

Africa's Development and the Private Sector: Opportunities and Recommendations for U.S. Policy

Wednesday, June 16, 2010 10:00am – 11:30am

[Africa Growth Initiative](#) at Brookings, 1775 Massachusetts Ave NW, Washington, DC

For a long time, the growth of Africa's private sector has been severely constrained by an unfavorable investment climate. Increasingly though, African governments have realized the central role of the private sector in development and have embarked on concerted efforts to improve the business environment. These efforts are bearing fruit and are contributing to sustainable growth. On June 16, the Africa Growth Initiative at Brookings hosted Dr. Manu Chandaria, an internationally recognized businessman, philanthropist and humanitarian, for a seminar on Africa's development and the private sector. In his presentation, Chandaria reflected on opportunities and recommendations for U.S. policy and wider business ideals for the region. Dr. Ernest Aryeetey, director of the Africa Growth Initiative at Brookings, moderated the discussion among roundtable participants following Chandaria's remarks.

Dr. Chandaria began his discussion by giving the audience insight into the personal experiences that brought him into the powerful business position he currently holds. He relayed the story of how the corporation he leads was started by his family and the steps and dedication that brought them to where they are. In his discussion, Chandaria stressed the importance of giving back to one's community and how this shaped so much of his business ideology.

Some of the most central issues discussed by Chandaria include the importance of employment creation, the promotion of women, and the need for peace and stability. He spoke at length of the importance of youth employment and community involvement, both for the sake of bettering one's country and for the sake of minimizing restlessness and instability. Dr. Chandaria related the post election violence in Kenya in part to the large numbers of unemployed youth. He believes that in situations where actual employment is not available, volunteering is an excellent way for youth to support their communities, and he stressed the importance of global service. Dr. Chandaria also mentioned the importance of educating women, and demonstrated his appreciation for this development objective by describing the work of his foundation in Kenya, which supports schools for girls.

The importance of corporate responsibility and giving back to one's community were also discussed at length in his presentation. Dr. Chandaria places great importance on the need for Africans to return to Africa and use their skills for the development of the region. He also made a point that growth in Africa needs to be pro-poor growth, not simply GDP growth, which does not always benefit the lower levels of society. He also emphasized the need to commit to corporate responsibility, and stressed the necessary promotion of businesses and business practices that help develop the region—not just exploitation of resources.

The seminar concluded with a presentation by Vincent Rapando, the Kenya director of the Global Peace Festival Foundation. He shared the vision and projected impacts of the joint initiative, which include youth empowerment and research.

Dr. Ernest Aryeetey moderated the discussion that followed the presentation. Dr. Aryeetey found the points that Dr. Chandaria made regarding ambition and innovativeness, corporate social responsibility, and the importance of peace to be some of the most important aspects of his presentation. One audience member from the private sector asked Dr. Chandaria's opinion on whether corporate social responsibility can distract from other opportunities, such as when investment in a region is tied to employment quotas (for example, hiring black people in South Africa). Dr. Chandaria indicated that he felt conditions should not be

attached to business creation, especially when starting-up; unless they are helping the country move ahead, and specified that only reforms which allow growth should take place.

Dr. Ezra Suruma from Brookings pointed out the importance of regional institutions that can foster growth in the private sector, looking specifically at East Africa and the benefits to be gained from that community working together, and Chandaria agreed with these sentiments. Another roundtable participant asked Dr. Chandaria's thoughts on the role of the African Diaspora in growth. Dr. Chandaria indicated that he believes the Diaspora could potentially play a large role in development, and that remittances should be organized. He stated, on a similar note, that he sees himself first as a Kenyan, and then as a U.S. citizen. And finally, Nelipher Moyo from the African Growth Initiative asked for Chandaria's thoughts on engaging locals in upper management private sector roles in Africa, and Dr. Chandaria indicated that policy changes needs to take place in order to facilitate this, but certainly that growth and investment in Africa should mean more opportunities for everyone.