

Pride of Africa: The Rise of the Lion Economies

 TRANSFORMING BUSINESS

by Peter Heslam and Eric Wood

Thirty years ago, when Peter Heslam first started spending time in developing countries and Eric Wood was nearing the end of his schooling in one of them, Africa was a byword for famine, war, oppression, disease and abject poverty. This was the time of the Ethiopian famine and the emergence of celebrity anti-poverty activism epitomised in Bob Geldof's rock star orchestration of Band Aid and Live Aid. Here the authors reveal that Africa is now dancing to a different drum.

Thanks in part to the global entrepreneurial revolution, seven of the world's ten fastest growing economies are in Africa. The associated burgeoning middle class of young workers and consumers is helping to diffuse wealth and power, thereby fostering political stability and good governance; two-thirds of African countries now hold elections.

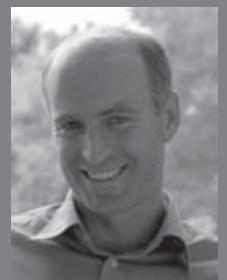
Africa's problems are, of course, far from over. Corruption and embezzlement are rife and the majority of the continent's billion people still live below the poverty line. While income distribution may be improving, glaring disparities persist. Likewise, while infant mortality rates are falling, they are still alarmingly high, and inadequate education translates into significant skills gaps.

It is against this *mixed* background that increasing numbers of Africans are either turning down opportunities to leave the continent or are leaving the diaspora to return home. Many of them want both to take advantage of the improvements to the economic climate *and* to contribute to development. As they do, they are helping to end the weak leadership, poor accountability and misdirected aid that have allowed African leaders to profit at their people's expense and to allow other nations to determine their countries' destinies.

This voluntary repatriation - or 'reapora' - reflects the view that no one understands the continent like Africans do; no one is more inclined to help the continent than Africans are; and no one should be held more responsible and accountable for the continent's failures and successes than Africans. Essentially, therefore, it is a positive and progressive movement that could enable the rest of the world to benefit much more from Africa's dazzling variety of natural resources and cultures.

Two entrepreneurs to have caught this vision are Roselynn Lewis and Damien Mbatezimana. Roselynn has returned to Africa from the USA to direct a major ICT (Information and Communications Technology) enterprise. Her story will have to wait for another time. Damien is an energetic but reflective Rwandan with a warm personality and ready smile. He founded Shekina Enterprises in 2005 to sell traditional Rwandese food products, in the process creating over 100 jobs in his local community.

But it wasn't until Damien's conversion to Christianity that he discovered a vocation to use his gift for innovation to empower his own people. Before then his aim was to escape Africa for a life of comfort in the UK. To take a step in that direction, he had moved to Nairobi. But there he was moved by a preacher ►►



▶▶ on TV who held a seed in his hand and asked his listeners what he was holding. ‘A seed’, they said, to which he replied, ‘What you see is not all there is. It is also a forest’. Damien suddenly grasped his life’s purpose – to use his ‘seed’ of innovation to produce a ‘forest’ of empowered members of his own community – and decided to return to Rwanda.



Damien Mbatezimana

Back on native turf, he designed, produced, marketed and distributed food warmers for restaurant owners and vegetable dryers for farmers. The business grew to such an extent that he now plans to build a new factory with more up-to-date technology. All this has allowed him, he explains, to practice his faith in his everyday conduct; to apply biblical principles to the management and operations of the business; to prove worthy of the trust of his customers; and to create opportunities and livelihoods for the poor.

But is Damien, and the reaspora, naively optimistic? Surely Africa is littered with the fall-out of shattered dreams, false dawns and burst bubbles. There’s no guarantee that Africa’s laggard economies will experience the current high growth of its nascent ‘lion economies’, such as Rwanda. And will the cubs grow to have the stamina of the Asian tiger economies, some of which are stealthily marking out territory on African soil?

One predictor that Africa may be ‘on the up’ like China 30 years ago and India 20 years ago is its population, which is set to double over the next 40 years. The average age is now 20, compared with 30 in Asia and 40 in Europe. Masses of young adults are therefore entering their most productive years, providing a better ratio between those of working age and those younger and older.

This ‘demographic dividend’, crucial for the rise of East Asia, bodes well for Africa today. Asia’s fortunes are, of course, tied to Africa’s; a generation ago, the BRIC countries (Brazil,

Russia, India and China) represented only 1% of African trade, whereas now they are set to rise from 20% to 50%. As the BRICs grow, so too will Africa. But whereas the changes in China and North Africa have caught the headlines, the rise of sub-Saharan economies stands to impact more people. At least a dozen such economies have grown by over 6% during the past six years and Africa is already one of the world’s largest producers of livestock,

reflecting its increasing labour productivity and trade on global markets. While it is true that much of its growth is due to commodities (prices for which are notoriously unstable and prone to downward pressure), economic growth that is largely independent of commodities is taking place in countries such as Burkina Faso.

How wrong, therefore, was *The Economist* when in 2000 it branded Africa as ‘The Hopeless Continent’, across its front page. As in every region that rises out of poverty, the flourishing of enterprise and the rise of the middle classes spell hope. This is as true for the Great Bear of Russia and the Tigers of Asia as it is for the Lions of Africa. The pride of Africa is stirring. Africa’s future belongs to Africa. ■

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Hopeless Africa

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AT THE start of the 19th century, Freetown was remote and malarial, but also a place of hope. This settlement for destitute Africans from England and former slaves from the Americas had become the main base in west Africa for enforcing the British act that abolished the slave trade. At the start of the 21st century, Freetown symbolises failure and despair. The capital of Sierra Leone may be less brutalised than some other parts of the country, but its people are nonetheless physically and psychologically scarred by years of warfare, and this week they had to watch as foreign aid workers were pulled out. The United Nations’ peacekeeping mission had degenerated into a shambles, calling into question the outside world’s readiness to help end the fighting not just in Sierra Leone but in any of Africa’s many dreadful wars. Indeed, since the difficulties of helping Sierra Leone seemed so intractable, and since Sierra Leone seemed to epitomise so much of the rest of Africa, it began to look as though the world might just give up on the entire continent.

It was in response to accusations of indifference towards Africa that the UN Security Council, at America’s behest, started this year with a “month of Africa”. It went well. AIDS, refugees and wars were all on the agenda, and there were signs that the new concern was not just a 31-day wonder. The Clinton administration, for instance, has since pressed ahead with plans to combat AIDS, doubling its budgetary requests to Congress. Congress, for its part, is backing a bill that will ease or abolish trade restrictions for 48 African countries. The World Bank and other donors showed last month that they were ready to intensify the fight against malaria, a disease that causes misery in Africa. And the UN has gone ahead with its peacekeeping plans, sending 8,000 troops to Sierra Leone and pledging another 5,500, all being well, for Congo.