

## **Estoril Political Forum 2018 - Africa: The rising Continent**

### **1. Alfandega Manjoro – Professor Associado**

**Director da FCSP e Docente de Métodos Quantitativos e Director da Universidade Católica de Moçambique – Faculdade de Ciências Sociais e Políticas**

**amanjoro@ucm.ac.mz**

#### **Africa: The rising Continent**

Africa is home to many nations and for the past negative news have been very dominant about the continent which has a population of about 1.3 billion according to the United Nations Department of Economic and Social affairs. The whole continent has been characterized as home to illiterate people infected with diseases such as cholera and Ebola, child marriage and governed by dictators. These negative pictures have a tendency of obscuring all the positive developments that have been taking place in most of the African countries that in some cases even surpasses the so called first world.

There is a deep sense that the rule of the law is abiding in Africa as the armed forces stay in their military barracks and military coups are a rare phenomenon compared to the past. However the recent soft military takeover in Zimbabwe was viewed in the positive as many celebrated the fall of one of the continent's dictators. This also heralds a new dawn on the capacity of the African continent to solve its problems without bloodshed. The smooth transmission of power from Ellen Johnson to George Weah is a shining example for African democracy. The Ibrahim prize for African leadership stimulates good governance in the continent. In the case of Mozambique which was ravaged by a protracted civil war for sixteen years this is another showcase of Africa's ability to solve its own problems through dialogue as the country is now a shining example of hope. The country has been experiencing significant inroads across many areas of human development for the past twenty years. The recent discovery of oil and gas reserves in the province of Cabo Delgado generates great optimism for the country's future but however, most economic analysts believe that the natural gas production and ensuing GDP will not be a panacea for Mozambique development.

There has been lot of debate on whether the African continent has been on the rise. At the center of this debate is accelerated economic growth and improved governance which has seen many countries embrace democracy. For these prophets of doom Africa rising is considered an anecdotal issue. In their perceptions the continent is viewed as bleak characterized by failure and misery. They argue that what some consider as economic progress has much more to do with slumps and not acceleration in real economic growth, poverty, decreasing life expectancy, poor climate, poor governance which is often accompanied by political

unrest and high dependence on aid as some negatives in their defense that not much economic progress is being achieved in Africa. I am personally convinced that our mother continent is headed for undisputed success. Unreservedly Africa's potential cannot be underestimated. It is with this in mind that I will unequivocally defend that Africa is on the rise theory.

Many countries have made significant progress and the narrative cannot be overlooked as the continent continues to rise much to the utter dismay of its detractors. There is a tendency to over generalize despite the fact that the issue at stake is only rampant in a few African countries and the same lenses are not used when looking at Europe and America. This position that I will defend on the rising African Continent is at odds with western images of an African continent rampant in wars, famine, and dictators have been virtually reduced. Yes it is true that in some parts of the continent people struggle to make ends meet and live below 1.25\$ per day but it is important to note that the same also applies to some people in developing countries such as China and India just to mention a few. The big question that remains unanswered is why the fanfare when it comes to Africa?

It is however important to state that much of the overgeneralizations painting a negative picture of the continent are a corollary of the continent's past history which we cannot overlook. Certainly the skepticism is a clear reflection of the lasting memories from the 1970s through to the 1990s when there was concern that progress made by Africa in the political, social and economic sphere was not sufficiently consolidated. During this dark period most of the countries were governed by dictators who did not pay attention to the rule of law, no accountability and transparency in public affairs. Part of the continent was engulfed by incessant wars, home institutions very fragile and the continent was plagued with tepid economic growth and the economist labeled the African continent as helpless.

The recent developments in the majority of African states have not gone unnoticed with some reputable international institutions such as Consumer giant Procter and Gamble describing the continent as the next frontier. With the African continent's demographic figure estimated to reach two billion by 2050, there is a pure business draw in the continent's new consumer class whose projection of expenditure by 2012 was estimated at nearly one trillion, rivaling India and Russia. Africa has been classified as one of the least integrated continents economically and such growth is accompanied by numerous opportunities.

The world is now a global village owing to the technological advancement that have swept across the entire globe. According to Africa rising (2016), mobile phones in the continent have surprisingly overtaken Europe with the number of connections and surpasses the USA in terms of the number of users. In view of this growing business opportunity various companies such as the Apple are expanding their investments in the continent in anticipation of an economic boom as the number of mobile users is expected to surpass one billion by 2020. Much of the African continent's infrastructure gaps have paradoxically spurred innovation

in mobile technology that includes Safaricom, Mpesa service, thus redefining the banking sector by making cellphone all in one credit cards, ATMs and money transfer devices.

The continent's great hope lies squarely on its people. Recent studies revealed that life expectancy is on the rise and infancy mortality is on the decline. Researchers from the African Development Bank group (AFDB) are of the view that life expectancy for Africa will exceed seventy years in 2060. The continent's rapid population growth will result in a large number of workforce which is essential for meaningful development. The continent has been investing in the education of its youth who according to statistics constitute half of the population. Africa's population is expected to rise to almost 2.4 billion by 2050 (AFDB, 2017). This presents Africa with a more favorable statistics as more Africans can join the workforce in the continent and abroad and send remittances back home. Recent studies by the AFDB reveal that Africa has been setting a new trend as it has been bolstering investment in the girl child. This girl child empowerment in education is a positive step as it spells a bright future for these future mothers and grandmothers who according to African culture are considered as an exceptional source of support and advice. Women have a lot of influence in the African culture setup and educating them contributes holistically towards the growth of the region.

The success of any nation hinges on the quality of education that its citizens possess. The general understanding here is that a well-educated workforce with the right skills will help stifle development at a much faster pace. Fortunately for Africa its human development index has been on the rise. This is a direct result of increased literacy, quality of health and the high life expectancy that has improved in most countries. According to the African Economic outlook and a report by the United Nations Development Program (UNDP, 2013), Africa's development index has improved although it is still struggling against inequality and low investments particularly in the rural areas which is home to the majority of the population. The continent rejoiced on the back of the news that one of its own states in the name of Seychelles was ranked 46<sup>th</sup> place far ahead of wealthier nations (UNDP, 2017). This is a clear indication on the advancement that the continent has taken to improve education, health and social being of its citizens. Libya, Algeria, Tunisia and Mauritius were also put in the high group thus putting to rest any arguments that in most countries there are challenges. The study also concluded that low ranking nations are improving rapidly with notable improvements in Angola, Burundi, Ethiopia, Mozambique, Rwanda, Sierra Leone and Zimbabwe. Most of these countries have a rising life expectancy and incomes but were disadvantaged by low educational attainment. According to Gauci and Tsafek (2011) there is overwhelming evidence that poor health knowledge and skills, along with high population growth constitute a break in the structural transformation as it affects productivity. It is hoped that increased investment in the education sector will

result in the improved output per worker. It also helps workers move from low to higher productivity sectors and also drives structural transformation. There is a mismatch between skills and current demands of business which most of the countries are facing and have been resolving the issue through the improvements in the curricula and benchmarking with other countries. Traditionally the majority of the labor force of most African countries is drawn to informal and low value activities rather than higher productive sectors such as manufacturing. Many educated Africans migrate to Europe and America in search of greener pastures and better opportunities (AfDB, 2011; Plaza & Ratha, 2011; Shimeles, 2010).. Recent studies by world remit report (2016) revealed that Kenyans in the diaspora send more than one billion annually back home in remittances and Nigerians exceed ten billion annually in remittances. A close look at the sum of these two figures alone reveal that this amount is superior to the foreign aid that the continents gets. This should be viewed as a good sign as this money helps in the development of their African countries and the acquired skills in the multi- cultural environment will help them when they return home. A close analysis of events in the African continent make us conclude that western governments should open up to trade rather than just dish out aid as it is not sustainable in and does not benefit the countries in the long run. America's growth and opportunity Act (GOA) which lowered tariffs barriers for many African goods is viewed by many economists as a good starting point that should be replicated or copied by the developed world. Studies have shown that countries with low gender inequality tend to enjoy higher levels of human development. Most governments have been engaged in with lowering the gender inequality through the crafting of sound policies to eliminate the scourge. Countries such as Libya, Tunisia, Mauritius, Algeria, Morocco, Namibia, South Africa and Botswana have high levels of human development index. Gender inequality that persisted in the past is closely linked to the existence of discriminatory laws, norms and practice which used to restrict girls and women from having access to opportunities, resources, education and power. Most African countries have come up with legislation that favor women participation and empowerment with Rwanda leading the pack. Transparency and accountability in the continent has been further boosted by the continental organizations such as the organization of African unity (OAU) and the southern Africa development community (SADAC) both which have set minimum standards and guidelines for acceptable elections. This is a very good starting point as it makes transparency and good governance central issues to prosperity. The African continent is diverse and too big to follow a single model and thus member states take different routes to achieve a vibrant democracy. According to the economist intelligence Unit's democracy (2015) at the end of the cold war only three African nations out of a total of 53 had embraced democracies currently most if not all countries do have elections every five years. It is important to note that many of these countries hold imperfect but worthwhile elections which are contested by opposition parties but these should be considered as teething problems which can be surpassed with time. Ghana, South Africa and Botswana are shining examples of nations that have respect to the electorate and

fair play. Vote rigging is ripe in some countries as ruling parties that liberated the countries from colonialism don't want to introduce reforms in their electoral bodies for fear of losing power. There is a general feeling by these that since they led their people from colonial bondage they deserve to rule forever. Perhaps this is one reason why in the continent power hardly shifts to the opposition but remains in the same ruling party thus contradicting one of the most important indicators of good governance and democracy which calls for change of governance. According to a report by Democracy in Africa (2016) it is encouraging to note that only three out of the continent's 55 nations do not have multiparty constitution that embrace true democratic values. These are Eritrea, Swaziland, Libya and Somalia but the good news is that most of these countries are slowly moving towards multi-party democracy and sooner than later this will be history. The nullification of a sitting president's win in Kenya in 2016 is a clear indication of the independence of the judiciary which is nonexistent in many countries. The biggest error that makes critics fail is to try and benchmark African democracy with western countries for no apparent reason as the continent should be allowed to come up with its own model.

Africa is slowly moving from natural resource wealth to national wealth. A study by the World Bank in 2011 showed that as countries transit from primary natural resources based economies to more diversified economies, the proportion of national wealth from human and institutional capitalizes. For most of the African countries they have been translating the natural resources wealth into long term growth and human development. This is being implemented through increased investment in the health and education sectors and ensuring the long term sustainability of renewable natural resources. They are indicators to the fact that in most African countries there is a definite breakaway from a dependence on renewable natural resources (agriculture and tourism) with low value added and employment opportunities. Most if not all countries are seriously addressing the issues of low level of human capacity and skills. The bulk of the African continent realize the importance of not only exporting raw material as they have moved a step up to value addition. As part of improving transparency and accountability we envisage a compulsory scenario where all foreign companies operating in the continent pay for licenses to exploit natural resources and take seriously the issue of social responsibility to curb against the displacement of locals from their livelihoods and exploiting the resources without any benefit to the surrounding communities. These deals should be open to inspection and scrutiny by the public to access the true benefits derived from most of these foreign countries operating in Africa. This should apply also to local companies owned by the indigenous.

The 2014 economic crises proved that the African economy had resilience to shocks caused by the world economic recession. Despite a fall in the oil and gas prices which affected much more Angola and Nigeria many countries managed to survive as a result of a diversified economy. African economies have experienced a boom. Studies by the World Bank show that over the past ten years real income per person has increased by more than 30% in sharp contrast to the past twenty years where it shrank by 10%. As a

result Africa is considered by many as the fastest developing economy despite the unreliability of some of the statistics. According to the United Nations Conference on Trade and Development (UNCTAD) report (2017) growth on the Gross Domestic Product (GDP) have been on the rise by an average 6% a year partly due to foreign direct investment (FDI). Figures provided by the World Bank show an increase of FDI of 15 billion in 2002 to 37 billion in 2006 and 46 billion in 2012 and 61 billion in 2015

Africa's growth is pinned to its expanding middleclass of youths which are at the forefront of its economic development. According to the AFDB's African Economic Outlook report for 2016 the region's economic growth in 2015 remained resilient despite a global weak economy. Real GDP is to have achieved three point six percent against a global average of three point one percent. In view of this evidence Africa remains the second fastest growing economy. Policy consistency and economic stability has contributed immensely to the continent's uninterrupted growth as it has become excellent investment destination.

As is the norm in economics policy coordination and consistency are of paramount importance to cushion against shocks. Most of the oil dependent African economies were affected by falling prizes in the sector in 2014 and they used fiscal, monetary and exchange policies to stem the meltdown. According to the African economic outlook by UNDP (2014) the continent's great resilience has been tested, amid indications of a basis for stronger growth prospects. The fall in commodity prices which persisted until early 2016, has tested the validity of the Africa riding narrative. During 2016 Africa's growth rate slowed down to 2.2% down from 3.4% in 2015. This was influenced mainly by the big economies such as Nigeria which carries a bigger weight of 29.3% of Africa's GDP growth.

The continent's growth resilience is attributed to improvements in the business environment and good governance, emanating from recent bold reforms. There is consensus among international institutions that Africa has made steady progress in governance and management of public institutions and resources which signals a clear departure from previous practice. Other important indicators which are very important to most of the African countries economy are on the rise and these include per capita income, school enrolment and agricultural productivity which constitutes a backbone for many of the African economies. Infrastructure development is on the rise with countries such as Mozambique, Ethiopia and Kenya taking a leading role in building roads and increasing the energy supply. The good infrastructure contributes positively to regional integration, diversification and employment creation. There has been an upsurge in the increase of solar energy in most African rural areas where the majority of the population reside which is a positive step due to its affordability. These sources of green energy are environmental friendly and the benefits cascade to all sectors of rural development and thus help in the poverty reduction. As a result of these positive developments most families residing in the rural areas have access to cellphones, televisions and radio. This in the long run will help in reducing the illiteracy of the people and help the population in

making informed decisions as they are informed on current news and events. Solar energy is a much safer energy option than paraffin.

One major factor that has contributed greatly to the development of the continent's GDP according to a report the African Natural Resource Centre under the auspices of the African Development Bank (2018) is the fact that Africa is home to a third of the world mineral resources. African Governments have crafted government framework and policy to ensure transparency and accountability in the management of these natural resources. Value addition has been on the increase and this has benefited the continent. This has been complimented by the improved development in the manufacturing and service sectors.

Africa has realized that no meaningful development can take place in the absence of good governance. This has seen many African countries setting up anticorruption and either ethics commission to combat the scourge which impacts negatively in the development of many nations. Regional boards in the continent such as the Southern Africa Development Community (SADAC) and the organization of African unity (OAU) have come up with minimum acceptable practices to encourage transparency and fairness in national elections. However it is important for the continent to improve on the implementation of these excellent guidelines which on the ground do not find sound ways on the implementation stage. It must be noted that one of Africa's problems is not the absence of policies but the lack of desire by those in authority to implement. African leadership has taken radical steps to counter climate changes like global warming under the sustainable development goals (SDGS) which has seen a number of African countries being part to the UN framework convention on climate change. A whopping 150 million was pledged by world leaders at the close of the 2015 United Nations framework convention (UNFCCC).

Mozambique has paid the highest prize for lack of transparency as evidenced by the measures taken by the international community after discovering that the country had clandestinely gone into overdrive in obtaining illegal debts above the agreed norms with the international monetary fund. As a result most if not all countries that used to fall on each other assisting Mozambique decided in Unisom to cut the foreign aid. In this particular case it is very disheartening because the poor are made to suffer as social sectors struggle in the absence of foreign aid. The government is struggling to meet its current expenditure as most of the revenue is channeled towards civil servants salary and leaving very little for infrastructure development and social services. African countries should learn to play the game according to agreed rules as they risk revolt from citizens due to increased hardship as a result of the increase in the cost of living.

Trade amongst African countries has been a positive factor that helped the continent in its resilience. Africa's regional markets now account for about 16% of total trade in the continent, provide an avenue to

diversity, supplementing more volatile trade with external partners. Non-oil dependent economies continued to record positive growth. Examples of these countries are Ethiopia, Kenya, Rwanda and Tanzania that all recorded GDP rates above 6% in 2016 with Ethiopia leading with 8%. (UNCTAD, 2017)

By means of summary and abridgment it can be noted that Africa is on the rise theory is definitely true looking at it from economic, social and political angles. However there are some real challenges that the mother continent must address particularly in the areas of governance and transparency. The benefits that the continent is receiving in foreign direct investment and consequently the increase in the GDP must cascade down to the lower levels and help reduce the poverty. There is continued need to invest in the rural areas as these places are home to the majority of the population. African leaders should know when to leave and avoid overstaying in power and avoid the embarrassment that brings an end to dictators when military intervention steps in. Mozambique has been a shining example in the peaceful transition of power from one generation to the other as evidenced by the change of power from Samora Machel to Joaquim Chissano. Chissano to Armando Guebuza and then to the current Felipe Nyusi. This is one of the few countries with two former presidents on the sideline and staying in the country. . One hopes the peaceful coup that took place in Zimbabwe rings a warning bell to the likes of Uganda s Yoweri Museveni who even altered the constitution to prolong his own stay in power. This makes the whole progress made by the entire continent to be reduced to ashes. I rest my case here. Gracias, Obrigado, Thank you, Merci boku, kanimabo, tatenda.

## **References**

Brookings Africa in focus.(2017, November). 3 things to know about: Africa’s industrialization and the continental free trade area. Recuperado em 10 de Maio de 2018 do web site <https://www.brookings.edu>

The Kalahari review were Africa tell her stories. (2017, May). Five reasons why Africa is still rising: on Africa’s slow but very steady ascent into stardom from Kenyan peace muchiri. Recuperado em 10 de Maio de 2018 do web sitw <https://kalaharireview.com>

Chapter1: Africa’s macroeconomic prospects. African economic outlook© AFDB, OECD. UNDP 2017. Recuperado no web site <https://www.africaneconomicoutlook.org>

Jeffrey, G.(2016, October). Memo from Nairobi: Africa rising? Africa riling’ may be more fitting now. Recuperado em 10 de Maio de 2018 do web site <https://www.mytimes.com>

William. C.(2017, June). Prospects and challenges Mozambique’s growth and human development outlook to 2040. Recuperado no web site <https://clubofmozambique.com>

Christopher, S.(2018, april). The murky waters of land expropriation in South Africa. Recuperado do web site <https://www.mercatornet.com>

Mathew, O.(2018, April). Ethiopia's new prime minister: protestors have been asking for more, but he is a good start. Recuperado a 10 de Maio de 2018 do web site <http://www.mercatornet.com>

Vincenzina, S. (2018, February). Corruption in Africa can be overcome. Recuperado em 10 de Maio de 2018 do web site <https://mercatornet.com>

Special report. (2013, march). Africa rising: a hopeful continent – African lives have already greatly improved over the past decade, says oliver august. Recuperado em 10 de Maio de 2018 do web site <https://www.economist.com>

The economist. (2011, December). The hopeful continent: africa rising. Recuperado em 10 de Maio de 2018 do web site <https://www.economist.com>

Nwachukwu, E. (2013, march). Africa rising: a hopeful continent. . Recuperado em 10 de Maio de 2018 do web site <https://mercatornet.com>

Premium times.(2018, may). Africa's GDP recovery expected to grow by 0.5% in 2018-UN report. Recuperado em web site <https://www.premiumtimesng.com>

Chapter4: human development in Africa. Recuperado no web site <https://www.africaneconomicoutlook.org>

Economic leap.(2013,june). Africa is rising: inside the continent's great economic leap. Recuperado em 10 de Maio de 2018 do web site <https://www.thedailybeast.com>

Brahima, S. C. (2017, October). Is Africa still rising? Recuperado em 10 de Maio de 2018 do web site <https://brookings.edu>

Mathew, O.(2018, march). The extremes of healthcare in Africa. Recuperado do web site <https://www.mercatornet.com>

Africa can. The World Bank in Africa: sub-Saharan Africa's growth is projected to reach 3.1 percent in 2018, and to average 3.6 percent in 2019-20. Recuperado do web site <https://www.worldbank.org>

Update on African economic outlook. Recuperado do web site <https://www.esi-africa.com>

The world bank.(2017,april). Economic growth in Africa is on the upswing following a sharp slowdown. Recuperado do web site <https://www.worldbank.org>

Deadly. More than 40 people are dead after a dam collapsed during floods in Kenya. Recuperado em 10 de Maio de 2018 no web site <https://qz.com>

African economic outlook 2017. Special theme: entrepreneurship and industrialization. Recuperado no web site <https://dx.doi.org>

List of African countries by human development index. Recuperado no web site <https://ipfs.io>

Brookings.(2017, June). In defense of the Africa rising narrative. Recuperado no web site <https://www.brookings.edu>