No more the 'hopeless continent'

By Nicky Oppenheimer
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JOHANNESBURG: Two years ago, in the run-up to the Group of 8 summit meeting in Gleneagles, Scotland, the Commission for Africa advocated increased aid as a silver bullet for Africa's development. Africa was still the "hopeless continent," a "scar on the conscience of the world," according to the host of the summit.

Since Gleneagles, economic growth in Africa has averaged over 5 percent annually - a step up from the dismal 1980s and 1990s when it managed little over two percent. And the number of conflicts is an exact corollary of the continent's better economics - down by two-thirds from a peak of 12 in the late 1990s.

But this improvement is not the result of aid. Much of the extra aid flowing to Africa is not new money; it is money saved on debt relief, and it has been slower in coming and with more strings than expected.

The international agenda has moved on, too. Interest in Africa has cooled as Iraq, Afghanistan and global warming have heated up.

Yet Africa is succeeding - not in spite of the international community's apathy or unreliability, but because of it. It has forced African countries to become more self-reliant and to take responsibility. It has marked out the reformers from the laggards and the performers from the spectators.

Simple solutions, like more aid, will never work for Africa.

The continent is infinitely complex and increasingly diverse. You will find both homespun successes and entrenched failures.

Africa remains one of the most food-insecure parts of the world. Two hundred fifty million Africans live in urban slums today, a figure expected to double by 2020. The continent accounts for nearly two-thirds of global HIV-AIDS cases. Less than one-quarter of those living in sub-Saharan Africa have access to electricity. Agricultural production is now just one-third of Asia's levels, after parity 50 years ago.

The figures are depressing. Yet what is remarkable - and largely ignored - is how Africa is moving forward despite these endemic problems.

I would cite five main reasons for this.

First, there have been two momentous governance shifts in Africa over the past 15 years - democracy and liberal economic reform. Twenty-five years ago, there were just three African democracies: Botswana, Senegal and Mauritius. Today more than 40 African countries hold regular multi-party elections. Some are far from perfect, but in the fight against political complacency and despotism, the right side is winning.

A second reason concerns the emergence of China and other new players, including India, Russia and Brazil, as forces for economic change on the continent.

China's rising profile in Africa is perhaps the most significant development for the continent since the end of the Cold War. China's (and Asia's) industrial pre-eminence means that African development is unlikely to come from high-volume manufacturing. A combination of natural resource exploitation, agricultural self-sufficiency and high-value agro-exports, and the expansion of its unique range of service industries, including tourism, would therefore seem to be the most likely and rewarding growth path for many African states.

To get there Africans must know what they want - from beneficiation deals to technology and skills transfer - and can realistically achieve when they enter into foreign investor partnerships.

The arrival of China as a major African player also challenges the supremacy of the Western aid-development model. In 2005, China committed more than $8 billion in lending to Nigeria, Angola and Mozambique - a year when the World Bank spent $2.3 billion in all of sub-Saharan Africa. Today Chinese companies are winning about half of all state-funded public works contracts in Africa. No wonder China's trade with Africa has increased in just six years from $10 billion to $55.6 billion last year. All this highlights the importance for Africa of looking for development to where the money is - private capital.

A third reason relates to the end of apartheid. South Africa's democracy liberated its citizens and businesses alike. Since 1994, South African annual trade with Africa has increased fivefold to over $7 billion, while the investment stake of South African firms in Africa has increased by an estimated $1 billion per year.

A fourth success factor is that no longer does Africa wait on external sponsors to mediate an end to conflicts. This mold was broken during South Africa's own transition 15 years ago, and the insistence of all protagonists on local brokerage. Regionally sponsored peace agreements are today the African norm, supported by African peacekeeping and peacebuilding mechanisms.

Finally, Africa is catching up on globalization. The continent's share of global capital flows declined fivefold during the post-independence years to a level of just one percent at the start of this decade. But there is positive change. Foreign investment flows to Africa have recently doubled to $19 billion in 2006. Remittances from Africa's disapora have increased to $8 billion annually, up from around $1 billion 15 years ago.

Fifty years ago, at independence, Ghana was richer than South Korea. At the time, the Asian country was depicted as a hopeless mess. Korea's record - and Ghana's recovery from no fewer than five military coups - shows that a good education and work ethic and a sound business environment can dramatically alter a country's fortunes for the better.

Today, for every African failure there is a steady stream of successes, and for every African autocrat, many more democrats. Sound domestic policy always counts more than external assistance in creating the conditions for growth, stability and prosperity.

More and more, that is the African norm. Failure is the deviation.

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