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Title: ***The employment challenge at the core of sub-Saharan Africa's future***

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Abstract:

Developing countries engaged in their process of economic diversification and demographic transition are facing the new challenges of the 21st century which prevent the replication of past transitional pathways. Among these challenges are: the growing asymmetries of a global open economy, which result in huge productivity and competitiveness gaps; the physical limits of the current growth regime based on the massive consumption of fossil fuels and other non-renewable natural resources; and the contradiction in global employment between the steady growth of the world's labour force (a consequence of demographic rise) on the one side, and productivity increases related to technological progress, leading to the attenuation of human labour on the other side. The increasing factor substitution of labour by capital (due to mechanisation, automatisisation and robotics), together with international competition on labour costs, puts employment under pressure.

In this context, half a century after their independence, sub-Saharan Africa (SSA) countries face a unique situation. As a consequence of the on-going demographic push and the evolving age structure of the population, the labour force will increase dramatically in the coming decades, with an expected surge of nearly 800 million by 2050, and it will continue to grow well after that date – a global exception. This increase will represent 62 % of the labour force expansion worldwide.

The absorption capacity of this booming labour force will be the major determinant of SSA's future. Due to a long-standing poverty and rising inequalities, the difficult convergence with developed economies resulting from a slow structural transformation, the growing pressure on natural resources and the consequences of climate change, the room for manoeuvre of SSA countries is limited. This will require strategic choices to be made and innovative public policies to be identified.

Based on a broad political economy perspective, the paper will review the major policy options and the existing related debates and discuss the requirements for an endogenous and sustainable process of structural change. It will particularly focus on the necessary paradigm shift from segmented public policies towards a multisectorial and place-based approach.

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