



Development prospects for the Horn of Africa countries to 2040

Introduction

Kouassi Yeboua and Jakkie Cilliers

Last updated 27 June 2022 using IFs v7.63

Introduction

The Horn of Africa, which for the purpose of this study is defined as the region comprising Djibouti, Eritrea, Ethiopia, Somalia, Sudan and South Sudan, covers about 4.3 million square kilometres. It has a population of about 190 million people.

These countries are socially, economically and ecologically diverse and, at the same time, are related geographically, historically and demographically.[1] They are also all members of the Intergovernmental Authority on Development (IGAD), an eight-country regional bloc in Africa with ambitions to embark on regional integration.

The Horn of Africa is known for its long history of armed conflict, large influxes of refugees, and poor state capacity and governance. It is also one of the world's poorest regions, where weak infrastructure, widespread insecurity, frequent droughts and limited livelihood opportunities condemn many people to poverty and vulnerability.

Although growth rates in the region have, overall, been robust in recent years, countries face numerous major development challenges. They rank near the bottom on the Human Development Index—a summary measure of human development in three basic dimensions: health, education and a decent standard of living. According to the 2019 Human Development Report, the Horn nations rank from 168th for Sudan to 189th for South Sudan.[2]

The livelihood of the majority of the population in the region highly depends on rain-fed agriculture and pastoralism. However, farming opportunities are only available to a small part of the region, as 70% of the area is made up of arid and semi-arid lands.[3] Competition to access these limited natural resources is thus a major factor fuelling conflicts and insecurity in the region.

Some progress has been made in socio-economic terms, especially in Ethiopia, which has a track record of high economic growth, major improvements in infrastructure and poverty reduction. But the Horn of Africa faces many development challenges that necessitate bold action from all stakeholders.

This report uses the International Futures (IFs) modelling platform to analyse the current state of development and the most likely development pathway of the Horn countries to 2040. The presentation of the Current Path forecast (see Chart 1) is followed by the development of scenario components. These are then combined into a comprehensive scenario where the countries and the region are able to get on a sustainable and peaceful development trajectory.

Chart 1: Comparison groups

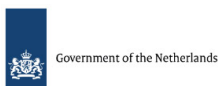
To create comparisons across countries and regions, the report uses the World Bank's 2020/21 classification of economies into low-income, lower-middle-income, upper-middle-income and high-income groups.[4] With the exception of Djibouti, which is lower-middle, the rest of the Horn countries are classified as low-income.

Where Horn countries are compared to the averages for low- and lower-middle-income Africa or globally, they are excluded from these groups.

Endnotes

1. Horn of Africa—NCCR North-South, [Development Challenges and Mitigation Pathways in the Horn of Africa](#)
2. United Nations Development Programme, Human Development Report 2019, 2019, <http://hdr.undp.org/sites/default/files/hdr2019.pdf>.
3. J Probynon, [Developing the Greater Horn: Opportunities and challenges](#), 4 April 2017
4. World Bank, [New World Bank classifications by income level: 2020–2021](#), 1 July 2020

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Cite this research

Kouassi Yeboua and Jakkie Cilliers (2025) Development prospects for the Horn of Africa countries to 2040. Published online at futures.issafrica.org. Retrieved from <https://futures.issafrica.org/special-reports/region/horn-of-africa/> [Online Resource] Updated 27 June 2022.

About the authors

Dr Kouassi Yeboua previously worked as a Senior Researcher at AFI, where he led significant ISS studies on the long-term development prospects of the Democratic Republic of Congo, the Horn of Africa, Nigeria, Malawi, and Mozambique. His research focuses on development economics, macroeconomics, gender, and economic modeling. He holds a PhD in Economics.

Dr Jakkie Cilliers is the ISS's founder and former executive director. He currently serves as chair of the ISS Board of Trustees, head of the African Futures and Innovation (AFI) programme at the Pretoria office of the Institute, and is an extraordinary professor at the University of Pretoria. His 2017 best-seller *Fate of the Nation* addresses South Africa's futures from political, economic and social perspectives. His three most recent books, *Africa First! Igniting a Growth Revolution* (March 2020), *The Future of Africa: Challenges and Opportunities* (April 2021), and *Africa Tomorrow: Pathways to Prosperity* (June 2022) take a rigorous look at the continent as a whole.

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.