

# Emerging Risks and Opportunities in Sub-Saharan Africa

BY JEFFREY HERBST AND GREG MILLS

**T**his article examines the recent past and prospective developments (over a 2-3 year time-frame) for sub-Saharan African countries in three areas of major concern to American foreign-policy makers: peace and security, democracy and governance, and economic growth and development. Each topic area is discussed separately at the continental level to place sub-Saharan Africa in comparative perspective, at the regional level, and then at the country-level. Attention is given to recent, specific country incidences to establish possible trends.

## Peace and Security

While in the 1960's and 1970's, Asia was the region with the most armed violence (as measured by number of casualties), Africa suffered from the most conflict in the following two decades. In the 2000's, especially with the wars in Afghanistan and Iraq and a notable number of peace settlements in Africa, the continent ceded its role as the leading arena for conflict, although wars still continued, notably in Democratic Republic of Congo (DRC) and Somalia. From 2000 to 2006, more wars ended, on average, in Africa each year than began.

More recently, however, there have been fears that Africa will regain its position as the world area where conflict is most heavily located. Part of this concern can be tied to U.S. pullbacks from Iraq and Afghanistan. However, recently, there has also been the breakout of conflict in a number of countries. The advent of civil war in Mali and the subsequent French intervention is particularly notable because Mali had been seen as a good performer and had received significant U.S. military aid to professionalize its army. There has also been the emergence of less surprising conflict in Central African Republic (CAR) and South Sudan, both poor, divided and weak states. Finally, violence in Nigeria has increased as the army seems unable to suppress Boko Haram. There are also warning signs that the settlement in Mozambique—site of one of the great successes in African conflict resolution—are coming undone, although we do not believe that political settlement will be challenged.

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Decade	Average Number of Conflict Onsets per Year	Average Number of Conflict Terminations per Year
1950-1959	0.1	0.3
1960-1969	2.1	1.3
1970-1979	2.0	2.0
1980-1989	2.6	2.3
1990-1999	4.0	3.9
2000-2006	2.4	3.1

**Table 1. Number of Conflict Onsets and Terminations in Sub-Saharan Africa (1950-2006)<sup>1</sup>**

It is therefore not surprising that the *Fund for Peace Failed State Index* for 2013,<sup>2</sup> which includes a number of military, ethnic, political and institutional variables designed to predict state fragility, shows that overall many African states have lost ground over the past five years. As a result, African states remain disproportionately represented globally amongst the states that are most vulnerable to conflict. The following table from the *Fund for Peace* shows their estimation of the forty most vulnerable countries. African countries have seven of the ten lowest positions and, perhaps more striking, eight of the ten spots between 11 and 20. Africa, despite the gains that have been made, is still home to the most countries that are vulnerable to conflict.

Given the number of fragile states that continue to exist in Africa, it was probably incorrectly assumed that the period of relative peace that Africa experienced in the 2000's was a permanent condition. There are too many predictors of conflict present in Africa for conflict to not re-emerge. The states are poor, the governments weak, and societies are divided by ethnicity, religion, and geography. Population numbers and changing demographics (Africa's population will increase from 949 million currently to 1.7 billion by 2040 and to 3.5 billion by 2090 at current trends<sup>3</sup>) can only serve to further intensify

these schisms in the absence of massive further reform by states. In particular, urban concentrations of large numbers of energetic yet unskilled, unemployed and frustrated youth, is a cause for concern.

The state institutions critical to suppressing conflict—armies, police, intelligence services—are weak. And the surrounding countries may export conflict (as happened to Mali) as there are more than enough guns for low-level conflict to emerge. The period of relative peace in the 2000's can better be understood as a low point in the cycle that was natural after the flare-up on the continent in the 1990's when a number of wars began due to the shuffling of cards that came with the end of the Cold War and the consequent end of external support for regimes in Addis Ababa, Kinshasa, Mogadishu, and Monrovia, among others.

Accordingly, there is probably no one structural factor supporting the upsurge in the number of countries experiencing conflict. Rather, given the preconditions for conflict, it was inevitable that the conflict curve would pick up after a period of relative peace. No one could be particularly surprised about CAR and South Sudan, although the details will always be novel, but Mali holds out a warning that even those countries that have seemingly

1	Somalia	11	Iraq	21	Syria	31	Mauritania
2	Congo (D. R.)	12	Cote d'Ivoire	22	Uganda	32	Timor-Leste
3	Sudan	13	Pakistan	23	N Korea	33	Sierra Leone
4	South Sudan	14	Guinea	23	Liberia	34	Egypt
5	Chad	15	Guinea-B	25	Eritrea	35	Burkina Faso
6	Yemen	16	Nigeria	26	Myanmar	36	Congo (Rep)
7	Afghanistan	17	Kenya	27	Cameroon	37	Iran
8	Haiti	18	Niger	28	Sri Lanka	38	Mali
9	CAR	19	Ethiopia	29	Bangladesh	38	Rwanda
10	Zimbabwe	20	Burundi	30	Nepal	40	Malawi

Table 2. Forty Most Vulnerable Countries

accomplished a great deal can disintegrate quite rapidly.

Trying to predict future violence is extremely difficult. At the regional level, countries in the different parts of Africa are all well represented in the *Fund for Peace* Index with the exception of Southern Africa. Zimbabwe is ranked 10<sup>th</sup> from the bottom by the *Fund for Peace* but it is the only Southern African country that seems currently at risk. We agree with the implied judgment that Mozambique is not currently at risk.

Certainly, Nigeria stands out as extremely vulnerable and is rated 16<sup>th</sup> by the *Fund for Peace*. Given its size and position in West Africa, and its role as a global supplier of gas and oil, anything that happens in Nigeria must be of significant concern to American policymakers. As the chart below suggests<sup>4</sup>, violence in Nigeria has been episodic but there is no evidence that the government has found a means of controlling the instability. Indeed, the Nigerian security forces are such a blunt instrument that their operations tend to antagonize many populations who observe innocents being killed almost carelessly in the hunt for the terrorists.

Most of the other African states in the “bottom twenty” of the failed state index have

been there for some time (e.g., Somalia) and are also the subject of significant policy attention (e.g., South Sudan). In terms of potential downside and significance to American policymakers, Kenya is the state that stands out as having the greatest potential for violence, and that would be a new arena of immediate concern for policymakers. In the Index’s five year review between 2008 and 2013, Kenya is actually the sub-Saharan African country that deteriorated the most in the rankings, after Libya and Mali (which both fell apart in that period), Senegal, Guinea-Bissau, and Eritrea. While the source of the violence has been in part contained by the election pact between the two main ethnic protagonists as represented by vice president William Ruto (a Kalenjin) and president Uhuru Kenyatta (Kikuyu), there is no guarantee that the compact will hold. Al-Shabab is another source of potential destabilization and is unlikely to dissipate so long as there is strife in Somalia, Kenyan forces are in situ, and members of the Somali population in Kenya can potentially be mobilized against the government.

The failed states model presupposes a descent into violence, along the lines of Somalia, Mali or the CAR. However, African states exist on a spectrum of failure, where

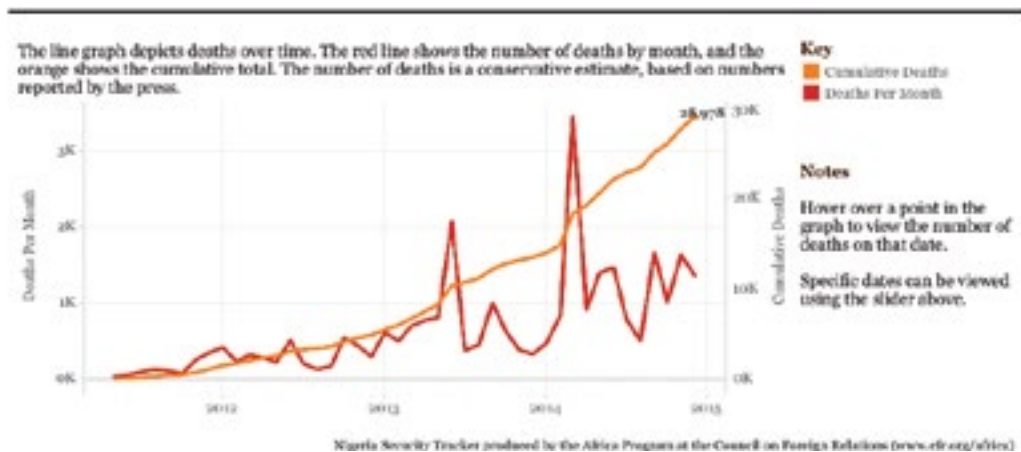
state functions may be weak and fail to deliver basic services and the state slowly atrophies. There is no one, sudden violent moment. This is the arc that both Kenya and Nigeria may be proceeding down. These conditions may create more insidious long-term challenges for Western policy-makers, given both their lengthy period of stagnation and decline without external media or government attention.

The larger the state, almost by definition, the more severe the consequences of failure. However, it is clear that sudden violence in almost any state can destabilize neighbors. For instance even a small amount of violence recently caused more than a thousand people to flee Mozambique for Malawi. Long-term failure brings its own consequences. South Africa, for instance, has borne the brunt of Zimbabwe's slow collapse, having to absorb perhaps two million Zimbabweans with the accompanying social dislocation. U.S. foreign policy makers cannot focus on every country equally and therefore it is only natural to gravitate to the larger countries. However, it should not be a surprise that even a small country can destabilize a neighborhood.

## International Responses to Upsurges in Violence

The French intervention in Mali was a surprise and harkened back to a previous era of European interventions in former colonies. Our view is that the French intervention in Mali is probably not a harbinger of a new period of adventurism because the conditions in Mali were uniquely tied to the continuing evolution of Libya, where Paris had also been the first-mover. In addition, the real atrophy that France's military has suffered in recent years will constrain its ability to act, even if its leaders had a desire to be lead interveners elsewhere. Paris's much more restrained response to Central African Republic shows the limits to its actions.

African countries have become more centrally involved in peacekeeping in recent years, reacting to the vacuum caused by western disinterest in direct intervention, their own growing capabilities and ability to cooperate with each other (often funded by western countries), and the very real fear that violence could spillover. In general, most African militaries cannot operate far from their borders and have



Graph 1: Deaths Over Time

a difficult time pursuing sustained combat. The exceptions are a few militaries (e.g., Angola, Kenya, Nigeria, Rwanda, and Uganda) that have, in general, become more capable in recent years. The Kenya intervention in Somalia was especially notable but perhaps unique because Kenya was pursuing its own interests in preventing further terrorist attacks launched from Somalia rather than having a pure peacekeeping motive. Certainly, despite all the work that has been done, African military cooperation remains a relatively weak reed upon which to base a conflict resolution strategy. American foreign policy makers are probably incorrect if they believe that demands for western intervention will be attenuated in the near future by growing African military capabilities.

There probably are no other outside countries that have the capability to intervene to fundamentally alter the course of an African conflict. Therefore, most conflicts in the near future will follow the same arc as demands begin for outside intervention, western countries mainly demur, and Africans are then drawn increasingly into the mix. Whether African countries intervene will depend critically on whether there is a lead country that cares enough and has the capability to affect what is inevitably a confusing and dynamic battlefield.

The Chapter Seven resolution that empowered African peacekeepers to fight in eastern Congo was a new development that demonstrated the ability of the international community led by Africans to respond to a conflict. However, the actual fighting followed a relatively old pattern. The intervening force was able to “defeat” M23 because the rebel group really did not want to fight the 3,000 or so soldiers that were arrayed against it. While

they took some casualties, the guerrillas dispersed before a final defeat, perhaps to fight again another day or perhaps to simply melt away. There is little evidence that the new force has been able to secure stability in eastern Congo without a political settlement that provides sufficient confidence for ethnic minorities and the regime in Kigali.

## Democracy and Governance

Democracy (the selection of rulers by citizens) and governance (the appropriate economic management of the economy) are distinct topics. In the long-term, the two are correlated. For instance, it is no coincidence that Botswana—the only continental African country to have regularly scheduled elections that have been conducted in a free and fair manner since the 1960’s—also routinely has the highest governance scores. However, given that most African democratic structures are young, weak, and ill formed, the correlation between democracy and governance can be nebulous in the short-to-medium-term. For instance, Rwanda and Ethiopia have high governance scores but are authoritarian regimes that tolerate little to no democratic opposition. Zambia, on the other hand, has had a series of successful elections but has suffered over many years from poor economic management.

## Democracy

Freedom House provides a reasonable way to evaluate the democratic performance of regions and countries through its now famous *Freedom in the World* rankings.<sup>5</sup> Countries ranked, as below, 1-2.5 are considered “free” while those ranked 5.5-7 are “not free” with those in between (3-5) labelled “partly free.” As the table indicates, sub-Saharan Africa at the continental level is now considerably freer

than the Middle East but lags other developing regions.<sup>6</sup>

As the next chart indicates, there has not been much change in comparative regional democratic performance over the last few years. Africa shows a slight drift toward authoritarianism, from 4.2 to 4.5 between 2006 and 2014. Mali—one of countries listed for many years as “free” but now in the “partly free” category — is a striking illustration of this shift. In the table below that lists freedom status by country, the number of those categorized as “partly free” is now one less than those in the “not free” category. For many years, the “partly free” category had contained the most African countries. However, Africa’s mild democratic deterioration over the last few years did not change its position vis-à-vis other regions.

Sub-Saharan Africa	4.5
South and Central America	2.45
Asia	3.37
Middle East	5.5

Table 3. Freedom House score by area, 2014

A slight move back to authoritarianism after the many transitions away from one-party or military rule is hardly surprising given how hard it is to construct functioning democracies and the fact that many democratic systems only reach a stable point after learning from

failure. As with the conflict curve, the pendulum is simply swinging the other way.

What is perhaps most notable is that the drift away from freedom has been mild and that there has not been a more severe correction. The vast majority of African countries still hold regularly scheduled elections, admittedly of widely varying quality. Political conversation, aided by the continent becoming increasingly wired, has increased. There is, as of yet, no intellectual alternative to democracy in Africa.

Within Africa, there is significant variation by region.<sup>7</sup> The overall findings—with Southern Africa most free and the Horn least—would not be a surprise to most observers. More interesting is the fact that West Africa does not have that different a score from Southern Africa despite the long-held perception that Southern Africa has performed relatively well. The result comes about because both West and Southern Africa include a set of countries that are becoming arguably more diverse. Thus, Botswana, Lesotho, Namibia, and South Africa are listed as “free” but Angola, Swaziland, and Zimbabwe are in the “not free” category. West Africa has fewer countries in the “free” category but is well-represented in the “partly free” area.<sup>8</sup>

At the same time, it is interesting to note that there have not been any recent instances of a country moving into the “free category.” All those listed have been recognized for their democratic achievements for some time. The pattern appears to be that African countries made some impressive gains in the first five years or so after the Berlin Wall fell as multi-party electoral systems replaced the old one-party or no party systems. In retrospect, it is clear that these transitions came about because of the economic bankruptcy of the old regimes

Free	Partly Free	Not Free
Benin	Burkina Faso	Angola
Botswana	Burundi	Cameroon
Cape Verde	Cote d'Ivoire	Central African Republic
Ghana	Guinea	Chad
Lesotho	Kenya	Congo (Brazzaville)
Namibia	Liberia	Congo (Kinshasa)
Senegal	Madagascar	Equatorial Guinea
South Africa	Malawi	Eritrea
	Mali	Ethiopia
	Mozambique	Gabon
	Niger	Gambia, The
	Nigeria	Guinea-Bissau
	Sierra Leone	Mauritania
	Tanzania	Rwanda
	Togo	Somalia
	Uganda	Sudan
	Zambia	Swaziland
		Zimbabwe

Table 4. Freedom House classifications, 2014

rather than a groundswell of support for democracy. However, very few countries have been able to institutionalize democratic gains to the extent of being considered “free.” In particular, recently, the number of incumbents who lose power via elections has diminished significantly compared to the 1990-1995 period. As a result, countries enter in a difficult and hazy condition of having important democratic forms (notably multiparty elections which have persisted in the vast majority of countries) but are unable to institutionalize further gains. They are thus vulnerable to democratic backtracking, which appears to have occurred in the last few years.

The retreat from democratization reminds us that the process of democratic

consolidation is difficult, especially in the context of material deprivation. Never before in human history have so many poor countries attempted to both grow and democratize as in today’s Africa. Consequently, failure or, even more common, ambiguity of result is to be expected. Whatever the overall benefits to the growth that Africa has recently experienced, there may have been too much optimism about the ability of poor countries to quickly institute democracy. It remains the case that in most African societies democratic institutions are weak, skills are low, finances scarce, incentives in favor of the private sector rare, and identity and patronage remain operating principles of the political and economic system, while the capabilities of local civil society are extremely limited.

African leaders have also closely observed the now many dozens of elections that have occurred across the continent in recent years. They have adapted to the new democratic context by managing elections so that they win but remain in the good graces of the international community by not ostentatiously violating the norms of free and fair contests to the extent that monitors feel forced take the unwanted (by all) decision of challenging the legitimacy of the vote. Apparently, donor activity has made little long-term impact on domestic processes, particularly on reforms that challenge the prevailing domestic political operating systems and economic orthodoxy, focused as it largely is on extraction rather than popular inclusion and social investment.

### Governance

It is probably even harder to measure governance than democracy because the former concept covers such a large area. The Heritage Foundation’s *Index of Economic Freedom*

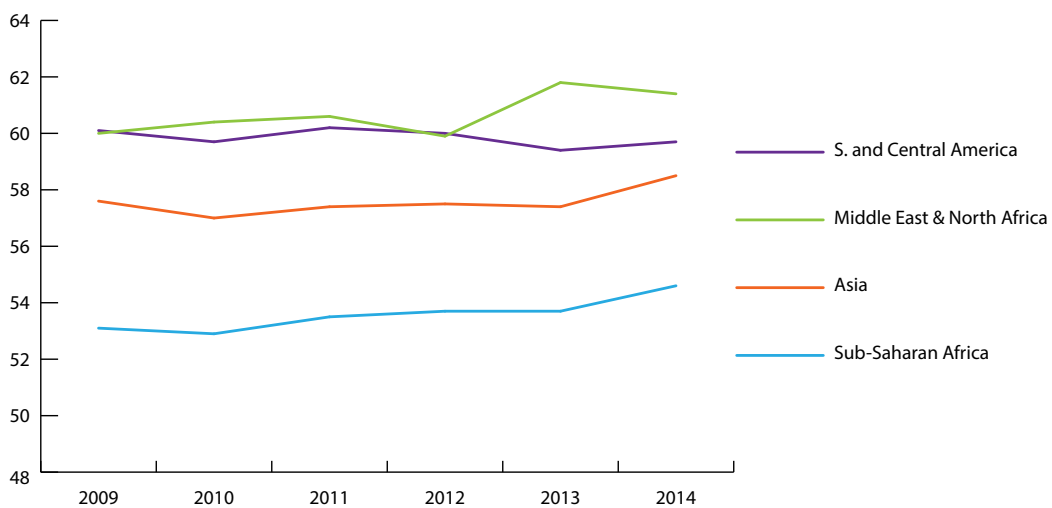
provides a reasonable overall measurement of governance, rating countries for corruption, protection of property rights, and regulation in a large number of areas. Clearly modelled on the Freedom House work, the Index divides countries on a scale of 1-100 into “free (100-80),” “mostly free (79.9-70),” moderately free (69.9-60),” “mostly unfree (59.9-50),” and “repressed (49-0).”

Given the *Index’s* scale, the areas of the world are actually bunched fairly close together, reflecting diversity of performance in every area. In terms of an absolute ranking, Africa remains substantially lower than other parts of the world. However, the next figure makes clear that Africa as a continent in absolute terms has improved since 2009 while the performance of the other regions is more ambiguous, with South and Central America experiencing an absolute decline in performance while the Middle East and North Africa have been volatile.<sup>9</sup>

When Africa is disaggregated by region, there is, again, considerable diversity. Not surprisingly, Central Africa has performed poorly.

What is more impressive is the record of East African countries (Kenya, Uganda, Tanzania) that actually outperform Southern Africa, the region that has traditionally had the best reputation for economic management. Again, it is the diversity of the region that is most striking. Botswana is categorized as “mostly free” with a world rank of 27 that puts it above, among others, South Korea. In contrast, DRC, Eritrea and Zimbabwe are ranked, respectively, 172, 174, and 176 out of 178, with only Cuba and North Korea “beating out” Zimbabwe.<sup>10</sup>

Attempts at reform have often collided with patronage political networks necessary for electoral success, and often distributed along ethnic, religious or regional lines. In the short-term, democratization and governance do not likely go together, although in the longer-term the two historically coincide. The very need for African leaders to stand for election on a regular basis puts pressure on them to both fund their parties and consolidate their support bases. This is compounded by “big man” tendencies to accumulate wealth through state contracts and contacts. The rise of China has,



Graph 2. Index of Economic Freedom by Area



in this regard, diluted donor influence on governance, both directly (through contracting) and indirectly (as source of alternative finance, and as a state-led economic development model).

The question of the timing and sequencing of political and economic reform is amongst the most interesting in Africa. The next chart combines the Index of Economic Freedom and the Freedom in the World rankings to understanding comparative progress in political and economic liberalization.

Some of the populations in the cells are hardly a surprise. For instance, the grouping of countries that are considered both economically “repressed” and politically “not free” is large. And it is no surprise that Botswana alone scores an *Index* ranking of “mostly free” and a *Freedom House* ranking of “free.” Most countries tend toward the middle of the table, having modest success in both economic reform and promoting freedom.

What is perhaps most striking is the number of countries of interest to American foreign

policy-makers that earn a “modestly free” governance ranking but a political ranking of “not free.” In particular, Rwanda, Ethiopia and Cameroon seem to have had some economic success but reform of their political systems is lagging behind. The political economy these countries are developing raises the question of whether a new model is nascent in Africa that draws from the authoritarian political practices but liberalized economic models of East Asia. This is not so much a “Beijing Consensus” as was much-discussed a few years ago because there is no evidence that China is driving the ideological economic debate in Africa, aside from being a pretext for this type of state behavior.

Rather, we may be observing the nascent stages of what eventually could become the “Kigali consensus” as more countries take note of the economic performance of Rwanda and other authoritarian countries. Superficially, the Rwandan experience looks appealing. The country has gone from utter destruction after the genocide in 1994 to a consistent economic

Mostly free	Moderately free		Mostly unfree	Repressed
Botswana	Zambia	Ethiopia	Malawi	Zimbabwe
	Swaziland	Sierra Leone	Mali	Eritrea
	Madagascar	Guinea-Bissau	Benin	DRC
	South Africa	Burundi	Kenya	Congo, Republic of
	Ghana	Liberia	Côte d’Ivoire	Equatorial Guinea
	Rwanda	Cameroon	Tanzania	Chad
		Mauritania	Gabon	Central African Republic
		Guinea	Burkina Faso	Angola
		Nigeria	Namibia	Lesotho
		Mozambique	Gambia	Togo
		Niger	Uganda	
		Senegal		

Table 5. Index of Economic Freedom categories, 2014

performer. Kigali is clean, it works, and the country has great ambitions. It seems to be able to focus on transformative projects, in contrast to many African countries whose economic systems are growing but not transforming.

Appealing to African leaders, President Paul Kagame has created a political system where he faces no credible political opposition and holds elections that he always wins. Yet, he still passes muster with Western countries and is celebrated by many pundits who occasionally parachute into Africa. Despite the authoritarian nature of the regime, the donors have showered Rwanda with aid, although Freedom House, for one, is not fooled as it consistently rates Rwanda “Not Free.” Indeed,

Kagame has consistently been able to manipulate Western countries in a way that is both obvious and appealing to other African nations, notably his stated desire to wean his country quickly off aid even as he receives more of it. Kagame is seen in some circles as the African equivalent of Singapore’s Lee Kuan Yew, the gentle autocrat who can guide a country to a radically different future than had been imagined. We have been impressed in the last year how often the Rwandan experience is mentioned (always in a positive light) in discussions with senior African leaders across the continent. Whether the “Kigali Consensus” becomes a long-term threat to the appeal of the democracy in Africa will be an important question to observe in the next few years.

	Eco Mostly free	Eco Moderately Free	Eco Mostly Unfree	Eco Repressed
<b>Pol Free</b>	Botswana	South Africa	Benin	Lesotho
		Ghana	Namibia	
		Senegal		
<b>Pol Partly Free</b>		Zambia	Malawi	Togo
		Sierra Leone	Mali	
		Burundi	Kenya	
		Liberia	Cote d’Ivoire	
		Guinea	Tanzania	
		Nigeria	Burkina Faso	
		Mozambique	Uganda	
		Niger		
<b>Pol Not free</b>		Swaziland	Gabon	Zimbabwe
		Rwanda	Gambia	Eritrea
		Ethiopia		DRC
		Guinea-Bissau		Congo, Rep.
		Cameroon		Eq. Guinea
		Mauritania		Chad
				CAR
				Angola

Table 6. Comparative Progress in Political and Economic Liberalization

There appear to be relatively few regional patterns in the chart that compares democratization and governance. It does stand out that the overwhelming number of countries considered politically “free” is in Southern Africa. However, when it comes to economic regulation, the Southern African countries rated highly by Freedom House can be found in every column from Botswana in the economically “mostly free” classification to Lesotho in the economically repressed. Within much of Southern Africa (Angola and Zimbabwe are exceptions), there seems to be a consensus about democracy but not about economic management. No other clear regional patterns exist, especially given that African countries mainly have middling performance in both political and economic freedom.

### Economic Growth and Development

There has recently been considerable excitement about Africa’s economic prospects. Countries south of the Sahara have had, compared to their post-independence history, high and sustained growth since 2000, and near-term prospects of five percent growth at the continental level seem reasonable. Still, it is important to understand Africa’s actual position and disaggregate recent experience. On a continental level, Africa is now the second-poorest region although, given the inevitable error in statistics, it can reasonably be said to be tied with South Asia.<sup>11</sup>

Setting GDP per capita in 2005 to 100, it is clear that Sub-Saharan Africa has done well but so have all of the other regions (data for the Middle East for this period has not been collected). Indeed, it would have been notable if Africa had not grown, given the buoyant international economy characterized by the high commodity prices and investment from

China coupled with an increased appetite for returns by Western investors in riskier markets.

Between 2005 and 2012, continental per capita income increased by roughly 15 percent.

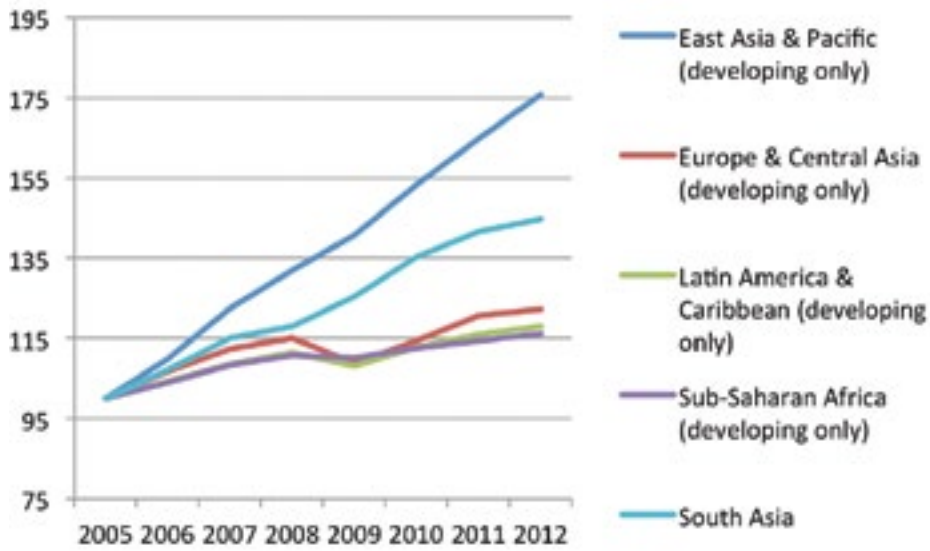
Region	2012 Per capita income
East Asia & Pacific (developing only)	\$5,187
Europe & Central Asia (developing only)	\$6,939
Latin America & Caribbean (developing only)	\$9,192
Middle East & North Africa (developing only)	\$4,616
Sub-Saharan Africa (developing only)	\$1,417
South Asia	\$1,386

**Table 7. Regional Per Capita Economic Growth (2012)**

That is an impressive accomplishment but not yet transformational. African populations continue to grow at a relatively high level, thereby moderating the effects of the relatively high growth rates recently achieved.

By sub-region in Africa, there are significant variations. It is also hard to evaluate regional per capita income because one country in a region with an outsized income can distort the figure for the entire group of countries. The following chart shows per capita income for each region and what happens when the average is recalculated by eliminating the highest-ranked country. Southern Africa is clearly the richest area, in good part because it is not dominated by one relatively rich country.

The table is also a warning that, while Africa is certainly growing, some of the continental growth statistics routinely cited are disproportionately influenced by what is



Graph 3. Growth in constant GDP per capita, 2005=100

happening in a few small countries (e.g., Equatorial Guinea).

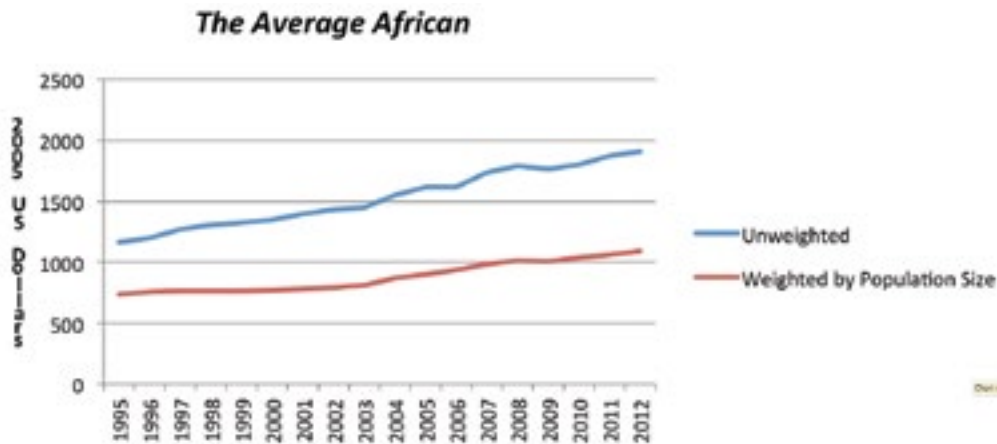
The chart below shows that when Africa’s per capita income is weighted by the population size of each country, so that, for instance Ethiopia accounts for ten percent of the calculation rather than 1/48, average continental income is lower and the curve somewhat flatter.<sup>17</sup> In particular, the “average African” has seen her income rise over the last seventeen years (in constant 2005 dollars) from \$736 to \$1,090, an increase of 48 percent. This is good but not as impressive as the increase from

\$1,165 to \$1,908 (64 percent) that is derived by simply averaging the performance of countries together without regard to population.

In particular, the average per capita incomes of the three largest African countries by population (DRC, Ethiopia, Nigeria<sup>13</sup>) that together account for approximately 35 percent of all people on the continent are lower than the continental average. Nigeria, as the chart makes clear, has closed the gap in recent years largely on the back of relatively high oil prices but the other two are still very low by African standards. Indeed, Congo’s per capita income has essentially been flat between 1995 and 2012—the time when many African countries were experiencing significant growth—reflecting the cost of conflict and poor economic policies. At the same time, some (but certainly not all) small countries have registered high economic growth. In particular, Botswana and Namibia have all done better than the continental average.

Region	Average	Average when recalculated without highest ranked nation
Central Africa	625	295
East Africa	495	444
Horn	430	227
Southern Africa	2686	2488
West Africa	1696	889

Table 8. Regional Per Capita Income



Graph 4. Per Capita Income, Un-weighted and Weighted

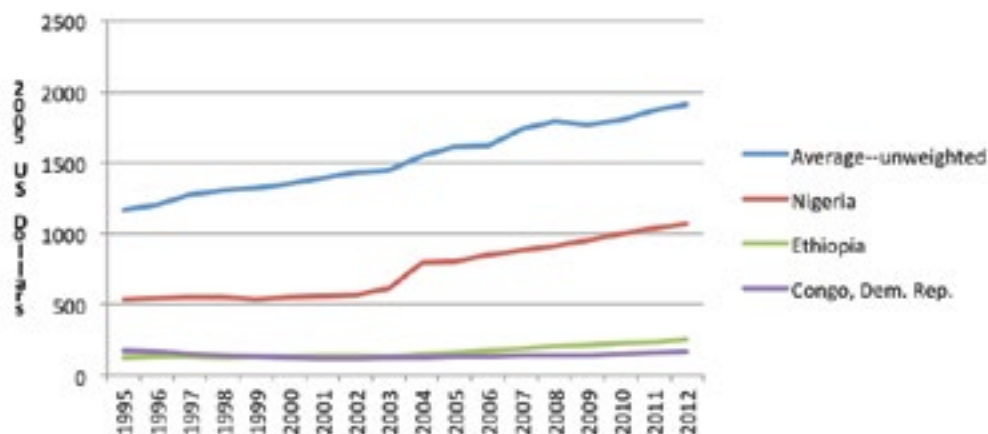
Size is a surprising determinant of a country's economic growth prospects, a finding that starkly contrasts the usual assumption that big countries will, all other things being equal, do better because of their larger markets and the greater likelihood that they will have significant raw materials, by dint of their larger surface area. Larger countries, as demonstrated by the trajectories of DRC, Ethiopia, and Nigeria are harder to manage and pose real challenges to how governments project power over distance.

It is notable that each of Africa's three giants has had a civil war and a history of considerable violence over their post-independence histories. In contrast, the relatively good record that small countries have had suggests that economic management is aided by relatively compact populations. It may also be the case that the impact of natural resources in some small countries (e.g., oil in Equatorial Guinea) will be proportionately greater.

When it comes to growth rates of individual countries for the period under review, there is clearly considerable variation. Amongst the relatively high performers, it is perhaps notable how many (Liberia, Angola,

Rwanda, Sierra Leone, and Mozambique) have emerged in recent years from conflicts that reduced their economic foundations to near ruin. The relatively high growth these countries experienced in the 2005-12 period is, of course, important but is partially a statistical mirage that reflects the simple restarting of economic engines at the onset of peace. Whether that growth can be sustained is a separate issue. The post-conflict economic "bump," as welcome as it is for the countries that have endured such trauma, is another reason why actual economic growth in Africa may be less than the statistics suggest.

Africa's stronger economic performance has been pervasive but not universal. There are warning signs. We believe that the relatively good continental economic performance in recent years has been due to relatively high commodity prices fuelled especially by China and difficult governance decisions that African countries have made. It is now clear what some called the commodity "supercycle" is over, if it ever really existed, and African countries are likely to face less robust export earnings in the near future. The "taper" by the U.S. Federal Reserve may also cause the depreciation of



Graph 5. Average Per Capita Income

some currencies and a decline in the number of foreign investors seeking African projects, if they can get more for their money by investing in U.S. Treasuries.

**Conclusion**

There have been significant accomplishments across Africa over the last 15 years. The number of wars has decreased, multiparty elections are now held routinely in the vast majority of countries, and economic growth is projected across the continent to average four to five percent in the next two years. The image of Africa

has certainly evolved from what *The Economist* called “The Hopeless Continent” in 2000. However, we find that some achievements in areas that the U.S. has identified as critical are in danger of being reversed, not shared by all countries, or are overblown once a more nuanced analysis is conducted.

These conclusions are not surprising because nation-building, democratization, and proper economic management are each extremely difficult processes to manage and many African countries are attempting to undertake at least two of these simultaneously.

Top quartile	Second quartile	Third quartile	Bottom quartile
Liberia	Seychelles	South Africa	Equatorial Guinea
Ethiopia	Uganda	Kenya	Senegal
Angola	Tanzania	Congo, Rep.	Malawi
Ghana	Zambia	Niger	Gambia, The
Rwanda	Botswana	Chad	Cote d’Ivoire
Central African Republic	Sudan	Togo	Guinea
Sierra Leone	Congo, Dem. Rep.	Mali	Swaziland
Mozambique	Namibia	Gabon	Madagascar
Nigeria	Burkina Faso	Benin	Guinea-Bissau
Lesotho	Mauritania	Burundi	Zimbabwe

Table 9. Economic growth (GDP per capita), 2005-12

There are thus bound to be setbacks and outright reversals. In the next two to three years, the ultimate challenge for American policymakers will be to appreciate the extremely difficult context in which reform processes are evolving so as not to oversell welcome, albeit ultimately short-term, accomplishments. The descent of Mali into civil war serves as a particular warning in this regard. **PRISM**

<sup>10</sup> The Index of Economic Freedom regional scores for 2014 are: Central Africa, 49.4; East Africa, 58.3; Horn, 48.1; Southern Africa, 55.9; and West Africa, 54.1, where the higher the score, the greater the economic freedom.

<sup>11</sup> (Number reported for Middle East is for 2011). The source for this and following charts and tables: World Bank, World Development Indicators. <http://data.worldbank.org/data-catalog/world-development-indicators>.

<sup>12</sup> These calculations were done before Nigeria rebased its GDP figures.

<sup>13</sup> These calculations were made before Nigeria released its recalculated GDP figures.

## NOTES

<sup>1</sup> Human Security Report. [www.hsrgroup.org](http://www.hsrgroup.org)

<sup>2</sup> At <http://ffp.statesindex.org/images/fsi-trendmap-2008-2013-hires.png>.

<sup>3</sup> See <http://populationpyramid.net/sub-saharan-africa>

<sup>4</sup> Council on Foreign Relations, Nigeria Security Tracker, <http://www.cfr.org/nigeria/nigeria-security-tracker/p29483>

<sup>5</sup> <http://freedomhouse.org/report/freedom-world/freedom-world-2014?gclid=Clu-2qjy7wCFFDMgod911ACw#.UuF9cm0o6Uk>.

<sup>6</sup> This paper uses data from several different sources. The definition of the world areas varies somewhat from source-to-source. For instance, different countries may be included in “developing Asia.” These variations in definition do not affect the larger conclusions drawn by the paper.

<sup>7</sup> This paper divides Africa into Central, East, Horn, Southern and West regions. In general it does not include island countries. Again, the data by Africa region is not completely uniform. Some sources provide data for Somalia, some do not. The advent of South Sudan is also treated differently by source. Again, these variations should not have an impact on overall generalizations.

<sup>8</sup> The Freedom House scores for the regions are: Central Africa, 5.8; East Africa, 4; Horn 6.4; Southern Africa 3.65; and West Africa, 4.2, where the lower the score indicating greater freedom.

<sup>9</sup> At Heritage Foundation, Index of Economic Freedom, <http://www.heritage.org/index/>

## Photos

Page 14 photo by Pierre Holtz. *A boy in the town of Birao in northern CAR which was largely burnt down during fighting in 2007.* From [http://commons.wikimedia.org/wiki/File:Birao\\_burnt\\_down2.jpg](http://commons.wikimedia.org/wiki/File:Birao_burnt_down2.jpg) licensed under the Creative Commons **Attribution-ShareAlike 2.0 Generic** license. <http://creativecommons.org/licenses/by-sa/2.0/deed.en>. Photo reproduced unaltered.