



## Circular Migration



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### The hopeful continent

## Africa rising

After decades of slow growth, Africa has a real chance to follow in the footsteps of Asia  
**At a dark time for the world economy,  
 Africa's progress is a reminder of the transformative promise of growth**

- Onitsha market in southern Nigeria. Up to 3m people go there daily to buy rice and soap, computers and construction equipment. It is a hub for traders from the Gulf of Guinea, a region blighted by corruption, piracy, poverty and disease but also home to millions of highly motivated entrepreneurs and increasingly prosperous consumers.
- In 2000-08 around a quarter of Africa's growth came from higher revenues from natural resources.
- Favourable demography is another cause: half of the increase in population over the next 40 years will be in Africa.
- The growth also has a lot to do with the manufacturing and service economies that African countries are beginning to develop.
- Optimism about Africa needs to be taken in fairly small doses.
  - o Most Africans live on less than two dollars a day. Food production per person has slumped since independence in the 1960s.
  - o Some countries praised for their breakneck economic growth, such as Angola and Equatorial Guinea, are oil-sodden kleptocracies. Some that have begun to get economic development right, such as Rwanda and Ethiopia, have become politically noxious. Congo still looks barely governable and hideously corrupt. Zimbabwe is a scar on the conscience of the rest of southern Africa. South Africa, which used to be a model for the continent, is tainted with corruption.
- Against that backdrop, some fundamental numbers are moving in the right direction.
  - o A fast-growing middle class: 60m Africans have an income of \$3,000 a year, and 100m will in 2015.

- The rate of foreign investment has soared around tenfold in the past decade.
  - China's arrival has improved Africa's infrastructure and boosted its manufacturing sector.
  - Other non-Western countries, from Brazil and Turkey to Malaysia and India, are following its lead.
  - Africa could break into the global market for light manufacturing and services such as call centres. Cross-border commerce, long suppressed by political rivalry, is growing, as barriers to trade are dismantled.
  - Africa's enthusiasm for technology is boosting growth. Around a tenth of Africa's land mass is covered by mobile-internet services—a higher proportion than in India.
  - Africa is at last getting a taste of peace and decent government. For three decades after African countries threw off their colonial shackles, not a single one (bar the Indian Ocean island of Mauritius) peacefully ousted a government or president at the ballot box. But since Benin set the mainland trend in 1991, it has happened more than 30 times—far more often than in the Arab world.
  - Population trends could enhance these promising developments. **A bulge of better-educated young people of working age is entering the job market** and birth rates are beginning to decline. As the proportion of working-age people to dependents rises, growth should get a boost. Asia enjoyed such a "**demographic dividend**", which began three decades ago and is now tailing off. In Africa it is just starting.
- Having a lot of young adults is good for any country if its economy is thriving, but if jobs are in short supply it can lead to frustration and violence.
  - Politicians need to keep their noses out of the trough and to leave power when their voters tell them to.
  - Western governments should open up to **trade rather than just dish out aid.**
  - African governments should insist on total openness in the deals they strike with foreign companies and governments.
  - Autocracy, corruption and strife will not disappear overnight. **But at a dark time for the world economy, Africa's progress is a reminder of the transformative promise of growth.**