

Development prospects for the Horn of Africa countries to 2040

Conclusion and policy choices

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The Horn of Africa consistently challenges Africa's peacebuilding institutions and initiatives and frustrates efforts by the international community to assist. This chronic instability hampers development progress and makes it difficult to conceive a better future for the region without stability.

In fact, it is difficult to envision improvements without a common commitment by the region's countries towards improved governance and development predicated on ending the pursuit of competing security interests. This includes in partnership with their partners in the Gulf, the international community and civil society generally. Even then the quality and capacity of government in the six countries included in this study are quite limited, implying the need for extensive partnerships with local communities and leadership.

It is obvious that progress is predicated on a complete change in the nature of the current regimes in Eritrea and South Sudan and dramatic progress on stability and governance in Somalia. It is also predicated on stability in Ethiopia (a resolution to ethnic mobilisation), an agreement on GERD, and success with the transition in Sudan. Djibouti too needs to change its current governance and accountability practices.

The outlook is particularly grim for South Sudan and Somalia, the most conflict-ravaged countries in the region. For example, on the current development trajectory, more than 40% of the population in Somalia and South Sudan will still be living in extreme poverty by 2040.

Ethiopia has made significant progress across economic and human development indicators over the past 25 years. But if the recent events in Tigray spill out of control, its future could also be under threat since its remarkable progress has been achieved from a very low base. Most of Ethiopia's population continues to suffer from low access to basic services, with more than 80% of them multidimensionally poor.

In light of these challenges, our positive scenario simulates ambitious but realistic interventions across different development sectors that could set the region on the path to long-term inclusive growth and development. The current development trajectory is not destiny. With appropriate political will and dedicated implementation of evidence-based policies, the Horn of Africa can do better than the Current Path forecast. All three intervention clusters improve growth and poverty reduction in all the Horn countries by 2040.

The Integrated Development Push scenario shows that an integrated approach or policy coordination and implementation across development sectors could yield significantly better outcomes regarding economic and human development progress in the Horn of Africa. This scenario combines all three intervention clusters.

The failure of the political elite at leadership is one of the most notable commonalities across the Horn of Africa. It is time for its leaders to set aside their personal interests to address existing conflicts in the region.

Improving security, peace and stability at the regional and national levels is key to creating a favourable atmosphere for development in the Horn. Its nations need to find a way to resolve issues concerning transboundary natural resources, such as the Nile River, to avoid conflicts and maintain regional stability. They also need to effectively manage the ungoverned spaces of their borderland, illegal migrations, transnational organised crimes and small arms proliferation. The number of small arms in the region is reported to be more than two million.

The AU, IGAD and the international community should coordinate their efforts to audit current border disputes and develop an operational mechanism to address them. There should be capacity-building initiatives for border experts in the Horn countries to improve their technical knowledge. This would help to separate border issues from the political battle

zones.

Also, the Horn nations should enhance regional integration (free trade, customs union, common market and even monetary union) to improve regional stability and peace. Regional integration can be a powerful vector of peace between nations. This is best illustrated with the European Coal and Steel Community which evolved to become the EU.

To improve security, peace and stability at the national level, the Horn governments should promote social, economic and political inclusion. In this vein, the Horn countries' leaders need to engage in a process of dialogue and building a common vision that is predicated on the development aspirations for the future rather than the divisions of the past.

A solution from within would be the most durable. Thus, the international community and regional organisations should strive to bring together local clan and religious leaders and members of the military, youth, women and government officials to engage in meaningful political dialogue. Through this, they should define for themselves their goals, programmes and cooperative strategies.

The role of the diaspora, who play an important role in influencing political and economic developments in the Horn countries, needs to be considered in the national peacebuilding and state-building process. The leaders should promote a sense of belonging for all citizens by integrating the borderland communities in their welfare and service delivery programmes, as well as criminalising ethnic and religious-based discrimination.

Efforts to restore stability will pay off if they are underpinned by good governance and strong institutions. The key determinants of economic growth depend on governance and the institutions required for accountable and effective governance. Bold governance and institutional reforms are therefore necessary to enhance public service delivery and create an enabling environment for private investment.

In this vein, the Horn governments and policymakers should build effective, accountable and inclusive governance institutions—but given resource constraints, this will be difficult. Fortunately, there is considerable scope in using modern technology and partnering with development agencies in improving government revenues and hence the capacity of national governments.

None of this is possible without tackling corruption, strengthening the judiciary system to improve the rule of law and providing access to justice for all, especially in Somalia and South Sudan. Good governance will reduce poverty and violent competition for national resources and strengthen the confidence between the states and their citizens.

With assistance from their development partners, the Horn governments need to scale up agricultural production and food access to reduce the widespread malnutrition. This could be done by creating a conducive policy environment as well as making new and sustained investments in improved agricultural inputs and techniques and related supporting services. These include off-farm processing and storage facilities. As there is limited potential to increase cropland in most Horn countries, policymakers should focus on agricultural productivity-enhancing technologies. They should invest in high-yielding drought-resistant seeds and crops as well as fertiliser production and distribution in a timely and cost-effective manner.

They should revamp existing irrigation systems and scale up new investment in irrigation development through public-private partnerships. Sustainable land and water resources management practices are key, as is improving pastoralist and livestock management. In sum, the region should accelerate the adoption of climate-smart technologies and drought risk management for climate-resilient agriculture.

The improvements in food availability need to be combined with efforts to improve access to family planning, healthcare,

education and basic infrastructure such as electricity, clean water and improved sanitation and roads. The high fertility rate in most of the Horn countries makes it difficult for governments to meet demands for schooling and other social services. Somalia, for example, has the second highest fertility rate in the world. The Horn governments, in cooperation with religious leaders, should advocate for family-planning measures such as campaigns for a lower number of children, and improve female education to reduce fertility and accelerate the demographic transition.

Communicable disease rates are high in the Horn region and are the leading cause of child mortality. The Horn governments, with the support of outside actors, need to take advantage of the current digital revolution to increase access to safe water and improved sanitation to reduce the high prevalence of communicable diseases. This includes undernutrition and stunting rates. This would have a positive effect on long-term growth and productivity in the region.

Efforts should be made to improve the quantity and quality of education as well as the health system to expand human capital resources. The governments should also harness their huge potential in renewable energy to accelerate electrification, especially in rural areas, more competitively and effectively.

Additionally, measures should be taken to enhance connectivity by improving and expanding road infrastructure and opening up the ICT sector to foreign investors and competition, especially in Djibouti, Eritrea and Ethiopia. This would make quality ICT services available at an affordable cost for the population.

The Horn governments also need to speed up the structural transformation of their economies. Transforming the economies would create much-needed employment and livelihood opportunities for the population. The overreliance on a few primary products makes the Horn countries vulnerable to future shocks arising from the international markets.

The recent oil price shock associated with the COVID-19 pandemic is a wake-up call for rapid diversification, especially for South Sudan where oil accounts for more than 90% of exports. Greater resilience requires diversifying their economies' productive base. This requires that they intensify reforms to improve the poor business and investment climate and strengthen macroeconomic stability to nurture a dynamic private sector which is crucial for economic diversification.

The materialisation of all these actions will require genuine political will from the political elite, financial resources as well as concerted efforts from the international community.

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Dr Jakkie Cilliers is the ISS's founder and former executive director of the ISS. He currently serves as chair of the ISS Board of Trustees and head of the African Futures and Innovation (AFI) programme at the Pretoria office of the ISS. 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.

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