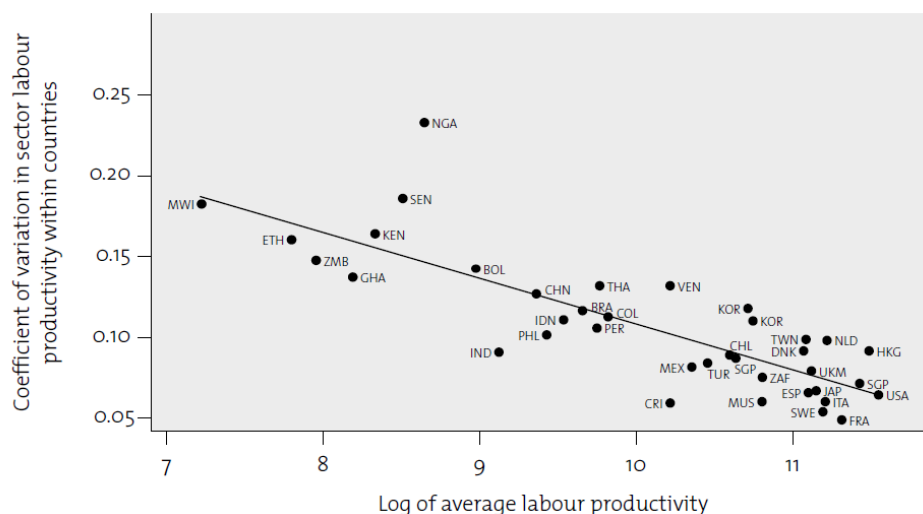


Figure 2: Relationship between inter-sectoral productivity gaps and average labour productivity, 2005

Source: McMillan and Rodrik (2011)

Figure 2 points to a decline in structural heterogeneity which is usually associated with a rise in average productivity. In figure 2, the productivity gap depicts the variable on the vertical axis, measured by the coefficient of variation of the log of labour productivity across nine activities: agriculture, mining, manufacturing, utilities and construction, wholesale and retail trade, transport and communication, community, social, and personal, and government services. In the study, labour productivity is computed as the ratio between industries value-added and employment levels.

2.0 CONFLICT AND STRUCTURAL TRANSFORMATION IN SUB-SAHARAN AFRICA

2.1 The state of Conflict and Implications for Development in sub-Saharan Africa

Conflict in sub-Saharan Africa is a critical factor undermining development trends in the region. Over the past several decades, sub-Saharan Africa has emerged with conflicts more than any other major region in the world. The trend assumed an alarming proportion in the 1990s, when about one-half of countries in the region were engaged in conflict. O'Hare and Southall (2007), employing a dataset on 42 countries in sub-Saharan Africa, reveal that half of the

countries were either engaged in civil war or transnational conflict. The authors also asserted that warfare in Africa, particularly in the 1990s, emerged as a tool for accumulating wealth and power to the detriment of the civilian population which suffered the effects of violence unleashed by the perpetrators. The scope and impact of violent conflict was brought into sharp focus in a study by Clempson (2012). Findings reveal that between 1946 and 2002, there were 47 civil wars in sub-Saharan Africa, accompanied by 1.37 million deaths on the battle field and even higher level of civilian deaths. The trend, according to the author, has furlled structural violence, defined as inequality, particularly when it is accompanied by the distribution of power in a social structure. The development largely accounts for the deterioration in development efforts across the region over the past several decades, leading to the fall in development rankings of many countries in sub-Saharan Africa. According to Clempson (2012), the per capita income ratio in sub-Saharan Africa fell from ninth of that in the Organisation for Economic Cooperation and Development (OECD) countries in 1960 to eighteenth by 1998. As part of the study's findings, it was also revealed that conflict fueled poverty and inequality, both within and between countries across the region. Duffin (2020) presents some of the latest evidence on conflicts in sub-Saharan Africa; findings reveal the prevalence of 14 conflicts in the region, covering the period from 2005 to 2019, as shown in Table 1.

Table 1: Number of conflicts in sub-Saharan Africa from 2005 to 2019 by conflict intensity

Year	Disputes	Non-violent crises	Violent crises	Limited wars	Wars
2005	14	21	30	8	1
2006	13	25	27	13	2
2007	13	28	29	7	2
2008	16	21	30	9	3
2009	20	24	31	9	1
2010	24	22	37	4	2
2011	20	19	40	5	8
2012	22	11	44	10	10
2013	20	12	44	13	22
2014	18	15	47	8	9
2015	17	17	42	10	9
2016	8	14	55	8	7
2017	7	18	50	4	10
2018	11	13	46	9	6
2019	12	9	45	10	5

Source: Duffin, 2020

Table 1 feature five levels of conflict intensity: dispute, non-violent crises, violent crises, limited war and war. The categorization is characterized by the stage of physical violence employed in the course of conflict. The last three are violent conflicts. On the other hand, a dispute is a political conflict accompanied by violence. In a non-violent crisis, one of the actors is threatened by violence, according to the methodology of the study.

The International Institute for Strategic Studies (2019), in its Armed Conflict Survey, reveals crime, Jihadism, insurgency and communal violence are all facets driving the current active conflicts in sub-Saharan Africa. It also reveals transnational trends converge and overlap with domestic dynamics, in a development that links local violence across different areas, exacerbating and entrenching pre-existing disputes, fueling spillovers across borders and regions. Other drivers, including political exclusion, institutional and governance weakness, poverty and

lack of access to resources, job opportunities and landlessness all combine to fuel resentment and sustain armed violence in several countries. The survey also reveals country-specific factors driving armed conflict in Cameroon, Central African Republic (CAR), the Democratic Republic of Congo (DR), Lake Chad Basin, Mali, Nigeria, Somalia, South Africa and Sudan.

2.2 The Effects of Conflict on Structural Transformation in Sub-Saharan Africa

Conflict in Sub-Saharan Africa has deepened fragility in several countries, rolling back development progress over the past several decades. A World Bank (2015) report affirms that over the past couple of decades Africa GDP growth had been impressive, supporting the narrative of “Africa rising,” which is replete in literature. However, a prevalence of conflict-prone countries to undermine development prospects across the continent, with Sub-Saharan Africa accounting for over one half on the list of fragile situations around the world, according to the World Bank (2015) report. In a survey of armed conflicts in Sub-Saharan Africa from 1980 to 2005, Fukuda-Parr, Ashwill, Chiappa and Messineo (2007) reveal the development impact of conflict on 32 countries in the region both during and after periods of war, with a focus on key economic and social outcomes. Findings reveal the impact of 126 wars on the 32 countries concerned. It reveals a precipitous economic decline in Liberia, Sierra-Leone, DRC, Eritrea, Burundi, Djibouti, Mozambique, as well as other countries; however, only nine of the 22 countries for which data are available show GDP was lower than at its onset. For the other 13 countries, GDP was higher at the end of the war. The survey also reveals that Angola and Rwanda feature dramatic declines at the height of the conflict followed by recovery. On the other hand, several countries sustained GDP growth while fighting continued, including Sudan, Chad, Senegal, Ethiopia, and Niger, in a development affirming that war does not always lead to under development.

In a recent report published by the International Monetary Fund (IMF)(2019), country and state level data on conflict for a sample of 45 Sub-Saharan Africa countries during 1989-2017 reveal that after peaking in the late 1990s, the number of conflict related deaths in the region fell significantly during the 2000s, although a resurgence in violence emerged since 2010, particularly in the Sahel. The IMF(2019) report reveals that the economic impact of conflict in the region is large and persistent. On average, annual growth in conflict-prone countries is about

3% lower, while the cumulative impact on per capita GDP increases overtime. Table 2 shows these trends.

Table 2: Sub-Saharan Africa: Share of Countries in Conflict by Geographic Region and Economic Classification.

1. Geographic Regions		
	Pre 2000	Post 2000
Central Africa	42.4	36.4
Eastern Africa	35.2	27.4
Western Africa	35.2	24.4
Southern Africa	20.0	1.1
2. By Resource Intensity		
	Pre 2000	Post 2000
Oil exporters	52.0	39.9
Other resource-intensive countries	35.2	25.2
Non-resource-intensive countries	29.3	20.5

Source:IMF, 2019

Table 2 reveals Southern Africa has emerged with relative stability since the turn of the century, while conflict remains widespread elsewhere. It also reveals the state of conflict among different types of countries (resources-intensive and non-resource-intensive countries), with conflict more prevalent among oil exporters and least persistent in non-resource-intensive-countries.

The implication of violent conflict in Sub-Saharan Africa on structural transformation lies on the instability that accompanies conflict, as well as the destruction of social and physical infrastructure that trails the scourge in several countries. Conflict undermines development efforts, often creating a negative environment for critical investments necessary to drive development efforts and the sustenance of livelihoods (World Bank, 2015; Fukuda-Parr et al, 2017).

3.0 STRUCTURAL TRANSFORMATION IN SUB-SAHARAN AFRICA

3.1 Structural Transformation in SSA: Recent Trends and Developments

Sub-Saharan Africa, until recently, has witnessed profound economic growth, accompanied by structural transformation in several countries across the region (IMF, 1999, 2000; NEPAD, 2012, World Bank, 2013). Transformation of output is particularly noticeable in agriculture, the lowest-productivity sector, which has declined as a share of higher-productivity sectors, and increased as a share of GDP (IMF, 2012). However the rate of impoverishment remains rather high across the region, a drag on positive economic outcome.

Given the prevalence of sparse data on structural transformation in Sub-Saharan Africa; the IMF (2017), in a report, conducted an analysis on the structural transformation among low- and low-middle-income countries in the region, with an assessment on the extent and speed of structural transformation in output, employment and productivity over the previous decade. Findings reveal that there was structural transformation in some Sub-Saharan Africa economies during 2000-10 and convergence in sector productivities within countries. However, this change emerged through strong movement in the shares of labour and output out of agriculture into services rather than into industries. Consequently, this shift, according to the IMF (2017) report, lowered relative productivity in services, largely because much of this movement was into lower-productivity, non-wage employment. The report further asserted that the Sub-Saharan Africa experience stands in sharp contrast to that of most recent low-income industrial transformation in Asia, where transformation emerged from agriculture to manufacturing activities. Using updated output and employment projections, the IMF (2017) analysis reveals that the African experience is expected to continue, with Sub-Saharan Africa unable to transform through manufacturing in contrast to the trends in East Asia over the past couple of decades.

The World Bank (2019) report on structural transformation in Sub-Saharan Africa reveals the nexus of employment and structural change in the region. The report relies on International Labour Organization (ILO) data derived from household-level survey estimates from SSAPOV, a set of harmonized indicators curated from nationally representative household surveys in Sub-Saharan Africa. The study limits its focus to countries with more than 15 million people for which there are two SSAPOV surveys that ask about sector of primary employment over the previous seven days, the same recall on which ILO estimates are based, with the interval

between surveys ranging from 2 to 7 years. Table 3 shows employment related structural transformation in selected Sub-Saharan Africa countries in recent times.

Table 3: A Snapshot of Structural Transformation in large SSA countries

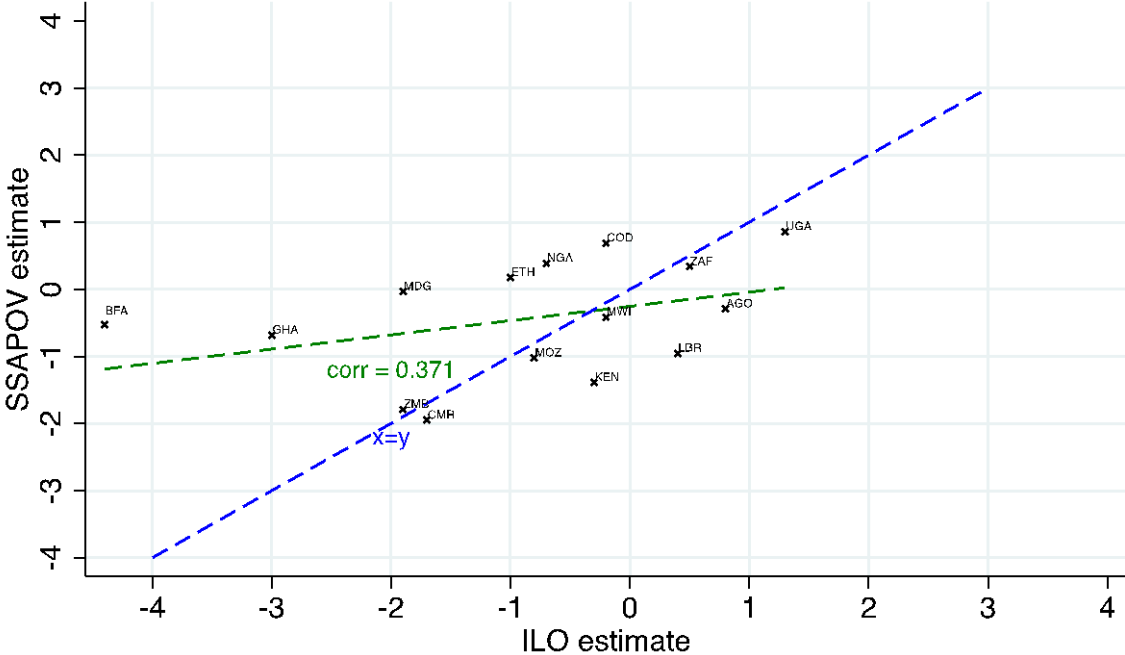
Country	year1	year2	Share of employment in agricultural sector from SSAPOV			ILO estimates of share of employment in agricultural sector		
			Year 1	Year 2	Annual reduction	Year 1	Year 2	Annual reduction
Angola	2008	2014	46.9%	45.2%	-0.3 p.p.	44.6%	49.4%	0.8 p.p.
Burkina Faso	2009	2014	85.1%	82.4%	-0.4 p.p.	52.2%	30.4%	-4.4 p.p.
Cameroon	2007	2014	64.0%	50.3%	-2.0 p.p.	59.8%	47.6%	-1.7 p.p.
Congo Dem. Rep.	2004	2012	73.4%	78.9%	0.7 p.p.	72.4%	70.7%	-0.2 p.p.
Ethiopia	2010	2015	72.6%	73.5%	0.2 p.p.	73.9%	68.9%	-1.0 p.p.
Ghana	2012	2016	49.0%	46.2%	-0.7 p.p.	46.8%	34.7%	-3.0 p.p.
Kenya	2005	2015	66.3%	52.3%	-1.4 p.p.	61.1%	58.3%	-0.3 p.p.
Liberia	2014	2016	20.4%	18.5%	-1.0 p.p.	45.7%	46.5%	0.4 p.p.
Madagascar	2005	2012	81.6%	81.4%	0.0 p.p.	82.0%	68.9%	-1.9 p.p.
Mozambique	2008	2014	83.3%	77.1%	-1.0 p.p.	77.8%	73.0%	-0.8 p.p.
Malawi	2010	2016	83.8%	81.3%	-0.4 p.p.	73.3%	72.2%	-0.2 p.p.
Nigeria	2010	2012	48.0%	48.8%	0.4 p.p.	40.8%	39.3%	-0.7 p.p.
Uganda	2012	2016	76.5%	79.9%	0.9 p.p.	66.1%	71.4%	1.3 p.p.
South Africa	2014	2016	4.7%	5.4%	0.3 p.p.	4.7%	5.6%	0.5 p.p.
Zambia	2010	2015	69.9%	61.0%	-1.8 p.p.	64.2%	54.7%	-1.9 p.p.
Average					-0.35 pp			-0.88 pp
Standard deviation					0.87 pp			1.51 pp

Source: SSAPOV database, Sub-Saharan Africa Team for Statistical Development, World Bank, Washington DC and World Development Indicators (which reports ILO estimates).

Table 3 reveals, on average, across the fifteen countries in Sub-Saharan Africa, agriculture employment fell 0.35% per annum, a markedly slower pace than the 0.9% in the ILO modeled estimates. The data show a significant heterogeneity in the speed of structural transformation across the ILO estimates, ranging from a decrease of 44% per annum of the share in agricultural employment in Burkina Faso, to an increase in 1.3% in Uganda. On the other hand, the SSAPOV estimates show a significantly smaller range, with a most rapid decrease estimated at a paltry 2%

per annum (Cameroon), while the most rapid increase is estimated at 0.9% annum (Uganda). In the light of this development the standard deviation for the ILO estimates is more than 70% larger than the standard deviation of the SSAPOV estimates. While Zambia, Cameroon, Mozambique, South Africa and Uganda are located relatively close to this line, other countries are situated far from it, particularly Burkina Faso, Ghana, and Madagascar. The green line (in figure 4 below) represents the actual correlation between the two estimated, at 0.371. Squaring the correlation means that the ILO estimates explain only 14% of the variation in the SSAPOV estimates, demonstrating the significant difference between ILO and the SSAPOV estimates, which reinforce the importance of distinguishing between modeled and actual estimates, when examining changes in sectoral employment composition.

Figure 4: SSAPOV vs ILO Estimates: Agricultural Share of Employment in SSA (annual reduction in p.p.)



Source: SSAPOV database, Sub-Saharan Africa Team for Statistical Development, World Bank, Washington DC and International Labor Organization (ILO).

An analysis of Figure 4 reveals a comparison of the ILO estimates with SSAPOV estimates graphically. The blue line in at 45-degrees represents a perfect agreement between the SSAPOV and ILO estimates.

3.2 Structural Transformation and Economic Performance in Sub-Saharan

The literature is replete with the manifestation of structural transformation in sub-Saharan Africa (World Bank, 2015; IMF, 2013; 2017). In a historical context; Enache, Ghani and O’Connell (2016) affirm the trend. They relied on dataset from the Groeningen Growth and Development Centre’s 10-sector database, otherwise acknowledged as “GGDC data,” which provides employment and value-added for ten disaggregated product sectors for a large set of countries on a historical basis. The sectors comprise agriculture, mining, utilities, construction, manufacturing, wholesale and retail trade, FIRE Industries, transport, government services and other services. Among sub-Saharan Africa countries, the study employed data from Ethiopia, Botswana, Ghana, Kenya, Mauritius, Nigeria, Senegal, South Africa, Tanzania and Zambia; allowing a more nuanced examination of the role attributed to specific sectors in structural change, especially separating construction and mining from manufacturing aggregates and fostering greater specificity in understanding which sectors are driving structural change.

Enache et al (2016) reveal the pace, intensity and consistency of structural change in African economies over four decades, from 1980-2010. The study assessed and characterized historical structural change on three dimensions: pace, intensity and consistency. It also identified two broad growth patterns among African countries for which data are available, as illustrated in figure 5.

<u>Pattern 1</u>	<u>Pattern 2</u>
<ul style="list-style-type: none"> • Early transition of labour out of agriculture • Pace of structural change slows in the 1990s/2000s • Wholesale and retail trade is not the main labour absorbing sector in the 2000s <p><u>Countries:</u> Botswana, Nigeria, Mauritius, South Africa, Egypt</p>	<ul style="list-style-type: none"> • Late transition of labour out of agriculture, if at all • Pace of structural change does not slow markedly in 1990s/2000s • Wholesale and retail trade is the main sector absorbing labour in the 2000s <p><u>Countries:</u> Zambia, Tanzania, Ethiopia, Senegal, Malawi, Ghana, Kenya</p>

Figure 5: The Two Broad Growth Patterns among African countries

Source: Enache et al. 2016

Figure 5 reveals early reformers (pattern 1) that witnessed the transition of labour out of agriculture in the 1970s/1980s. However, the pace of structural change in pattern 1 countries slows down in the 1990s/2000s, revealing the faster the structural transition; the more rapid the decline in the share of agriculture in the overall labour force. In addition, the intensity of structural change fluctuated by decade, and while there is no straight forward growth pattern in the 1990s, the intensity declines in all countries within the group pattern 1 countries also witnessed a shift of labour towards an admixture of sectors, particularly the wholesale and retail trade.

In pattern 2 countries, there was a late shift of labour out of agriculture, if at all, as illustrated in figure 5. In addition, the pace of structural transformation in this set of countries does not slow down in the 1990s/2000s; however, its intensity fluctuates substantially over time.

In a renewed interest on structural transformation in recent times; Busse, Erdogian and Miihlen (2017) conducted a study on structural transformation against the backdrop of remarkable growth in the region until recently. Relying on data covering 41 African countries over the period 1980 to 2014, and employing the analytical frameworks growth decomposition and growth regression; findings reveal that economic growth in sub-Saharan Africa fluctuated significantly over time. According to the study, from the 1960s until the mid-1970s, the region's economies, on average, recorded moderate annual GDP per capita estimated at 2%. While this performance was below those of East Asian tiger economies, they were close to the global average and those recorded by several other developing regions.

Structural transformation was also affirmed in non-fragile, low-income African countries. An IMF (2012) report reveals this phenomenon in this group of countries, with cross-country difference, likely related to variations in education levels. Findings reveal real output per worker rose in every country in the group, except Madagascar and Niger. Also, every country recorded positive agricultural productivity growth, except Madagascar and Uganda. Furthermore, Low Income Countries (LICs) in East and Southern Africa recorded higher average labour productivity growth than countries in West Africa.

The challenges associated with structural transformation in sub-Saharan Africa have been attributed to several factors: macro-economic governance, conflict, corruption, as well as

management of natural resource endowments (Ferreira, 2014). In 2016 study, Mensah, Adu, Amoah, Abrokwa and Adu identify the drivers of structural transformation in the region. Findings reveal that country-specific fundamentals, such as natural resource and human capital endowments are key variables behind cross country differences in real value added output. It also affirms the role of institutions and policy reforms, particularly in education, trade operation, and financial development in driving structural transformation.

4.0 CONFLICT AND STRUCTURAL TRANSFORMATION: A MULTI-COUNTRY STUDY OF COTE D’IVOIRE, ETHIOPIA, MOZAMBIQUE AND RWANDA

4.1.1 Preamble

This section examines the challenges of structural transformation in selected conflict-prone countries in sub-Saharan Africa. The case studies cover Cote D’Ivoire, Ethiopia, Mozambique and Rwanda. In every country examined, the study features key macro-economic indicators, conflict profile, as well as structural transformation.

4.2.1 Cote D’Ivoire: Key Macro-economic Indicators and Socio-economic Trends

A lower, middle-income country, Cote D’Ivoire has an estimated population of 23.8 million people in 2017 (AfDB, 2019). Spread across 322,460 sq km in West Africa, the country is the world’s largest cocoa producer and exporter. Economic growth remains strong, driven by the export of raw materials, particularly cash crops, which are however vulnerable to the vagaries of global markets. The economy has expanded rapidly over the past decade, averaging 8% since 2011 and enabling the country to emerge alongside the fastest growing economies in the world (World Bank, 2019a). However, as commodity market prices have declined over the past few years, the country’s GDP growth has steadily declined from 10.1% in 2012 to 7.7% in 2017 and estimated to decline further to 7.4% in 2018. The nation’s GDP is projected to remain at 7.4% in 2019, while it could remain above 7% during 2020-2021 (AfDB, 2019). The service sector remains the driving force behind the nation’s GDP growth, contributing 3.4% to growth in 2018.

Relatively high economic growth in Cote D’Ivoire has, however, not translated into expected social outcomes, including social inclusion and poverty reduction. According to the World Bank (2019a) report, Cote D’Ivoire, in 2018, ranked 170 among 189 countries on the United Nations Development Programme’s (UNDP) Human Development Index, with a low World Bank Human Capital Index (HCI) ranking of 0.35. Table 4 shows key macroeconomic

indicators in Cote D' Ivoire. Table 4 shows key macroeconomic indicators in Cote D'Ivoire from 2014 to 2018.

Table 4: Cote D'Ivoire's key macroeconomic indicators, 2014 – 2018

	2014	2015	2016	2017	2018
GDP per capita (USD)	1,534	1,397	1,451	1,525	1,679
GDP (USD bn)	35.4	33.1	35.3	38.1	43.0
Economic growth (GDP, annual variation in %)	8.8	8.8	8.0	7.7	7.4
Unemployment rate	3.7	3.1	2.6	2.5	2.5
Fiscal balance (% of GDP)	2.2	-2.8	-4.0	-4.5	-4.0
Public Debt (% of GDP)	44.8	47.3	48.4	49.8	53.2
Inflation rate (CPI, annual variation in %)	0.5	1.2	0.7	0.7	0.4
Exchange rate (Vs USD)	542.1	603.9	621.9	546.3	573.8

Source: Adapted from focus economics, 2020.

Table 4 reveals key macroeconomic indicators in Cote D'Ivoire from 2014 to 2018. It shows GDP per capital estimated at US\$ 1,534.00 in 2014, but declining to US\$ 1,397 in 2015 and steadily rising until 2018 when it stood at US\$ 1,679. On the other hand, economic growth rose from 8.8% in both 2014 and 2015, but declining slightly to 8.0 in 2016, while declining further to 7.7 and 7.4 in 2017 and 2018, respectively.

4.2.2 Conflict Profile of Cote D'Ivoire

Cote D'Ivoire became an independent country in 1960 and emerged as an economic model in West Africa, with a stable socio-economic profile. For decades, the country's political stability was driven by an authoritarian regime led by Felix Honphonët Boigny until his demise in 1993. However, the country began to experience political and social instability, fueled by widespread marginalization of large segments of the society. For example, citizens in the country's northern region agitated against perceived marginalization from the nation's political and economic agenda (Peace Insight, 2017; Global Security, 2018).

Consequently, political instability began to deteriorate rapidly by the late 1990s, with the overthrow of Conan Bedie in 1999. Events eventually spiraled out of control, culminating in the start of the first civil war, which broke out on 19th September, 2002; with mass killings in

Abidjan, Korhogo and Boleake. The resulting humanitarian crisis prompted France to deploy peace-keeping troops in 2003, spurring reconciliation process, involving both regional and global players. An enlarged peace-keeping force was eventually formed under the auspices of the United Nations. Thus, the United Nations Operations in Cote D'Ivoire was deployed in February, 2004, which brought the conflict to an end, with a peace agreement on 14th March, 2007 (Study Country, 2019).

As it turned out, the peace agreement was only a temporary framework. The controversy surrounding the November, 2010 Presidential election provoked a resurgence of violence. In an election apparently won by the opposition candidate, Alassane Ouattara; the incumbent President, Laurent Gbagbo declared victory and was inaugurated as President. However, this development provoked the opposition candidate to claim victory and proceeded with his own inauguration as well. These actions fueled sporadic violence, leading to the second civil war. Mass murder was carried out in the city of Duekone and Bolequin and other parts of the country. Despite appeals from both regional and global leaders urging Gbagbo to stand-down, he remained adamant, prompting military action by a combined France and United Nations force to oust him. He was promptly apprehended, taken into custody and flown to the international criminal court in Hague, Netherlands, where he was prosecuted, convicted for crime against humanity and sentenced to prison (McGovern, 2011; Bah, 2010).

4.2.3 Structural Transformation in Cote D'Ivoire

The World Bank's examination of economic growth factors during the period 2002 through 2014 reveals that while the Ivorian labour force worked more, they hardly worked better, as employment rate not only increased significantly; but incomes did not follow the positive trend. According to the World Bank (2018) report, labour productivity in Cote D'Ivoire has risen since 2012, estimated at about 4-5% per annum; however, businesses still lagged behind the production frontier achieved by the emerging countries.

In a report, which examines the constraints to economic growth in Cote D'Ivoire, the Ivorian government, in association with the Millennium Challenges Corporation (2015) affirms the nation's extreme dependence on cocoa exports, which accounts for 35% of the nation's annual exports, but also vulnerable to price instability in international markets. The trend poses a risk to structural transformation, in the opinion of the authors, in a development largely blamed for the high rate of impoverishment, estimated at more than 45% of the population (Lloyds Bank,

2020). It was also revealed that the industrial sector of Cote D'Ivoire accounts for about 25% of annual GDP, but only employs 6% of the labour population. However, the Lloyds Bank (2020) report also reveals the transformation of the services sector, which contributes about 42% of annual GDP, but employs 46% of workforce, as shown in table 5.

Table 5: Breakdown of economic activity by sector in Cote D'Ivoire

	Agriculture	Industry	Services
Employment by sector (% of total employment)	47.4	6.3	45.3
Value Added (% of GDP)	19.8	24.7	41.6
Value Added (Annual % Change)	11.2	3.0	9.1

Source: World Bank database

4.4.1 Ethiopia: Macro-economic Indicators and Socio-economic Trends

With an estimated population of over 108 million in 2020, Ethiopia has African's second largest population after Nigeria (World Bank, 2019; CIA, 2020). The country is spread over a landmass, measuring 1,104,300 square kilometers (Worldstat, 2014). The nation has also emerged as the fastest growing economy in Africa; however, it is also one of the poorest, with a per capita income of US \$790, according to a World Bank (2019a) report. Ethiopia's economy has demonstrated resilience, with a strong, broad-based growth averaging 9.9% per annum from 2007/2008 to 2017/2018, compared to a regional average of 5.4%. The trend however decelerated to 7.7% in 2017/2018. The nation's rapid economic growth is largely driven by industry, particularly construction and services, which together account for most of the growth. Table 6 shows Ethiopia's key macro-economic indicators from 2014-2018.

Table 6: Ethiopia's Key Macroeconomic Indicators, 2014-2018

	2014	2015	2016	2017	2018
GDP per capital (USD)	731	828	897	910	1,021
GDP (USD, bn)	64.6	74.3	81.8	84.4	96.1
Economic Growth (GDP annual variation in %)	10.4	8.0	10.1	7.7	9.0
Fiscal balance (% of GDP)	-2.4	-2.3	-3.3	-3.0	-2.8
Public Debt (% of GDP)	54.5	55.8	58.6	61.0	59.1
Inflation Rate (CPI, annual variation in %)	7.1	10.0	6.7	16.5	10.3
Exchange Rate (vs USD)	20.33	21.26	22.40	27.58	28.20

Source: Adapted from Focus Economics, 2020a.

Table 6 shows Ethiopia's key macroeconomic indicators. It reveals the rapid increase in the country's annual GDP, rising from US \$64.6 in 2014 to US \$96.1, translating to annual economic growth of 10.4% in 2014 and 9.0% in 2018, respectively.

4.4.2 Conflict Profile of Ethiopia

Conflict in Ethiopia was endemic over several decades until recently, driven by repressive and authoritarian rule, famine, civil war, ethnic turmoil, political and economic instability (Metiku, 2013). Political conflict in Ethiopia is characterized by recurrent civil war and violence, resulting in armed conflict. In contemporary times, the revolution of 1974, which led to the overthrow of the monarchy by the military, also witnessed the adoption of socialism as a political ideology and economic framework. According to Mtiku (2013), the military regime embraced extreme authoritarian methods, acknowledged as "red terror," which lasted for a period of seventeen years.

Another source of conflict in Ethiopia was the Ethiopia-Eritrea Interstate War between 1998 and 2000. The conflict was triggered by Eritrea's declaration of independence from Ethiopia in 1993. The crisis culminated in military conflict, resulting in the death of more than 100,000 people, with millions of refugees and displaced persons. However, both countries embraced peace and endorsed a peace treaty, effectively bringing the conflict to an end (Political Economy Research Institute, 2005). Incessant conflict, combined with environmental disaster, has unleashed severe humanitarian crisis in Ethiopia over the past few decades. In 2017 alone,

over 857,000 people were displaced around the border areas of Oromia and Somali regions, accompanied by social and economic instability (OCHA, 2018).

4.4.3 Structural Transformation in Ethiopia

Indications are that Ethiopia is experiencing structural transformation against the backdrop of the nation's rapid economic growth over the past decade. In a study on structural change in Ethiopia, Martins (2014) examined structural dynamics in the Ethiopian economy over the previous 15 years. Findings reveal that the structure of output in the nation's economy has changed significantly. For example, the share of agriculture in total output reduced from 66% in 1991 to 45% in 2011, while the services sector increased considerably. However, the results also reveal that changes in the composition of employment have lagged behind. Indeed, the share of agricultural employment in total employment remains very high, estimated at 78%. On the other hand, the findings also reveals that labour productivity growth has remained strong across sectors (including agriculture), with total output per worker doubling in the previous decade.

In its National Human Development Report for Ethiopia, the United Nations Development Programme (UNDP) (2018) examined the state of industrial development as a driver of structural transformation in the country. It acknowledges the nation's industrial policy, ownership structure, and market orientation, which can be characterized as the import-substitution and private sector-led (from early 1950s to 1974), the import-substitution and state-led (from 1974-1991) and the export orientated and private sector-led from 1991. Findings also reveal industrial value added per capita has shown strong annual growth since 2010. While the share of industrial value added remains relatively low, the growth patterns reveal unmistakable patterns for emerging transformation.

Indications are that in order to fast track structural transformation in Ethiopia, there is need to raise productivity in the agricultural sector, which account for more than 70% of annual GDP and the labour force. In a study of economic policy and structural transformation in Ethiopia; Manyazewal and Shiferaw (2019) acknowledge the imperatives to improving agricultural productivity. While cereal yield had grown significantly since 2005, it remains below the production by levels in other developing regions of the world, which stood at 60% of that of Latin America and 49% of that of East Asia. Lack of access to agricultural technology has been blamed for this development for example, the application of fertilizers, hybrid seeds and seedlings, as well as irrigation system remain less than 1% of farm holdings in Ethiopia.

4.5.1 Mozambique: Macroeconomic Indicators and Socio-economic Trends.

Mozambique has an estimated population of 30 million people in 2020 and spread over a landmass covering 788,380 square kilometers (CIA, 2020a). The nation has witnessed sustained economic growth over the past couple of decades, averaging 7.5% per year between 2000 and 2015, and making the country one of the highest non-petroleum growth performers in sub-Saharan Africa. While the nation's growth profile is from a low base, it has consistently produced better economic outcomes than the average levels in the region and the world (Deloitte, 2016). In addition, the devastating impact of tropical cyclones Idiai and Kenneth on the agricultural economy has undermined economic outcomes, leaving muted growth prospects for 2019. Thus, real gross domestic product (GDP) growth estimate is projected to reach 2% in 2019, below the average level of 3.7% recorded between 2016 and 2018. This also reflects the lowest out-put growth since 2000, when the nation was devastated by floods in the southern region of the country (World Bank, 2019).

While Mozambique has experienced high economic growth over the past couple of decades, the positive economic outcome has hardly translated into expected social transformation. Although, poverty reduced from 52.8% in 2003 to 46.1% in 2015; the head count poverty ratio remains high, with about 80% of the poor located in rural areas, where they lack access to basic infrastructure. In addition, the nation recorded 20.7% unemployment rate in 2015, with youth unemployment estimated at 30% (AfDB, 2019a). Table 7 shows Mozambique's macroeconomic indicators from 2014 to 2018.

Table 7: Mozambique: Key Macroeconomic Indicators, 2014-2018

	2014	2015	2016	2017	2018
GDP per capital (USD)	651	579	417	449	484
GDP (USD, bn)	17.7	16.2	12.2	13.3	14.7
Economic Growth (GDP annual variation in %)	7.4	6.7	3.8	3.7	3.4
Fiscal balanced (% of GDP)	-10.7	-7.2	-6.0	-3.1	-5.2
Public Debt (% of GDP)	62.4	94.2	130	101	99.8
Inflation Rate (CP, annual variation in %, ROP)	1.9	10.6	23.7	5.7	3.5
Exchange rate (Vs USD)	34.01	46.97	71.38	58.53	57.58

Source: Adapted from Focus economics, 2020b

Table 7 reveals key Mozambique macroeconomic indicators between 2014 and 2018. It shows the nation's per capital GDP estimated at US \$651.00 in 2014, which declined to US\$484.00 by 2018. Similarly, annual economic growth also declined from 7.4% in 2014 to 3.4% in 2018.

4.6.2 Conflict Profile of Mozambique

Mozambique has witnessed armed conflict that developed into a full blown civil war from 1977-1992, leaving more than one million people dead and six million more either displaced from their homes or fleeing across national boundaries as refugees (PERI, 2004). The conflict is traceable to political instability that trailed the nation's independence from Portugal in 1975. The violence was fueled by major global powers. The United States, supported the rebels, or the Mozambican National Resistance (RENAMO); on the one hand; and the defunct Soviet Union, supported the government forces, or the Mozambique Liberation Front (FRELIMO). Therefore, the Mozambican civil war was a war of proxy fought at the height of the "cold war" (Momodu, 2018).

Frelimo, a socialist movement, nationalized private businesses and banned political opposition groups, effectively turning the country into a one-party state ruled by authoritarianism. It also supported rebel groups in Rhodesia (now Zimbabwe) and South Africa. In response, Rhodesia organized alienated groups in Mozambique into a fighting force to destabilize the government, an effort that resulted in the emergence of Renamo. Fighting

intensified in the 1980s, with the nation's territory roughly divided between the two groups by 1988, in a development that culminated in a stalemate. However, with the demise of Samora Machel in 1989, his successor, Joaquim Chissamo, began to dialogue with the opposition in Rome, leading to a peace treaty in 1992. The peace negotiation was reinforced by the transformation of the Soviet Union and South Africa, which led to the withdrawal of support to the protagonists (Funada-Classen, 2012). While the civil war ended in 1992, conflict has re-emerged in Mozambique since 2013. The low-level conflict was however brought under control, with a ceasefire that ushered in the general election in 2014 (Regualia, 2017). In the past couple of years, insurgency has increased in the northern province of Cabo Delgado, leading to the displacement of men, women and children and unleashing a humanitarian crisis.

4.6.3 Structural Transformation in Mozambique

In a synthesis paper, Balchin, Coughlin, Papadavid, Willem teVelde and Vrolijk (2017) identified a variety of factors constraining economic transformation and job creation in Mozambique. Findings reveal the following economic constraints: insufficient skills in the workforce; dearth of credit; inadequate infrastructure and investment climate, as well as difficulties associated with the regulatory framework (particularly about the regulation of labour, access to land, taxation, investment, and custom). In addition, Balchin et al, 2017 identified governance and institutional constraints: corruption as well as inadequate government and institutional capacity as factors undermining structural transformation across the wide spectrum of the economy in Mozambique. In a study that under-scores the challenges associated with structural transformation in Mozambique, Jones and Tarp (2016) examine labour productivity dynamics across the economic sectors. The study relies on three household budget surveys conducted by the government between 1996 and 2014. Findings reveal that the majority of the population in Mozambique continues to derive their livelihoods from agriculture, with the sector accounting for two in every three workers. However, agricultural labour share appears to have declined rapidly between the two most recent surveys -from 79% of workers in 2009, to 73% in 2014. This development is consistent with a trend shift out of agriculture, particularly in the southern region of Mozambique. The decline is however offset by a corresponding increase in the labour share of the service sector. On the other hand, the other aggregate sectors (mining and manufacturing) account for less than one in every twenty workers and reveal no material changes in their overall shares of employment, according to Jones and Tarp (2016). The analysis also

reveals that aggregate productivity growth has become dependent on the dynamics of the services sector. Findings further reveal that services accounted for two-thirds of aggregate productivity growth in 2003-09, compared to 51% and 29% in the earlier 2 periods. Overall, it is interesting to note that the contributions of other sectors, including agriculture and manufacturing, have declined over time.

In an empirical study of structural transformation and export diversification in Southern Africa, UNCTAD (2018) affirms some elements of structural transformation in Mozambique. The study reveals agriculture as the mainstay of the nation's economy, which accounted for 77% of the work force in 2012. It added that the small decline in agricultural value added and labour share has been largely compensated by the gain in the transport, storage and communication sector; the study also shows that the share of the manufacturing sector has remained low, in terms of value added and employment, with output peaking at 17% in 2004 and declining since, in a development that reverted to its 1990s values.

4.7.1 Rwanda: Macroeconomic Indicators and Socio-economic Trends

With an estimated population of over 12 million people in 2020, Rwanda is spread over a landmass covering 24,668 square kilometers (CIA, 2020b). Following prolonged political instability in the 1990s, Rwanda has witnessed a rapid economic growth from the mid-2000s that has endured across the economy. In a remarkable display of robust economic outcomes, the country has emerged alongside Africa's fastest growing economies. This development has emboldened Rwanda to aspire to become a Middle-Income country (MIC) and High-Income country (HIC) by 2035 and 2050, respectively (World Bank, 2019C). With an average economic growth of 7.5% over the decade to 2018, the nation's per capita GDP had grown steadily at 5.5% per year. Robust economic growth in Rwanda has translated into significant improvements in living standards, with a two-thirds reduction in child mortality and near-universal primary school enrollment. Similarly, the head-count poverty ratio has declined from 50% to 39% between 2001 and 2014, while the nation's Gini index, a measure of inequality, declined from 0.52 in 2006 to 0.43 in 2017, according to the World Bank (2019c) report. Table 8 shows key macroeconomic indicators in Rwanda between 2014 and 2018

Table 8 shows the profile of Rwanda’s key macroeconomic indicators from 2014 to 2018

	2014	2015	2016	2017	2018
GDP per capita (USD)	812	699	839	837	870
Economic Growth (GDP annual variation in %)	4.5	5.7	3.0	6.9	5.9
Fiscal Balanced (% of GDP)	-4.7	-4.7	-4.8	-3.8	-4.2
Public Debt (% of GDP)	30.7	34.3	37.1	39.7	41.4
Inflation Rate (CPI annual variation in % COP)	2.1	8.4	5.7	3.3	2.2
Exchange Rate (Vs USD)	2.765	3.372	3.610	3.645	3.715
GDP (USD bn)	28.0	24.8	30.7	31.5	33.8

Source: Adapted from Focus economics, 2020c

Table 8 reveals key macroeconomic indicators from 2014 to 2018. For example, GDP per capita was estimated at US \$812.00 in 2014, but declined to US \$699.00 in 2015 before steadily rising to US \$870.00 in 2018. In a similar trend, economic growth trended upward from 4.5% in 2014 to 2015, but declining to 5.9% in 2018.

4.7.2 Conflict Profile of Rwanda

Rwanda has faced prolonged instability, characterized by a civil war, which emerged from 1990 to 1994. At the height of the violent conflict, the Rwandan armed forces, dominated by the majority Hutu tribe, fought against the rebel Rwandan Patriotic Front (RPF), led by the minority Tutsi tribe and committed acts of genocide by eliminating moderate Hutus and Tutsis across the country. The killing spree led to the death of about 800,000 men, women and children (Eriksson 1996).

The backdrop of the Rwandan genocide is traceable to the political instability that trails the authoritarian rule of the former President, Juvénal Habyarimana, whose draconian rule comprised targeted violence against the Tutsis and driving many to take up arms with the RPF. However, after repeated gains by the PFA around the country led to a stalemate; the president began formal peace negotiations, which led to the endorsement of the Arusha Accords in August, 1993. This development prompted the United Nations to deploy a peace-keeping force, dubbed ‘The United Nation Assistance Mission to Rwanda’. However, the prevailing fragility was unrevealed, with the assassination of President Habyarimana on 6th April, 1994 (PERI, 2006). In the aftermath of the President’s death, unprecedented violence was unleashed on moderate Hutus

and the minority Tutsi, leaving more than 500,000 dead over a period of one hundred days. The violence was accompanied by a severe humanitarian crisis, with millions of women, men and children displaced and fleeing across neighbouring countries, particularly in Uganda and DRC (Emzat, 2000; Dallaire, 2003).

Meanwhile, the RPF continued to gain control of territories at the expense of government forces, resulting in an eventual victory for the rebel forces. The development led to the establishment of a coalition government, in line with the Arusha Accords, with Pasteur Bizimungu, a Hutu, emerging as President and Paul Kagame, a Tutsi as Vice President and defense minister. The coalition government effectively brought to an end the civil war in Rwanda.

The impact of conflict in Rwanda was particularly grave, unleashing a humanitarian disaster in a severely impoverished economy. Among other things, social services came to a grinding halt, exacerbating poverty and inequality. In attestation to this development, a World Bank (2004) report affirmed the severe impact of the civil war and genocide on Rwanda's growth and poverty. Findings reveal that without the genocide, Rwanda's GDP per capita would have been between 25 and 30% higher in 2001. Additionally, about a quarter of the population in poverty in that year would have been non-poor, while more than 40% of the extreme poor could have remained above extreme poverty. This development holds serious implications for structural transformation.

4.7.3 Structural Transformation in Rwanda

Rwanda's economic outcome since the end of the nation's civil war in 1994 is robust, characterized by accelerated growth and development. In a study on the nation's economic growth, structural transformation and diversification; Ggombe and Newfarmer (2016) affirmed that Rwanda has inverted the historical pattern of structural transformation, with labour moving out of the agricultural sector, not into manufacturing, but into construction and services. The authors relied on data featuring the share of farmers with secondary job outside agriculture, as well as the share of workers with non-agricultural job between 2006 and 2011. Findings reveal the share of farmers with a secondary job outside agriculture, which stood at 9.0% in 2006 rose sharply to 21.6% in 2011. Similarly, the fraction of workers with a job outside agriculture, which stood at 30.3% in 2006, rose to 45.0% in 2011. Ggombe and Newfarmer (2016) also reveal that

Rwanda's structural transformation is accompanied by increasing industrialization, particularly with labour-intensive manufacturing process, as well as economic diversification.

In a study of structural transformation through investment in Rwanda; Thomas (2017) acknowledged a rapid increase in employment increase in industry, most of which is attributed to construction. The study's findings also reveal that manufacturing output remains low, but rising above the average of those in low-income economies. For example, industry accounts for 7.4% employment in the labour force, but accounts 17.0% output share in 2016, while manufacturing accounted for 6.0%.

A major factor driving structural transformation in Rwanda is rapid urbanization. In a major report, the World Bank (2018) examined urbanization as a potent factor for structural transformation. The report finds the urban share of Rwanda's population (about 12 million) has increased faster than official data suggest, in a development attributed to the need for streamlining the definition of urban areas. For example, a 2012 census and 2014 household survey reveal the urban share of the population at 16.5 and 17.3% respectively. However, employing another simple definition of urbanization, the World Bank (2018) report shows the level of urbanization has increased far more from 15.8 to 26.5% between 2002 and 2015, an increase of 132% or about 2 million people. The report reveals rapid urbanization is accompanied by a dual migration pattern of internal migration moving towards density in search of jobs, particularly in the district of Kigali City, which attracted many migrants between 2011 and 2014 (29% of them). It also reveals a parallel move away from density in search of land, with a high share of migrants (33%) attracted to Rwanda's less populated Eastern province. The report further reveals the link between urban population density and non-farm employment is especially strong in greater Kigali and the cores of six secondary cities. Indeed, within 20km of Kigali and 5km of secondary cities; a 10% increase in density is associated with higher non-farm employment.

5.0 CONCLUSION

5.1 Concluding Remarks

Structural transformation is critical to the sustenance of economic growth and development. Defined as the change that accompanies productivity growth from low-to high –

productivity sectors of the economy; the trend is characterised by positive economic outcomes that reinforce social development. Empirical studies reveal elements of structural transformation in sub-Saharan Africa, particularly against the backdrop of rapid economic growth recorded by several countries in the region since the early 2000s until recently. Several African economies demonstrated a measure of resilience during this period, with average growth in annual GDP estimated at about 5% per annum between 2003 and 2013, placing the region only behind East Asia and the Pacific among the world's fastest growing economies.

However, Africa's economic transformation dynamics is unlike that recorded earlier in East Asia, which witnessed high productivity growth in agriculture through the green revolution, accompanied by the release of labour to the industrial sector that drove the region's economic growth and development. Instead, structural transformation in sub-Saharan Africa has witnessed, for the most part, only moderate productivity growth in agriculture, accompanied by an increasing share of the labour force engaged in the service sector, while productivity in the industrial sector remains rather low.

A major constraint undermining structural transformation in Sub-Saharan Africa is the prevalence of conflict for several decades until recently. By the 1990s, about one-half of countries in the region were involved in violent conflict, with devastating consequences for the region's economy. Indeed, violent conflict lies at the heart of underdevelopment in several countries across the region. This is particularly the case in Cote D'Ivoire, Ethiopia, Mozambique and Rwanda, which are selected as case studies in this paper. Conflict-prone countries across the region feature social and economic instability, accompanied by grave humanitarian crises, distracting policy makers, development partners and investors from transforming people's lives. Declining violence provides an opportunity to deepen structural transformation across the region in the coming decades.

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