Tomorrow………….Africa

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The African continent lives a particular revival in these recent years, which promises a unique geographical reclassification. Yet for many experts, the marginalization of the continent seemed inevitable.
This reclassification, the continent owes it first to external dynamics, including better remuneration of its resources and its raw materials, the emergence of new emerging countries on the international scene; relayed and amplified by internal changes previously unmatched. However, will Africa regain the place that it deserves or will it fall again into the throes of marginalization right after the lull of the prices of the raw-materials and oil? As we're commemorating the fiftieth anniversary of the independences in several countries, is Africa is on the right way for the next fifty years?

Introduction

Not so long ago, Africa was presented as the mainland of the curse and sadness. With less than 1 % of foreign direct investment (FDI), less than 1 % of global GDP (Gross Domestic Product), a significant demographic growth, endless conflicts, food crises and recurrent bad weather, the continent appeared on the fringes of globalization that we find it hard to glimpse ways of improvement for the future.

Yet since the early 2000s, the trend seems reversed permanently. While the levels of FDI, GDP, and infrastructure are far from reaching those in Asia or Latin America, but their rate of progress is high and sustained is of a good expectation for the continent. In this upward trend are grafted internal dynamics caused by a promising new class of entrepreneurs, politicians, women, but also the African Diaspora, determined to take the continent's destiny in hand.

New Dynamics in Africa's Development

Several recent signs confirm the good health of the African continent. The **economic growth** of 5% on average, unbroken since the early 2000s is perhaps the most tangible sign. In comparison, growth in

OECD countries over the same period have not exceeded 3%.

This growth, we first owe it to the inflation of prices raw-materials and oil that the continent abounds. Thus, between late 1999 and 2008, the price of a barrel of oil went from $ 20USD to $ 145USD, allowing the oil countries to benefit from a large surplus balances and form large foreign exchange reserves. But it would be inaccurate to attribute this improvement solely to economic resources of the continent subsoil, because other sectors have also contributed to this growth. For that we only have to glance the booming of mobile telephony, the development of the banking sector and the proliferation of infrastructure across the continent. If oil and the resources of the subsoil account for 24% of GDP growth in the continent: trade and retail have contributed 13%, agriculture 12%, transport and telecommunications tied with the industry to 09%.

Thus, we must not forget that a similar situation arose in the past, thanks to an oil shock, but hopes had fallen as fast with lower prices, without significant economic progress have been gained. What changed from the early 90s, is that not only the soaring of the prices of raw-materials and oil is not solely responsible for this growth, as noted above, but this growth is relayed and amplified by the **dynamics of the "inside"** that constitute the basis for a more sustainable development.

Indeed, more informed public policies have helped to improve the macroeconomic situation in many countries, through the privatization of entire sectors of the economy but also to manage efficiently public expenditure. Added to this is that structural adjustment programs, despite their abrupt nature much-maligned, finally shown performances. Inflation has been controlled, where sometimes hyperinflation was rampant, the conditions for improved direct investment attractiveness, just like the private sector has grown and the adoption of the liberal system of free enterprise is almost universal. Moreover, although there are still too many conflicts, they have significantly declined, which helped stabilize the business climate in African countries in their majority, additional guarantee of the attractiveness of private investment. As a result, the amount of FDI has spent the last five years from 31 to 88 billion US dollars.

The other major "internal dynamic" to the source of renewal lies in the **demographic factor**, despite its ambivalence.
Today, the continent has surpassed the 1 billion of inhabitants and it will double its population by 2050. Meanwhile the GDP has already reached 1.66 trillion U.S. $. Comparatively, India which has 150 million more of inhabitants has a lower GDP amounting to $ 1.300 billion US.

In the early '60s, the continent had only one city of over 1 million inhabitants. Today there are 52.

And considering that in 2030 nearly half of Africa's population will live in cities. This exponential urbanization is rich in danger, particularly in terms of urban infrastructure, community facilities, sanitation and jobs, but it is also the continent's best asset. Indeed, with over half the population under 25 years, the African continent can rely on its quantitative and young workforce able to earn valuable points of productivity needed to take off. Whereas in all other regions of the world are concerned about the decline of the working population, Africa is progressing. It is estimated that in 2040 the African labor force will reach 1.1 billion people.
Moreover, a growing urban population is the basis for the emergence of a middle class, necessary for economic development because the growth of consumption creates externalities in terms of production, employment, development of new activities, with all the effects of training that one can imagine the development of other sectors. There are already in Africa nearly 80 million households with an income of at least $ 4500USD per year. By 2020, more than 128 million African households will have income once the living expenses are realized.
We should not also underestimate the **integration** process, though experiencing varying degrees of success depending on the area can help create larger markets and a peaceful business climate, common rules, able to generate savings scale, and attract investment. Until then, the intra-zone exchange rate

remains very low albeit increasing. Today it is estimated that in Africa, only 10 to 13% of trade is conducted within the boundaries of regional groupings, against a rate of 50% for equivalent areas in Asia or even 70% for the Community European. This means that the development of border trade is a challenge and an opportunity to be captured by the African private sector.

However, we should beware of averages because statistics figuring the state of Africa and its resources represent a great disparity between African countries: Botswana is not Niger, as Mauritius is not Guinea Conakry. Similarly, there is not a model of development. Pragmatism is increasingly the dominant ideology.
In a recent publication, the McKinsey Global Institute has identified four groups of countries regardless of their economic development strategy.

The first group includes Morocco, Egypt, South Africa and Tunisia, is the "dream team" of the continent, reflecting diverse economies with a variety of activities in industry and services in particular.

The second group consists of the Petroleum Exporting Countries. These countries have a high per capita income. However, their economies are poorly diversified and therefore more susceptible to halo effects of commodity prices. Among these countries, we can find Angola, Nigeria, Guinea Equatorial, Gabon, and Algeria. The challenge for these countries is to transform this sudden windfall, but important, into investment in education, health, and infrastructure and economic diversification.

In Asia, Malaysia and Indonesia have achieved outstanding performances. This group of countries should also do so.

The third group includes countries with economies in transition among which we find particularly Ghana, Botswana, Kenya, whose economy is rapidly growing, diversified and began to export to other African countries, thus boosting internal trade "border". The future of these economies will depend on their ability to diversify their activity and to export. Kenya is particularly well known in several SADC countries with major investments in Rwanda, Uganda and Tanzania in particular.

The latter group which includes countries with the lowest income per capita does not exceed $ 350USD year. These countries need to strengthen their economic fundamentals and are not ready to tackle an economic transition. In this group there are countries like Ethiopia, the Democratic Republic of Congo, Niger, and Guinea Conakry, countries that often have great political instability, poor governance, and weak institutions. For addressing their economic transition, these countries need to strengthen their economic stability and their fundamentals, invest in infrastructure and hope to attract investors.

The continent, as we see, is far from monolithic and there are strong national and regional differences both in terms of endowments than of strategies of development. As a matter of fact, there is no **model** that appears to be the best, just as there is no ideology at the base of the different paths taken by countries in question; if this is pragmatism.

Today's challenges and opportunities of tomorrow

However, several **challenges** other than education and health, call on the majority of African countries regardless of the category they belong to, which are all opportunities.

There is at first the **energy challenge**. Energy supply is insufficient and particularly the frequency and duration of outage are very penalizing. Today, power generation of 48 sub-Saharan Africa accounts for only the electricity generated in Spain. SMEs and informal sector enterprises, which constitute the bulk of the economic fabric, are the most affected: their productivity is affected and for some of them their survival is at stake. The World Bank estimates an average of 56 days after the annual number of outages of electricity. Yet, Africa has hydroelectric energy sources particularly underexploited. The only complex Inga in the DRC has a potential of 45,000 megawatt which can bring light to 500 million people. However, the amounts to be mobilized for such investments require a regional grouping. Countries such as Morocco and Ghana are beginning to look forward to the solar potential of the continent, which would provide extra energy that can't be saved. Diversification of energy sources with the inclusion of renewable energy such as biomass, which the continent abounds should also not be neglected.

The infrastructure challenge: Without infrastructure, no movement of people and goods, no regional integration, no development. All development strategies that do not incorporate this reality are bound to failure. Awareness of the need for infrastructure development has resulted in a proliferation of ports, highways, airports, submarine cables, which are the "**respiratory system**" of any economy. The World Bank estimated that $ 93 billion US dollars, the amount of infrastructure needs, of which two thirds would be used for new infrastructure when the remaining third would be dedicated to maintenance. The fact that African countries tap into their budget to finance these investments shows how consciousness is real.

Financial challenges: The continent still suffers from an underdeveloped financial industry and often inadequate in relation to the African economy. According to a study conducted by the Economic Commission for Africa (ECA) the banking sector is still oligopolistic too. It is not unusual in a country more than four banks, share over 70% share of the banking market. This of course increases the cost of access to credit. There is indeed a differential of up to 5percent between the interest rates paid by local banks and the same rates internationally. We are witnessing the deployment of operators like the Bank of Africa, Ecobank and more recently as Moroccan and Nigerian banks UBA and Attijariwafabank. The development of financial markets is also essential to develop an evolution in local markets so that traders can mobilize the financial resources needed to develop their activities. For this purpose, the creation of the Abidjan Regional Stock Exchange (BRVM) needs to be multiplied.

Food challenges: Rapid urbanization discussed above raises two concerns: the transfer of labor from the countryside to the city, but also to feed a rapidly growing urban population. However, the sight of rotting agricultural products at the site of production in the absence of local industries and organized rural roads of good quality is still too frequent. Moreover, the continent is the only one where agricultural production has decreased, resulting in vulnerability to food security. It is not reasonable that 87% of its agricultural products are imported from abroad, so that arable land and arms to value exist in abundance. Too much oriented towards export crops, Africa also recorded a fall in prices of some raw materials, which has undermined agriculture, and compromising food security. The challenge for the coming years will be to look to its domestic market, have to meet the power needs of its growing population.

Support of food production also remains a concern forefront. But this type of agriculture suffers from a structural sub mechanization, and low yield per hectare due to the low use of fertilizer. Mechanization, fertilizers and seeds are inaccessible to people of modest farmers, hence the need for innovative financial support mechanisms.

The challenge of inclusion in the new international value chains. Today, we no longer produce property wholly within a single country. It manufactures only "pieces" of products assembled with other "pieces" manufactured elsewhere are assembled in other countries still dependent on factor endowments and specialization. So the challenge for African countries is to choose the level of integration and value chain fragments are most relevant to fit into the new international division of labor and take advantage of globalization.

The challenge of integration: Depending on the areas and institutions the level of regional integration is very variable. UEMOA and ECOWAS integration institutions in West Africa have made significant progress in particular on freedom of movement, harmonization of customs fees by adopting a common external tariff (CET). But integration must make progress on the institutional and policy to complete the dream of the founding fathers to create the United States of Africa. The regional scale seems to be indeed the most appropriate for successful integration, as the question of infrastructure, interconnections in electrical corridors to open up areas of the hinterland, the agricultural policy in terms of sectors, telecommunication can be locally managed, given the size of investment to be mobilized, but especially given the economies of scales and externalities expected. The Development Bank of South Africa estimated, for example, if the SADC countries jointly develop their electrical projects, they could save 48 billion U.S. dollars.

The challenge of economic remittances: These transfers represent the double of the public aid to development more often irregular. The key question for developing countries 'exporters' of labor is how to transform remittances African economic investment? It considers that economic migrants contribute up to nearly 15% of the GDP of their countries of origin by their own transfers. But these transfers are not oriented towards productive investments, but mainly to the immediate consumption, real estate, or even spending more ostentatious. The whole question is how to direct investments towards productive sectors to accelerate the development of these countries.

Africa 2.0: The continent’s second independence for a new start.

Fifty years after independence, the continent is at a crossroads. Today with the commemoration of the fiftieth anniversary, it seems that Africa is finalizing its political decolonization. It remains to (re)-gain economic independence by dismantling the symbols of the economic policy that has prevailed until now and which followed a logic of pension entirely export-oriented products such as unprocessed wood, cocoa, cotton, peanuts.

The structural adjustment policies have produced results despite the heavy social. The debt, which once suffocated African countries, has been better managed than before leaving the degrees of freedom for public investment and thus for development. Furthermore, the influence of donors is less with the emergence of new Asian players seeking partnership to ensure their supply of raw materials and oil for their factories, and is therefore less demanding in terms of conditions when they grant funds to African countries. This means if the rules have changed, Africa has some advantages, but does it have the right cards? Does it attend to the beginnings of an Africa2.0 that will make Africa an actor and more than a challenge of globalization, a "globalizing Africa more than Africa World"

This Africa2.0 is first, an Africa which makes its own **vision of development** and patiently built supranational institutions in order to proceed courageously to a reinterpretation of borders inherited from the division of Berlin, with the intention to build closer strong economic communities, consistent and complementary, that is to say viable. It means having a clear awareness that development is only possible by being united in entities having a critical size.

Bring out this new Africa also means the emergence of a new class of nomadic polyglot entrepreneurs versed in technical management who are undertaking in Africa and elsewhere, maintaining relations with uninhibited world leaders.

Because the private sector development is also a key development. However, from this point of view, despite progress in recent years, unlike other parts of the world, the business community is not sufficiently dynamic and organized. Yet it is up to the continent from its level of demand to push the politicians to lower trade barriers, to identify too many acts of corruption, denounce red tape, to stimulate new dynamics. In this, it can rely on the example of OHADA, the Organization for Business Law in Africa, established in 1993 which represents a business law among the most successful and offers a harmonized space and common rules, and for which sixteen African states are already signatories.

Finally, it remains to establish a new partnership with traditional **partners** as well as new ones, with the conviction that these are interests at stake, the time of the aid is spent. Today, the only windfall of "virtuous" migrants to their country of origin or official development assistance is not enough. We need other sources of funding which of course involve the development of the business and achievement of more value on the continent. It is no more acceptable in African investments, or in purchases of goods with intensive technology that we do not focus on an explicit clause in terms of technology transfer. It would be desirable that our politicians expect in negotiations with Chinese companies, Italian and others who come to build on the mainland factories, power plants, and refineries, to incorporate a section on "technology transfer" so that we can gradually master modern techniques in Africa. We think that this will be the only for Africa to get out of the output this curve that reduced the continent to mere providers of raw-materials and oil, and make it finally and industrial producer.

Meanwhile, the continent will have to be more demanding to raise the necessary customs barriers so as to protect its infant industries, and reduce its vulnerability to imports which in many cases have decimated its infant industry.

Finally, we must break the taboo of "showcase" democratic and reflect on democracy best suited to our values, our history, but especially to our "collective will". The explosion of political parties in Africa has not expanded the democratic debate, far from it. Just as the alternation is not a necessary step towards further development, the recent experience of Asia is evidence. Africa that succeeds is not this Africa of discipline? What Africa needs is visionary leadership, courageous and ambitious to truly enter into history.

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Alioune Gueye, originally from Senegal, founded in 1999, the Group AFRICA CHALLENGE Africa that dares! in Casablanca to provide to businesses and public and private institutions a space of capacity building, but also for sharing of experiences. Each year the group organizes a forum of African Leaders but also several interafrican forums in all disciplines of management in Africa, Europe and Asia.

The group has diversified since 2001, in the health sector, events and more recently in the publishing of books.
Doctor in Management of Sciences from the Sorbonne University, Alioune Gueye is married and father of two children.