ISS AFRICAN FUTURES

Liberia

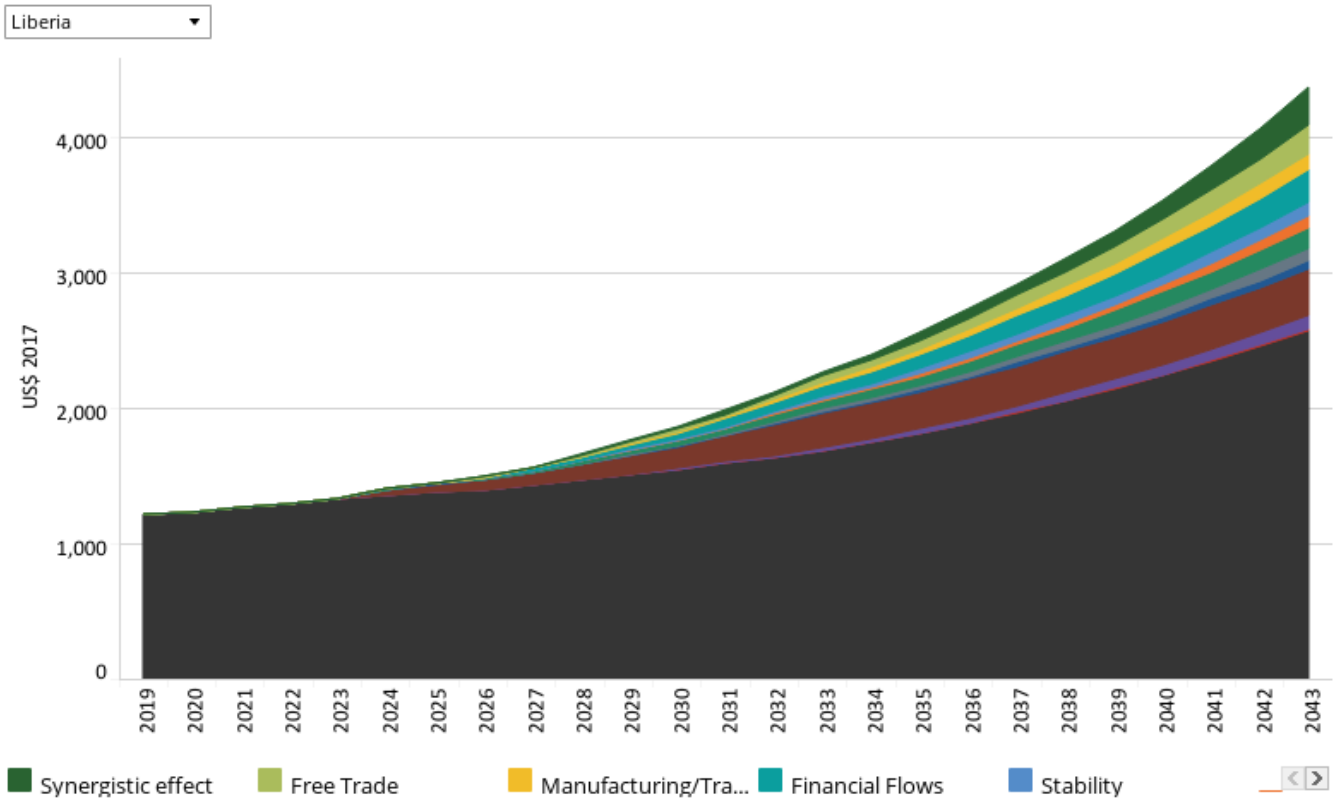
Combined Agenda 2063 scenario

Enoch Randy Aikins

Last updated 13 December 2023 using IFs v7.63

Combined Agenda 2063 scenario

Chart 55: GDP per capita in CP and scenarios, 2019–2043
Additional GDP per capita per scenario, purchasing power parity



Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

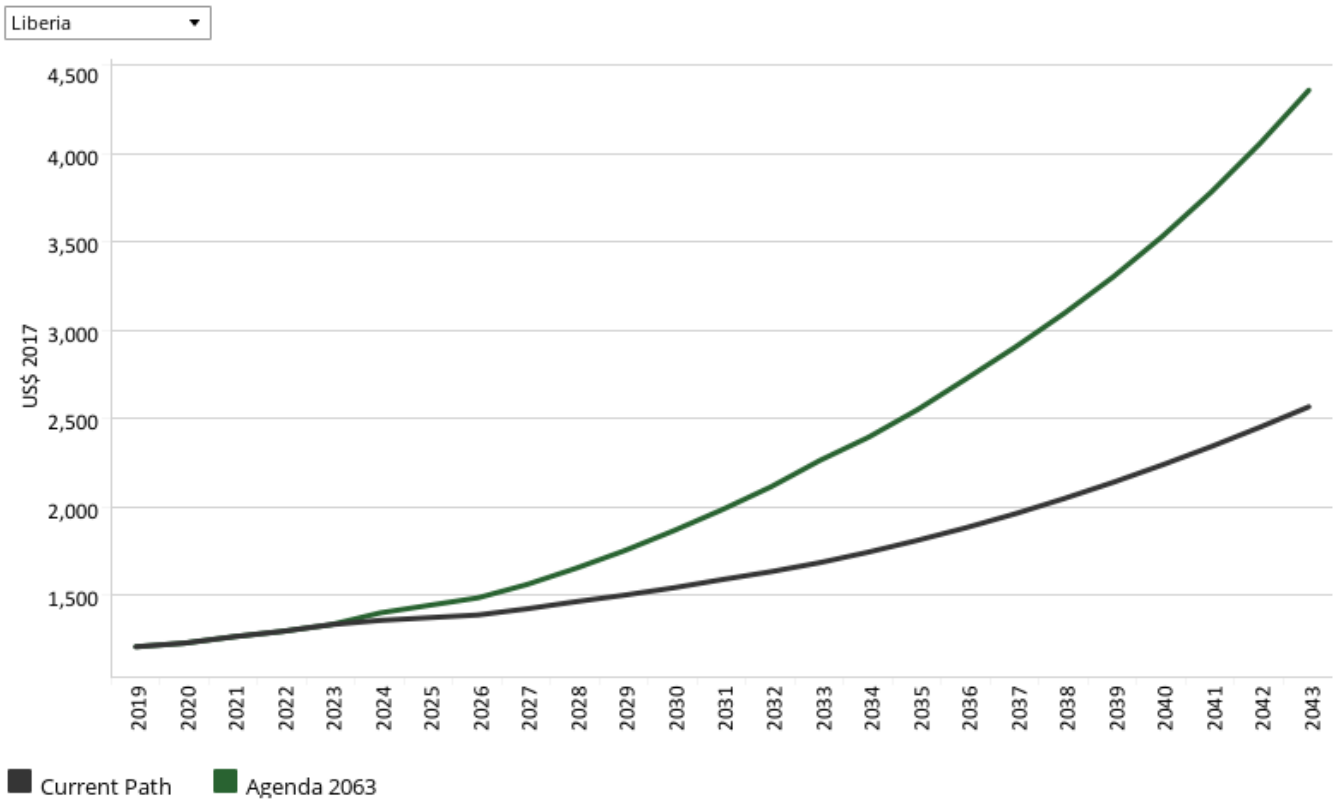
View on Tableau Public Share

The Combined Agenda 2063 scenario consists of the combination of all 11 sectoral scenarios presented above, namely the Stability, Demographic, Health/WaSH, Agriculture, Education, Manufacturing/Transfers, Leapfrogging, Free Trade, Financial Flows, Infrastructure and Governance scenarios. The cumulative impact of better education, health, infrastructure, etc. means that countries get an additional benefit in the integrated IFs forecasting platform that we refer to as the synergistic effect. Chart 55 presents the contribution of each of these 12 components to GDP per capita in the Combined Agenda 2063 scenario as a stacked area graph.

The synergistic effect of all the scenarios on GDP per capita is estimated to be about US$278 in 2043. The scenario with the greatest impact on GDP per capita by 2043 is the Agriculture scenario with a contribution of US$346.6, followed by the Financial Flow scenario with a contribution of US$233.3, and then the Free Trade scenario with a contribution of US$207. The Health/WaSH, Governance and Education scenarios are the interventions with the least impact on GDP per capita. This suggests that in the long term, the Agriculture, Financial Flows and Free Trade scenarios have the greatest potential to improve human and economic development in Liberia.

Chart 56: GDP per capita in CP and Combined scenario, 2019–2043

Purchasing power parity



Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

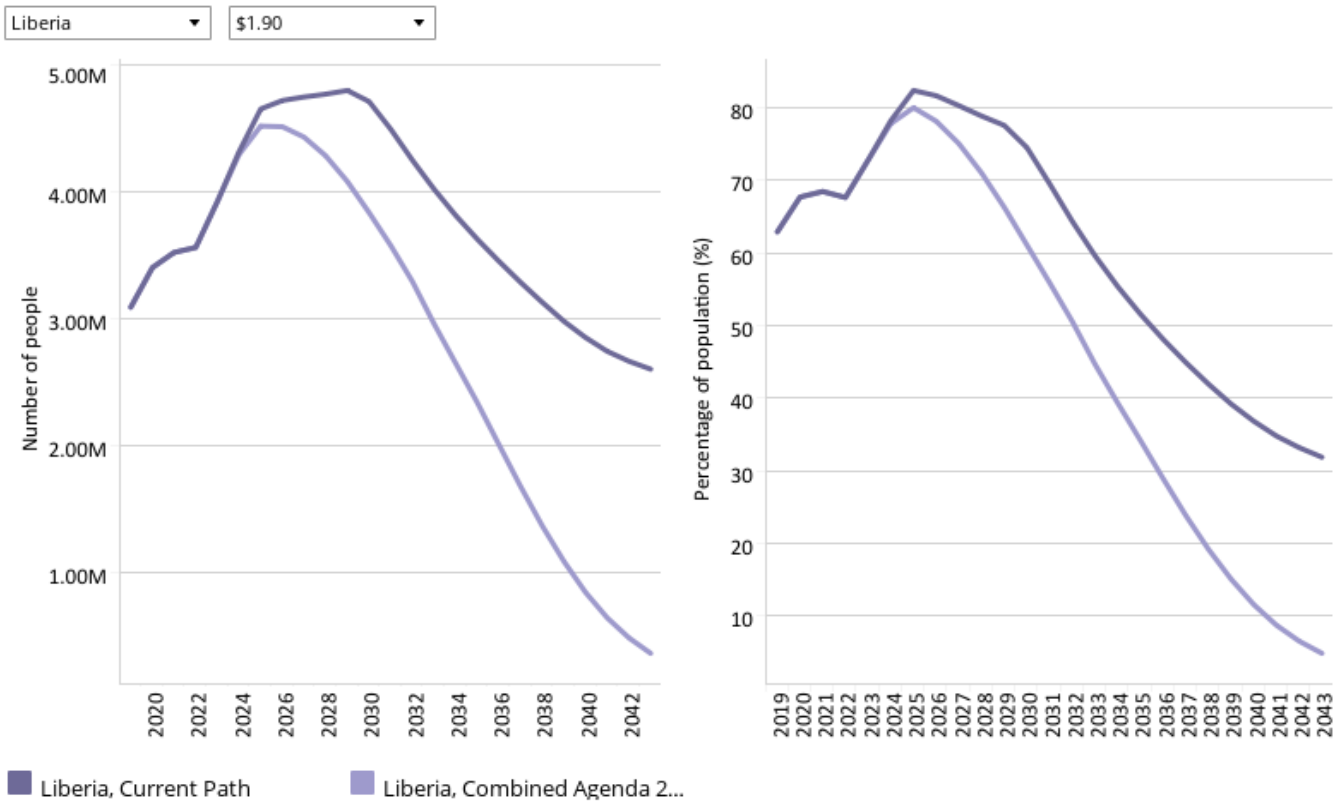
View on Tableau Public Share

Whereas Chart 55 presents a stacked area graph on the contribution of each scenario to GDP per capita as well as the additional benefit or synergistic effect, Chart 56 presents only the GDP per capita in the Current Path forecast and the Combined Agenda 2063 scenario.

Liberia's GDP per capita is estimated to increase to US$4 358 in 2043 in the Combined Agenda 2063 scenario. This is US$1 792 more than the projection in the Current Path forecast, meaning that the Combined Agenda 2063 scenario will lead to an additional increase of US$1 792 in GDP per capita in 2043 compared to the Current Path forecast. Liberia's GDP per capita in the Combined Agenda 2063 scenario will be US$568 more than the average for low-income countries in Africa in 2043. The increase in GDP per capita as a result of the Combined Agenda scenario reflects the intersectoral policy interventions that underpin the scenario which are necessary to ensure economic development in Liberia.

Chart 57: Poverty in CP and Combined scenario, 2019–2043

Millions of people and % of total population



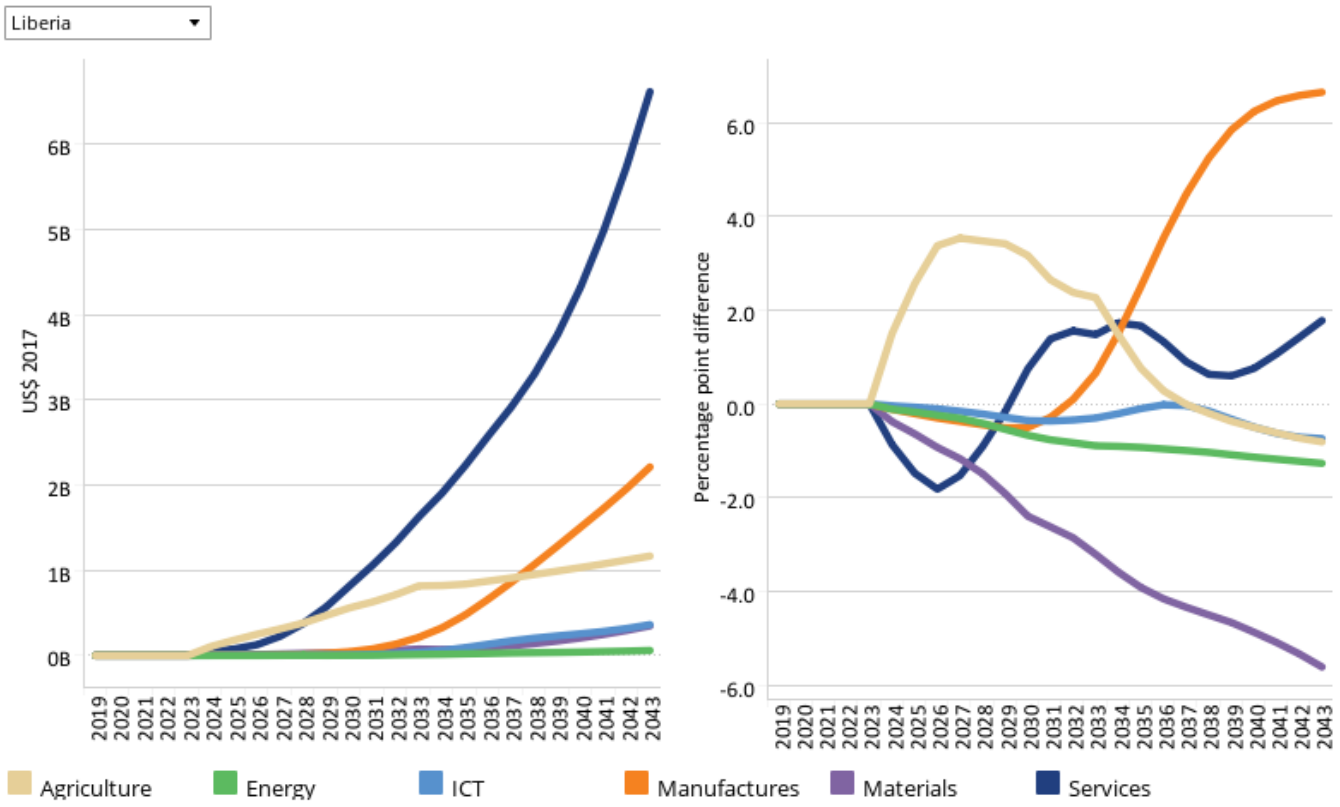
Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and PovcalNet World Bank data

View on Tableau Public Share

In the Combined Agenda 2063 scenario, the number of poor people will significantly decline such that by 2043, only 368 000 Liberians, representing 4.9% of the population, will be living below the poverty line. This is below the projected average of 25.2% for low-income African countries in the Combined Agenda 2063 scenario, although poverty levels in Liberia were much higher than its African income-peer group in 2019. Thus, compared with the Current Path, an additional 2.2 million Liberians can be lifted out of extreme poverty in the Combined Agenda 2063 scenario. The gigantic impact of the Combined Agenda 2063 scenario on poverty reduction is not surprising given that scenario reflects the summation of policy interventions across all the other scenarios.

Chart 58: Value added by sector in CP and Combined scenario, 2019–2043

Absolute and % point difference GDP



Source: IFs 7.63 initialising from International Monetary Fund World Economic Outlook database

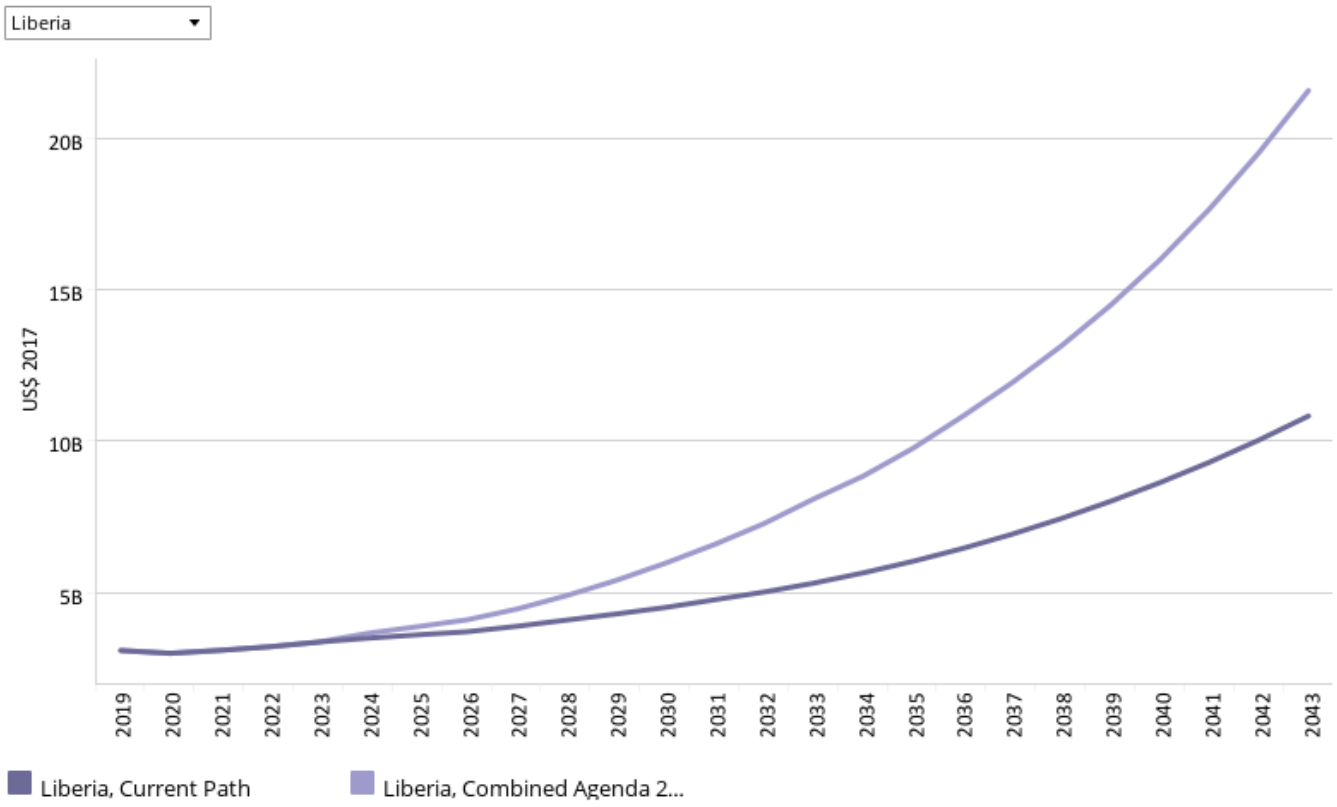
View on Tableau Public Share

See Chart 8 to view the Current Path forecast of the sectoral composition of the economy.

In the Combined Agenda 2063 scenario, the biggest contributors to GDP in the long term are the service, manufacturing and agriculture sectors. The manufacturing sector will overtake agriculture as the second largest contributor to GDP by 2038. By 2043, the service sector will contribute an additional US$6.6 billion (1.8 percentage points) to GDP. Although manufacturing contributes US$2.2 billion, its percentage contribution of 6.7% is the highest in 2043. Agriculture is projected to contribute US$1.2 billion although its contribution corresponds to -0.8% by 2043.

Chart 59: GDP in CP and Combined scenario, 2019–2043

Billions US$ 2017, market exchange rates



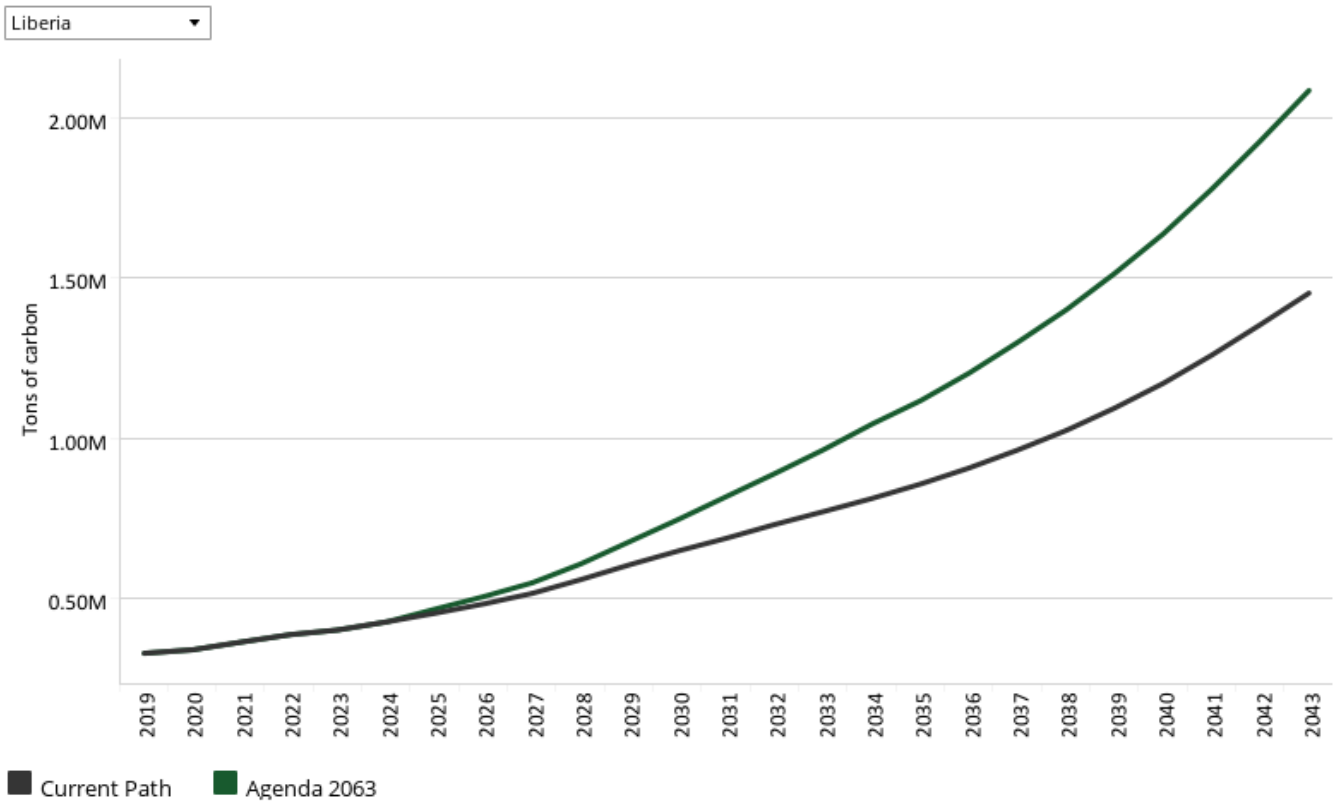
Source: IFs 7.63 initialising from International Monetary Fund World Economic Outlook database

View on Tableau Public Share

The estimated GDP (MER) for 2043 in the Combined Agenda 2063 scenario in 2043 will be US$21.6 billion, which is higher than the Current Path estimates of US$10.8 billion. This suggests that compared to the Current Path forecast, the size of the economy will more than double in the Combined Agenda 2063 scenario by 2043.

Chart 60: Carbon emissions in CP and Combined scenario, 2019–2043

Million tons of carbon (note, not CO_2 equivalent)



Source: IFs 7.63 initialising from Carbon Dioxide Information Analysis Center data

The total amount of carbon emitted by Liberia in 2019 was 330 000 tons. In the Combined Agenda 2063 scenario, the total amount of carbon emitted is projected to rise to 2.1 million tons by 2043. This is higher than the estimates of 1.5 million tons in the Current Path forecast for 2043, meaning that the Combined Agenda 2063 scenario leads to much higher carbon emissions than the Current Path — a result of increased economic activity.

Donors and sponsors

Cite this research

Enoch Randy Aikins (2024) Liberia. Published online at futures.issafrica.org. Retrieved from https://futures.issafrica.org/geographic/countries/liberia/ [Online Resource] Updated 13 December 2023.

About the authors

Mr Enoch Randy Aikins joined the AFI in May 2021. Before that, Enoch was a research and programmes officer at the Institute for Democratic Governance in Accra. He also worked as a research assistant (economic division) with the Institute for Statistical Social and Economic Research at the University of Ghana. Enoch's interests include African politics and governance, economic development, public sector reform, poverty and inequality. He has an MPhil in economics from the University of Ghana, Legon.

About African Futures & Innovation

Scenarios and forecasting can help Africa identify and respond to opportunities and threats. The work of the African Futures & Innovation (AFI) program at the Institute for Security Studies aims to understand and address a widening gap between indices of wellbeing in Africa and elsewhere in the world. The AFI helps stakeholders understand likely future developments. Research findings and their policy implications are widely disseminated, often in collaboration with in-country partners. Forecasting tools inspire debate and provide insights into possible trajectories that inform planning, prioritisation and effective resource allocation. Africa's future depends on today's choices and actions by governments and their non-governmental and international partners. The AFI provides empirical data that informs short- and medium-term decisions with long-term implications. The AFI enhances Africa's capacity to prepare for and respond to future challenges. The program is headed by Dr Jakkie Cilliers.