Introduction: A Vision for Africa

Policymakers and political commentators in the United States typically look at the continent of Africa in four ways, or through four lenses:

1. Security experts focus on security risks and the strategy to combat terrorism and related risks in Africa, such as U.S. involvement in solving the crisis in Africa’s Great Lakes region, U.S. advisers assisting in the Sahel in the fight against Boko Haram and the Lord’s Resistance Army, or U.S. participation along the coast of Somalia and in the Gulf of Guinea in the fight against piracy.

2. Humanitarian aid experts focus on addressing situations such as those in South Sudan and the Central African Republic and epidemics such as the Ebola virus that struck first in West Africa. Other types of aid experts look at ways to address longer-term issues, such as improving health and education.

3. China experts focus on that country’s growing role in Africa and what it means for the United States.

4. Oil and other natural resource specialists focus on exploration and exploitation of such assets.
Of course, all these issues are interdependent and have important consequences for growth and development.

Before joining the Africa Growth Initiative (AGI), I had spent the previous fifteen years working in Washington on issues related to banking, capital markets, and macroeconomics in Africa and other emerging markets. The experience has allowed me to understand in depth the different perceptions of Africa and ways the continent’s development is viewed. The breadth of issues facing Africa is quite large. At seminars, remarks from panelists and questions from the audience would trigger even more questions that I felt weren’t being answered.

The private sector makes most of the investments in information and communication technology on the continent, whereas governments focus more on transportation and energy. I, along with other AGI scholars, thought seriously about how the private sector could better achieve development objectives and partnerships with governments and other stakeholders—for example, in filling Africa’s infrastructure gap. What will be the next wave of private sector investment now that almost every African has a cell phone? How can foreign direct investment that builds an offshore oil platform—oil is an enclave sector—benefit the country and its people beyond the expected oil revenues?

We examined how to get more and better financing for development in Africa. Within this theme, we looked at external financing—private capital, official development assistance, and remittances—that flowed to Africa during 1990–2012, how the relative role of each component has changed, and the opportunities and risks associated with each one. We also went beyond averages and focused on how policies should be different for different countries or groups of countries. For instance, the role of official development assistance has decreased in sub-Saharan Africa, but countries with fragile central governments are still heavily dependent on it. Foreign direct investment has increased a lot but most goes to resource-rich countries. I wrote extensively on financing infrastructure in Africa, examining the role of the private sector, official development financing, China, and African governments in funding major infrastructure projects. My colleagues and I also looked at reducing the infrastructure gap through efficiency gains, most of which can be attained through better governance.
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We were also thinking of going one step deeper than the national level to assess the challenges that rapid urbanization will create in the Africa of tomorrow and how to address them. We considered how big data can play a role in circumventing existing challenges in the availability of reliable data to guide policy analysis. For instance, we used mobile phone usage data in Senegal to see how the opening of a toll highway is changing how people commute to work, and in particular how the toll highway is affecting subsections of the Dakar urban metropolitan area. We strived to better understand the growth traps and opportunities for Africa’s dominant economies (South Africa and Nigeria). In addition, our work examined the role of the United States as a central partner to African stakeholders, not only governments but also the private sector and civil society. Despite the wide variety of issues, the constant was that our economic approach complemented the different voices in the conversation about Africa in Washington.

This book covers many of the issues that I focused on in my work with the Brookings Institution, specifically as they fit into the vision for Africa. Many on the continent itself, through its regional bodies and political leadership, civil society groups and private sector, have gone to great lengths to envision the Africa of the future. The African Union created Agenda 2063, which takes the input from its member states to detail a comprehensive plan for the development of the entire continent. This book examines the vision Africa has for itself and looks at where Africa currently stands in terms of economic growth and stability. It delves into the state of Africa’s economic growth and stability, and my recommendations for ensuring that Africa continues to deliver on its anticipated vision—in making progress, maintaining momentum, overcoming challenges, and sharing the benefits as it achieves growth. Lastly, the book examines the efforts and status of Africa’s partners in realizing the vision.

THE VISION FOR AFRICA

The African Union’s Agenda 2063 framework document spells out its vision for “an integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the international
arena.”¹ With a vision for Africa fifty years into the future, the African Union certainly cannot be faulted for short-term thinking.

The framework was developed through consultations with a wide range of stakeholders, including “youth, women, Civil Society Organizations, the Diaspora, African Think Tanks and Research Institutions, Government planners, Private Sector, the African media, inter-faith leaders, the Forum for Former African Heads of State and Government, African Islands States and others.”² The seven aspirations that make up Agenda 2063 are the following:

1. A prosperous Africa based on inclusive growth and sustainable development; 2. An integrated continent, politically united, based on the ideals of Pan Africanism and the vision of Africa’s Renaissance; 3. An Africa of good governance, respect for human rights, justice and the rule of law; 4. A peaceful and secure Africa; 5. An Africa with a strong cultural identity, common heritage, values and ethics; 6. An Africa whose development is people-driven, relying on the potential of African people, especially its women and youth, and caring for children; and 7. Africa as a strong, united, resilient and influential global player and partner.

The framework of the agenda then goes into great detail as to how to attain these seven aspirations with priority areas and targets. The entire document examines development objectives such as education, health, agriculture, and infrastructure. It specifies the importance of economic transformation, value addition, and shared growth, and it highlights the importance of women and youth in this vision.

The document has specific ideas and numbers for its economic growth objectives, like growing GDP at rates of 7 percent or more, ensuring that 90 percent of Africa’s agricultural exports are processed locally, and having a manufacturing sector that absorbs half of all new entrants into the job market.

The specifics of this vision are lofty, if somewhat utopian, and this book does not attempt to give solutions for how to achieve them. How-

ever, I do discuss some of the ways that Africa can work to deliver on this broader vision for a prosperous and integrated continent, through maintaining the existing momentum, managing risks, seizing opportunities, wise financing, and of course, sharing the benefits to create “the Africa we want.”

A PERSONAL NOTE

I left Senegal when I was eighteen years old, about twenty-six years after its independence in 1960. The Senegalese were considered lucky because we had managed to have a peaceful transition in 1981 when President Léopold Sédar Senghor resigned and President Abdou Diouf took over. Military coups were the norm across the continent; we feared attacks by mercenaries armed by Muammar Qaddafi; neighboring Guinea-Bissau and Cape Verde fought Portugal for independence a decade earlier; apartheid was still the law in South Africa; Mobutu Sese Seko was ruling Zaire; Angola was war stricken; Namibia was not an independent state; and Bob Geldof and Band Aid were singing “Do They Know It’s Christmas?” to raise funds for famine relief in Ethiopia. When I graduated from high school, a few friends received scholarships to study in the Soviet Union and communist China, and I remember meeting them during the summer break with a flurry of questions about what life was like in the two countries.

Most African economies, including my country’s, were undergoing difficult structural adjustment as the postindependence episode of economic growth came to a screeching halt and reversed in 1980, in the aftermath of the oil crises of the 1970s. I remember civil servants being let go and a tense situation when sacked policemen decided to march to the presidential palace in Dakar, where an armed military was waiting for them. Thankfully, dialogue prevailed that day.

Since the 1980s, Africa has improved its economic and institutional governance; the population is growing; Human Development Index indicators, such as those on infant and maternal mortality, have improved a lot; and large cities are growing even larger. But what strikes me the most today is the confidence of the youth in taking their destiny into their own hands, how technologically savvy they are, how urbanized
they have become, how aware they are of what goes on in the rest of the world, and how entrepreneurial they are, even politically—the youth played an instrumental role in the 2007 and 2012 presidential elections in Senegal. My generation was much more dependent on the public sector for almost everything—getting a phone, getting an education, getting a scholarship, getting a job—and often we had to be politically aligned with those in power to get them. Unfortunately, jobs are still scarce and some Senegalese youth take incredibly high risks to immigrate to Europe by boat. This, to me, is a stark reminder that we are not there yet.

LOOKING AHEAD

A more peaceful and prosperous Africa is in everyone’s interest. In a sense, such an Africa is a global public good because it would translate into more trade and investment, more jobs, and more security for all. Now is an excellent time to step up our efforts to reach this goal because Africa is at a crossroads, and if the right path is taken, it could take us closer to reaching the continent’s growth and human development objectives. Take economic growth, for instance. It took a little over twenty years for per capita income in sub-Saharan Africa to recover and surpass its 1980 level, in 2003. Since then, per capita income has been growing at a rapid and sustainable pace of about 3 percent per year thanks not only to a more favorable external environment but also to better economic and political governance.

However, these aggregate figures mask that some countries have grown poorer than they were at independence in the 1960s. For most of these countries, conflicts have had severe negative effects on per capita income. In others, the deterioration of terms of trade (the prices of their exports relative to the price of their imports) reversed the gains of the years immediately after independence. Even within countries, income disparities across regions can be high, fueling internal conflicts such as in Nigeria. The Ebola crisis in West Africa served as a stark reminder that underinvestment in health infrastructure bears heavy human and economic costs.

It is therefore important that policymakers not only continue improving economic and political governance but accelerate the pace of re-
forms, including structural transformation. As a banker recently said, when it comes to Africa, it is no longer a matter of “why Africa?” but “how Africa?”

This book is, therefore, focused on realizing this idea of “how Africa.” Using research and policy analysis based on my time with the Brookings Institution, I examine the vision for Africa—as established by its policymaking institutions like the African Union and by its private sector, civil society, women, and youth. I look at the continent’s progress in delivering on this vision, specifically its ability and progress in maintaining momentum, sharing the growth benefits, and financing its development. The risks and opportunities that are a part of this vision and the partners—country, institutional, and private sector—that are working with Africa in achieving its vision are also covered.