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The Africa Prosperity Report

2019/20

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DELTA PHILANTHROPIES

About Delta Philanthropies

Delta Philanthropies was established in 2017 as a vehicle for impact investing and grant making to accelerate economic and social transformation in sub-Saharan Africa. Delta seeks to unlock innovative solutions to eliminate poverty by making impact investments in rural transformation, education, health, entrepreneurship, and infrastructure development.

The Legatum Institute would like to thank the Legatum Foundation for their sponsorship and for making this report possible. Learn more about the Legatum Foundation at www.legatum.org

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Foreword

Prosperity entails much more than wealth. It reaches beyond the financial into the political, the judicial, the wellbeing, and the character of a nation — it is about creating an environment in which people are able to reach their full potential. A nation is prosperous when it has an inclusive society with strong institutions, an open economy, and empowered people who are healthy, educated and safe.

Our mission at the Legatum Institute is to create the pathways from poverty to prosperity, by focussing on understanding how prosperity is created and perpetuated. By identifying success, we can enable national and local governments, businesses, civil society, and philanthropists to identify what works and adopt best practices, and also enable others to hold them to account.

In 1990, Africa's poverty rate was on a par with India's and lower than China's. Since then, extreme poverty in China has been almost eliminated, and in India it is less than half the rate it was 30 years ago. However, in Africa, the poverty rate has been reduced by less than a third. Likewise, there is a wide disparity in economic growth rates, with India and China realising much higher per capita income growth than Africa for the same period. As a result, from being 30% larger than India's, Africa's GDP per capita is now 30% smaller.

We wanted to understand why the progress of Africa did not match the development of other countries. But, poverty and income can tell us comparatively little about prosperity, and even less about the drivers of the lived experience. Focussing on a narrow agenda of either poverty or income will not yield good development policy; this principle has already been recognised by both the Millennium and Sustainable Development Goals (MDGs and SDGs).

We believe that there is insight to be gained in examining the holistic drivers of prosperity and measuring their prevalence on the continent. With the generous support of Delta Philanthropies, we have created this African Prosperity Report, analysing and measuring the prosperity of each of the countries of the African Union, based on the Legatum Prosperity Index. For the very first time, this enables us to look at a thoroughly comprehensive picture of prosperity, across its institutional, economic, and social dimensions.

We have analysed the performance of each country on the key characteristics of inclusive societies, open economies, and empowered people. We have used 12 pillars, comprising 65 different elements, measured by close to 300 discrete country-level indicators, using a wide array of publicly available data sources. We hope to add to, and not subtract from, the efforts underway to measure progress on SDG indicators, offering a tool to measure holistically the institutional, economic, and social components of prosperity. This comprehensive set of indicators provides an incredibly rich and holistic policy-focused dataset, allowing the potential of each country to be identified and understood. This in turn enables much more targeted policy responses that can drive tangible improvements in prosperity.

While most policymakers focus on the big fiscal and macroeconomic policy tools at their disposal, or separately consider the social factors, they rarely consider all together. By combining in one report the full range of disparate personal, business, and policy choices that impact and drive prosperity in the different countries, we are looking to shift the focus of policymakers and influencers towards the broader welfare implications of social, economic and institutional policies. We can also illustrate the connections between development in different areas – in particular the relationship between strengthening institutions and development. In addition, we have also been able to identify best practice on the continent across many dimensions, demonstrating that there is much to be gained from benchmarking peers.

We have been able to show where there have been particular improvements in prosperity, such as in health and in enterprise conditions. Contrasting these improvements, we have also been able to identify where there have been deteriorations in safety and security and freedom across the continent. Beneath the overall performance of the continent, there are wide variations in outcomes at regional and national levels. The level of prosperity enjoyed by Southern and Northern Africa is notably higher than in Eastern and Western Africa, which is greater than that of Central Africa and the Horn, where eight of the ten least-prosperous countries on the continent can be found.

This pattern is differentiated further at a national level. For example, while the overall African homicide rate was 5.3 per 100,000 people, this rate varied massively between 1.7 in Sierra Leone and 34 in South Africa. Poverty rates also vary significantly. For example, contrast Madagascar with 77% of its population having an income of less than $1.90 per day with Morocco, which has only 1%. Hence, the binding constraints to increasing prosperity vary significantly across the continent.

What has caused African prosperity to improve at a slower rate than other developing continents, and where might African policymakers look for solutions, such that Africa could enjoy a greater rate of improvement in prosperity? Through the analysis of this report, we believe the key to unlocking greater prosperity lies in the potential for improvement in each of the countries. This potential exists not only because there is significant variation across the continent; but because every country has distinct local opportunities to improve. Many countries have shown that they can improve and achieve high performance – in all pillars, we can see African nations improving at world-leading rates. For example, consider the exceptional progress Côte d'Ivoire has made in enterprise conditions, Rwanda has achieved in governance, and Botswana in health.

There is also a broader pattern across the continent that demonstrates how the quality of institutions is critical to the development of prosperity. The challenge of transformation that Africa faces is about change – in some ways radical change. However, the question as to whether the broader institutions in a country will permit that change is often an open one. Are markets truly contestable? Can political power be transferred? Can government operate effectively? Does the social contract facilitate change? Identifying the constraints to change will be critical to determining the best path forward. What steps can leaders and governments resolve to take themselves to establish improved governance, and to what extent is there a case for more targeted development assistance, focussed on building strong institutions?

We hope that this report enables the nature of countries' strengths and weaknesses to be understood, and helps identify where solutions are already available as inspiration for others. This can support political leaders, policymakers, investors, business leaders, philanthropists, journalists, and researchers to identify areas of local strength, and where to look for best practice to improve other areas, while holding others to account. In doing so, it can help them to set their agendas, and implement strategies for institutional, economic, and social development. To find out more, visit www.li.com.



Dr. Stephen Brien
Director of Policy, Legatum Institute

Using the Index — A tool for transformation

The Africa Prosperity Report is based on the Legatum Prosperity Index, which has been developed as a practical tool to help identify what specific action needs to be taken to contribute to strengthening the pathways from poverty to prosperity globally. The Index consists of 12 pillars of prosperity, built upon 65 actionable policy areas (elements), and is underpinned by 294 indicators.

The Index has been designed to benefit a wide range of users, including political leaders, policymakers, investors, business leaders, philanthropists, journalists and researchers.

- Political leaders can use it to help shape priorities for a policy agenda;
- Policymakers can use it to determine specific areas that require action to help increase prosperity;
- Investors can use it to inform capital allocation;
- Business leaders can use it to identify and communicate the changes they need to improve the business climate and the productive capacity of nations;
- Philanthropists can use it to identify the areas where they can have the greatest impact beyond the well-trodden paths;
- Journalists can use it to hold governments to account;
- Researchers can use it to complement other datasets to analyse the underlying patterns behind development, and inform the broader policy, business, and philanthropic community.

INTERPRETING THE INDEX

For 167 nations, the Index uses the same indicators, and combines them in the same way to create elements and pillars. By using the Index, it is possible to compare the relative performance of each country for overall prosperity and each of the 12 pillars of prosperity, such as health, education, and social capital, as well as the 65 elements within the pillars. The elements have been established to represent key policy areas, such as investor protections, primary education, government integrity, and air pollution, to help facilitate more targeted action.

Making these comparisons will enable the user to explore which aspects of prosperity are more or less well developed within a country, and how countries compare with others. The higher the ranking, the stronger the performance of that country for the pillar or element, when compared with a country lower down the rankings. Further to this, the Index also provides data over a 13-year period, making it possible to see whether prosperity has been strengthening or weakening over time, and what specifically is driving that change. This will enable areas of strength to be built on and areas of weakness to be addressed.

APPLYING THE INDEX

The data in the Index and analysis contained in the report can be used for a variety of purposes, for example:

- Benchmarking performance against peers;
- In-depth analysis of prosperity at the country level;
- Understanding whether prosperity is improving or weakening over time, and why;
- Identifying the binding constraints to increased prosperity;
- Informing priorities for setting country agendas.

Where a country is showing a strong or weak performance in a pillar, it is possible to drill down and identify what particular policy-related element is driving this trend. Within each element, the set of specific indicators represents proxies, and each one should be interpreted as indicative. This will help inform the required policy action to strengthen performance.

For example, it may be discovered that a country's poor prosperity rankings are driven by a weak performance in education. Upon further investigation, the Index reveals that, although current education policy in the country is weaker in primary education, it has been focussed on improving secondary education when contrasted with regional comparator countries. In particular, further investigation of the Index reveals that low completion rates may be driving the weak performance in primary education. This information can help to target specific areas that need improvement and provide a starting point for what can be done to improve education, and thereby increase prosperity.

By using the historical data provided by the Index for the example above, it may become apparent that primary completion rates have declined rapidly over the past three years. Discussion with local education officials on the decline may reveal that this coincides with the introduction of a new exit exam that pushes students out of school who do not pass, thus pointing to the particular area where action is needed.

RESOURCES AVAILABLE

There are several tools available to aid analysis and interpretation of, and elicit insight from, the Prosperity Index. Alongside this report, which provides a high-level analysis of the findings from the Index, the following additional information can be found via our website www.prosperity.com:

Summary country overview. This document provides pillar-by-pillar ranking tables and 2-page summaries for each country. It gives pillar and element information, including rankings and scores, and how these have changed over time. This overview is available for download.

Country profiles. This 15-page profile for each country provides more detailed pillar, element and indicator information, including rankings and scores, and how these have changed over time. These profiles are available for download.

Indicator scores. An Excel spreadsheet, which can be downloaded, contains the scores for all of the 294 indicators for each year since 2007. Using these scores, the user can carry out more in-depth analysis. Further information on how the scores for each indicator are calculated can be found in the Methodology section (see page 14).



Entrepreneurial hub, Nairobi, Kenya
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Team members at the Legatum Institute are available to engage and provide support to those interested in addressing the challenges and opportunities presented by these materials. Please contact us at info@li.com.

USING THE INDEX

Political leaders

This report provides leaders at a national and local level with an overview of their country's performance across the 12 pillars of prosperity and provides the foundation for setting an agenda to create pathways from poverty to prosperity. These can be developed and refined using the more in-depth accompanying resources.

Policymakers

The Index and its accompanying resources allow policymakers to benchmark nations' performances against peers across 12 pillars and 65 elements of prosperity to create a much more granular perspective of performance and the potential binding constraints to development.

Each of the 65 elements of prosperity have been designed to be recognisable, discrete areas of domestic policy, and measured using a combination of indicators from a variety of public data sources. The indicators should be interpreted as a set of proxies for the underlying policy concept and we would encourage policymakers to interpret a country's score and rank for an element as the trigger for more fundamental analysis of the strengths and weaknesses of its performance. Benchmarking against a basket of international metrics must be complemented by in-depth context-sensitive analysis, which itself can lead to more balanced agendas across a range of policy areas.

In addition to helping focus analysis, these materials, together with the database of performance, also allow policymakers to develop diagnostic tools and to identify potential options to consider, based on the performance of other countries, and the case studies provided.

Philanthropists

Beyond the familiar humanitarian and living conditions-focussed efforts, there are many opportunities to invest in building stronger social, political, and economic outcomes. For example:

Governance. While there is already extensive NGO engagement in activities such as monitoring elections, many more upstream opportunities exist to support capability building within governments. This is not only developing the organisational capital, but also providing professional experience across all the technical aspects of the machinery of government, e.g. strategic planning and judicial functions. This need not be direct support, but could be an enabling or financing role.

Social Capital. Institutional and interpersonal trust are two critical factors that will help the countries of the world build true prosperity. However, these are less-understood areas, and there is a unique role for philanthropists to identify and champion what it takes to increase trust and build social capital.

Enterprise Conditions. Some NGOs have enhanced prosperity at a local level by working with local businesses to identify barriers to starting, operating, and growing businesses and developing collaborative approaches to resolving them at a local and national level.

Infrastructure. Ensuring that large-scale programmes deliver on their potential for the broader population can be very challenging when inadequate attention is paid to last-mile challenges, whether it be access to roads, electricity connections, or mobile coverage. Measurements of levels of access help overcome this.

Investors and business leaders

The business community is well positioned to identify barriers to starting, operating, and growing business, and to demonstrate to government the economic potential from reforms such as lifting onerous regulation. Likewise, business leaders and investors can work with government to improve the investment environment, contributing to the strengthening of investor protections and corporate governance, as well as identifying the potential from improved contract enforcement in many jurisdictions.

Furthermore, business leaders and investors can contribute to infrastructure policy development by demonstrating the economic impact of investment in communications, transport, and energy projects, where they can be the binding constraint on development.

Academics and Researchers

For academics and researchers, our database of curated indicators is a unique resource enabling cross-country comparison of trends and patterns across the past 13 years for much of the data. By providing a holistic dataset across many disciplines, it provides an opportunity to compare in a straightforward way the impact of disparate factors such as how political terror is related to education levels, or property rights with reserves of renewable water.

Journalists and civil society

The Prosperity Index is based on publicly available and verifiable data, which means it can be a powerful resource for those who want to hold up a mirror to those in power and society at large. Holding leaders to account is a crucial role for both journalists and civil society. The institutional, economic and social performance of a nation is critical to its prosperity, and having non-government actors calling out weaknesses, as well as celebrating successes, can help spur on national leaders. To do so well requires easy access to reliable data that can be represented in a digestible way.

THE PATHWAYS TO TRANSFORMATION

The pathway from poverty to prosperity is not necessarily uniform. When confronted with many challenges, navigating them can often seem like an overwhelming task. From our research and engagement with national leaders, three important themes inform the appropriate response to addressing the challenges.

1. Transformation is a process not an event. For countries in the middle ranks of the Index, it is not necessary, or useful, to aspire to be Denmark – at least in the medium term. Intermediate benchmarks are much more helpful and effective.

2. Iterative changes are often more powerful than striving for an ideal on any one dimension. Given the highly complex nature of development, many factors impinge on others. There is little value in having a highly efficient, or even 'ideal', system of contract enforcement if the forms of corporate governance, investor protections, or property rights are much less developed. In fact, a lopsided approach can be detrimental, as it can generate unintended consequences. Each change of the ecosystem needs to move from one (relatively) stable state to another. These are often described as 'second-best institutions', but they are often the next-best solution.

3. It is important to identify the most binding constraint to development, and use it to inform sequencing and prioritisation. To give a rather simplified example, a country may find itself with a weak environment for foreign investment and also weak property rights. In such a situation, loosening restrictions on foreign investment is unlikely to have much of an impact, as investors will be wary of securing a return if property rights are not adequately protected. In such a circumstance, improving property rights would likely be a more impactful first step.

Of course, the specifics of each country's circumstances will be critical to determining the prioritisation. The Index provides a set of hypotheses to test. The areas of highest priority will likely be those that are performing relatively poorly, but not necessarily the weakest-performing elements, as creating the conditions to warrant improving the weakest performing elements may require improving some of the elements that are less weak first. Each country has its own unique history and set of starting conditions. Nowhere is starting from a blank sheet.

That said, when looking at the progression of those countries that have had the most successful development trajectories, it is clear that establishing safety and security, adequate personal freedoms, and broadly principled systems of governance are generally pre-requisites to building a functioning economy. Within the economic sphere, a broadly stable macro-economic environment, together with enforceable property rights are usually sufficient to kick-start economic progress. Improving the regulatory environment (whether the ease of doing business, or flexibility of the labour market) can help, but the prevalence of informal economic systems around the world, as well as the varying development pathways that countries have taken, shows they are not necessarily the most binding constraint to development. By addressing underlying institutional failures, this will also ensure that resources made available to improve people's lived experience will result in strengthening the education and health systems and provide the living conditions that will enable the population to attain the necessary level of wellbeing.

A robust, and context-sensitive, diagnostic of the binding constraints to development is a pre-requisite to any prioritisation exercise. This will help identify whether, for example, low economic activity is a function of under-developed human capital or infrastructure on the one hand, or regulatory or investment environment weaknesses on the other.



Chefchaouen, Morocco
Maria_Ermolenko/Shutterstock.com

Executive Summary

INTRODUCING THE AFRICA PROSPERITY REPORT

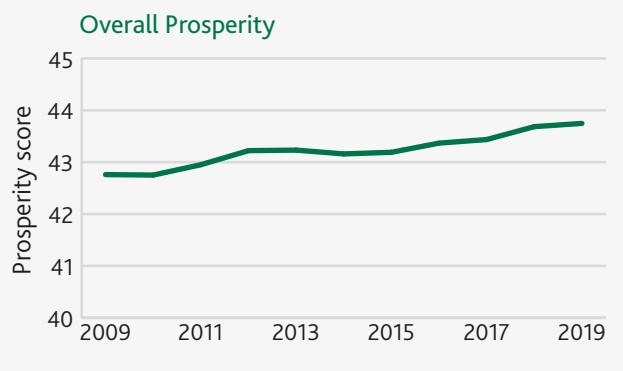
The Legatum Institute's Africa Prosperity Report quantifies prosperity across 54 of the African Union's 55 member states, using almost 300 country-level indicators to measure the performance of the continent, and track its evolution over the past decade. Using this framework, African nations can assess their strengths and weaknesses in order to gauge how policy choices can further build inclusive societies, open economies, and empowered people.

THE KEY FINDINGS FROM THIS YEAR'S REPORT ARE:

- Prosperity in Africa is at its highest ever level, and 43 countries have improved in the last decade, though the divergence between the top and bottom ranked countries has increased.
- Each region of the continent has improved, with the most improvement in East Africa.
- Those countries whose prosperity has increased the most, such as Togo, already had strong personal freedoms.
- The most important underlying driver of improvements in prosperity over the last decade has been a strengthening of institutions.
- Microeconomic factors and social wellbeing, have improved across the continent, even among countries that have declined in their overall prosperity.
- If African countries were to replicate the high performance of the most prosperous countries on the continent, they would rank 38th in the world.

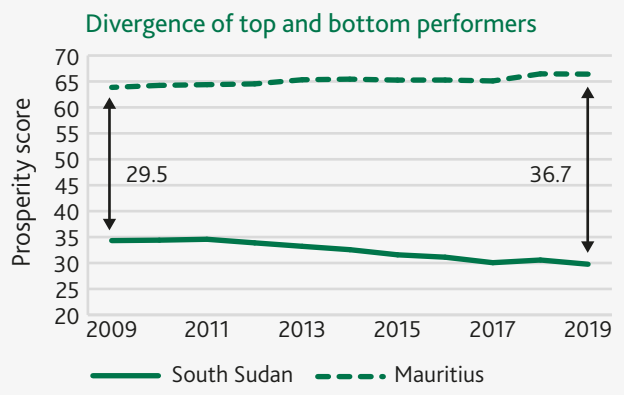
PROSPERITY IN AFRICA IS AT ITS HIGHEST EVER LEVEL

Overall, the continent is the most prosperous it has ever been, thanks to continued improvements since 2009, with 43 countries having improved their prosperity in the last decade



One of the key findings from the 2019 Global Prosperity Index has been the increased inequality across global prosperity scores. This trend is also evident in Africa, where the disparity between the most and least prosperous countries has increased over the last 10 years.[1]

The countries that top the rankings in Africa — **Mauritius** (1st), **Seychelles** (2nd), **Cabo Verde** (4th) — are all relatively small peaceful island nations, geographically separated from continental Africa. The next ranked comprise a core group of Southern African countries — **Botswana** (3rd), **South Africa** (5th) and **Namibia** (6th). Southern Africa is itself the most prosperous region in Africa, and has remained so over the last decade. The region boasts the continent's strongest governance, as well as low levels of war and civil conflict. Southern Africa is also the region most open to international investment in Africa, and has a well-educated adult population.



On the other hand, the weakest five countries have all been subject to civil conflict, from which only Chad has begun to emerge. Internecine conflicts in South Sudan, the Democratic Republic of the Congo, and Central African Republic have threatened to spill over each other's borders, with refugee numbers from all three countries increasing steadily over the last 10 years. The cycle of violence that afflicts these countries has largely prevented them from embedding strong institutions and growing their economies.

EACH REGION HAS IMPROVED — ALBEIT SLOWLY

Every region in Africa has become more prosperous since 2009. Further, there have been across-the-board improvements. In the social wellbeing domain, health, education, and living conditions have improved in each region. A similar story, though not to quite the same extent, is seen with regard to the openness of African economies; market access and infrastructure has improved in every region, and enterprise conditions and the investment environment have improved in all but one and all but two regions respectively. In contrast, there has been a continent-wide decline in the strength of



Crowd disembark from the ferry in Dar Es Salaam, Tanzania
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institutions, with governance declining in every region and safety and security declining in all but Southern Africa.

East Africa is the region whose prosperity has improved the most. Every country in the region has become more prosperous over the last 10 years, with Comoros (25th, up five places), Tanzania (18th, up four places) and Rwanda (11th, six places) among the fastest risers in Africa. Its investment environment has had the greatest improvement of all regions. In addition, all other pillars, but four (Safety & Security, Personal Freedom, Governance, Economic Quality), have improved over the last 10 years.

PERSONAL FREEDOMS ARE AN ESSENTIAL PRECONDITION TO PROSPERITY

Analysis from the report has been able to reveal that underneath the improving prosperity of the entire continent, the regions of Africa have distinct and persistent characteristics. **Togo** (35th), **Zimbabwe** (33th), **Côte d'Ivoire** (24th), **Rwanda** (11th), and **Guinea** (34th) are the fastest-improving countries in Africa. Each of these countries started with relatively strong personal freedoms, mirroring the pattern we see at the global level.

Another prerequisite to improving prosperity is the absence of war and civil conflict. Over the last decade, eleven countries have become less prosperous, notably the Central African Republic and South Sudan. This is primarily due to the deteriorating security situation, as politically-related terror and violence have increased in prevalence over the past year across Africa. Government effectiveness and measures of social capital (e.g., helping other households and being able to get help from family and friends) have also deteriorated, indicating that many people are now living without formal or informal safety nets.

STRENGTHENING INSTITUTIONS IS A KEY DRIVER OF GROWTH

The most-improved countries on the continent are differentiated from those that saw only minor improvement, or indeed a deterioration, by the nature of the improvements. They have typically expanded their governance capacity, reinforced personal freedoms, and avoided deteriorations in safety and security. Similarly, the countries that posted the greatest improvements across the Inclusive Societies domain saw the greatest improvements in their overall prosperity, highlighting the pivotal role that institutions play in ensuring holistic development.

This suggests that a virtuous circle of rising prosperity can be achieved by building from a solid foundation of safety and security, where personal freedoms are institutionalised, and governance improves. Where citizens feel secure, are able to express their views openly without persecution, and can hold their governments to account not just in theory, but in practice, countries prosper and improve steadily irrespective of where they started in the rankings. This significance has been recognised by international frameworks to which African countries have already subscribed.

Almost every member-state of the African Union has signed up to the Sustainable Development Goals (SDGs), of which 'Peace, Justice and Strong Institutions' is a component part, and the countries are therefore, at least in theory, committed to 'promoting peaceful and inclusive societies' and building 'effective, accountable and inclusive institutions'.[2] The African Union, in its 50-year plan 'Agenda 2063', also outlines capable institutions, peace, safety, and security as priority areas.[3]

Counter to these initiatives, particularly the African Union's 'Silencing the Guns by 2020', no pillar has deteriorated more than Safety and Security across Africa, with increased terrorism now one of the



School children in Soweto, South Africa
Sunshine Seeds/Shutterstock.com

biggest challenges for the continent. Every region has experienced an increase in the number of incidents and fatalities from terrorism over the past decade. Politically-related violence and terror has also increased. The question therefore remains as to when these goals will be realised, and what is needed to facilitate the institutional transformation required.

MICROECONOMIC FACTORS AND SOCIAL WELLBEING HAVE SEEN WHOLESALE IMPROVEMENTS

Social wellbeing and microeconomic policy are driving improved prosperity across the continent. Living conditions, education, and health have improved for all regions. On aggregate, Africa is improving its Empowered People domain faster than the Middle East, Latin America, North America, and Western Europe. As a result, Africa is on track to meet many of the goals set out in Agenda 2063, including a third of children having access to pre-primary education, 50% of the population having access to the internet, and child mortality rates halving from 2013 levels.

Already, extreme poverty (at $1.90 per day) has declined by six percentage points to 36% over 10 years, while more Africans today have access to electricity, water, and sanitation services than ever before. Protection from harm, which includes road traffic deaths, unintentional injuries, and life years lost from forces of nature, has also improved.

Improvements have also been driven, in part, by an energised business environment, as more countries make it easier to start a business and pay taxes. Labour market flexibility and the burden of regulation have also generally improved over the past decade, and act as prerequisites for large-scale formal employment. Market access and infrastructure have improved faster than any other aspect of African prosperity, with improving communications at the forefront. Internet usage and mobile network coverage have grown, and open market access has also widened through free trade agreements signed at the national and regional level. With the African Continental Free Trade Agreement coming into force, more opportunities to access foreign markets will arise for African countries.

HIGH PERFORMANCE CAN ALREADY BE FOUND ON THE CONTINENT

If countries in Africa were to achieve a performance equivalent to the continent's top decile across each of the 65 elements in the Report, then they would be ranked 38th in the world — a very strong performance. This would mean the average country achieving the equivalent of Tunisia's primary education, Namibia's freedom of assembly, and Djibouti's macroeconomic stability, to mention just a few examples.

Furthermore, if African countries were to replicate the strongest improvements in each pillar, then in 20 years, the African Union's average prosperity would match that of Lithuania today.

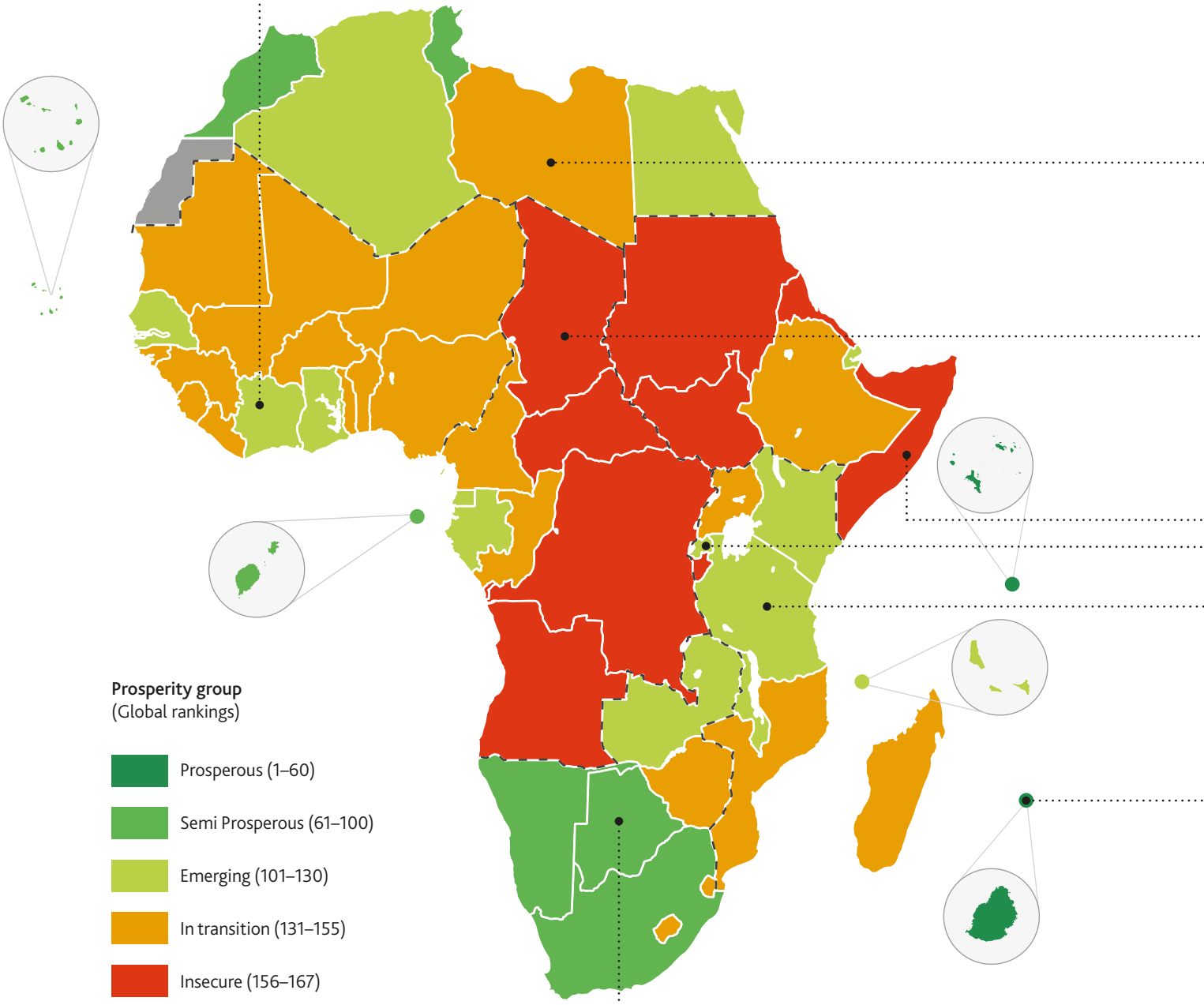
CONCLUSION

African prosperity has been improving, which is good news for the continent's billion citizens and global markets alike. Yet too many of the continent's inhabitants are not enjoying the benefits of this openness. Our broader work on measuring prosperity shows that much needs to change to enable all nations to fulfil their potential, not only in terms of economic systems but also building strong institutions and investing in social wellbeing. Given the different political, cultural, and geographic contexts in which nations find themselves, the solutions to realising such potential could scarcely be more wide-ranging. Our hope is that this report can help all leaders and policymakers to identify the pathways to prosperity for all.

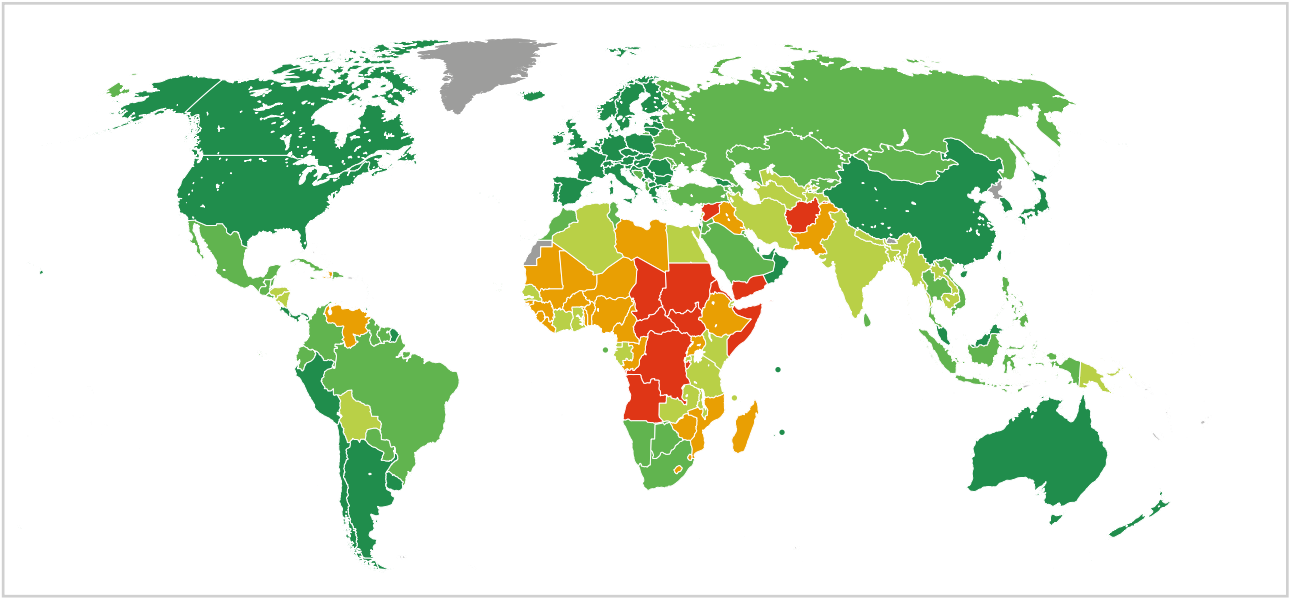


Mapping prosperity across Africa

Togo (35th) has shown the strongest improvement of any country in Africa, rising over 10 ranks for its living conditions, economic quality, and enterprise conditions. Inflation returned to positive values in July 2018 when political protests subsided, and the proportion of people reporting food shortages has fallen significantly in the last two years.



Botswana (3rd) is the most prosperous country in Southern Africa, and has the second-strongest economic quality in Africa. Despite heavy reliance on mineral exports, the country has strong fiscal sustainability and a high proportion of salaried workers.



Libya (38th) has deteriorated more than any country other than South Sudan since 2009. Overall, Libya is down 18 ranks over the same period. Safety and security has fallen 23 ranks to 52nd, whilst economic quality has fallen 11 ranks to 24th.

Chad (52nd) has substantial improvement across the Inclusive Societies pillars over the last 10 years. Personal freedom is up two ranks in the country, and safety and security has improved thanks to an alleviation in politically related terror.

Somalia (50th) has been consistently among the least prosperous countries in Africa, with safety and security and governance among the weakest in the continent. Security issues persist in the country, though political accountability has improved since 2009.

Rwanda (11th) has become well known for its strong economic growth in recent years. The country is up seven ranks to 2nd for enterprise conditions, and up five to 2nd in Africa for its investment environment, with SME financing the strongest in Africa.

Tanzania (18th) has experienced the strongest improvement in its social wellbeing. Living conditions have risen from 29th to 26th over the last 10 years, driven by strong reductions in poverty rates, as well as greater connectedness for its population.

Mauritius (1st) is the most prosperous country in Africa, and has been for the past 10 years. The island country has been a model since independence in 1968, and today tops the continent in six pillars, including Governance, Enterprise Conditions, and Education.

Methodology

The Index upon which this African Prosperity Report is based assesses the nations of the African Union, on the promotion of their citizens' flourishing, reflecting both wealth and wellbeing. It captures the richness of a truly prosperous life, moving beyond traditional macroeconomic measurements of a nation's prosperity, which rely solely on indicators of wealth such as average income per person (GDP per capita). It seeks to redefine the way we measure success, changing the conversation from what we are getting to who we are becoming. This makes it an authoritative measure of human progress, offering a unique insight into how prosperity is forming and changing across the continent.

To cover both economic and social wellbeing, and not just one or the other, the Index faces the challenge of finding a meaningful measure of success at national level — that is calibrated appropriately for the nations on the continent. We endeavour to create an Index that is methodologically sound. This is something that the Legatum Institute has sought to achieve with academic and analytical rigor over the past decade in its work on The Legatum Prosperity Index™.

In developing the African Prosperity Report, we have applied the framework and taxonomy structure of The Legatum Prosperity Index™, which has been undergoing improvement and refinement over the past few months. The new Global Prosperity Index was launched at the end of November 2019. One of the improvements has been to move from a 9 pillar structure of prosperity to an 12 pillar structure and also to include policy-focussed elements. Furthermore, we have placed significant emphasis on capturing indicators that serve to provide meaningful metrics for developing nations.

We worked with more than 100 academics and experts around the world with particular expertise on each of the pillars of prosperity to develop an appropriate taxonomy of discrete elements, and supporting indicators, which accurately capture prosperity in the world. Over multiple iterations, through many meetings and subsequent correspondence, we discussed these concepts and how to measure them. We also drew upon those with specific expertise of African countries to test the reliability and applicability of these metrics in an African context.

Over 80 different data sources were employed to construct this Index. For more information on the data sources and the methodology, please refer to the full methodology report published at www.prosperity.com.



Step by Step

1 Selecting the indicators

Having discussed and agreed the taxonomy with the experts for measuring prosperity across the world, we identified hundreds of data variables that have an effect on prosperity.

We identified the most relevant indicators within each element, driven by a set of selection criteria as well as advice from external experts on data and research around each pillar.

We used an extensive variety of publicly available data sources that gave comprehensive international coverage. This list was refined based on input from academic and policy experts in each pillar area, who advised on the reliability of data sources, alternative measures, and the credibility of indicators' measurement.

These indicators were organised into elements and pillars. Each of the 12 pillars captures a fundamental theme of prosperity, and each element helps to capture discrete policy areas measured by the indicators. Each pillar has between three and six elements, and each element has between one and eight indicators.

2 Standardisation

The indicators in the Index are based on many different units of measurement, including numbers of events, years, percentages and ordinal scales. These different units need to be normalized for comparison between indicators and countries to be meaningful. We employ a distance to frontier approach for this task. The distance to frontier approach compares a country's performance in an indicator with the value of the logical best case, as well as that of the logical worst case. As a result, the distance to frontier score captures a country's relative position. This approach also enables us to compare Index scores over time.

3 Indicator weights

Each indicator is assigned a weight, indicating the level of importance it has in affecting prosperity. Weights fall into four buckets: 0.5, 1, 1.5, and 2. Each indicator is weighted as 1 by default, but based on its significance to prosperity, this may be adjusted downwards or upwards accordingly. For example, an indicator with a weight of 2 means that it is twice as important in affecting the element as another indicator in that element with a weight of 1. Weights were determined by two factors, ordered by priority: (1) the relevance and significance of the indicator to prosperity, as informed by the academic literature and our experts' opinions, and, to a lesser degree, (2) the statistical significance of the indicator to the productive capacity and wellbeing of a state, as measured by Cantril's Ladder.

4 Element and Pillar scores

In each of the 12 pillars, indicators' distance to frontier scores are multiplied by their weights and then summed to generate states' element scores and subsequently pillar scores. Elements weights were determined in the same manner as the indicator weights. The states were then ranked according to their scores in each prosperity score.

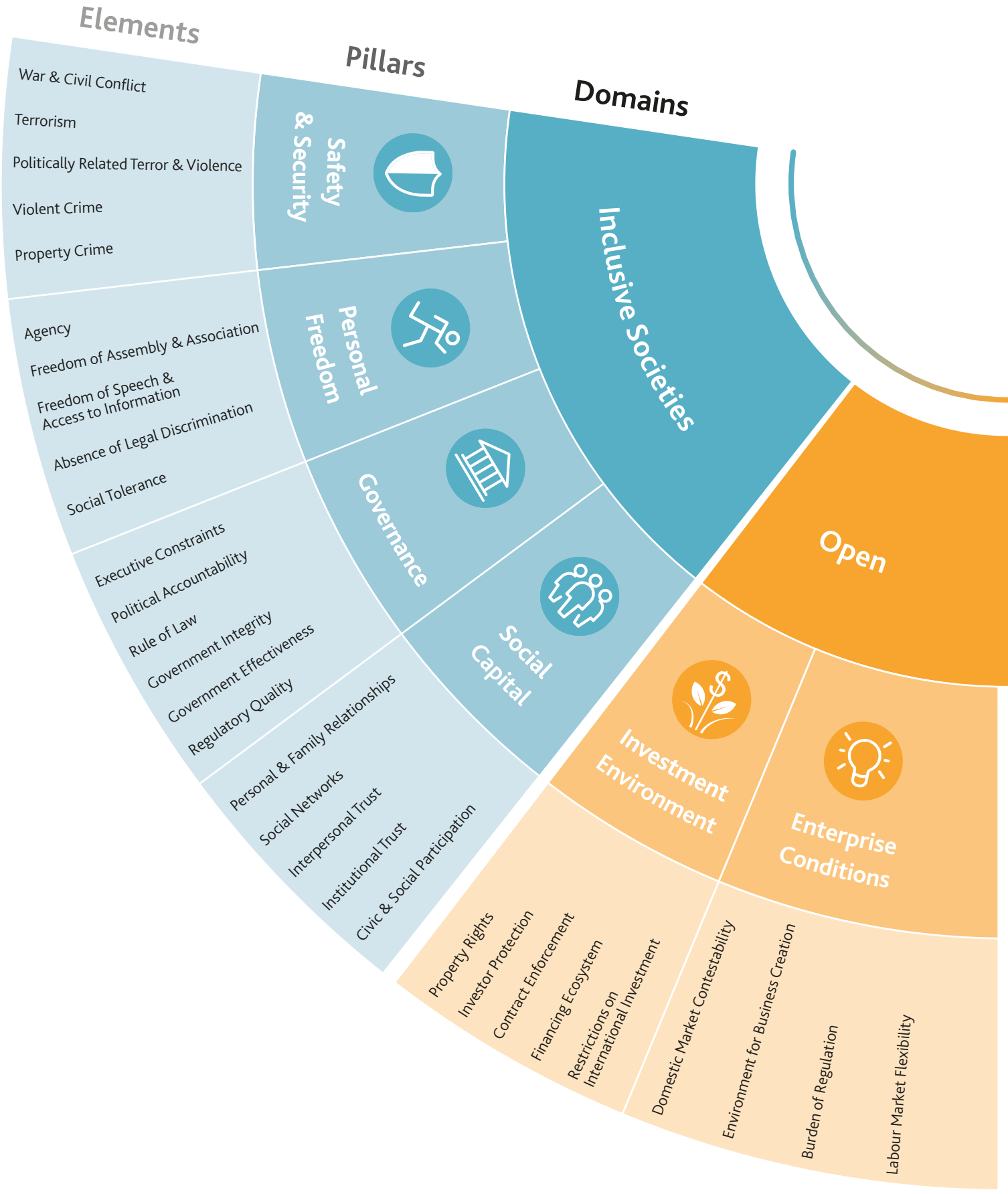
The Index score is determined by assigning equal weights to all 12 pillars for each country. The mean of the 12 pillar scores yields an overall score for each state. The overall prosperity rankings are based on this score.

While the Index score provides an overall assessment of a country's prosperity, each pillar (and element) score serves as a reliable guide to how that state is performing with respect to a particular foundation of prosperity.

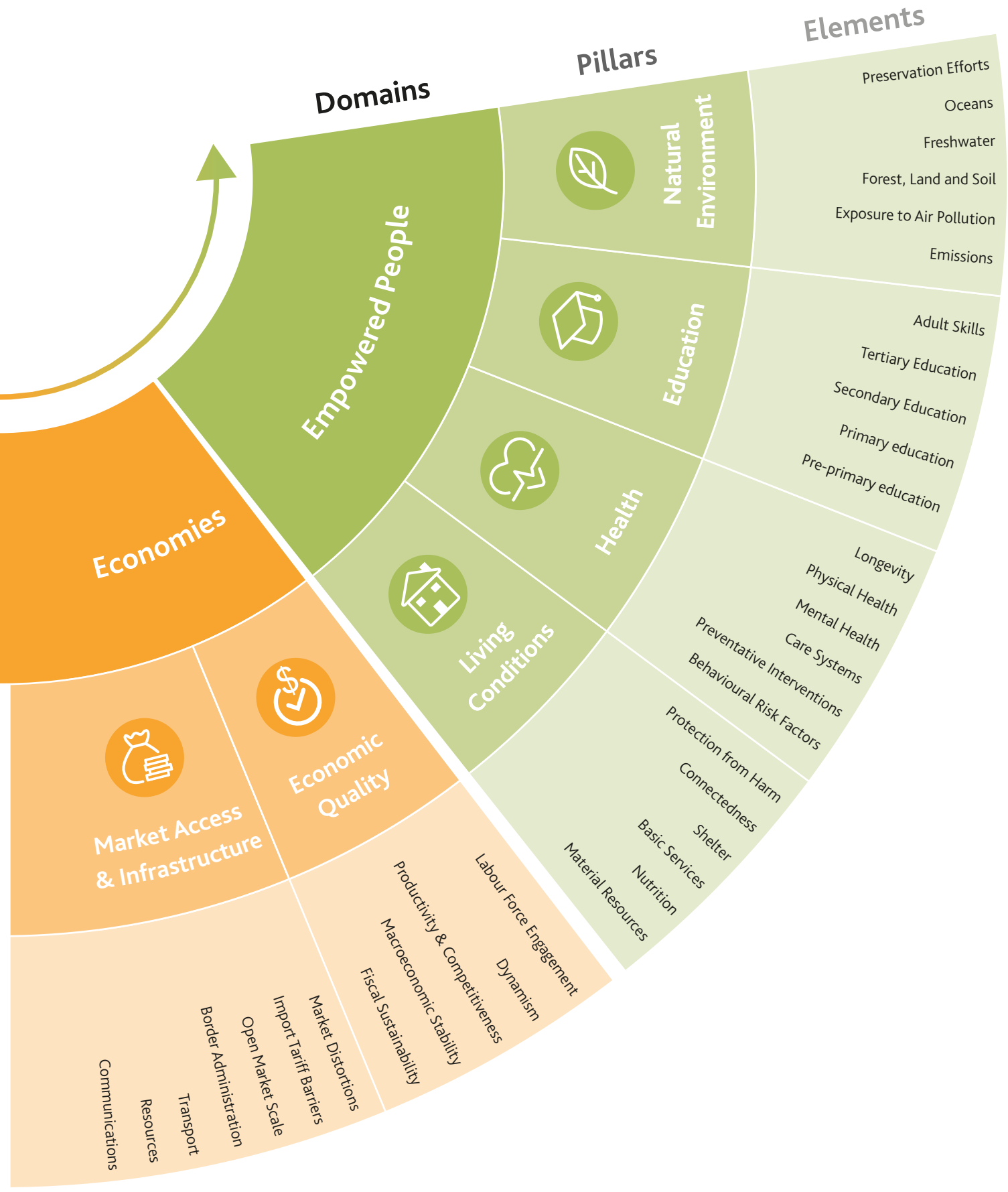
Note on averages

When calculating scores for regions and the African continent, we take a population-weighted average score. This is because we want to capture the effect on individuals rather than countries. For example, if two countries change their score, then the more populous country has a greater effect on the African and regional scores than the less populous country.

The building blocks of prosperity



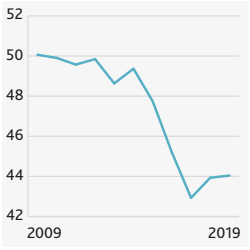
The domains, pillars and elements of prosperity



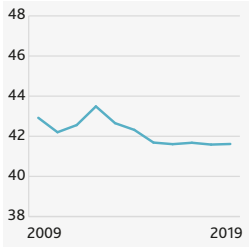
The Africa Prosperity Index

Rank	Country	Safety and Security	Personal Freedom	Governance	Social Capital	Investment Environment	Enterprise Conditions	Market Access and Infrastructure	Economic Quality	Living Conditions	Health	Education	Natural Environment
1	Mauritius	2	3	1	1	1	1	2	3	1	2	1	32
2	Seychelles	5	10	5	2	3	4	1	1	2	1	2	7
3	Botswana	12	7	3	18	7	7	8	2	12	13	6	24
4	Cabo Verde	7	1	7	6	18	17	14	12	8	4	7	1
5	South Africa	38	2	4	5	6	3	4	5	10	24	8	47
6	Namibia	8	6	2	10	8	12	6	14	13	18	16	13
7	São Tomé and Príncipe	1	4	11	12	27	14	17	8	15	7	11	5
8	Tunisia	33	17	10	38	10	20	5	13	4	5	4	49
9	Morocco	9	34	17	52	5	10	3	10	7	9	14	35
10	Ghana	19	5	6	9	13	6	16	33	14	12	12	25
11	Rwanda	32	32	9	15	2	2	10	7	35	8	21	22
12	Algeria	6	42	24	40	32	39	9	22	3	3	3	44
13	Senegal	20	9	8	8	25	13	20	21	16	15	31	27
14	Gabon	22	31	33	39	16	19	12	11	9	20	5	6
15	Kenya	43	26	12	4	4	5	11	28	23	11	9	43
16	Equatorial Guinea	13	49	31	13	23	27	15	4	11	46	18	2
17	Zambia	14	27	16	16	15	9	29	42	34	19	19	3
18	Tanzania	28	28	15	22	21	22	22	17	26	16	24	10
19	Djibouti	27	39	28	24	11	15	13	6	18	14	30	48
20	The Gambia	15	30	23	3	20	28	25	47	20	33	26	16
21	Egypt	44	52	39	32	14	11	7	34	5	10	10	51
22	Malawi	16	12	13	46	22	24	26	30	45	26	35	12
23	Comoros	3	21	36	23	44	31	34	36	21	23	36	28
24	Côte d'Ivoire	35	22	20	41	17	21	19	9	24	42	38	21
25	Benin	10	11	14	49	38	18	24	31	37	35	37	36
26	Eswatini	17	46	35	34	12	30	18	15	17	36	22	45
27	Lesotho	18	16	18	31	26	29	21	16	31	50	17	52
28	Burkina Faso	30	8	21	30	30	26	45	32	38	29	41	23
29	Uganda	36	33	26	37	9	8	27	25	33	31	27	40
30	Liberia	11	19	19	11	31	25	51	41	40	47	43	8
31	Madagascar	29	18	32	25	28	38	33	29	53	30	33	15
32	Guinea-Bissau	4	23	38	21	47	33	40	23	46	39	48	9
33	Zimbabwe	23	36	45	27	41	46	35	37	22	25	15	42
34	Guinea	34	25	34	19	24	16	44	44	43	44	49	4
35	Togo	26	29	37	53	37	36	38	20	28	37	25	46
36	Mozambique	24	14	29	20	35	43	42	54	44	34	42	11
37	Sierra Leone	21	15	25	7	40	42	46	50	47	51	40	17
38	Libya	52	43	48	28	48	51	23	24	6	6	13	53
39	Nigeria	48	24	30	14	19	32	30	46	27	49	28	33
40	Mali	46	13	22	33	36	34	39	18	32	41	50	26
41	Ethiopia	40	48	40	29	33	41	32	26	39	21	29	34
42	Niger	37	20	27	17	39	35	47	27	48	38	53	39
43	Cameroon	47	38	43	35	34	37	31	19	25	45	20	31
44	Rep. of Congo	39	35	42	48	42	48	36	51	30	32	23	14
45	Mauritania	25	45	49	44	50	45	48	38	19	28	47	54
46	Angola	31	41	41	45	54	50	37	35	36	40	44	37
47	Sudan	53	53	47	36	29	40	28	53	29	22	32	50
48	Burundi	49	50	44	42	45	23	43	48	51	27	39	41
49	Eritrea	41	54	53	43	43	49	49	43	42	17	45	29
50	Somalia	45	47	54	26	53	53	52	52	41	48	46	38
51	Dem. Rep. of Congo	51	44	52	47	52	47	53	45	50	43	34	30
52	Chad	42	37	51	54	49	54	54	39	49	53	52	18
53	Central African Republic	50	40	46	50	51	52	50	40	54	52	51	20
54	South Sudan	54	51	50	51	46	44	41	49	52	54	54	19
	Sahrawi Arab Democratic Republic	Insuffucient data across all pillars for scores to be calculated											

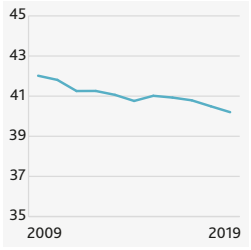
The **Safety and Security** pillar measures the degree to which conflict, terror, and crime have destabilised the security of individuals, both immediately and through longer lasting effects.



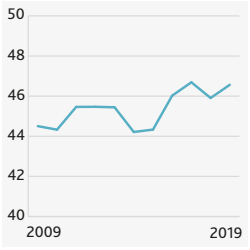
The **Personal Freedom** pillar measures country-wide progress towards basic legal rights, individual liberties and social tolerance.



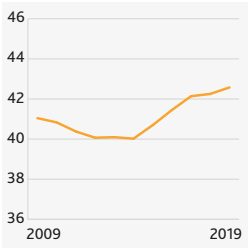
The **Governance** pillar measures the extent to which there are checks and restraints on power and whether governments operate effectively and without corruption.



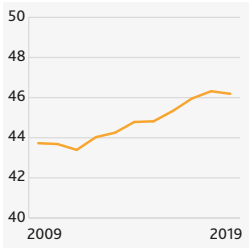
The **Social Capital** pillar measures the strength of personal and social relationships, social norms and civic participation in a country.



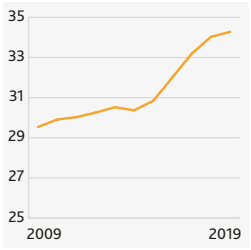
The **Investment Environment** pillar measures the extent to which investments are adequately protected and are readily accessible.



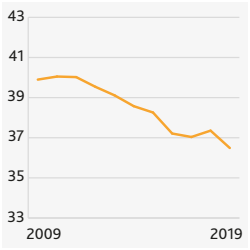
The **Enterprise Conditions** pillar measures the degree to which regulations enable businesses to start, compete, and expand.



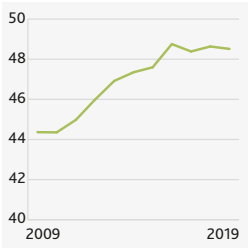
The **Market Access and Infrastructure** pillar measures the quality of the infrastructure that enables trade, and distortions in the market for goods and services.



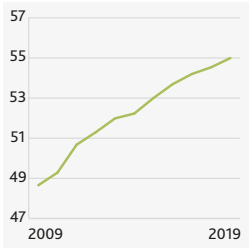
The **Economic Quality** pillar measures how well a state's economy is equipped to generate wealth sustainably and with the full engagement of its workforce.



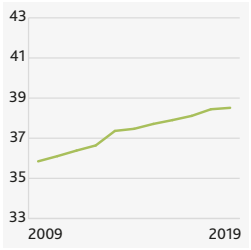
The **Living Conditions** pillar measures the degree to which a reasonable quality of life is experienced by all, including material resources, shelter, basic services and connectivity.



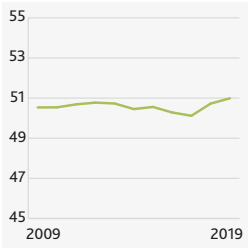
The **Health** pillar measures the extent to which people are healthy and have access to the necessary services to maintain good health, including health outcomes, health systems, illness and risk factors, and mortality rates.



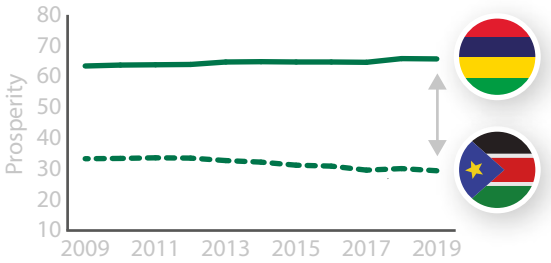
The **Education** pillar measures enrolment, outcomes and quality across four stages of education (pre-primary, primary, secondary and tertiary education), as well as the skills in the adult population.



The **Natural Environment** pillar measures the aspects of the physical environment that have a direct effect on people in their daily lives and changes that might impact the prosperity of future generations.

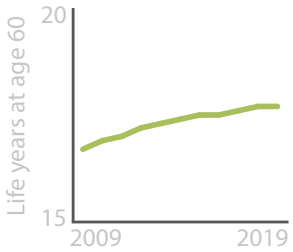


Key findings



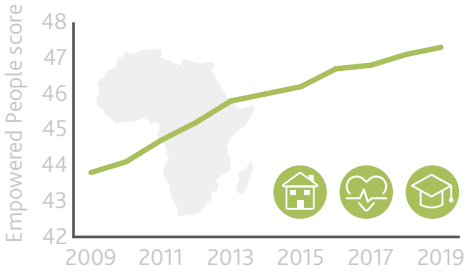
Prosperity in Africa is rising, but not evenly

Africa has become more prosperous over the last 10 years. Forty-three countries have improved their prosperity over this time, though not evenly. The gap between the most prosperous country (Mauritius) and the least prosperous (South Sudan) has increased, a trend that is repeated at the regional level.



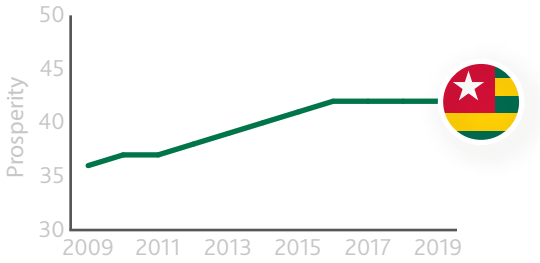
Prosperity in East Africa has improved the most

East Africa has improved the most of any region in Africa over the last decade. With relatively strong governance, the region has become an attractive destination for entrepreneurs and investors, seeing the greatest improvement in the Investment Environment pillar of all any region. Health standards in East Africa, including life expectancy and mortality rates, have also improved substantially.



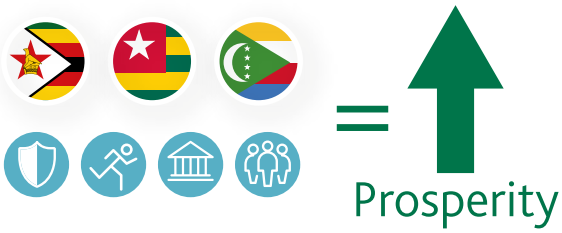
Social wellbeing has improved consistently

Every region in Africa has demonstrated improvements to its Empowered People pillars over the last 10 years. Living conditions have improved, with poverty rates down, and health and education standards rising. The continent faces challenges with regard its natural environment, but has managed to improve its preservation efforts, with more protected areas than any global region except Western Europe.



Strong personal freedoms underpin rising prosperity

Led by Togo (35th), which saw the most rapid improvement in overall prosperity over the last decade, the countries which have made the most significant improvements to their overall prosperity since 2009 are those with a strong foundation of personal freedoms. Others include Zimbabwe (33rd), Côte d'Ivoire (24th), and Rwanda (11th).



Prosperity is strengthened by improving institutions

The most important underlying driver of improvements in prosperity over the last decade has been a strengthening of institutions. Those countries which posted the greatest improvements across the Inclusive Societies domain also saw the greatest improvements in their overall prosperity, highlighting the pivotal role played by institutions in ensuring holistic development.



African countries have potential for improvement

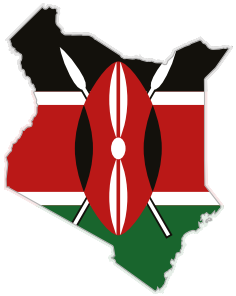
If all African nations were to emulate the strengths of the continent's most prosperous countries across all 65 elements, they would sit on average at 38th in the world. This would mean combining the equivalent of Tunisia's primary education, Namibia's freedom of assembly, and Djibouti's macroeconomic stability, to name just a few examples.

Country Highlights



South Africa (5th)

South Africa ranks fifth overall in Africa, and second of seven countries in Southern Africa. The country performs well in Enterprise Conditions (3rd) and Market Access and Infrastructure (4th), with mobile network coverage now reaching 92% of the population, one of the highest rates in Africa. Safety and Security has fallen two places over the last decade, however, with particularly high rates of violent and property crime.



Kenya (15th)

Kenya ranks 15th in Africa, having risen three places from a decade ago. The country is one of the fastest improving in Africa, with Social Capital (4th) and Investment Environment (4th) both improving over the last ten years. Kenyans report increased willingness to help strangers, as well as the highest reported rate of charity donation in Africa (47% vs 21% Africa-wide). The country has also improved its investment environment by introducing M-PESA, an innovative mobile banking system used by many Kenyans.



Egypt (21st)

Egypt ranks 21st in Africa, and fourth overall in North Africa. The country has fallen six places since 2009, with the country's Inclusive Societies pillars all deteriorating significantly. Personal Freedom (52nd) is now third weakest in Africa, with increased restrictions of freedom of assembly and speech. Nonetheless, Egypt has risen 11 places for Enterprise Conditions (11th), with regulatory burdens and labour market flexibility all improving compared to a decade ago. The country is also the fourth-strongest in Africa for cluster development.



Nigeria (39th)

Nigeria is Africa's most populous country and biggest economy, yet is the continent's 39th most prosperous nation. It performs poorly for Economic Quality (46th), down 10 places since 2009. Having slipped into recession in 2016, Nigeria is suffering from oil dependency and poor labour force engagement. Health (49th) standards in the country remain low, but are improving, with mortality rates and prevalence of communicable disease all declining.



Ethiopia (41st)

Ethiopia is ranked 41st in Africa, up one place over the last decade. The country is one of Africa's strongest improvers for Health (21st) and Education (29th), and there are also promising signs that the country's institutions are strengthening; Prime Minister Abiy oversaw the formal conclusion of the conflict with Eritrea (for which he won the Nobel Peace Prize), and freedom of speech and access to information have improved substantially.



Democratic Republic of the Congo (51st)

Ranking 51st in Africa, the same as a decade ago, DRC faces numerous challenges to becoming more prosperous. Living Conditions (50th) are among the poorest in Africa, with only 20% of the population using basic sanitation services, while shelter availability has also deteriorated. Investment Environment (52nd) is down four places since 2009, as property rights and investor protections deteriorate following political instability.

The nature of rising prosperity in Africa

Over the last decade, 43 African nations have increased their overall prosperity, with Togo seeing the greatest improvement. Despite this increase in prosperity for the continent as whole, this growth has not been as fast as we would have hoped.

Within Africa, the range of performance is very wide. Though every region in Africa has become more prosperous over the last 10 years, the gap between those countries at the top of the rankings and those at the bottom has widened.

In terms of performance within the continent, the ten countries that have improved the most come from three regions of Africa (Eastern, Western and Southern). Amongst these risers, there is a mix of starting ranks, from Senegal at 16th, to Togo at 47th. The improvement in prosperity of these African risers has been faster than that seen in Latin America and the Caribbean, though slower than the fastest risers in the Asian developing world.

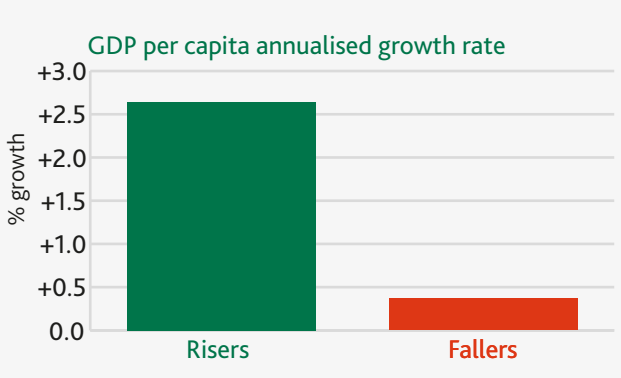
Togo's improvement has not been without its challenges. Its transition to democracy has been a fraught one, and although there has been a move towards democratic norms in recent years, oppression and autocracy remain major challenges under President Faure Gnassingbé, who has been in office for almost 15 years. Nonetheless, over the last decade, it has improved in every pillar except Natural Environment.

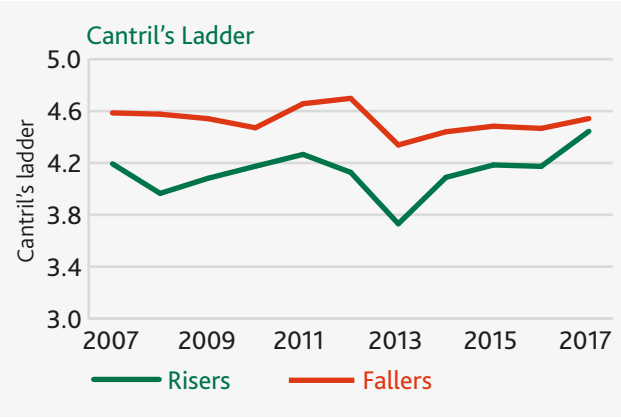
The eleven African countries whose prosperity has deteriorated are distributed more widely, but a majority are in North Africa and the Horn. The fallers range in their 2009 ranks from Tunisia (6th) to Central African Republic (52nd).

COMPARISON TO OTHER MEASURES OF PROGRESS

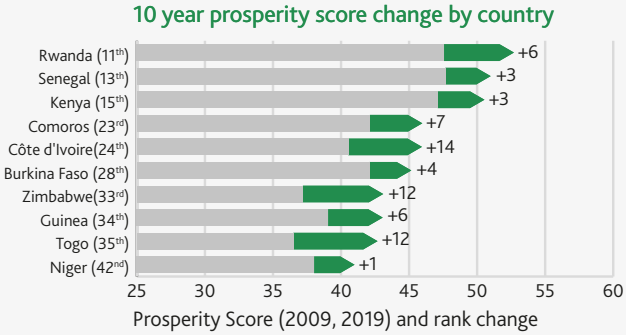
In order to see the potential for increasing prosperity across the African continent, we have looked at the distinctive patterns behind those countries that have improved their prosperity the most over the last decade, comparing them to the rest of the continent, and in particular the eleven countries whose prosperity decreased over the same time period.

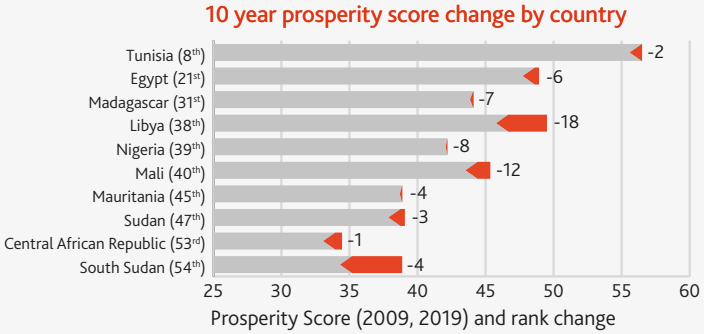
First, and as obvious as it sounds, GDP and wellbeing levels in Africa have increased alongside rising prosperity. For example, over the past 20 years, the 10 fastest growing economies have seen their GDP per capita grow at 3.9% each year, whereas the 10 weakest performing have seen their GDP per capita shrink by 0.1% on average.[4] On average, the risers saw their wellbeing (as measured by Cantril's Ladder) increase and the fallers saw their wellbeing decrease.





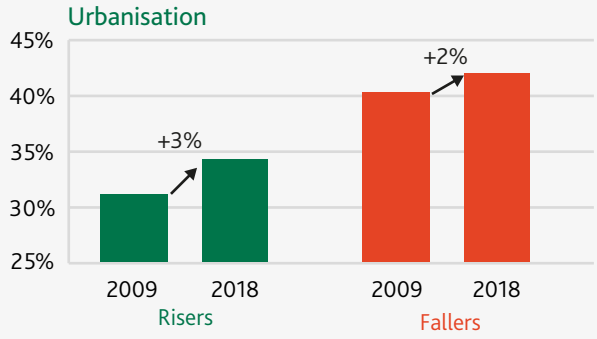
Those countries in Africa that saw the greatest improvements in prosperity over the last decade also saw greater aggregate increases in urbanisation than those countries that registered a deterioration in overall prosperity. A decade ago, the risers were less urbanised than the fallers (31% vs. 40%), but this gap has now narrowed by almost two percentage points.[5]



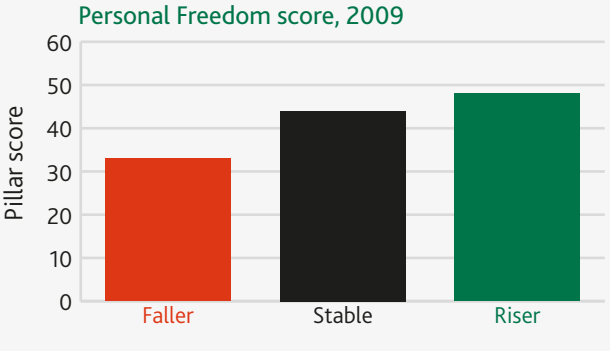


THE PRECONDITIONS FOR IMPROVEMENTS IN PROSPERITY

Across the world, ensuring strong personal freedoms has proved to be one of the most significant contributions to unlocking prosperity; this is also true of several improving African countries. When analysing the commonalities of countries experiencing the greatest increases in prosperity, we found that these countries tended to have particularly strong personal freedoms, regardless of their overall starting point. Côte d'Ivoire, for example, though ranked 38th in 2009, was ranked 17th for personal freedom, and Togo was similarly ranked 47th overall and 32nd for personal freedom. These two countries have seen the third and seventh fastest improvements in prosperity in the world.



Source: WB-DI



Another necessary (but insufficient) prerequisite to improving prosperity is the absence of war and civil conflict. While both the top 10 risers in Africa and those countries that saw declines started the last decade with higher levels of safety and security than the average African country, the major difference lies in the neighbouring regions. Large numbers of countries with deteriorating prosperity are in, or near, conflict zones, and all but one has seen a decline in basic elements of national security, such as the number of deaths due to terrorist acts and the number of civilians killed in conflict, over the last decade. This has negatively affected people's basic security of living conditions and personal safety.

THE NATURE OF THESE IMPROVEMENTS

The countries in Africa that have seen the greatest improvement over the last decade share many similarities, not just in the level of improvement, but also in the way this improvement has been achieved. For the most part, improvements (compared to other countries) have been greater across each domain of prosperity, rather than being driven by particular improvements in only one or two specific areas. Additionally, the structure and sequencing of these wholesale improvements has followed a broad trend.

Those countries that have succeeded in improving quickly, not just compared to the African average, but compared to the global average, have seen the majority of their improvements in their institutions and the inclusivity of their societies. Starting from a base of strong personal freedom, there have been marked improvements to their governance, and they have largely avoided deteriorations to their safety and security. Among the 10 greatest improving countries, only three have seen deteriorations to safety and security.

Senegal, for example, managed to negotiate a truce with the Movement of Democratic Forces of Casamance (MFDC) in 2014, which helped to reduce the number of conflict-related deaths and internally-displaced persons in the country. Such measures are difficult, but critical to ensuring a solid foundation upon which prosperity can be built.

Côte d'Ivoire has experienced a long-term recovery from the political turmoil and widespread conflict that ended in 2011, and has seen an improvement of 10 ranks over the last decade in its governance to 20th. This is a significant improvement over a relatively short period, given that it faced a major threat when an armed rebellion in 2002 split the nation in two. Rwanda's governance continues to be strong, with President Paul Kagame's commitment to open government and citizen consultation earning rightful plaudits. Over the last decade, the country has maintainted a high rank of 9th for governance.

These improvements are generally backed up by a strengthening of their economies, although to a slightly lesser extent than their institutions. For each of the four economic pillars across the 10 countries, only economic quality in Kenya and both enterprise conditions and economic quality in Zimbabwe deteriorated. Even though economic quality in Kenya has deteriorated, the country's investment environment has improved at one of the fastest rates in the world, let alone in Africa. This has been driven predominantly by technological innovation, as entrepreneurs and investors alike benefit from the country's 'hands-off' regulatory environment.

In Côte d'Ivoire, with GDP growth averaging 7% annually since 2012, the country has been able to build its business environment through market-driven reforms, and it has seen significant improvements in its economic quality as a result. The country's emergence from civil war over the last 10 years has also corresponded with rapidly improved enterprise conditions, rising 22 places to 21st in Africa.

Though people in these fast-improving countries have seen their social wellbeing enhanced, this has generally not been a differentiating feature of their improvement. While living conditions in Guinea have improved significantly, and health in Comoros is better than it was in 2009, these improvements are secondary to those in governance and safety and security respectively. Furthermore, each of health, education, and living conditions have also improved in a significant majority of those countries which saw a deterioration in their overall prosperity.

THE BROADER IMPACT OF INSTITUTIONS

The importance of institutions as the transmission mechanism for prosperity is evident when examining the differences between countries in Africa that, over the last decade, (a) strengthened their institutions, (b) remained relatively stable, and (c) saw their institutional strength decline. In each group, aspects of social wellbeing, such as education and health, improved across the board (albeit to slightly varying degrees). So too were there wholesale improvements in those aspects associated with microeconomic policy: market access and infrastructure, enterprise conditions, and the investment environment.

However, those countries with a stronger institutional capacity, including stable governance and personal freedoms, saw macroeconomic stability stay constant, and domestic markets become more contestable. In stark contrast, in those countries that had weakening institutions, macroeconomic stability was significantly worse than 10 years ago, and markets became much less contestable. Even in the countries that remained stable, and in which the aggregate strength of the institutions declined only minorly, macroeconomic stability and domestic market contestability declined. This illustrates how pivotal the role of institutions is in fostering broader prosperity.

AFRICA'S POTENTIAL

If countries in Africa were to achieve a performance equivalent to the continent's top decile across each of the 65 elements in the Index, then they would be ranked 38th in the world — a very strong performance. This would mean the average country achieving the equivalent of Tunisia's primary education, Namibia's freedom of assembly, and Djibouti's macroeconomic stability, to mention just a few examples. The existence of these high levels of performance across individual countries suggests that there are many answers to African prosperity to be found within the continent itself.

The potential for accelerating the rate of the continent's improvement can be seen in terms of how long it would take for the average country to achieve best practice, if it improved at the rate of the fastest risers. For example, if all countries improved their enterprise conditions at the rate at which Côte d'Ivoire has over the last decade, then it would take 15 years for the AU average to reach the continent's current best practice. If this type of improvement were to be continued across all pillars, then in 20 years, the African Union's average prosperity would match that of Lithuania today.

Notwithstanding the many individual examples of high performance across the pillars and examples of high rates of improvement across the continent, this is no small challenge. The nature of this growth would be analogous to each country matching China's GDP per capita growth over the last 20 years, with improvements not just in the economic sphere, but also in terms of institutional capacity and social wellbeing.

Pillar Success Stories

Although only a minority African countries have improved their overall prosperity at rates similar to those seen across the rest of the developing world, there are a number of countries on the continent that have demonstrated some of the fastest improvements within each pillar. From these countries, there are many lessons that can be learned by other countries in Africa that have not seen such improvements. Though they may not provide all the answers, they provide important examples of significant progress in the African context.

Botswana is an excellent example of a country that has not seen wholesale improvement, but that has significantly improved in both economic quality, for which it now ranks second in Africa, and health. It provides a good lesson to other resource-dependent countries across the continent in diversification — only a third of government revenue now comes from mineral exports — and the country has seen great improvements to its healthcare systems, thanks to national development plans that directed foreign assistance to specific policy areas.

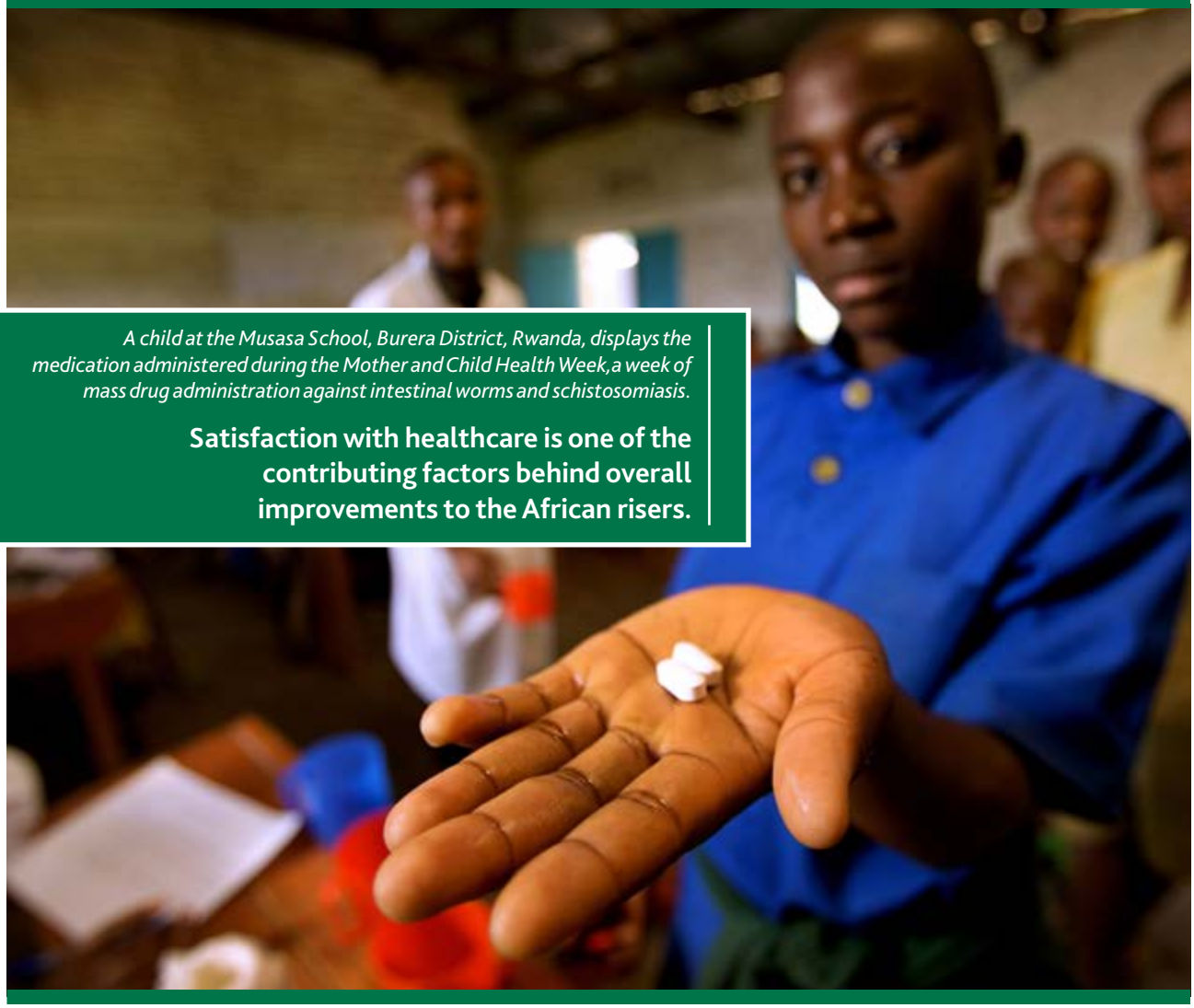
Though its overall improvements in prosperity have been modest, **Djibouti** has improved its market access and infrastructure over the last decade to better exploit its latent geographical and strategic advantages as a coastal city-state, moving from the 18th best in Africa to the 13th best.

Morocco's safety and security has improved by more than any other African country, rising twelve places since 2009 to 9th on the continent.

Tunisia's revolution in 2011 proved to be a catalyst for vastly improved personal freedoms in the country and, since 2009, it has moved up 24 places in our Personal Freedom rankings to 17th in Africa.

Ethiopia's improvement in education has come following significant, targeted investment and a huge expansion in levels of access. In particular, there have been concerted efforts to improve rural access to education for children at the earliest through to the latest stages of the educational system; this is a challenge that many countries across the continent face, and Ethiopia provides a case study for a successful approach.

Tanzania, like Botswana, is an example of a country that has seen success across multiple pillars. The natural environment in Tanzania (10th) has risen eleven places over the last decade, and the country has become a leader in Africa for preservation efforts, as well as improving freshwater treatment and access, and implementing pollution-reduction strategies. Living conditions have improved at the third-fastest rate on the continent, and the country now ranks at 26th in Africa for this pillar.



A child at the Musasa School, Burera District, Rwanda, displays the medication administered during the Mother and Child Health Week,a week of mass drug administration against intestinal worms and schistosomiasis.

Satisfaction with healthcare is one of the contributing factors behind overall improvements to the African risers.

CONCLUSION

This analysis suggests that a virtuous circle of rising prosperity can be achieved by building from a solid foundation of safety and security, where personal freedoms are institutionalised, and governance improves. Where citizens feel secure, are able to express their views openly without persecution, and can hold their governments to account not just in theory, but in practice, countries prosper and rise steadily irrespective of where they started in the rankings. Though improvements in health, education, and material wellbeing can, and have been, realised through external assistance, the strengthening of institutions and practices that facilitate long-term improvements in prosperity must be internally-driven.

While most of those African countries which have seen the fastest rates of improvement do not yet enjoy high levels of prosperity, they have all experienced a significant improvement in their prosperity over a 10-year period. It does not matter where a country ranks currently; rather, its direction and pace of change are based on the reforms and choices made by its government, leaders, and business entrepreneurs.

Despite recent backsliding, the fact that Zimbabwe has improved its prosperity after decades of hyperinflation and violent political oppression shows that even the most fragile states are capable of positive reform and social progress, such as improved judicial independence in Zimbabwe's case.

The pathways to prosperity are about creating an environment in which people can fulfil their potential and thrive. The African risers have mostly improved their economies and almost all improved social wellbeing. People's levels of satisfaction with freedom, healthcare, and education, and their confidence in governments and elections have all registered some of the largest improvements. Each riser has had a different set of challenges to overcome, including civil war, political corruption, extreme poverty, or a weak business environment.

The patterns behind these trends sharpen the focus on how best to promote African prosperity and contribute to its development. Understanding the drivers of a country's rising or falling prosperity goes to the heart of the most pressing development questions that the world is facing. In the following sections, we explore examples of how African nations have succeeded in improving specific aspects of prosperity in more detail.

Notes

1. "2019 Prosperity Index," Legatum Institute, November 2019, https://www.prosperity.com/download_file/view_inline/3690.
2. "Sustainable development goals," United Nations, available at https://sustainabledevelopment.un.org/sdgs, last accessed September 02, 2019
3. "Flagship projects of Agenda 2063," African Union, available at https://au.int/en/agenda2063/flagship-projects, last accessed September 02, 2019
4. GDP per capita (current $US)," World Bank, available at https://data.worldbank.org/indicator/ny.gdp.pcap.cd, last accessed September 02, 2019
5. "Urban population (% of total population)," World Bank, available at https://data.worldbank.org/indicator/sp.urb.totl.in.zs, last accessed September 02, 2019





Meskel Square, Addis Ababa, Ethiopia
iStock.com/HandZaround.com

Focus on regions

We divide Africa into six regions. The regions have been chosen using a cluster analysis that groups countries with similar prosperity characteristics. These were then matched as best possible with existing geographic, economic, and political boundaries.

The regional groupings reveal three distinct trends across the continent. Southern Africa has traditionally been the strongest region in Africa and, given its improvement over the last 10 years, is unlikely to lose its place at the top of the rankings soon. North Africa is the second-ranked region, though it is improving at a much slower rate, having just begun to regain lost progress following the Arab Spring.

East Africa is, by some margin, the most-improved region, and is doing so at a rate four times faster than North Africa. It has begun to pull away from West Africa, which has the greatest disparity in growth of any region. Togo, for example, is the continent's fastest-improving country, contrasting heavily with Mali, which has fallen 12 ranks in Africa due to its deteriorating security situation.

Central Africa and the Horn have traditionally been the poorest-performing regions in Africa, and remain so despite 10 years of improvement. The Horn has begun to improve strongly, however, primarily due to the improved security and economic environment in Ethiopia. The following pages examine in more detail the strengths and weaknesses of each region, and the individual performance of key countries on the continent.

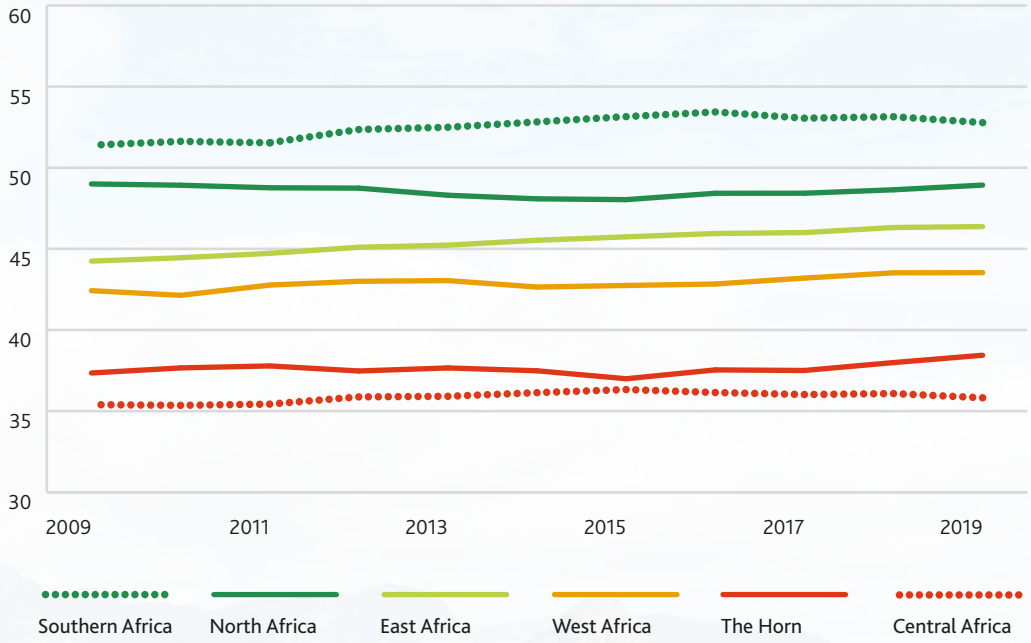
Please note that in the following section, in-text country rankings refer to the pillar being discussed, rather than the country's overall prosperity ranking.





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Prosperity by region

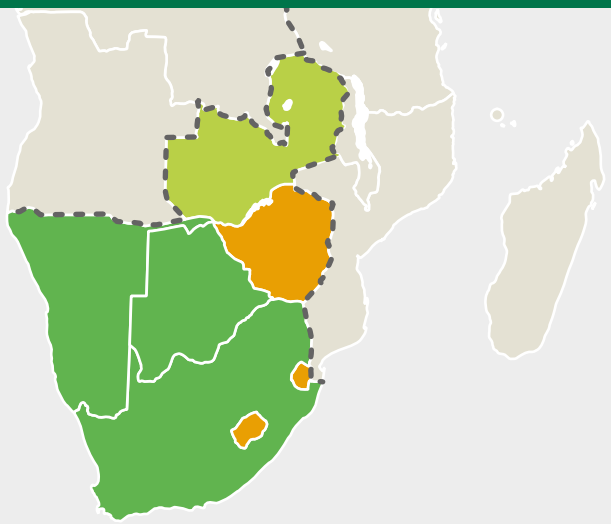


Regional ranking table

Prosperity Ranking	Safety & Security	Personal Freedom	Governance	Social Capital	Investment Environment	Enterprise Conditions	Market Access & Infrastructure	Economic Quality	Living Conditions	Health	Education	Natural Environment
Southern Africa	1	1	1	1	1	1	1	2	1	2	3	2	5
North Africa	2	3	5	4	5	3	3	1	2	1	1	1	6
East Africa	3	2	3	2	3	2	2	3	3	4	2	3	1
West Africa	4	4	2	3	2	4	4	4	5	3	5	4	2
The Horn	5	5	6	5	4	5	5	5	6	5	4	5	4
Central Africa	6	6	4	6	6	6	6	6	4	6	6	6	3



Southern Africa (1st)



Country	Africa Rank
Botswana	3
South Africa	5
Namibia	6
Zambia	17
Eswatini	26
Lesotho	27
Zimbabwe	33

Southern Africa is the most prosperous region in Africa, and has been for the last 10 years.

Prosperity in the region is improving at the second-fastest rate of any region in Africa, increasing the gap between Southern Africa and the next most prosperous region, North Africa. All countries in the region have improved their prosperity over the last decade, although the last three years have seen prosperity falter. Since 2017, only two of the region's seven countries – **Eswatini** (26th) and **Zimbabwe** (33rd) – have become more prosperous.

Strengths

- High levels of interpersonal trust, demonstrative of the region's social cohesion
- Few restrictions on international investment, with high levels of FDI
- Governance is strong, particularly in structural measures
- Southern Africa's adult population is the most educated in Africa

Weaknesses

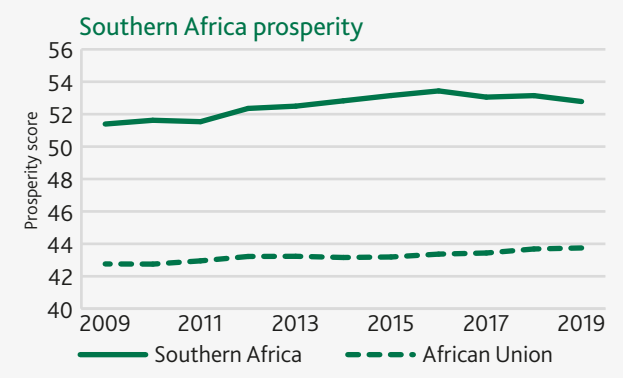
- Violent crime and property crime among the worst on the continent
- Political rhetoric has compounded weak property rights
- Low labour force engagement, particularly among youth

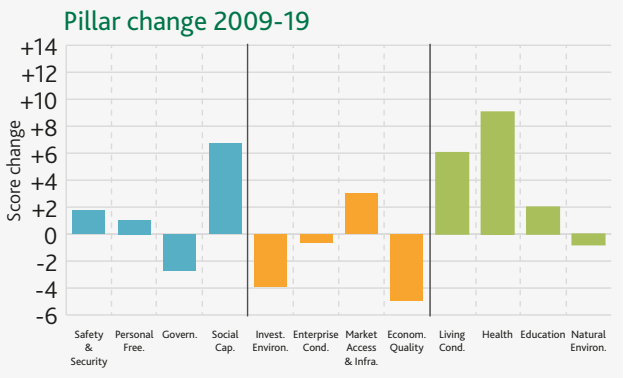
Opportunities

- Health care systems are now more resilient following the AIDS epidemic
- The region has sub-Saharan Africa's best transport infrastructure, and strong trading links

Threats

- Corruption has become more prevalent, potentially threatening the region's democratic traditions
- Weakening institutional trust following episodes of corruption or the extension of one-party rule
- Stagnant growth threatens to exacerbate existing economic inequalities
- Extreme poverty rates have increased over the last 10 years





PILLAR OVERVIEW

Inclusive Societies

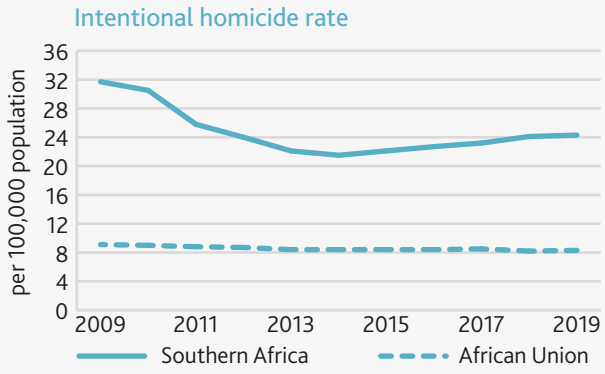
Southern Africa has improved overall in its Inclusive Societies pillars since 2009. Personal freedom and social capital, already the strongest on the continent, have improved over the last 10 years. Southern Africa also boasts the strongest governance institutions in Africa, although high rates of violent crime hold the region back through weak safety and security.

Safety and security is Southern Africa's most-struggling pillar after Health, and has weakened since 2016. Unlike other regions in Africa, this is not the result of war, civil conflict, and terrorism. The region



People enjoying social activities on Lake Bangweulu, a popular recreation spot in Zambia.

Social capital has improved substantially in Southern Africa, driven in part by improvements to interpersonal trust and social participation.



Source: WB-DI

records almost no deaths from terrorism, and no casualties from conflict. It is, however, the most dangerous region in Africa for violent crime and the second-most affected for property crime after East Africa. The regional homicide rate is triple the African average, at 24 per 100,000, with even higher rates in **South Africa** (38th) and **Lesotho** (18th). Property crime is also on the rise in **Zambia** (14th) and **Namibia** (8th).

Personal freedom is slightly stronger in Southern Africa now than in 2009, albeit having oscillated over the decade. The region remains the strongest on the continent, led by **South Africa** (2nd) and **Namibia** (6th). There is a strong respect for individual rights, due process of law, and freedom from forced labour.[1] This has translated into a strong experience of freedom and tolerance for citizens of Southern Africa. Whilst reported tolerance of LGBT groups has fallen, people are reporting a greater tolerance towards immigrants, and satisfaction with freedom is the highest in Africa, at 75%, compared to 71% continent-wide. However, across the region there is a general trend of worsening freedom of speech and freedom of assembly. **Zambia** (27th), for example, is becoming increasingly intolerant of anti-government media, while recent demonstrations in **Zimbabwe** (36th) have resulted in a violent crackdown.

Southern Africa boasts the strongest governance in Africa, with a strong commitment to the rule of law and political accountability, exemplified by **Namibia** (2nd). Nonetheless, consolidated democracies in the region, including **Botswana** (3rd) and **South Africa** (4th), are starting to face political challenges. Of greatest concern in the region is a recent deterioration in the operational elements of governance, including government integrity and government effectiveness, as business experts report increased diversion of public funds and reduced efficiency of government spending in the wake of several corruption scandals.[2] Corruption has become a considerable threat to the region's strong democratic traditions, complicated by the fact that the parties attempting to stamp it out have been the dominant parties since independence.[3]

Social capital in the Southern Africa region has improved substantially over the last decade. **South Africa** (5th) and **Namibia** (10th) are the region's strongest performers. The improvement has been driven by strengthening in measures of interpersonal trust and civic and social participation. In spite of high levels of crime, reported willingness to help a stranger has increased from 61% to 66% (above the African average of 57%) over the last decade, demonstrative of strong social cohesion. The region's civic society benefits from citizens having a history of democratic participation, including high voter turnout, high rates of volunteering, and strong willingness to voice an opinion to a public official, reflective of governance institutions that respect the rule of law. Despite this, institutional trust has not risen. Citizens are becoming less trustworthy of national institutions in the region's strongly established democracies, after episodes of corruption or the extension of one-party rule.

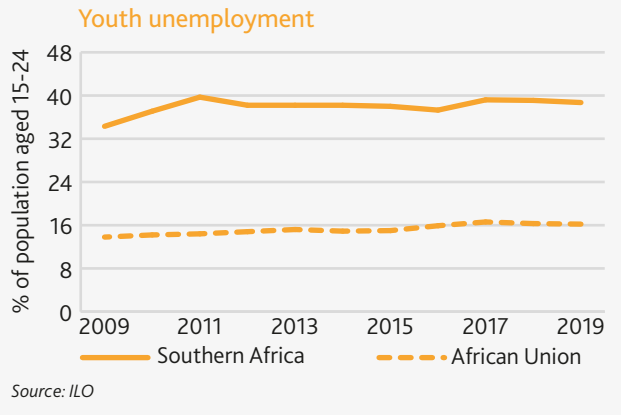
Open Economies

Southern Africa is the only region in Africa to have deteriorated in its Open Economies pillars on aggregate over the last 10 years. Despite having some of the continent's biggest and most successful economies, the recent deterioration in Southern Africa's economic environment runs in parallel with broader institutional uncertainty. With a legacy of strong infrastructure and trade liberalisation, market access and infrastructure is the only pillar within the Open Economies domain to have improved in the region in the last decade.

While Southern African retains the best investment environment in Africa, its strength has deteriorated markedly over the past decade. Property rights and investor protections have weakened, partly as a result of the political rhetoric in countries such as **Zimbabwe** (41st) and also **South Africa** (6th). Across the region, business experts are also struggling to raise venture capital and access finance, with over 25% of firms identifying major or severe obstacles to borrowing (though this remains stronger than the African average of 33%).[5] Nonetheless, the region remains open to international investment, with an English-friendly business environment and no real threat of war or civil conflict.[6]

Southern Africa is the strongest region in Africa for enterprise conditions, with a relatively good environment for business creation and low burden of regulation. Nonetheless, domestic market contestability has weakened over the last decade, as state-owned enterprises continue to exercise dominance over energy and mining sectors. Some of the continent's strongest economies, including **South Africa** (3rd) and **Botswana** (7th), have recently laboured in the World Bank's ease of starting a business measure, while in **Zambia** (9th), observers report decreased protection for private companies.[8] Labour market flexibility in Southern Africa is the worst in Africa, a significant weakness for the region. Redundancy costs are measured on average at 19 weeks of salary, although this has reduced from 114 weeks in 2009.

Southern Africa is ranked second amongst African regions for market access and infrastructure, with **South Africa** (4th) leading the region. Whilst traditionally strong in transport and border administration, improvements over the last decade have predominantly occurred through communications infrastructure. The region has on average a 70% mobile network coverage, a penetration rate well above the African country average of 53%.[9] Forty-two percent of the population now use the internet. The region is also benefitting from improved access to open markets, with foreign markets opening up for the Southern African Development Community, after the REC signed an Economic Partnership Agreement with the EU in 2016. Southern Africa boasts the least onerous import tariff barriers of any region in Africa.



Source: ILO

Southern Africa has the best economic quality in Africa, and hosts one of the best performing countries — **Botswana** (2nd). However, economic quality has been deteriorating at a concerning rate since 2012. While the rest of Africa is experiencing volatile economic growth, Southern African growth rates are stable, yet stagnant. Traditionally strong economies in the region, such as **South Africa** (5th), have generally underperformed in recent years. Labour force engagement is a particular issue, with a region-wide 20% unemployment rate (compared to 7% across Africa), and 39% youth unemployment (16% across Africa). Five of the seven highest unemployment rates on the continent are in Southern Africa (**South Africa** (5th), **Botswana** (2nd), **Namibia** (14th), **Lesotho** (16th) and **Eswatini** (15th)), with inequality, a skills mismatch, and poor governance all contributing factors.[12] Beyond this, the region is recording declining economic diversity and lower labour productivity than a decade ago.

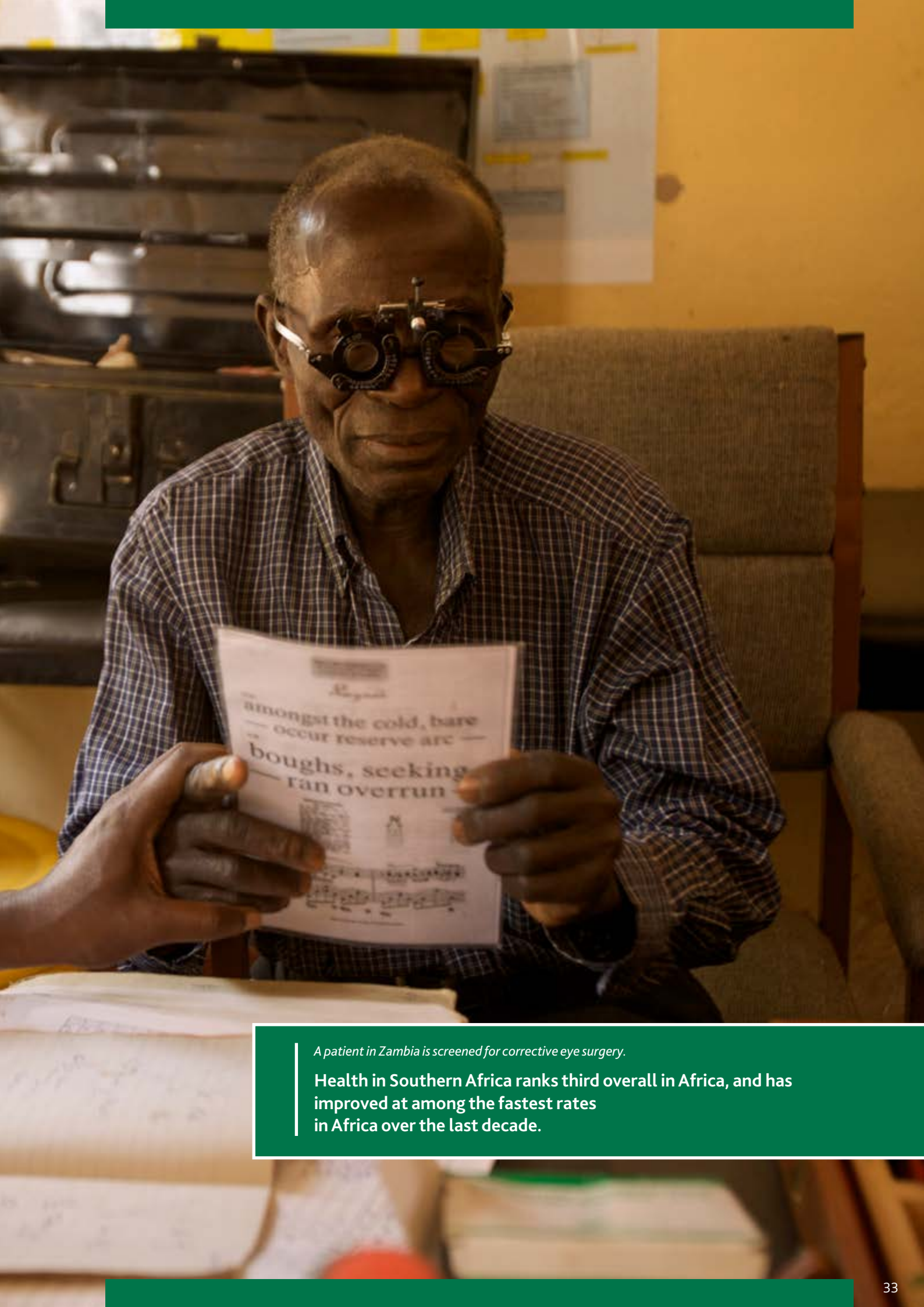
Empowered People

Southern Africa has traditionally been one of the strongest regions in Africa across the Empowered People pillars. Education is relatively strong, in spite of having fallen in 2019. Living conditions have also improved, but the poverty rate has faltered since 2010, as huge levels of inequality persist in many of the region's wealthiest countries. Natural Environment is the only pillar to have weakened since 2009, with Southern Africa having the worst emissions in Africa.

Living conditions have improved significantly in Southern Africa since 2009, and at a rate second only to The Horn. Overall, the region is becoming a safer place, with almost a third fewer 'life years' lost to road traffic accidents, and a quarter fewer unintentional injuries, compared to a decade ago. People in the region are becoming more connected, with individuals' access to bank accounts, televisions and the internet all far higher than 10 years ago, indicative of Africa's growing middle class.[13] For the poor, however, the picture is not as encouraging. Extreme poverty ($1.90 per day), although still less prevalent than in Africa as a whole, has in fact increased by one percentage point to 27% since 2010 (compared with the African average of 36%), while many more are reporting difficulty accessing adequate housing and shelter.

Southern Africa is the second-healthiest region on the continent, and has improved significantly over the last decade. For many countries in the region, including **Botswana** (13th), **Zimbabwe** (25th), and **Eswatini** (36th), the first decade of the 21st century saw devastating drop offs in health indicators, including life expectancy and mortality rates, due to the AIDS epidemic. But since 2009, these countries have improved their health at among the fastest rate in Africa. Countries across the region have carried out targeted interventions, for example increasing access to antiretroviral therapy programmes, which now reaches 69% of the HIV-affected population (compared to 49% across Africa), up from 29% in 2009. The density of health practitioners has increased, as has the proportion of births attended by skilled staff. As a result, the number of healthy life years lost to communicable diseases has declined by over 20%.

Whilst education has improved modestly across Southern Africa, the rate of improvement has been relatively slow. Primary education has suffered the greatest deterioration, with Southern Africa the only region in Africa reporting a decline in enrolment, albeit marginally, from 86% to 85%, with a commensurate decline in primary completion rates (82% to 79%). The same is true of secondary completion rates, falling from 67% to 64% across Southern Africa (above the continental average of 52%). The region is first in Africa for adult skills, with **Zimbabwe** (15th) and **South Africa** (8th) among the best performers in Africa. The region boasts an adult literacy rate of 91%, compared to the African average of 62%, and women are likely to

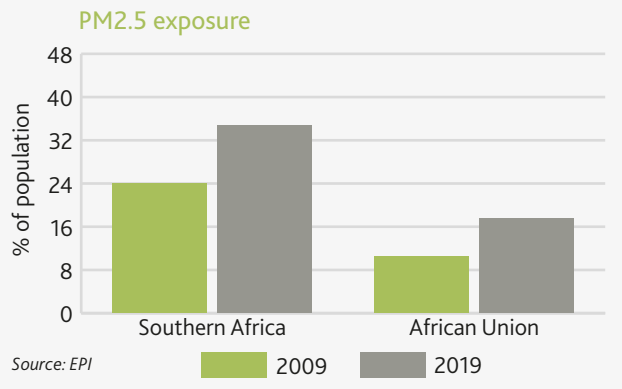


A patient in Zambia is screened for corrective eye surgery.

Health in Southern Africa ranks third overall in Africa, and has improved at among the fastest rates in Africa over the last decade.

have spent more years in school than anywhere else in Africa. With relatively poor vocational training, the region does suffer from a skills gap, reflected in Southern Africa's high unemployment rates.[14]

Southern Africa has been a weaker performer in the Natural Environment pillar over the last decade, falling into fifth place out of six. The region has a more well-developed industrial sector than others on the continent, and is thus responsible for greater emissions – **South Africa** (47th) in particular performs poorly for this measure. This has had a commensurate effect on levels of air pollution across the region, with 35% of people in the region now exposed to harmful particulate matter, compared to the African average of 17%. Despite the threat of drought, the region nonetheless is healthier in terms of water resources, including withdrawal rate and wastewater treatment. **Namibia** (13th) is one of the top performers in Africa for the use of water resources.



Country snapshots

Botswana (3rd)

Botswana's is Africa's third-most prosperous nation. It has a history of stable democratic credentials, strong economic growth, and widespread poverty reduction. This stood the test of an election in October 2019, despite sometimes "unpalatable" language and a "falling out" between former president Khama and his successor Masisi.[15]

Botswana is one of Africa's oldest and most successful democracies. Since independence in 1966, Botswana has established strong institutions capable of adhering to constitutional principles and guaranteeing political rights. Operationally, the country performs well in measures of government effectiveness and regulatory quality. In recent years, however, Governance (3rd) has been deteriorating. While built on a strong constitutional foundations, the last 10 years have seen several worrying trends. Executive constraints have weakened, and government transparency is showing signs of decline.[16] Furthermore, Personal Freedom (7th) and Social Capital (18th) have stagnated, as satisfaction with democracy stands at its lowest point in a decade.[17] Botswana has few security issues, although violent crime is a concern. The country's intentional homicide rate of 15 people per 100,000, is far higher than the African average of 8 per 100,000.

Botswana's economy is nonetheless withstanding the institutional pressure. The country's economic quality is the best in Africa, and Market Access and Infrastructure (8th) has improved. Much of this success is built on the management of wealth generated by the diamond industry, with Botswana holiding one of the world's largest proven deposits. Longer-term trends however point to a lack of economic diversification, with diamonds still comprising 80% of all exports. In addition, Botswana's Investment Environment (7th) is hampered by high costs, a small domestic market, and an underdeveloped financing ecosystem. But Botswana remains an attractive destination for foreign investors, due to its stability, strong property rights, and openness to international investment. The ease of starting a business in Botswana has improved over the last decade, though not at the rate of African peers. Presently, there are nine steps required to set up a business in the country, and progress in embedding 'one-stop shops' for business registrations has been slow.[18]

Batswana today live longer, healthier lives than most of their African counterparts. Living Conditions (12th) and Health (13th), including poverty and disease rates, have improved dramatically in Botswana since independence. The public health system provides about 80% of all services, and 95% of the total population live within 8km of a health facility.[19] Skilled health staff now attend over 99% of births. But consistent with growing urban populations in other developing countries, poor diets have seen an increased prevalence of obesity and raised blood pressure in Botswana.[20] Education (6th), whilst strong, has shown recent signs of deteriorating quality, which may have long-term effects. Botswana is behind its countries with a similar income level on student learning outcomes, according to the World Bank.[21]

South Africa (5th)

South Africa is one of Africa's most prosperous nations, at fifth overall. The post-apartheid years have seen a remarkable opening up of the political and economic landscape to millions of South Africans. Twenty-five years on, however, the notion of prosperity is out of reach for many in the country. South Africa remains deeply unequal, with many of its citizens facing limited opportunities in education and employment. President Cyril Ramaphosa has had to navigate these difficult issues in his first election test in 2019.

South Africa has built a democracy that is stable and peaceful, with one of the strongest Governance (4th) systems in Africa. Underscored by the high political participation of citizens and civil society actors, as well as strong constitutional guarantees, political accountability is high.[22] Recent corruption scandals have nonetheless revealed the country's precarious exposure to business interests and state capture. Transparency of government policy is low, with few anti-corruption datasets meeting open standards requirements.[23] South Africa ranks 34th for the diversion of public funds in Africa, according to a survey of business leaders.[24] South Africa also has deteriorating Safety & Security (38th), with a combination of both violent and property crime, as well as increasing political violence. The national homicide rate, at 34 deaths per 100,000 people, is second only to Lesotho in Africa. In addition, political deaths have become more prevalent across the country, with 90 politicians murdered since the beginning of 2016, often for their involvement in whistle-blowing or uncovering corruption.[25]

South Africa has nonetheless long been an exemplar in Africa for infrastructure and trading, and its standing is improving. It has built an efficient transport system, with high rail density, high quality roads, efficient seaports, and the continent's busiest airports. As

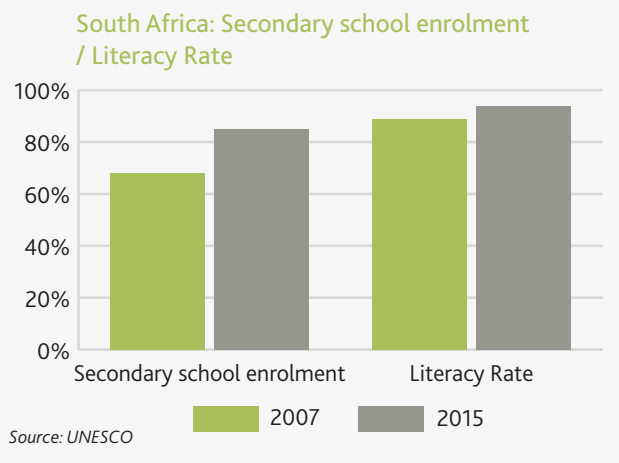


Circumnavigation/shutterstock.com

Sculptures of Chief Albert Luthuli, Archbishop Emeritus Desmond Tutu, former president FW de Klerk, and Nelson Mandela at the waterfront, Cape Town.

South Africa has built a democracy that is stable and peaceful, with among the strongest Governance in Africa.

result, the country is well connected into international trading networks, and has broad access to world markets. However, the Investment Environment (6th) in South Africa is faltering. Despite the country's financing ecosystem being the best in Africa, political instability following government scandals and weak economic growth has led to declining investor confidence in South Africa.[26] In addition, the issue of land reform and property rights is highly sensitive, whilst inequality is a significant blight on South Africa's economy. In recent years, poor GDP per capita growth – now +0.2% per annum – has slowed (and even reversed) past reductions in inequality and poverty.[27] At 27% of the total labour force, unemployment is among the highest in Africa, resulting in a deteriorating Economic Quality (5th).



Source: UNESCO

Strained Living Conditions (10th) represent a major challenge for South Africa. While the country is classified as upper-middle income, it experiences poverty, malnutrition and mortality rates in line with many other countries in sub-Saharan Africa. Today, the country's Gini coefficient, which measures income inequality, is 0.63, higher than in 1993, and one of the highest in the world. Ensuring its population gains equal access to Education (8th) and Health (24th) has been a challenge for the country since 1994. While education has been steadily improving over the last 10 years, state school infrastructure is poor, and most have poor quality teachers and textbooks.[28] South Africa's high reliance on coal, which contributes 97% of the country's primary energy, is exposing people to deadly levels of fine particle matter; 43% of the population is now exposed to harmful levels of PM2.5, for which South Africa ranks 53rd in Africa.

Zambia (17th)

While Zambia has become more prosperous overall since 2009, the past five years have been more of a struggle and Zambia hasfallen four African ranks to 17th. Whilst the country boasted strong economic growth after the turn of the millenuium, it has since seen stuggling governance and stagnating education standards.

Zambia's economic environment has deteriorated in recent years. Despite strong growth rates at the beginning of the century, GDP per capita growth has fallen from +4.8% per annum in 2009 to +0.6% today, below the level required to deliver structural transformation and sufficient jobs for the country. While productivity has improved, it has mainly come from a growth in financial services, with manufacturing and agriculture experiencing only negligible growth.[29] At the same time, the country's reliance on copper exports led to a fiscal imbalance and foreign exchange earnings following a slump in commodity prices in 2015.[30] With falling revenues, the Zambian government now faces a debt risk that may affect investment in public services.[31] The country is already demonstrating deteriorating transport and resources infrastructure, with the reliability of electricity supply and airport connectivity both worsening. In contrast however, openness to international investment remains one of Zambia's strengths, even though foreign investors are largely confined to the mining sector, which constitutes 62% of FDI.[32]

Governance (16th) in Zambia is demonstrating vulnerability under President Edgar Lungu. Since coming to power in 2015, the administration has suspended opposition politicians and enforced a state of emergency entailing "enhanced security measures".[33] Executive



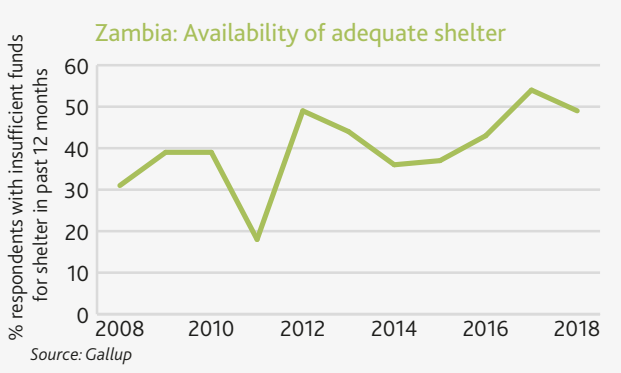
A primary school boy displaying his Measles Rubella card pointing to the spotwhere he was vaccinated during a vaccination program in Norton, Zimbabwe.

After independence in 1980, Zimbabwe devoted significant attention to health and education as a means of investing in the population.

CECIL BO DZWOWA/shutterstock.com

constraints and political accountability have both deteriorated in recent years. Despite strong rhetoric, the government has thus far failed to quell the creeping influence of corruption.[34] Personal Freedom (27th) has also deteriorated sharply in recent years. As President Lungu has sought to stem the discontent towards his government – which came to power on a very slim majority – independent media outlets have been suspended or shut down.[35] Civil society groups have also faced harassment and intimidation in an environment of increased authoritarianism.[36]

Though the Living Conditions (34th) of Zambians have improved over the last decade, the economic growth that the country experienced in the first part of the 21st century largely benefitted the small middle and upper classes.[37] At national poverty lines, 54% of people remain in poverty, barely a one point improvement on 2009 levels. Access to shelter, adequate food, and piped water have all deteriorated in recent years. Though government expenditure on Education (19th) has increased, the country has yet to demonstrate tangible improvements in this sector. Primary completion rates have dropped from 100%, the highest in Africa, to 82%. The drop-off has been attributed to insufficient space for schools to educate growing numbers of students, lack of learning materials, as well as child marriage and pregnancies, all of which precipitate children dropping out of school.[38]



Source: Gallup

Zimbabwe (33rd)

Zimbabwe's prosperity now stands higher than 2009, in spite of crises in both its political and economic institutions. From a very low base, Zimbabwe now ranks 33rd in Africa for overall prosperity. However there remains siginificant political and economic uncertainty under the rule of President Emmerson Mnangagwa.

Zimbabwe's Governance (45th) has for many years been among the weakest in Africa, with high levels of corruption and minimal constraints on executive power. Whilst the removal of former President Mugabe in a virtually bloodless coup in November 2017 was a sign of hope for many, the lack of progress leading up to elections in 2018 signalled that the old ZANU-PF regime, and its patronage networks, remained in place. ZANU-PF and its military apparatus have maintained a firm hold over the state media, the electoral process, the judiciary, and the legislature.[39] The government too has shown its willingness to crack down against personal freedoms (36th) since the 2018 election. The aftermath of the 2018 elections saw violent responses against groups protesting the result, and at least six people were killed.[40] Crackdowns following recent fuel protests led to 17 civilians killed, 16 raped, and 900 arrested.[41] The political upheaval has also affected Social Capital (27th) in the country. Confidence in national government was at a high in the 2017-2018 period, though there has been a noticeable decline since the 2018 elections, according to Gallup polling.

Recent reforms from the new administration may yet benefit an economy starved of investment. As well as easing the indigenisation law restricting foreign ownership of business, the administration announced tax incentives and special economic zones.[42] The insolvency recovery rate, for example, has risen from 0% to 18% of creditors' costs. However, Economic Quality (37th) has fallen sharply since 2015, with productivity has faltering, and inflation has rocketed to 500% per annum today.[43] Both manufacturing (from 16% to 8%) and agriculture (19% to 12%) have almost halved as a share of GDP since 2008, as land reforms devastated output and poor-performing state enterprises struggled with endemic corruption. Property rights have eroded over the years, and domestic markets are dominated by monopolies, with state-owned enterprises receiving substantial financial and administrative support from the government, inhibiting competition.[44] Many of these firms still dominate domestic markets in Zimbabwe, despite chronic mismanagement and corruption.[45]

After independence in 1980, Zimbabwe devoted significant attention to health and education as means of investing in the population. Both pillars are stronger than in 2009, with improvements including an antiretroviral therapy programme now reaching 84% of adults living with HIV, the second highest rate in Africa. Forty years on from independence however, Health (25th) and Education (15th) are again under significant threat in the midst of electricity blackouts and medicine shortages.[46] The AIDS epidemic, along with deadly cholera outbreaks, has exposed weaknesses in the country's response to health crises, whilst economic collapse has starved the education sector of investment, exacerbated corruption, and forced mass closures of schools.[47]

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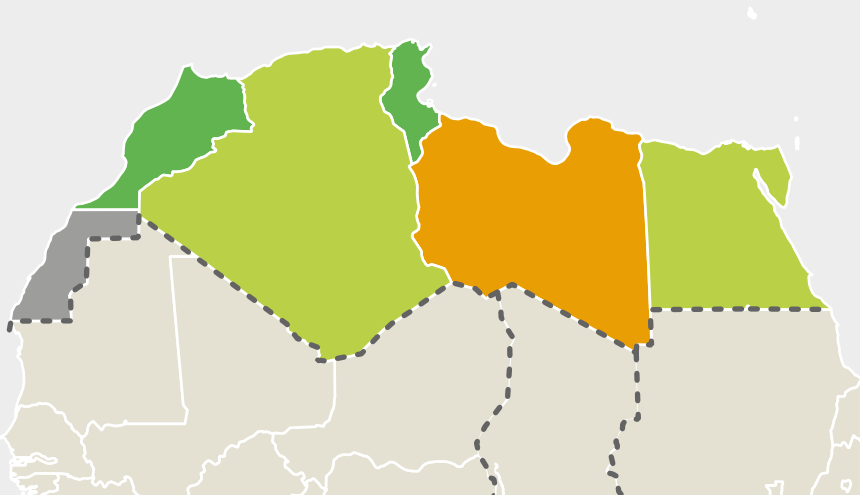
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Harare city, Zimbabwe
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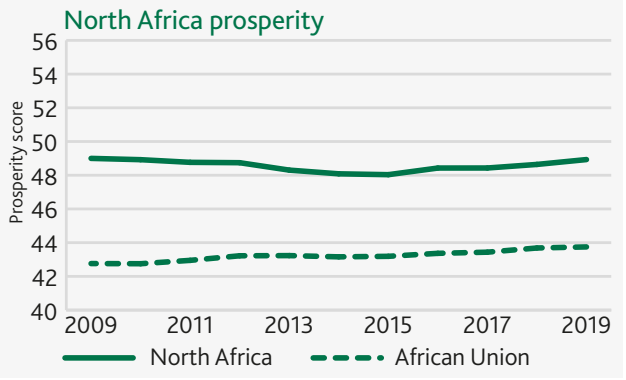
North Africa (2nd)

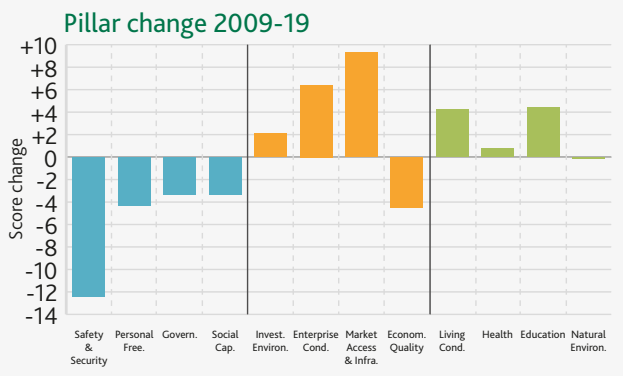
Country	Africa Rank
Tunisia	8
Morocco	9
Algeria	12
Egypt	21
Libya	38



North Africa is the continent's second-ranked region and, despite its prosperity deteriorating in the first half of the last decade, has seen its prosperity improve since 2015.

The region has become slightly less prosperous since 2009, though change has been slow – North Africa overall has seen the least change on the continent. The impact of the Arab Spring, which affected every country in the region in some way, has been pronounced. In Egypt, Libya, and Tunisia, revolutions led to the toppling of authoritarian leaders, while major protests occurred in Algeria and Morocco. Prosperity across the region dipped in the immediate aftermath of the unrest, before slowly improving over the last five years.





Strengths

- North Africa is the healthiest region in Africa, with low rates of communicable diseases
- Infrastructure is strong, and has avoided widespread damage following civil unrest
- Low levels of violent crime and property crime
- The region has relatively diversified economies, with high labour productivity

Weaknesses

- Governance has largely deteriorated following the Arab Spring, with personal freedoms also increasingly restricted
- Macroeconomic stability has deteriorated with high inflation setting in
- Very high rates of unemployment
- Behavioural risk factors have become the main health care challenge

Opportunities

- Further integration into global markets, taking advantage of existing trading links
- Stabilising the political environment may result in greater international investment

Threats

- Water scarcity is already among the most severe in the world
- Low institutional trust could bring in a new wave authoritarian leaders to power – as has occurred in Egypt

PILLAR OVERVIEW

Inclusive Societies

The institutional environment in North Africa is enormously different to what it was 10 years ago. Since the Arab Spring, most countries have seen a deterioration in all Inclusive Societies pillars. Governance and personal freedoms have deteriorated despite hopes of widespread change, which in turn has led to declines in institutional and interpersonal trust. Security issues have also become a region-wide issue over the last 10 years.

North Africa records the lowest prevalence of violent crime and property crime in Africa. However **with the exception of Morocco** (9th), which has become safer, the challenge of political terror and



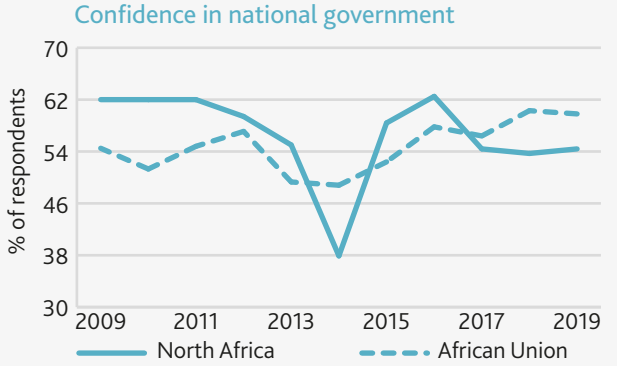
Shoppers in the tunnels of the Medina in Tunis, Tunisia

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violence has led to safety and security weakening rapidly in North Africa over the last decade. Government crackdowns have turned violent in **Egypt** (44th) and **Algeria** (6th), with increased reports of arbitrary arrests, imprisonment and disappearances. Terrorism has also increased in prevalence. **Libyan** (52nd) safety and security has deteriorated quicker than anywhere else in Africa since 2009, and the country now ranks second-lowest in the continent. The insurgence of ISIS has caused a huge spike in fatalities from terrorism, with almost 80 deaths per million population in 2019, the second-highest rate in Africa.

As protests have been put down violently in **Egypt** (52nd) and **Libya** (43rd), freedom of assembly and organisational rights have deteriorated. North Africa also performs worse in Reporters without Borders' Press Freedom Index. With the notable exception of **Tunisia** (17th), which has seen the most improvement in personal freedom in Africa over the last decade, journalists in North Africa often face harassment and prosecution.[48] Reported levels of discrimination are also high in the region, with few religious freedoms and levels of discrimination against women higher than the African average.[49]

The backsliding of personal freedoms across the region has also corresponded with weaker governance, for which the region now ranks fourth in Africa. While the Arab Spring was a potential turning point for governance in the region, many countries have since fallen back and demonstrated deterioration in this pillar in recent years. Only **Algeria** (24th) and **Tunisia** (10th) have demonstrated slight improvements to governance over the last decade, and though the Tunisian elections delivered a decisive victory for President Kais Saied, the situation in Algeria remains in flux. Algerian presidential elections are due to take place in mid-December following the resignation of former President Abdelaziz Bouteflika, though this has not been without protests from the public and political parties alike. As governments across the region have struggled in post-revolutionary transitions, the quality of law making has deteriorated, underscored by poor government effectiveness and regulatory quality. Executive constraints have also become marginally weaker, as countries such as **Egypt** (39th), and more recently Algeria, have shown an increased involvement of the military in politics.



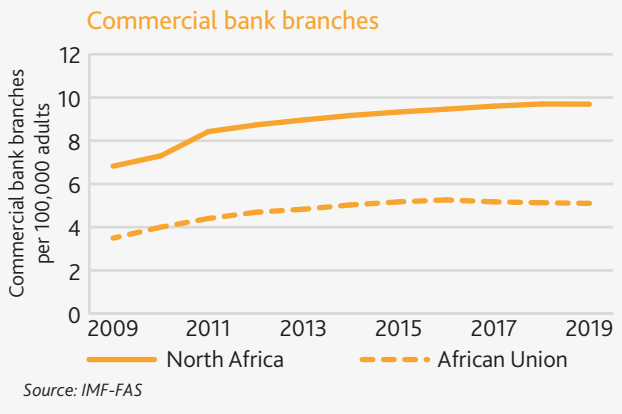
Source: Gallup

Following the Arab Spring, confidence in national governments in North Africa reached a high point (63%) as some of the continent's most notorious authoritarians were toppled. But the subsequent period has seen significant deterioration in social capital, as the failure to translate this mass upheaval into improved governance and economic performance has meant that citizens' trust has fallen back once again, to 54%. The persistence of corruption and economic uncertainty since 2011 has damaged social cohesion and increased levels of distrust among citizens of North Africa.[52] Just 9% of people in the region report helping another household in the past year, below the African average of 21%. The exception is in **Libya** (28th), where ongoing civil war has led to a solidification of the country's social networks, and interpersonal trust between citizens.

Open Economies

North African demonstrates strength in market access and infrastructure, and is improving its enterprise conditions. However the region's economies are only just beginning to claw back some of the ground lost following the Arab Spring. The poor political and security situation in the region damaged tourism and public services, with commensurate declines in public investment.[53] Today, this is best reflected in struggling economic quality and an investment environment that has only recently begun to recover.

The region's investment environment was also hit by the events of 2011, however since 2016 it has recovered strongly, and is now stronger than in 2009, with **Morocco** (5th) the best in the region. Aiming to stimulate foreign investment in their economies, countries such as **Egypt** (14th) and Morocco have improved investor protections and strengthened contract enforcement. The region also increased its bank branch density from seven branches per 100,000 adults to almost 10, double the African average of five. While property rights remain relatively strong across North Africa, international investment has been subject to increased restrictions, with greater controls on capital and financial transactions.[54]



Source: IMF-FAS

North Africa's enterprise conditions provide cause for optimism. The region has been improving steadily since 2013, buoyed by new government support for SMEs.[55] There is now greater support for cluster development, reforms making it easier to start a business, as well as reductions in the burden of tax regulations. The number of tax payments for a standardised company per year for a standardised company has fallen from 31 to 23 over the last decade, substantially lower than the African average of 36 per year. The potential for a North African 'gold rush' in entrepreneurialism has been suggested.[56] Nonetheless, the region retains a legacy of poor domestic market contestability, and private sector incumbents and state-owned enterprises continue to stifle competition.[57]

North Africa has the strongest market access and infrastructure in Africa, with **Morocco** (3rd) among the top performers on the continent. The level of market access and infrastructure remained undisturbed by the instability over the last decade, with transport, basic resources and communications infrastructure all improving. Internet usage is by far the highest in Africa, having tripled from 15% to 47% over the last decade. The region also has strong trading links with both Europe and the Arab world, characterised by free trade agreements between the EU and **Algeria** (9th), **Tunisia** (5th), **Morocco** (3rd), and **Egypt** (7th), as well as the Greater Arab Free Trade Area. While these have facilitated huge increases in the volume of trade involving North African countries, criticism of the agreements point to the relative low-volume of interregional trade emanating out of North Africa (to the EU), as well as the region's low integration into global value chains.[58] With a legacy of state-interventionist economies, substantial subsidies also persist in many North Africa countries, with the average regional energy subsidy at 8% of GDP, double the African average of 4%.

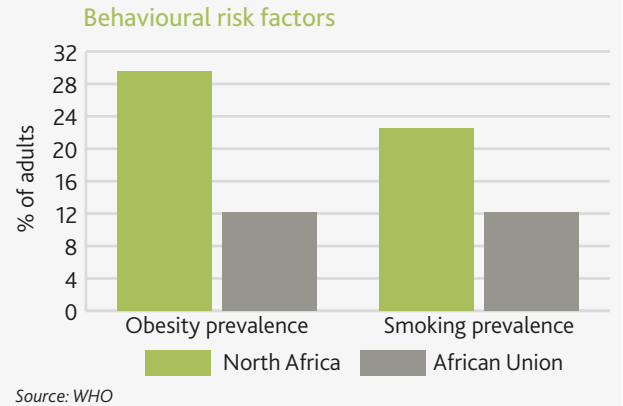
The fallout of the Arab Spring significantly weakened North Africa's economies, and they have struggled since 2009. Previously one of Africa's fastest-improving regions, fiscal and macroeconomic stability have both deteriorated substantially. Having been in at -5% a decade ago, the average national budget deficit is now -7%, compared to the African average of -4%. Both inflation and budget deficits have threatened to blow out further, as governments reform public finances following political upheaval.[59] High unemployment, particularly among youth, has led to growing social inequalities.[60] The region nonetheless has high labour productivity and the most diverse export basket in Africa.

Empowered People

North Africa has improved consistently across all Empowered People pillars, consolidating its position as the leading region in Africa for education, health and living conditions. Its natural environment, however, is performing poorly, with high levels of air pollution and low levels of water resources a persistent feature across the region.

Living Conditions in North Africa are the strongest in Africa, with **Tunisia** (4th), **Algeria** (3rd), **Morocco** (7th), **Egypt** (5th) and also **Libya** (6th) all ranking between 3rd and 7th overall. Rates of extreme poverty (living on less than $1.90 per day) are low, at only 2% of the region's population, compared with 37% across Africa. The region as a whole boasts strong infrastructure and trading links, which has allowed counties in the Maghreb to drive poverty levels consistently downward, and build up strong basic services and shelter provisions. Over 90% of people have access to sanitation services and drinking water, and ~100% have access to electricity. However, ten percent of the population lives in housing deprived of a roof, walls or flooring, compared to 56% continent-wide.[65] North Africa is relatively weaker in protecting its citizens from harm, with a higher rate of 'life years' lost to road traffic accidents than Africa overall.

North Africa's health is the strongest in Africa overall, with **Algeria** (3rd) the best in the region, and all other countries in the top 10 in Africa. The region's healthcare profile is enormously different to the rest of Africa, and thus faces very different challenges. Basic health outcomes are strong, including life expectancy and low prevalence of communicable disease. Maternal mortality rates, at 74 per 100,000 births, are well below the African average (457). However, health has begun to falter in recent years. The region has the greatest burden of behavioural risk factors in Africa, with high rates of obesity and smoking, and substance use disorders on the rise. These risks threaten to intensify as the region continues to urbanise, a change which has the potential to exacerbate future health crises, particularly as the burden of health care transitions towards non-communicable diseases.[66] Deteriorating mental health – which is already becoming evident – will only add to the challenges for the region.[67]



Source: WHO

While North Africa was already a strong performer in education, it has further strengthened in the last 10 years, overtaking Southern Africa to be the leading region in Africa. The region has by far the strongest enrolment and completion rates on the continent, with 96% enrolling and 95% completing primary school, compared to 77% and 62% across Africa, respectively. Over the last decade, strong improvements have been made in pre-primary education, driven primarily by **Algeria** (3rd), whose enrolment rates at the pre-primary level more than doubled from 43% to 89%. Adult skills have also improved in North Africa, with literacy rates, digital skills and women's average years in schooling all above the African average.

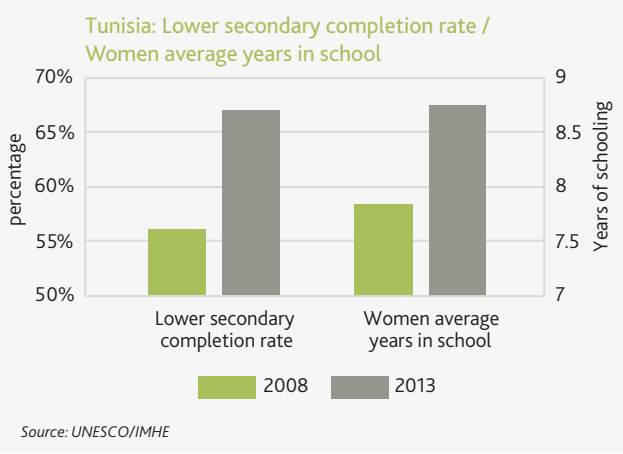
North Africa's natural environment has struggled however, with only marginal improvement over the last 10 years. Air pollution is affecting health more significantly in **Egypt** (51st) and **Libya** (53rd), while the region's freshwater supply is becoming one of the world's most depleted.[68] Additionally, there are tensions between Egypt, Sudan, and Ethiopia over the construction of a dam across the Nile, which supplies up to 90% of Egypt's freshwater.[69] Renewable water resources have depleted from 816 to 665 cubic metres annually per capita, which is well below the average per capita resources throughout Africa (4,836 m^3).The quality of the region's marine areas has also suffered from poor management practices, leading to increased fish exploitation and low mean trophic level (a key indicator of the health of stocks).

Country snapshots

Tunisia (8th)

Prosperity in Tunisia reached a high in the aftermath of the Arab Spring in 2011. But whilst Tunisia today is the top-ranked country in North Africa, prosperity is weaker than in 2009.

The Tunisian Revolution that removed President Ben Ali in 2011 brought on the most significant changes to Tunisia's institutional environment in the country's history. Regarded by some as the sole success story of the Arab Spring, Tunisia has built an emerging democracy enshrined in a progressive 2014 constitution.[70] Since the 2014 parliamentary and presidential elections, there has been significant growth in political accountability in the country, due to a greater priority towards democracy, and stronger transitions of power and political participation. This was tested in 2019's elections; despite some electoral reform controversy, the presidential elections delivered a concisive victory to newly-elected President Saied, though talks to form a governing coalition are still in progress after the parliamentary elections failed to deliver a majority to any one party.[71,72,73] The operational elements of governance however have deteriorated, as Tunisia's post-revolution 'consensus model' has seen 10 governments in just eight years.[74] This in turn has negatively affected Social Capital (38th), with declining trust in institutions including government and the judiciary. The development of Tunisia since 2011 is nonetheless captured in improved Personal Freedom (17th). The country's constitution enshrined substantial new freedoms for Tunisia, including freedom of expression and religion, and actively sought gender equality in elected assemblies.[78] Civic society groups and independent media played a significant role in the post-revolution transition, though journalists and NGOs still face operational restrictions and intimidation.[79,80]



Source: UNESCO/IMHE

The economic downturn of the last eight years has led to disillusionment for many Tunisians.[81] Growth has slowed, and inflation has steadily increased, causing upward pressure on food prices. Unemployment, at 15%, is three percentage points higher than in 2009. With the country's fiscal balance deteriorating, the Tunisian government has agreed to an unpopular series of reforms tied to IMF loans, including subsidy cuts and tax increases. This has led to sporadic protests against the government's perceived marginalisation of the poor.[82] Tunisia's labour market has become increasingly inflexible, with few formal, open-ended employment opportunities available, employers are resorting to fixed-term contracts with almost no benefits or job security for employees.[83] A new competition law in 2015 may yet improve Tunisia's market contestability.[84]

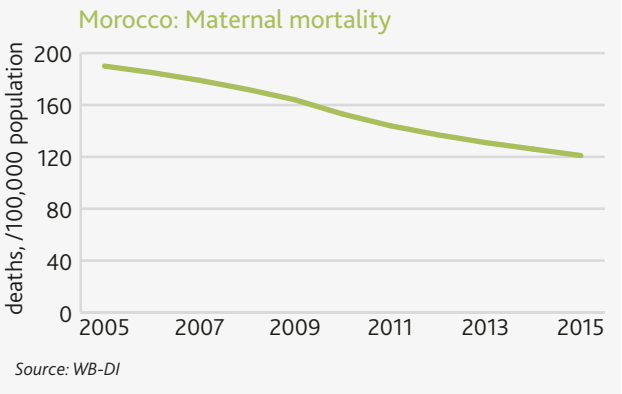
The combination of struggles faced by Tunisia since the revolution has also had an impact on Health (5th). The country's health care system has suffered from neglect in recent years, with the prevalence of non-communicable diseases, including diabetes, cancer and cardio vascular disease, among the worst in Africa.[85] Though the country has among the highest life expectancy and lowest mortality rates in Africa, satisfaction with healthcare has almost halved over the last decade, according to Gallup polling. While enrolment rates for most levels of Education (4th) are high, education quality has been historically poorer, ranking only 14th in Africa at the primary level.[86] All levels of education have been subject to reforms since the 2011 revolution, though progress has not always been apparent; expanding access to pre-primary education, for example, has yet to increase enrolment rates at that level of schooling, which sit at just 42%.[87]

Morocco (9th)

Morocco (9th) is the second-most prosperous nation in North Africa, and has bucked the regional trend in making strong improvements over the last decade. The country has been able to maintain relatively stable governance, and has seen improvements in both the economic environment, and in health.

Morocco avoided much of the disruption experienced by the rest of the region in the aftermath of the Arab Spring, evident in the country's relatively strong governance (17th). Whilst there were significant protests in 2011-12, King Mohamed VI was largely able to quell discontent by pushing through a reformed Constitution, approved by almost 99% of the country during a referendum. Described as Morocco's "most liberal" constitution, it promised greater independence of elected officials and the judiciary.[88] Since then, however, the King has maintained strict control over political appointments and an effective veto power over law-making. Protests

have erupted sporadically in recent years, which the administration generally tolerates without violent crackdowns.[89] Nonetheless, with judicial reform having failed to bring about expected changes, political accountability and rule of law have deteriorated over the last decade.[90] Morocco must also be wary of suppressing press freedoms further, as media outlets have face increased restrictions in recent years.[91,92]



Source: WB-DI

Morocco characterises North Africa's strong Enterprise Conditions (10th). The country has done well to reduce the burden of regulation on business, including reductions in the number of tax payments and the time spent complying with regulations. Changes bringing business registrations completely online has greatly improved the ease of starting a business in Morocco, where it is now fifth in Africa. Domestic markets, however, remain controlled by a handful of monopolies with close connections to the monarchy.[93] Burgeoning entrepreneurship may yet provide a boost to Morocco's economy. New business density is up in the country, although unemployment remains high at 9% – and largely stagnant – over the last 10 years. Though foreign investment has increased in recent years, this has not translated to a growth in labour force engagement in the country. Many of Morocco's nascent industries, including the automotive and aerospace sectors, are import-dependent and utilise significant automation.[94] Nonetheless, Morocco is the strongest performer for Market Access & Infrastructure (3rd) in North Africa. Communications and resources infrastructure are high in the country, as the country recorded a near-forty-fold increase (from 0.8 to over 30 kbs per capita) in internet bandwidth usage per person since 2009.

Health (9th) in Morocco has improved at a faster rate than any other North African country over the past 10 years. In 2009, the government introduced RAMED, a health care scheme for low-income citizens, while health care investment increased in line with successive national health strategies in 2012 and 2017.[95] Life expectancy at all stages has improved, with maternal and child mortality rates among the lowest in Africa. The prevalence of mental health issues, however, is among the highest in Africa. A national health report in 2015 suggested close to 50% of the population has a mental health disorder, and with just one psychiatrist per 100,000 people in the country, the situation has become more pronounced.[96] Though the country already has strong Living Conditions (7th), Morocco has recognised the need to improve protections from harm for its citizens. The construction sector in particular has begun to scrutinise working conditions and reduce the elimination of risks that lead to injury.[97] Subsequently, the rate of disability-adjusted life years from injury has fallen by 11% over the last decade.

Egypt (21st)

Egypt faces a unique and challenging set of problems for Africa. The country has undergone radical upheaval since 2011, and whilst the events of the Arab Spring have generated optimism amongst citizens for the country's future, they have also threatened prosperity. The country ranks 21st in Africa overall, having fallen six places over the last 10 years.

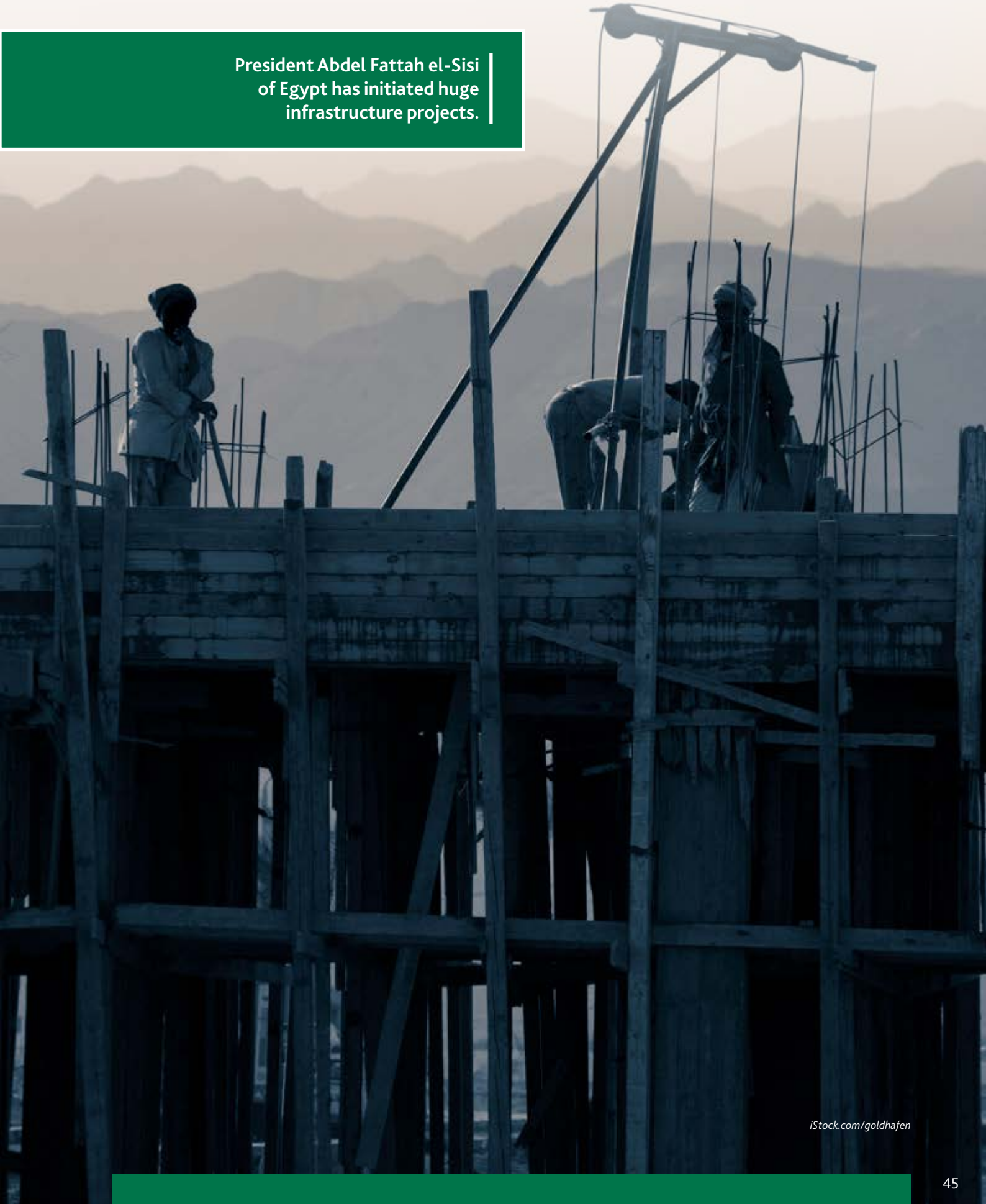
The institutions propping up what was a corrupt and sclerotic regime under President Hosni Mubarak were thought to have been struck down in the 2011 revolution. Since then, however, Egypt's administration has changed hands twice, returning a leader legitimised by military credentials and patronage. The ongoing struggle for power among Egypt's political elite has seen more liberal Governance (39th) take a back seat to an increasingly authoritarian regime. Egypt's governance is dominated by the personal power of President el-Sisi, who has taken a hard line against dissenters within his government, and against both the perceived Islamist threat and secular democratic movement. The military are said to interfere in politics "whenever they deem necessary", with 2019 constitutional amendments enshrining the army's role as a guarantor of the state and democracy.[98,99] Personal Freedoms (52nd) have also become increasingly restricted. Freedom of assembly laws were passed in 2013 that intended to organise the right to hold meetings and demonstrations, while there has been a rapid deterioration in the freedom of the press. In an attempt to "completely close public space in the country", media outlets have faced government intervention, and in some instances, closure.[100]

The reorganisation of the Egyptian state has put considerable pressure on the country's Economic Quality (30th), and the Egypt's main industries, including tourism and energy, have been hit hard by political turmoil. GDP per capita growth turned negative following the 2011 revolution, only modestly recovering since. In an attempt to reform the economy, the administration has introduced a number of reforms, including exchange rate liberalisation, subsidy removal, and the introduction of a value-added tax. President Abdel Fattah el-Sisi has also initiated huge infrastructure projects and a more open business environment, which has begun to stimulate improvement in Enterprise Conditions (11th). Redundancy costs, for example, have fallen from 132 weeks of salary to 37, while the time spent filing taxes for senior management has almost halved, from 711 hours per year to 392. Nonetheless, the entrepreneurial environment in Egypt is characterised by a 'missing middle'. There are a few large firms, which dominate the market, and many very small firms that cannot scale, due to a lack of access to capital and a discriminatory regulatory environment.[101]

The Living Conditions (5th) of everyday Egyptians, whilst still relatively strong, are now at their most insecure in decades. Egypt's population is predicted to grow to 200 million by 2050, putting strain on the availability of food, water, and material resources.[102] Poverty is increasing, and rising birth rates will put further pressure on the resources of the state to deliver for its people. Already, social protection systems provide "incomplete and unequal access", and the situation for many in the country has been exacerbated by high inflation, a devalued pound, and subsidy cuts.[103,104] Egypt will face similar struggles maintain its Health (10th) performance, and with behavioural risk factors among the most prevalent in Africa, the

burden of non-communicable diseases has increased. Risks remain for the country's Natural Environment (51st), as the Nile, a key water resource that provides around 90% of Egypt's freshwater resources, is under increased pressure from climate change, dam building, and salinisation.[105]

President Abdel Fattah el-Sisi of Egypt has initiated huge infrastructure projects.



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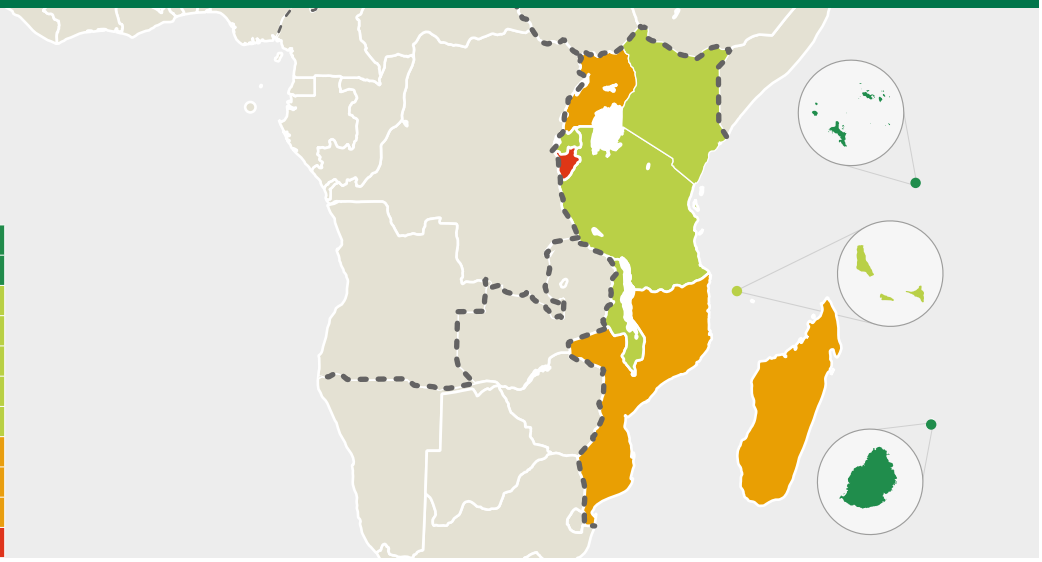
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A wind farm in Egypt
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East Africa (3rd)



Country	Africa Rank
Mauritius	1
Seychelles	2
Rwanda	11
Kenya	15
Tanzania	18
Malawi	22
Comoros	23
Uganda	29
Madagascar	31
Mozambique	36
Burundi	48

East Africa is ranked third in Africa of six regions. The region has the greatest disparity in prosperity of any in Africa – with countries ranging from **Mauritius** (1st) to **Burundi** (50th).

Despite this disparity, the region is improving faster than any other in Africa. Every country in the region has become more prosperous over the last 10 years, with **Comoros** (23rd, up seven places), **Tanzania** (18th, up four places) and **Rwanda** (11th, up six places) among the fastest improvers in Africa. In addition, all but four pillars (Safety & Security, Personal Freedom, Governance, Economic Quality) have improved over the last 10 years.

Strengths

- East Africa has become one of Africa's second-most attractive region for investment
- Health has improved across all life stages, with people living longer, healthier lives
- The region generally has a high level of social tolerance, and people are more satisfied with their own freedoms
- East Africa is the only region in Africa with improving Economic Quality

Opportunities

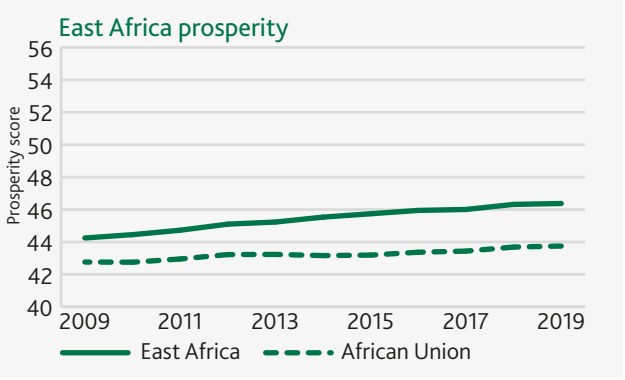
- Growth in financial services has stimulated considerable economic improvement
- Productivity is increasing, though mainly within-sector productivity – structural transformation still to take place

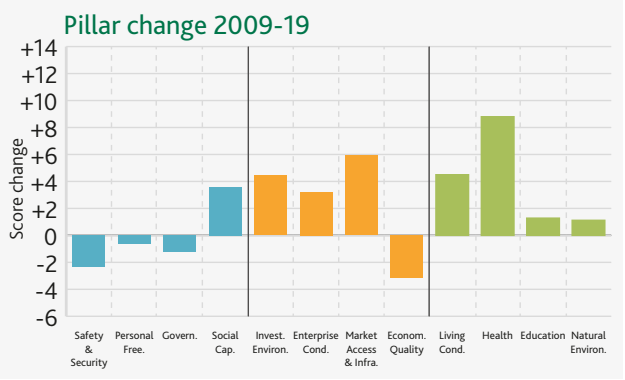
Weaknesses

- Property crime is the highest in Africa
- Living Conditions not improving in line with the continent, with poor nutrition and shelter
- Low level of salaried workers, despite low unemployment

Threats

- Institutional decline threatens progress in other areas
- Ongoing vulnerability to terrorism





PILLAR OVERVIEW

Inclusive Societies

East Africa's rapid growth in prosperity over the last ten years has been remarkable, particularly in terms of the region's investment environment, and areas of social capital. However, some of the institutional pillars of prosperity remain vulnerable, with Safety & Security, Personal Freedom and Governance all under threat. While the region performs stronger than Africa overall, there is a concerning trend of increasing property crime, restricted personal freedoms, and weakening personal relationships.

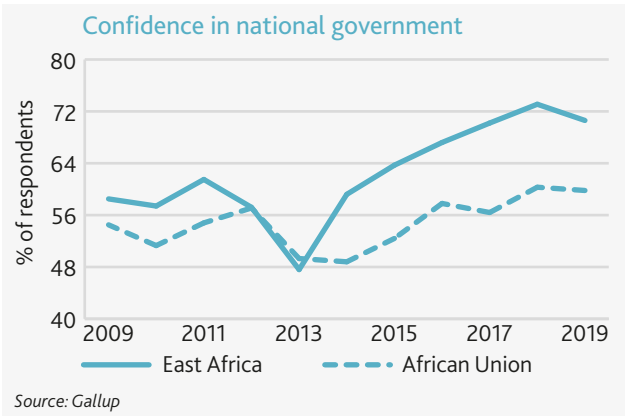


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Urbanisation has contributed to East Africa's evolving social capital

East Africa ranks second in Africa for Safety & Security, led by **Mauritius** (2nd) and **Comoros** (3rd). However, five out of eleven countries in East Africa, representing 52% of the region's population, experienced declines in security over the last decade. This has come mainly as a result of increased terrorism and higher rates of property crime. The number of incidents of terrorism, per million population, rose from 0.1 to 0.8, though this is still below the continental average of 2.4. Commensurately, deaths and injuries from terror attacks have increased, while firms are reporting increased costs on business as a result of terrorism.[106] Similarly, the cost of organised crime is having an increased impact on businesses, while the proportion of people reporting stolen property has increased from 27% to 33% across the region, the highest rate in Africa.

Considering personal freedom too, East Africa has demonstrated that it remains one of the most tolerant in Africa, in spite of challenges. Tolerance of ethnic minorities is high, and civil justice is generally free of discrimination.[107] More people in East Africa (77%) report being satisfied with their freedom than the average across the continent (69%). However, governments across the region, including **Kenya** (26th) and **Uganda** (33rd), are increasingly restricting rights of assembly, association and speech, often in line with the increased terrorist threat.[108] Others, such as **Burundi** (50th), have taken an even harder line, using deadly force to crack down on anti-government protests.



Source: Gallup

East Africa is the second-ranked region in Africa for governance, led by **Mauritius** (1st). The region exhibits relatively strong executive constraints and rule of law, with a minimal involvement of the military in politics, and a generally strong consensus towards democracy and market economy.[109] Nonetheless, countries such as **Tanzania** (15th) and **Uganda** (26th) are demonstrating the fragility of their institutions in the face of increasingly authoritarian leaders. Government integrity remains a weakness across the region, and has shown signs of deterioration over the last decade. Many countries in East Africa score extremely poorly in Transparency International's Corruptions Perceptions Index, including **Kenya** (12th) and Uganda, underlining the severity of the issue.

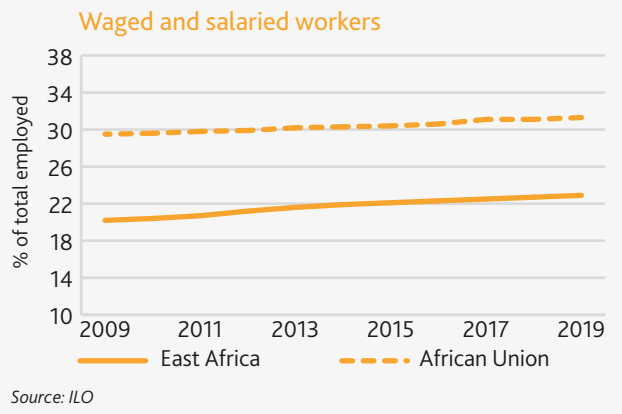
At the same time, interpersonal and institutional trust are rising, with confidence in national governments in East Africa well above the African average (71% vs 60%). While this can be attributed to improved formal governance structures across the region, others have suggested the additional factor of urbanisation contributing to the region's evolving social capital. East Africa is improving overall for social capital, but it is doing so in contrasting ways. Personal and familial relationship and social networks are deteriorating rapidly, with fewer people reporting help from family and friends (67%) that a decade ago (74%). As the region urbanises, bonding connections among families and communities have become more tenuous, and social provisions from the state more important.[110]

Open Economies

East Africa's economies have been consistently outperforming their African peers over the past decade. It is the fastest improving region for Investment Environment, and the second-fastest improving for Market Access & Infrastructure and Enterprise Conditions. East Africa is relatively well integrated, boasts strong governance, and recently launched a regional competitions authority, making it an attractive region for investment and manufacturing.[111]

Investment Environment is one of East Africa's fastest improving pillars of prosperity, for which the region now ranks second out of

six regions. **Mauritius** (1st) has the best investment environment in Africa. Property rights have improved consistently across the region, with business experts reporting stronger protections of property and financial assets.[112] Investor protections, including insolvency framework and shareholder governance, have been strengthened, while there is a higher quality of contract administration than any other region in Africa. The average time taken to resolve commercial legal disputes is 197 days, compared to 207 days across Africa. The financing ecosystem across the region has improved, as fewer businesses report problems accessing finance, and the quality of the banking system is growing. Largely due to the proliferation of mobile money platforms, pioneered by **Kenya's** (4th) M-PESA, financial inclusion is growing across the region, though still at a rate slower than other developing economies around the world.[113]



Source: ILO

East Africa is showing strong improvement in enterprise conditions, with every country in the region improving over the last decade, and **Mauritius** (1st) the top-performing country in Africa. The region has a very flexible labour market, with redundancy costs reducing from 48 weeks to 15 (compared to 18 across Africa), with **Tanzania** (22nd) and **Kenya** (5th) leading the way with new labour regulations. The ease of starting a business has improved, according to the World Bank's Doing Business, and there are now increased protections for private companies. Importantly, East Africa bucks the continental trend, and has made its domestic markets more contestable over the past decade, characterised by the East African Competition Authority, which began operations in 2018.

Whilst starting from a low base, East Africa has been able to improve its market access and infrastructure and grow its trading links regionally and internationally (with **Seychelles** (1st) Africa's top performer, in spite of the country's geographical separation). Communications infrastructure has improved immensely, allowing the region to become a hub for ICT in Africa. The region has reduced import tariffs on aggregate, with the share of imports free of tariff duties now 54%, well above the African average of 32%. East Africa has also improved its border administration faster than any other region. Trade between members of the East African Community is now above 20% of exports, one of the highest measures of all African RECs.[116]

Labour force engagement is high, with region-wide unemployment just 3.7%, one of the lowest rates in the world – though this likely does not take into account the prevalence of necessity-driven entrepreneurship. The proportion of the workforce in formal, salaried employment is low at just 23%, compared to 31% across Africa. Nonetheless, the region has been able to drive labour productivity up significantly, mostly due to increased within-sector productivity – e.g. transitioning from subsistence to cash crop agriculture – rather than between-sector productivity growth, which would reflect structural shifts in an economy.[117]

Empowered People

East Africa has improved strongly across all four pillars within Empowered People. Health is improving across most measures, whilst the region has also done well increase its preservation efforts. Education and living conditions remain relatively weaker in East Africa.

Whilst living conditions are improving in East Africa, they remain a challenge for the region, and have not improved in line with the African average. The region's strongest performers (**Mauritius** (1st) and **Seychelles** (2nd) contrast heavily with countries on the mainland, with only one of the latter ranking inside the top half of all African countries (**Kenya** (23rd). East Africa's relatively strong economic performance has unfortunately not yet led to a commensurate decrease in poverty levels, with 39% still living under a poverty ratio of $1.90 per day, down from 45% a decade ago, but still below average poverty levels for the continent (37%). According to the African Development Bank, structural transformation of an economy, which tends to contribute more significantly to poverty reduction than GDP growth, has not occurred in East Africa.[118] Nutrition is stagnating, with 67% of people now reporting not having adequate food, compared to 59% 10 years ago. Shelter has also deteriorated, with availability of adequate shelter dropping from 28% to 48%.

Health is East Africa's fastest improving pillar, and the region currently ranks second of six regions in Africa. **Seychelles** (1st)and **Mauritius** (2nd) are the two best-performing countries for health in Africa, while **Rwanda** (8th) and **Kenya** (11th) boast the best health on mainland East Africa. Longevity across life stages has improved – albeit from a low base. Under-5 mortality rates have fallen from 84 per 1,000 births to 52 (compared to the current African average of 65), while life expectancy at age 60 has increased by a year since 2009. There have been strong improvements in preventative interventions, though immunisation rates appear to have peaked in the last decade and declined in more recent years. This is a trend seen in several countries across the region, including **Kenya** (11th), **Malawi** (26th) and **Madagascar** (30th). While East Africa reports a high proportion of people agreeing that vaccines are safe, declining rates are down to weakened capacity and healthcare worker strikes.[119,120,121]

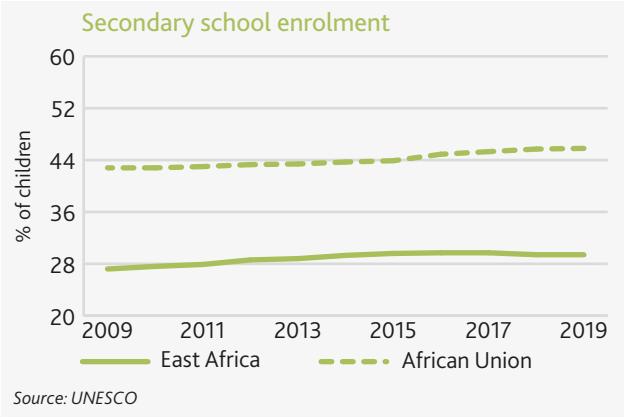
Improving roughly in line with the African average, East Africa performs relatively well for education, although challenges remain for several countries in the region. **Seychelles** (2nd) ranks highly in the continent for primary and tertiary education, opening its first university in 2009, yet this performance contrasts heavily with **Mozambique** (42nd), which suffers from poor adult skills and a severe shortage of teachers.[122] The region as a whole performs poorly for secondary education, with enrolment at 30%, compared with 43% across Africa. Countries such as **Kenya** (9th) and **Uganda** (27th) have introduced universal secondary education, although this has not led to commensurate improvements in facilities or reduction in additional costs such as uniforms or school meals.[123]



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Seychelles (2nd) tops the region in natural environment, reducing its greenhouse gas emissions through renewable energy

East Africa's natural environment is relatively strong, with lower levels of emissions and exposure to air quality than Africa as a whole. **Seychelles** (7th) tops the region, and has done well to reduce its greenhouse gas emissions through solar energy installations and subsidies for electric cars.[125] Others, such as **Tanzania** (10th), have reduced illegal fishing by partnering with NGOs to patrol territorial waters.[126] The region overall has improved its rate of fish stocks overexploitation from 26% to 22%, now below the African average of 23%. East Africa has been most successful, however, in improving its preservation efforts. A third of all forest area in the region now has a long-term management plan, while terrestrial and freshwater protected areas have all expanded over the last decade.



Source: UNESCO

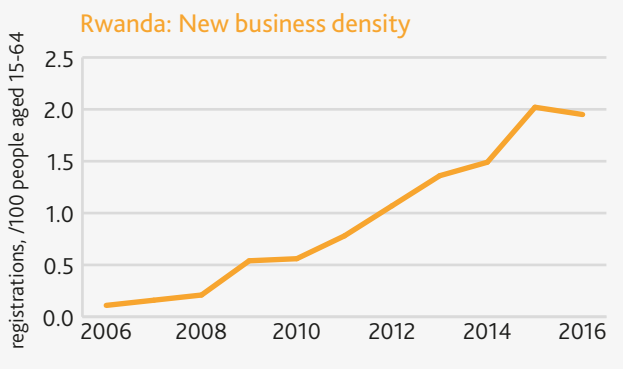
Country Snapshots

Rwanda (11th)

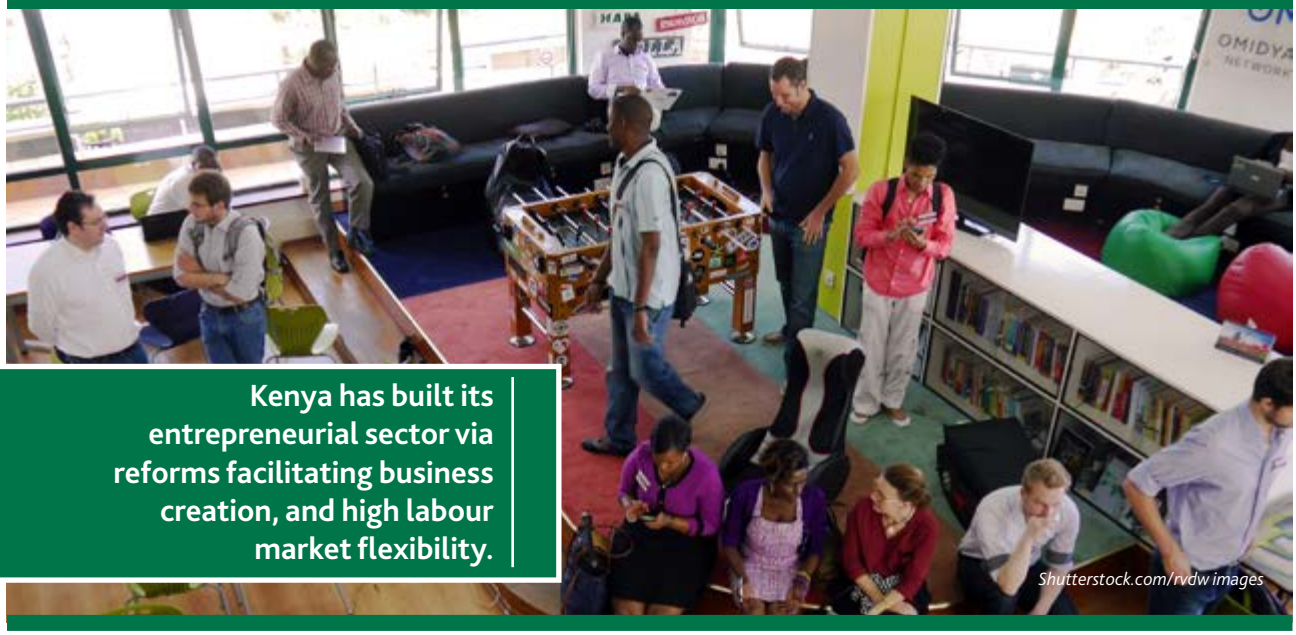
Rwanda's rebuilding since a devastating civil war and genocide in 1994 has captured the attention of the international community. Today, the country has transformed itself – according to some – into a model for growth and national unity.[127] Out of the atrocities of its past, Rwanda has now become synonymous with hope, order and progress in a continent starved of good news stories.[128] To others, however, hidden behind Rwanda's progress is an authoritarian state that exercises strict controls over civil liberties and the economy.[129] Prosperity has jumped six ranks in 10 years to 11th in Africa, although it has stalled over the last year.

Though Rwanda has built peaceful and effective institutions, there have been warning signs, including longer-term deteriorations in Safety and Security (32nd).[130] The country is yet to eliminate the threat of terrorism, with the rebel group Democratic Front for the Liberation of Rwanda involved in fatal attacks in Kigali and also border areas with DRC. Other human rights abuses have been alleged against the Rwandan state: opposition figures have been targeted and many forced into exile, and there have been reports of arbitrary arrests, disappearances, and torture committed on behalf of police and state security.[131,132] Rwanda's Governance (9th) is remarkably strong, with President Paul Kagame's commitment to open government and citizen consultation earning rightful plaudits. Having yet to face any serious challenge to the nation's incumbent leadership, nor mapping a pathway forward to protect and build on what has been achieved, political accountability is nonetheless low in Rwanda. Social Capital (15th) is improving, though polling data suggest relatively low social and interpersonal trust.

Economic Quality (7th), Enterprise Conditions (2nd) and Investment Environment (2nd) encapsulate Rwanda's strong economic performance in recent years. Beginning its 'Vision 2020' in 2000, Rwanda had the goal of transforming the country into a middle-income economy by 2020. GDP growth rates have averaged almost 8% since then, more than tripling the size of the economy.[133] Rwanda has developed additional strategies to attract international investment, including removing bureaucratic barriers for businesses, liberalising trade, and improving for property rights. This has allowed the country to become one of the most investment-friendly in Africa, but questions remain over the sustainability of its growth, due to its reliance on foreign aid and "unenthusiastic" private sector.[134] In addition, as a landlocked country, Rwanda relies on distant ports and



Source: WB-ES



Kenya has built its entrepreneurial sector via reforms facilitating business creation, and high labour market flexibility.

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poor road infrastructure to trade, with its transport infrastructure relatively weak.

Education (21st) and Health (8th) too have improved in Rwanda, demonstrating that the government has done extraordinarily well to reinvest some of its economic dividends into social prosperity for its citizens. All indicators of life longevity are up, whilst Rwanda is the best country in Africa for the availability of medical treatment, with high vaccination rates, and over 85% of citizens with HIV and tuberculosis having access to treatment. Substance abuse remains a key challenge for Rwanda to overcome if it is to deliver long-term growth in health, with prevalence of substance use disorders among the highest in Africa. Living Conditions (35th) and Natural Environment (22nd), however, are relatively weaker for the country. Though poverty levels are trending consistently downward, the country still has a high extreme poverty rate of $1.90 a day (56%). Access to water and sanitation services, one of the major environmental determinants of poor health and living conditions, are still lacking, particularly in rural areas. Showing its commitment towards improving its natural environment, the Rwandan government has prioritised recent initiatives to move towards more carbon neutral energy sources.

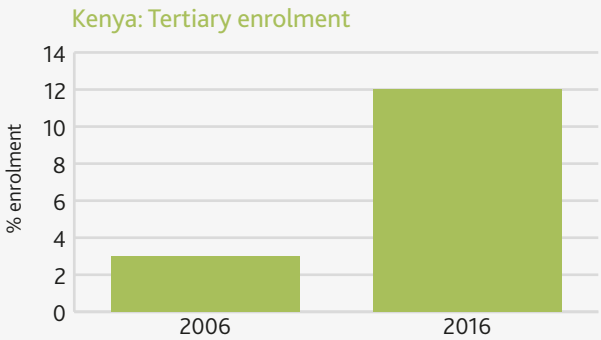
Kenya (15th)

Kenya has made sound progress in improving prosperity over the last 10 years, and has outpaced East Africa as a whole. The country ranks 15th in Africa, performing strongly in Investment Environment, Social Capital, and Education.

Safety and Security (43rd), Kenya's greatest challenge to prosperity, is held back by a uniquely complex set of factors, both internal and external. The last decade has seen growing vigilance in the midst of terrorist attacks, as well as periodic civil unrest around election cycles. This has also had spill-overs into Personal Freedoms (26th), which are deteriorating in the country. Recent legislation to support law enforcement agencies has increased the number of reported human right abuses, including arbitrary arrests and torture, while there are increased reports of violence against journalists.[135,136] The worse these pillars perform, the more strain there will be on Governance (12th) and Social Capital (4th), two of Kenya's traditionally stronger pillars. Corruption is an ongoing concern in Kenya and although high-profile political figures in Kenya are starting to face corruption charges, progress in the courts has been slow. While Kenya reports a high degree of social tolerance, this trust may not extend beyond immediate family and community groups.[137]

An open and innovative business environment has nonetheless brought success to a Kenya in many ways. On the back of recent economic stability, Kenya has built a strong Investment Environment (4th) driven by financial services. Investors have benefitted from a 'hands-off' regulatory environment, which has facilitated the innovation of numerous e-payment systems and more recently allowed Kenyans to access loans directly through their mobiles.[138] The country has also done well to build its entrepreneurial sector via reforms facilitating business creation and high labour market flexibility. Risks in the economy remain, however, with rising public debt and youth unemployment now at 18%. Due to the country's inability to absorb new entrants to the job market, a large proportion of Kenyans are employed informally. Most businesses in the informal sector are small, with no more than one employee, and are low in productivity.[139]

Education (9th) has been central to Kenya's national development since independence in 1963, with ever-increasing demand for provision. Since the 1970s, primary completion rates have gone from 50% to over 100%, while secondary completion rates have risen from 15% to 80% over the same period. Tertiary enrolment (12%) has increased significantly due to the expansion and opening of several universities in recent years. Health outcomes have also improved, alongside the country's overall care system. Kenya has increased the numbers of healthcare practitioners and staff, whilst a reduction in the cost of antiretroviral drugs for its HIV-affected population has



Source: UNESCO

led to an increase in coverage from 32% to 75% over the last 10 years. Challenges remain for the natural environment (43rd) in both rural and urban Kenya, with exposure to air pollution and drought putting a strain on the country's overall performance.

Tanzania (18th)

Tanzania has been one of the fastest improving countries in Africa over the last 10 years, and has rise four ranks to 18th in Africa.

The country has improved its economy across most measures. Growth rates are among the highest in Africa, and the government's budget deficit has become less negative. This is testament to the strong economic management of Tanzania demanded by the Magufuli administration, which came to power in 2015. Labour force engagement is also high, though as is the case in throughout East Africa, the proportion of salaried workers is low, at just 14% of the total employed workforce. The government has prioritised infrastructure growth as key to its development agenda.[140] Tanzania is today among the fastest growing nations for its transport capability, with improvements in shipping connectivity, logistics performance and perceived efficiency of port services, as the port in Dar es Salaam acts as a key gateway to various parts of East Africa. An 1800km Standard Gauge Railway linking the port to Rwanda, Burundi and the Democratic Republic of the Congo, currently under construction, will form a key part of Tanzania's future transport connectivity. At the same time, the country is making big steps towards improving electricity resources, and ranks fifth in the continent for reliability of supply.

Tanzanians' living conditions (26th) are improving faster than anywhere else in Africa. Poverty rates, measured by national authorities, have declined from 34% to 28%, ranking the country 12th on the continent. More people now report having adequate shelter, while the connectedness of the population – be it through access to the internet, a cellphone or a bank account – has improved significantly. With 12 million people still in poverty, the government has committed to further improving living standards through stronger service provisions, including health and education.[141] Natural Environment (9th) has risen twelve places over the last decade, driven by an increase in the proportion of the nation's forest under a management plan from 25% to 85%. Tanzania's forests nonetheless remain under great threat. Deforestation could cost the country's economy $3.5 billion by 2033 in lost timber revenue, with the illegal timber trade and land clearance for agriculture posing the greatest challenge.[142]

Though most of Tanzania's pillars have strengthened, Governance has not. President Magufuli was lauded in the early part of his tenure for his anti-corruption drive, yet has since taken a decidedly authoritarian turn leading to significant deterioration in Tanzania's governance.[143] The ruling administration has taken steps to ban media outlets, erode the checks and balances associated with the judiciary and parliament, and shut down the space for political opposition, including attacks on prominent individuals.[144] Personal Freedom (28th) has also stalled, with a reported weakening of protections for freedom of speech and freedom of association.[145] The fragile institutional environment risks further damage to Tanzania's long-term prosperity. A leaked IMF report in 2019 warned of "unpredictable and interventionist policies" as significant risks for the country's growth and development.[146]

Mozambique (36th)

Mozambique's prosperity has struggled in recent years. Many of the typical risks to prosperity associated with bad economic management and poor governance have come into the limelight.

Governance (29th) has deteriorated since 2009, with operational aspects of governance particularly weak in the country. Present and former administrations have mismanaged the country's wealth from natural resources through political interference in policy implementation, lax approaches to fiscal management and "unrealistic development projects".[147] Corruption is said to cost Mozambique $4.9 billion annually, equivalent to 30% of the country's GDP.[148] Ahead of elections, the August 2019 peace agreement, signed between government forces and the armed wing of the main opposition, carries hope of an end to political terror and violence. Yet Mozambique is also facing terrorist threats in northern provinces, as Islamic insurgents carry out attacks on civilians, ongoing since 2017.

Economic mismanagement has plagued Mozambique for decades, though it has been under particular pressure in recent years due to both internal and external shocks. In 2016, it was revealed that the country had $2 billion in 'hidden loans' backed by the government, leading to a suspension of all donor aid. Today, Mozambique is in default, and government debt has climbed to over 100% of GDP. Macroeconomic stability has deteriorated faster in Mozambique than anywhere else in East Africa, and is expected to deteriorate further due to damage sustained to agricultural production and infrastructure from cyclones Idai and Kenneth.[149]

The result of both institutional and economic malaise are Living Conditions (44th) that have failed to improve substantially. Sixty-two percent of the population remain in extreme poverty, one of the highest rates in Africa. The unavailability of shelter is becoming a national emergency, particularly in the wake of the 2019 cyclones, which damaged or destroyed 239,000 households. Eighty percent of people in the country were already deprived of adequate housing prior to the natural disaster, according to the Global Multidimensional Poverty Index. Increased socio-economic marginalisation and lack of access to basic services may also be driving political violence and youth radicalisation.[150] Education (42nd) remains poor in Mozambique, with tertiary education suffering particularly from low quality vocational training and poor reported skillsets of graduates.

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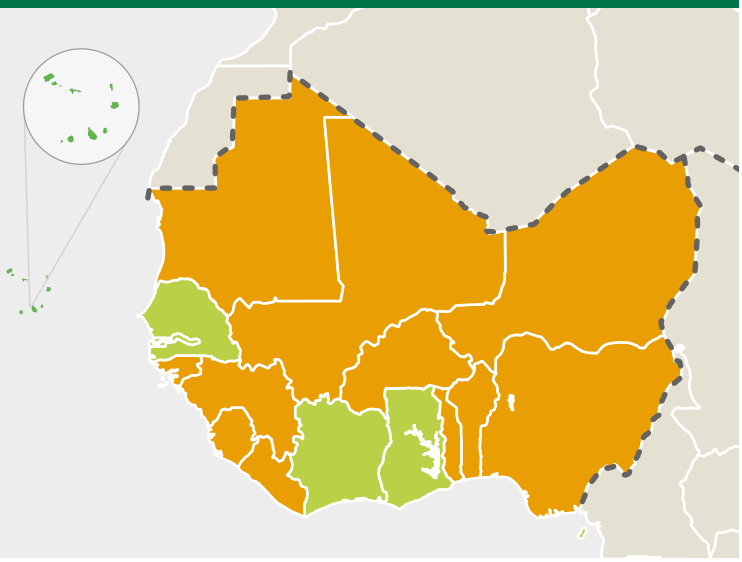
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Maputo, Mozambique
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West Africa (4th)

Country	Africa Rank	Country	Africa Rank
Cabo Verde	4	Guinea-Bissau	32
Ghana	10	Guinea	34
Senegal	13	Togo	35
The Gambia	20	Sierra Leone	37
Côte d'Ivoire	24	Nigeria	39
Benin	25	Mali	40
Burkina Faso	28	Niger	42
Liberia	30	Mauritania	45



West Africa is the fourth-ranked region in Africa, with strong personal freedom and social capital.

Prosperity across West Africa has increased over the last 10 years, with the region beginning to challenge North Africa for third place. However, growth is not shared amongst all nations in the region, with West Africa containing both the fastest improving and fastest deteriorating countries in Africa. **Côte d'Ivoire** (26th) has seen the greatest improvement over a 10-year period, while **Mali** (40th) has seen substantial deterioration.

Strengths

- Personal Freedom and Social Capital have traditionally been strong
- Faced with encroaching desertification, multilateral efforts to preserve the environment have increased
- West Africa has the most flexible labour market regulations in Africa, according to observers

Weaknesses

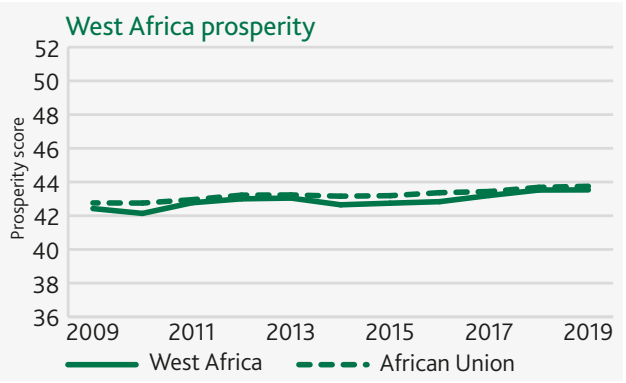
- Porous borders have aided the spread of terrorism
- Markets are becoming less contestable
- Though children are enrolling in school, poor quality education has led to low educational completion rates

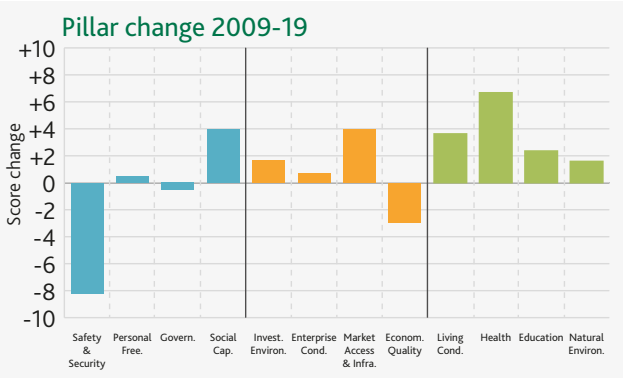
Opportunities

- Formal structures of governance are improving, with several countries entrenching or opening up to multiparty democracy
- Regional trade integration through ECOWAS and AfCTA should improve

Threats

- Bonding social capital is deteriorating across the region
- Undiversified economies remain at risk of global commodity shocks





PILLAR OVERVIEW

Inclusive Societies

West Africa has some of the continent's most stable governments, as well as strong protections for personal freedoms. However there is some disparity in the quality of the region's institutions; Safety and security is on a concerning downward trend, as states struggle with the dual challenge of terrorism and civil conflict. If left unchecked, this has the potential in the near future to threaten the region's strengths in governance, as well as social capital.

Safety and security is deteriorating in West Africa faster than any other region in Africa. This is largely due to the terrorism perpetrated by non-state actors, which is spreading across West Africa's porous

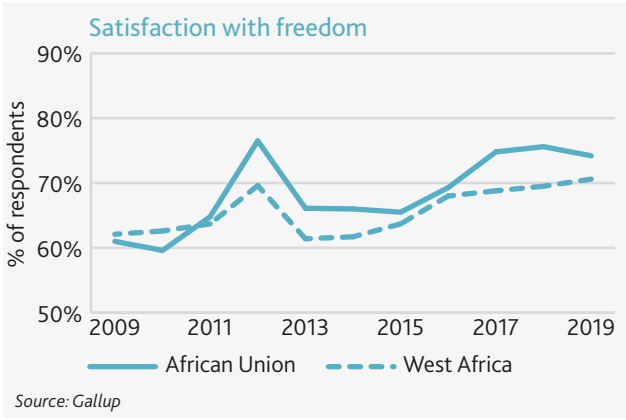


Young people play football in Yongoro, Sierra Leone.

West Africa records stronger social networks than Africa as a whole.

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borders. Jihadi-inspired groups have carried out attacks in both **Côte d'Ivoire** (35th) and **Burkina Faso** (30th), while insurgencies in in **Mali** (46th) and **Nigeria** (48th) are ongoing. West Africa is also witnessing increased civil and inter-ethnic conflict, with a commensurate spike in the number of refugees from the region (though not of internally-displaced persons). Political terror and violence has increased, with some governments using extended counterterrorism operations to indiscriminately arrest and torture citizens, with reported extrajudicial killings.[151]



Source: Gallup

Personal freedom has traditionally been strong in West Africa. Freedoms in the region are well protected, particularly freedom of speech, freedom of assembly, and access to information. The region has a generally open media environment, exemplified by **Cabo Verde** (1st) and **Ghana** (5th), which rank 25th and 27th respectively in the 2019 World Press Freedom Index. These freedoms, however, do not extend to every country in the region. Others, including **The Gambia** (30th) and **Mauritania** (45th), do not effectively guarantee association and organisational rights. The region has also begun to exhibit increased social hostilities and intolerance. Individuals are reporting increased levels of discrimination against women, as well as greater hostilities among social groups.[152] Individuals' satisfaction with freedom, however, is higher than a decade ago, at 75%.

On the one hand, the formal structures of governance have improved over the last 10 years; **Côte d'Ivoire** (20th), **The Gambia** (23rd) and **Guinea** (34th), for example, have opened up to multiparty democracy over the last 10 years, with political accountability improving accordingly. Other states, including **Cabo Verde** (7th) and **Ghana** (6th), have consolidated their democratic credentials. On the other hand, the effectiveness of government has deteriorated, as has government integrity. Governments across the region are performing poorly across indicators measuring policy implementation and government spending.

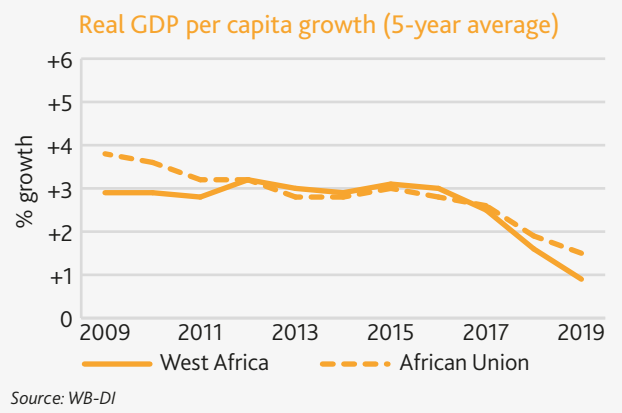
Perhaps as a result of greater government accountability, insitutional trust in West Africa is growing. Citizens report greater confidence in national government, politicians, and the military than a decade ago, reflecting the broader improvements in Social capital since 2014, with strong performances in **Sierra Leone** (7th) and **Cabo Verde** (6th). The region records stronger social networks and personal and familial relationships than Africa as a whole, demonstrating strength in measures of 'bonding capital'. However there are signs that bonding capital is now faltering. Afrobarometer surveys indicate that interpersonal trust is weakening, and fewer people report being treated with respect on a day-to-day basis — down from 86% to 81% since 2009.

Open Economies

Since 2009, several crises have negatively affected the economies of West Africa. Both Ebola and a global commodities crash have had their effect, constraining the region's ability to trade, attract investment, and promote entrepreneurship. In addition, the threat of terrorism throughout the region has caused considerable economic damage in the form of damaged infrastructure and loss of investor confidence.[154]

West Africa's investment environment is improving, albeit with some conspicuous challenges. **Ghana** (13th), the region's best-performing country, is outside the African top 10. Property rights are largely unprotected (with the notable exceptions of Ghana and **Senegal** (25th)), and there are highly burdensome procedures required to

register property. In **Nigeria** (19th), for example, less than 3% of the land is thought to be formally registered with public authorities.[155] The region's financing ecosystem is struggling, with 43% of people report difficulty accessing finance (compared to 34% across Africa), the highest rate on the continent. One consequence of the commodities crisis and poor security situation has been the reduced openness to international investment of the region, with foreign ownership of companies and financial transactions both showing downturns in recent years.



Source: WB-DI

Enterprise conditions have improved in West Africa since 2009, albeit with some challenges. The region's best performing country, **Ghana** (6th), is among the best in Africa. However the incontestability of domestic markets is a drag on the region; the Bertelsmann Stiftung's Transformation Index cites ineffective anti-monopoly policies, whilst markets are dominated by increasingly fewer firms. **Nigeria's** (32nd) market contestability has deteriorated the most, with industries increasingly dominated by monopolies that stifle competition and erect substantial barriers to entry.[158] Other countries, such as **Sierra Leone** (42nd) and **The Gambia** (28th), have struggled to implement anti-monopoly policies in the face of dominant SOEs. Labour market flexibility is nonetheless the strongest in Africa, with highly flexible employment contracts and redundancy costs at only 13 weeks of salary, compared to 18 weeks Africa-wide.

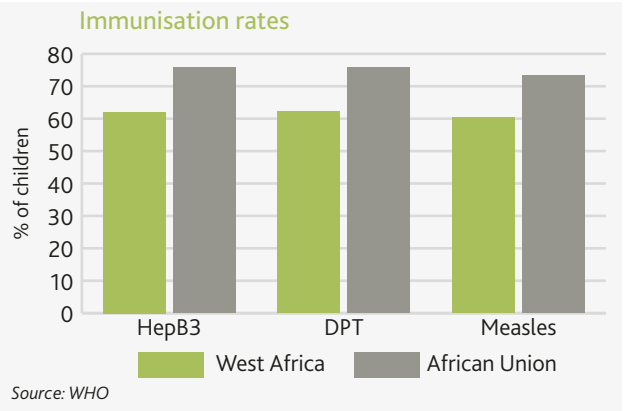
Market access and infrastructure have improved in West Africa, though below the African average. This has been driven largely by increases in communications infrastructure, with internet usage rising from 5% to 23% over the last decade. Transport, however, remains an issue for the region, characterised by poor roads and port infrastructure. Open market access is also low in West Africa. Despite having a ready-made regional trading bloc in ECOWAS, intra-regional trade is low, accounting for just 12% of total exports in region.[159] Only 10% of imports are free of tariff duties, compared to the African average of 32%.

Economic quality in West Africa was growing steadily until 2014, before reversing in trend and falling for five consecutive years, now the third-weakest in Africa. Just two countries perform well: **Cabo Verde** (12th) and **Côte d'Ivoire** (9th). The Ebola crisis, and governments' response to it, had an significant impact on the region. Borders were closed, restricting movements of people and goods, which in turn damaged economic output and GDP growth.[160] Meanwhile, a global commodities crash in 2015 greatly affected many of the region's commodity-dependent economies.[161] Trade competitiveness in West Africa is generally weak, with low economic diversity increasing the volatility and fragility of many of the region's economies. Macroeconomic stability has subsequently slumped, exemplified by the continent's biggest economy, **Nigeria** (46th), which recorded a decline in per-capita GDP and a growth in inflation. Gross savings rates also declined, and now stand at 17% of GDP, compared with 19% across Africa.

Empowered People

Although the four Empowered People pillars are all strengthening in West Africa, it remains a challenge to sustain their growth. One the one hand, basic health standards are improving across almost every country, and the region is among the best in Africa for preservation of its natural environment. However, education and living conditions are stagnating, particularly in the region's most populous country, Nigeria.

Improvements in living conditions have been significant over the last decade reaching a high in 2016, but have since faltered. The rate of extreme poverty declined by almost five percentage points from 2009 to 2014, to 45%, but has barely progressed since then. Nutrition has also become an issue, with 40 million people in the region undernourished. Despite the region's agricultural potential, crop yields are generally low due to fragmented markets, poor infrastructure, and lack of access to high quality seeds and fertilisers.[163] Today, 61% of people report not having enough money to buy food for their family, up from 57% a decade ago. Positively, citizens in the region have much improved connectedness, and now have cell phone usage rates above the African average (75% vs 71%). **Ghana** (14th) is among the strongest improvers in this measure, with a higher than average proportion of the population using the internet (38%) and making digital payments (49%).



Source: WHO

Overall improvements in health have included a region-wide reduction in communicable diseases, as well as an increase in HIV therapy programmes and the proportion of births attended by skilled health staff, which now stands at over 50% of all births. The region also performs best in Africa for behavioural risk factors, with smoking rates and obesity prevalence among the lowest in the world. However, these improvements have been offset by a deterioration in other measures. Immunisation rates against DPT and Measles have actually fallen, as has the percentage of population without legal health coverage (91%), which stands well over the African average (77%). **Mali** (41st) has seen the biggest decline in preventative health interventions, as poor safety and security has undermined the ability to deliver healthcare throughout the country.[167] Reported mental



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Citizens in West Africa have much improved connectedness, and now have cell phone usage rates above the African average.

health is an increasing problem in the region, with a suicide rate well above the African average (15 suicides per 100,000 per annum, compared to 11).

Education in West Africa is fifth-best of six regions, and improving slowly. **Cabo Verde** (7th) is the top performing country in the region. Whilst enrolment rates have gone up at every stage, educational quality scores have gone down. Completion rates are consistently lower than enrolment rates, evidence that many children are leaving or dropping out of school, be it due to conflict, poor quality of schools, or need to support family members.[168,169] Adult skills remain poorer in West Africa than the rest of the continent, with literacy rates (47%) not having improved in the last decade. Women in West Africa have also completed on average one year fewer in school compared to the rest of Africa (5 years vs. 6).

West Africa's natural environment is improving at a faster rate than any other region in Africa, primarily due to lower emissions levels and stronger efforts to preserve the environment. **Sierra Leone** (17th) and **Nigeria** (33rd) have shown the strongest improvement in the region. The extent of protected biodiversity areas in West African nations is 72%, well above the African country average (49%), while forest management has also improved. These efforts are even more critical due to desertification of the Sahara. The desert has expanded by about 10% into West Africa over the last century.[171] In 2011, 11 countries committed to planting a 'green wall' of trees across the southern edge of the Sahara – an initiative that, while criticised at first, has now developed into a means of supporting farmers to cultivate local crops and naturally-occurring trees in the region.[172] At the same time, however, water scarcity is becoming increasingly threatening. Renewable water resources have deteriorated by almost a third over the last decade, with unsustainable water management practices exacerbated by poor governance and a lack of regional cooperation.[173]

Country snapshots

Ghana (10th)

Ghana has become one of the most prosperous nations in Africa since its transition to democracy in 1992, ranking 10th overall. The country has built a strong tradition of democratic stability, free from large-scale violence, having benefitted from increased investment and tourism as a result. It has built widely-respected governance institutions, a well-educated population, and an economy that has consistently outgrown sub-Saharan Africa.

Ghana's democracy is strong, yet the country faces challenges to Governance (6th) as a whole. The executive is at risk of being overdominant, and corruption remains a brake on improvement.[174] Though the judiciary has a history of being independent, it is seen by many as both corrupt and inaccessible to most Ghanaians.[175] In 2015, an investigative journalist exposed widespread corruption in the court system, which led to the suspension of seven High Court judges, as well as 22 from the lower Courts.[176] Ghana has now hired its first prosecutor tasked specifically with fighting corruption, though the office is yet to make any serious indictments. Personal Freedom (5th) is also deteriorating in the country. The media environment suffers from lack of diversity of opinion, indicating possible self-censorship.[177] While the level of democracy in the country is highly embedded, individuals are reporting lower levels of trust in the police and judicial system.

Ghana's economy has benefitted from long-term stability, and though growth has been modest in recent decades, the IMF has forecasted Ghana to be the world's fastest growing economy, at 8.8%, in 2019.[178] The ability to convert this growth into stronger labour force engagement is a challenge, however. Up to 88% of Ghanaians work informally, mostly in unproductive and vulnerable employment.[179] Poor transport infrastructure affects Ghana's Market Access and Infrastructure (16th), while the country's Investment Environment (13th) has been underperforming. Ghana is a leading country for Enterprise Conditions (6th), however. The government has made it easier to register businesses through one-stop shops and online registration processes, which has facilitated the growth



Improved nutrition standards in Ghana have led to decreased prevalence of stunting and undernourishment.

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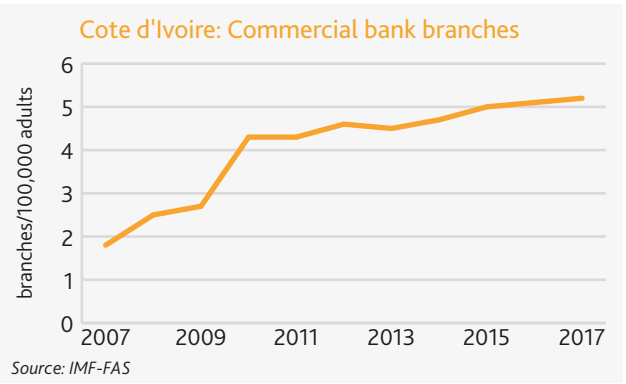
of SMEs in the country. Business owners are taking advantage of increasing cluster development in the country, which has had a positive impact on productivity and economic growth.[180]

Living Conditions (14th) have improved for the majority of Ghanaians, with absolute poverty levels halving over the last decade. Improved nutrition standards have also led to decreased prevalence of stunting and undernourishment. Many Ghanaians, however, have not felt this rise in living standards, as the economy has failed to generate sufficient productive employment in the country, and inequality is rising, particular between the northern and southern regions of the country.[181] Nonetheless, the government has expanded its health and education programmes substantially. Ghana's National Health Insurance Scheme (NHIS) covers around one-third of the country's population.[182] The country was one of the first in sub-Saharan Africa to establish a universal health coverage scheme, and has been described as "a model for other African countries".[183] Nonetheless, there remains a perception that those insured under the NHIS receive lower quality care that those who pay out-of-pocket.[184] Ghana has also been a pioneer in the region for its expansion of universal education at the pre-primary and secondary levels, though this has put additional pressures on infrastructure, teachers, and budgets, and many senior high schools now operate under a double track system.[185]

Côte d'Ivoire (24th)

Côte d'Ivoire has had the fastest growing prosperity in Africa over the last 10 years, having risen 14 places to 24th. Côte d'Ivoire's growth has been primarily due to strengthening institutions and economic reforms. However the permanence of the country's progress will be tested in the run-up to the next Presidential elections in 2020, with several high-profile and controversial figures potentially running again.

Côte d'Ivoire has been one of the continent's fastest improvers in Governance (20th). Compared with the first decade of this century, when Côte d'Ivoire was paralysed by civil war, President Alassane Outtara's administration has been stable. Elections in 2015 were considered free and fair, though without serious competition for the incumbent.[186] Unlike others in the region, regulatory and government effectiveness is improving, with more efficient government spending, fewer delays in administrative proceedings, and better legislative enforcement in place. Safety & Security (35th) has improved, with no recorded civil war casualties since hostilities ceased in 2011, and political violence is less prevalent.



Source: IMF-FAS

Improvements to the institutional environment has allowed the country to stabilise a formerly volatile economy. The regime of President Ouattara has prioritised a market-led economy, which has driven the country's Economic Quality to 9th on the continent. The country has one of the most stable macroeconomic environments in Africa, with per capita GDP growth rates averaging 5.6% over the last five years. Domestic market contestability has also improved, with the government privatising a number of state-owned enterprises, including in the industrial and banking sectors.[187] The country is nonetheless reliant on few exports for the majority of government revenue, including cocoa, rubber, and oil.

Ivorians' Living Conditions (24th), however, have not improved at rates seen in the rest of the continent. Poverty (as measured by national authorities) still affects close to half the population, and over 40% of people now report not having adequate shelter. The country's Health (42nd) is also not matching improvements shown by other African countries. Adult mortality rates are among the highest in Africa, while mental health issues are leading to increased levels of reported sadness and depressive disorders. This is consistent with other post-conflict societies in Africa where the prevalence of mental health disorders is particularly high.[188]

Sierra Leone (38th)

Sierra Leone is a country with many challenges to prosperity, ranking 38th in Africa. The country has known tremendous instability throughout its history, with Sierra Leoneans today the unfortunate inheritors of decades of authoritarian rule, a devastating 11-year war, and more recently a crippling Ebola epidemic. Despite this damaging legacy, Sierra Leone still has the opportunity to convert its natural wealth, resilience and resources into a growth story.

Unlike many countries in Africa, Sierra Leone's institutions are improving, albeit modestly. Though the Ebola crisis exposed the weakness of the country's operational Governance (25th), particularly regulatory quality, the present government has received a strong democratic mandate by virtue of its 2018 election victory, and the peaceful transition of power that followed. Nonetheless, judicial independence in the country is low, and suffers from excessive executive interference.[189] Personal Freedom (15th) has improved since an Ebola-enforced state of emergency was ended, during which the government employed arbitrary quarantine measures on houses, neighbourhoods and districts. Social Capital (7th) is also among the highest in the continent. Sierra Leone has a high degree of religious tolerance, and demonstrated strong social resilience since the civil war ended in 2002.[190] Safety and Security (25st) remains a relative weak point in this domain, with reported prevalence of property crime increasing over the last 10 years.

The economic damage of the 2014-2015 period is likely to linger for many years in the country, with the country's Investment Environment (43rd) and Economic Quality (49th) having deteriorated significantly. Trade of goods and services decreased during the Ebola crises, depreciating currencies increased the costs of imports, and absenteeism forced businesses to cut production and lay off workers.[191] Investment all but dried up, which was cushioned only by an increase in foreign aid. Overall, the Ebola crisis is said to have cost Sierra Leone $1.9 billion.[192] The commodity crash that accompanied this period paralysed industry in the country and collapsed export revenues, which has prevented the government from investing in its otherwise poor infrastructure. After decades of conflict, and recent border closures, Sierra Leone also suffers from poor integration into global and regional markets.

Poor Living Conditions (46th) are today the unfortunate result of Sierra Leone's struggling economy and historic instability. Only 14% of people in Sierra Leone report having access to basic sanitation services, which leaves the country vulnerable to other disease epidemics similar to Ebola; during the crisis, access to water and sanitation was crucial in preventing the spread of the disease even further.[193] Nonetheless, the government is starting to show a commitment to improving its Health (51st) and Education (40th) sectors. Sierra Leone is starting from among the bottom countries in Africa in these pillars, but has shown improvement across most measures of longevity over the last decade, with under-5, maternal, and adult mortality rates all decreasing. Primary enrolment rates are among the highest in Africa (98%), though up to one in three children end up dropping out of school, with poverty the most often cited cause.[194,195] Progress in nation-building has been made, particularly in the aftermath of civil conflict, and as the economy rebuilds strength Sierra Leone can expect faster improvements in its social programmes.

Nigeria (39th)

As Africa's most populous country, with a huge domestic market and significant oil reserves, Nigeria appears well placed to drive prosperity growth across Africa. Since 2009, however, Nigerian prosperity has been deteriorating. Falling eight places to 39th in Africa, several structural challenges have held back growth.

Deteriorating Safety and Security (49th), exacerbated by poor Governance (30th), are the biggest constraints on Nigeria's prosperity. At its height, Boko Haram has been present in up to five Nigerian states, as well as neighbouring Cameroon and Chad, causing widespread terror and disruption to civilians and state security forces. Deaths from terrorism have increased from 0.6 to 24.5 per million people in the last 10 years, well above the African average of 8.6. In separate incidents, Nigeria has experienced deadly ethnic clashes in the 'middle belt' of the country, as well as off-shore piracy in the Niger Delta. The government has had to draw on huge resources to manage conflicts, particularly in the north, but has failed to prevent damages to local economies, as well as health and education infrastructure.[196] Corruption in Nigeria further impedes a resolution to the conflict in the north, as they hold up delivery of supplies and weaponry to conflict zones.[197]

Whilst Nigeria has had a traditionally strong entrepreneurial environment, the country faces challenges translating this entrepreneurial spirit into the formal economy – particularly as much of the labour force's entrepreneurial activity is driven by need at a subsistence level.[198] Nigeria's Economic Quality (44th) has also been damaged by ongoing security issues, overreliance on extractive industries, and poor labour force engagement. Oil and gas make up over 50% of Nigeria's government revenue, which means the country has become extremely vulnerable to external shocks, with associated downturns in capital flows, exchange rates, and dwindling foreign reserves.[199,200] Nigeria's Market Access & Infrastructure (30th) is improving in areas, though from a very low base. Poor transport infrastructure makes Nigerian goods uncompetitive in domestic and international markets, whilst import tariff barriers remain politically sensitive for the Nigerian government.[201]

Though GDP per capita has increased almost three-fold (on a re-based basis) since 1990, the government has largely failed to reinvest this dividend into social programmes. Nigeria's Health (50th) remains among the poorest in Africa, with a care system that lacks capacity to handle a growing population.[202] Poverty rates are still very high, with extreme poverty levels at $1.90 a day affecting 54% of Nigerians – over 100 million people in absolute terms. Nigeria also has the highest number of children out of school in the world, with one of the lowest primary school enrolment rates in Africa, at 64%. Despite the country's ostensibly free basic education system, many children are forced out of school due to costs associated with books, uniforms and meals.[203] Nigeria has improved its Natural Environment (32nd), but challenges associated with urbanisation, diesel energy demand, and frequent oil spills remain.

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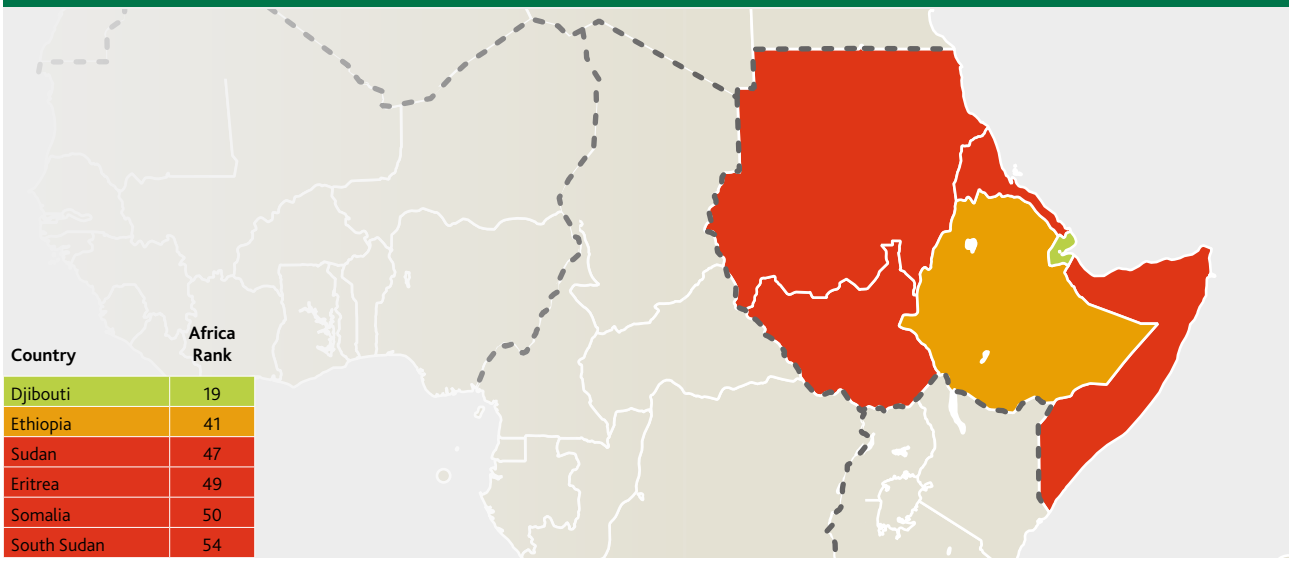
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The Horn (5th)



Country	Africa Rank
Djibouti	19
Ethiopia	41
Sudan	47
Eritrea	49
Somalia	50
South Sudan	54

The Horn is Africa's fifth-ranked region of six. **Djibouti** (19th) is the region's top performer.

The region's prosperity is improving at the fourth-fastest rate in Africa, albeit with wide variations. Four countries are showing growth over the last 10 years, while only two (**Sudan** (47th) and **South Sudan** (54th)) have seen backsliding. **Somalia** (50th) has risen three places in Africa, while South Sudan has fallen four.

Strengths

- Relatively low tolerance of corruption (though with exceptions in some countries)
- Reported property crime and violent crime are among the lowest in Africa
- Second-best physical health and longevity (across all life stages) in Africa

Opportunities

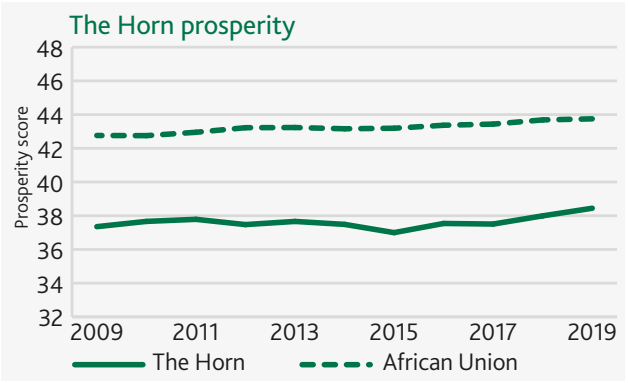
- Education is rising faster than most other regions in Africa
- Ethiopia's leadership is de-escalating tensions between and within neighbours

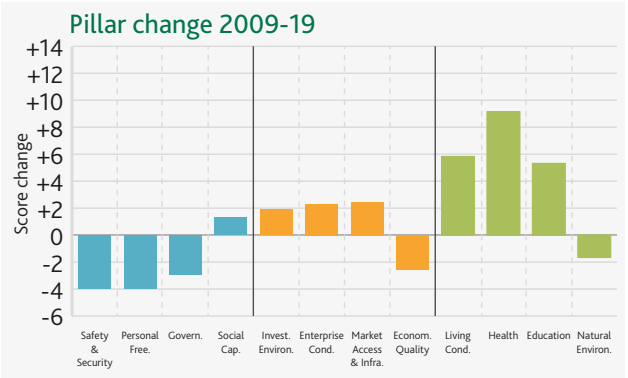
Weaknesses

- Safety and Security is the lowest in Africa, with war and civil conflict ongoing in several countries
- No country in the region boasts strong governance, though some are pursuing improvements stronger than others

Threats

- Drought is a threat to the region's water resources and food security
- Deterioration in social capital points to increasingly fractured societies





PILLAR OVERVIEW

Inclusive Societies

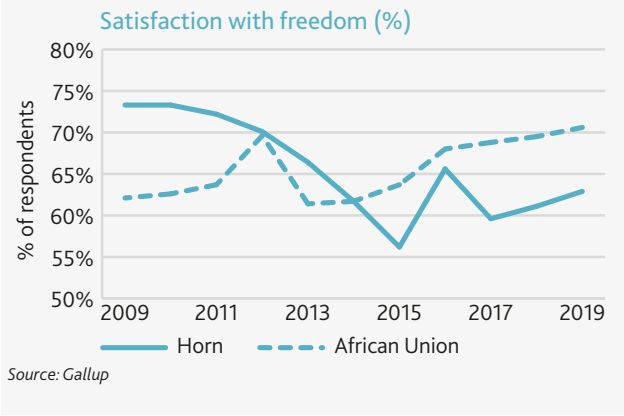
The Horn's institutions must be an area of focus if the region is to continue to grow its prosperity. Already characterised by authoritarian governance and limited personal freedom, the last 10 years has brought a significant deterioration in safety and security, particularly in Somalia, as well as civil conflict in South Sudan. Nonetheless, recent events have led to the most significant geopolitical upheaval in a generation in the Horn; with cautious optimism and signs of political strain under new Ethiopian Prime Minister Abiy, and the introduction of a civilian government in Sudan after decades of military rule.



Safety and security is a major area of challenge for the Horn, ranking fifth among African regions. **Djibouti** (27th) is the safest country in the region. However, elsewhere the need is stark, as war and civil conflict continue in **South Sudan** (54th), **Sudan** (53rd) and **Somalia** (45th). South Sudan has become one of the least-safe countries in Africa since its civil war began in 2013. Political terror and violence has also increased across the Horn, with Sudan recording a high prevalence of extrajudicial killings and torture under the now ousted al-Bashir regime.[204] Further civilian causalities have been reported in Sudan following the toppling of Bashir. The region performs better for both property crime and violent crime; the homicide rate is lower than the African average, and more people report feeling safe walking home at night (67% vs 58% across Africa). However, the official close of the Eritrea-Ethiopia conflict has been a major stepping stone on the path to a stabilised security situation in the region.

Personal freedom is also increasingly under threat in the Horn. Whilst all countries (with the exception of **Eritrea** (54th)) constitutionally protect rights of freedom of association, assembly and expression, the reality on the ground in terms of enforcement of these rights is frequently quite different, resulting in a substantial weakening of civil society.[205] Without protection of personal freedom, the Horn's citizens are reporting a deteriorating experience of freedom and tolerance. Tolerance for ethnic minorities, LGBT individuals, and immigrants has declined over the past decade, whilst fewer people in the Horn report being satisfied with their freedom than across Africa as a whole (61% vs 69%). This discontent has already begun to lead to mass protests in **Sudan** (53rd) and **Ethiopia** (48th), and may spread to other parts of the region.[206]

As if to demonstrate the timeliness of political reforms across the region, governance in the Horn region has been deteriorating faster than anywhere else on the continent since 2009. The region still boasts few countries with strong democratic credentials or stable leadership. Political accountability has been significantly weakened since 2009, with **Ethiopia** (40th) and **South Sudan** (50th) having particularly struggled. In addition, government effectiveness has worsened, as policy implementation and credibility deteriorates



Source: Gallup

in **Sudan** (47th) and **Eritrea** (53rd). But growth is present, in that corruption appears to be less prevalent than elsewhere in Africa. The region performs stronger for the efficiency of government spending and non-diversion of public funds, according to business experts.[207] In addition, respect for the rule of law has improved over the last decade in the region, with judicial independence strengthening. Recent events in Sudan and Ethiopia in 2018-19, which have altered the political landscape significantly in these countries, may lead to further changes across the region.[208]

Social capital has also been weakening, the Horn being one of only two regions in Africa for which this is the case. This is largely confined to **Djibouti** (24th) and **Sudan** (36th), countries where the political situation is leading to increased segregation amongst the population. In addition, tensions in Ethiopia persist, and threaten civic unrest and a deterioration of institutional trust in the country. Across the region, fewer people are reporting being treated with respect, at 68%, versus 80% over the continent as a whole.

Open Economies

The Horn's growth in the Open Economies pillars has been promising, if inconsistent. Ethiopia, the region's economic powerhouse, has been driving much of the progress, with Enterprise Conditions and Investment Environment improving strongly. However as a landlocked nation, Ethiopia remains reliant on historically poor

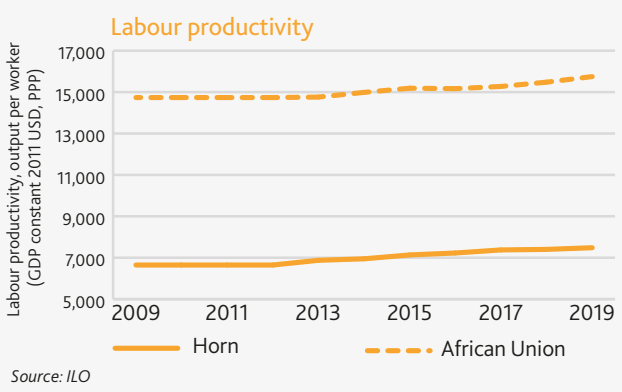
infrastructure to trade, the majority of which is facilitated through Djibouti. More widely, political and security issues mean the region is vulnerable to severe macroeconomic shocks.

Although there are still many areas for growth, the Horn's investment environment has been improving at the second-fastest rate in Africa. The region's financing ecosystem has been aided by an almost doubling of commercial bank branches per capita, while those reporting having difficulty accessing finance decreased from 36% to 22% over the last decade – well below the African average of 34%. Nonetheless, the region retains serious restrictions on international investment, while foreign exchange shortages continue to act as constraints in **Ethiopia** (33rd) and **Sudan** (29th).

The Horn ranks fifth in Africa for enterprise conditions, though the pillar is improving at a strong rate overall, with **Djibouti** ranked 15th on the continent. The region has a relatively low burden of regulation and flexible labour markets, with improving cooperation in labour-employer relations, according to business experts in the region. The ease of starting a business has improved according to the World Bank's Doing Business, particularly in **Ethiopia** (41st) and **Eritrea** (49th), as reforms easing minimum capital requirements and the number of formal procedures required kick in. Though the time that companies spend compiling taxes has increased to 268 hours per year (up from 204), this is still below the African average of 294 hours. Domestic market contestability is comparatively weak, with low reported market-based competition throughout the region.

Market access and infrastructure has improved, albeit not at the rate of other African nations, meaning it remains a relatively weak point for the Horn. **Djibouti** (13th) is the strongest performing country in the region. Although **Ethiopia** (32nd) has demonstrated the potential to act as a regional political mediator, the Horn remains highly fractured, resulting in low levels of regional trade, poor border administration, and high import tariff barriers. Despite infrastructure developments in both Ethiopia and Djibouti, the region's transport infrastructure is deteriorating overall, with the quality of roads and seaport services all measured as worse than a decade ago. The density of roads is particularly low, at only 3km per 100km^2, compared to the African average of 15km.

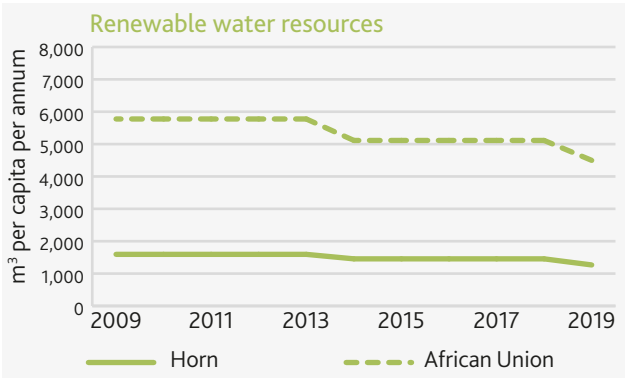
The Horn ranks sixth in Africa for economic quality, with strong improvements in dynamism and labour force engagement over the last decade. Sitting at 6%, the region has a particularly low unemployment rate, according to figures from the International Labour Organization. Nonetheless, economic quality is deteriorating across the region overall. Strong GDP growth in **Ethiopia** (26th) has deteriorated slightly, which has had an impact on the whole region's downturn. Labour productivity remains low in the region, at just $7,500 USD, half of the African average of $15,000. In addition, both **Eritrea** (43rd) and **South Sudan** (49th) have recorded declining per capita GDP over the last 10 years, demonstrating the precariousness of the region's economy when faced with security issues and poor governance.



Source: ILO

Empowered People

Living Conditions, Education, and Health have been the Horn's stand-out areas of improvement over the last decade. Whilst this represents strong overall progress for the region, particularly in Ethiopia, the Horn however lags behind the rest of Africa in terms of overall social outcomes. The region also faces threats to its already fragile natural environment, in particular through drought and water scarcity.



Source: FAO

Whilst the Horn's Living Conditions pillar has improved, this growth has been largely in line with the African average. Material resources are relatively strong in the region, with poverty rates (at national recorded levels) having dropped from 41% to 35% since 2009. This level of poverty reduction has occurred predominantly in **Ethiopia** (38th), which has witnessed remarkable transformation but still remains some way behind the leading country in the region, **Djibouti** (18th). Improvements in connectedness and protection from harm have stalled over the last few years, as fewer people report satisfaction with public transportation and roads, and drought and famine in the region is causing the overall nuber of 'life years' lost from natural disasters to increase.

Health in the Horn is also improving at a rate faster than the African average. All countries improved their health over the past decade, though **Djibouti** (14th) remains by some way the strongest country in the region. The Horn is not threatened with behavioural risk factors like some of its peers; smoking rates, for instance, are very low, with only 8% of adults reported to be smoking regularly, one of the lowest rates in the world, and almost half the African rate of 15%. The region has improved in the areas in which it has historically struggled, namely preventative interventions and care systems. Immunisation rates have all risen, while both tuberculosis treatment and HIV therapy programmes reach a greater proportion of the population in the Horn than the average across Africa. Reported mental health has deteriorated in the region, with a high prevalence of depressive disorders, and decrease in levels of reported joy.

The Chambers of Commerce Union in Khartoum, Sudan

The Horn ranks sixth in Africa for Economic Quality, with strong improvements in economic dynamism and labour force engagement



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Improvement in education is a positive story for the Horn. The region is improving at the second-fastest rate in Africa for education, and is catching up with the rest of Africa, although there is still a long way to go. **Sudan** (32nd) is the strongest performer in the region. All stages of education have improved in the Horn over the last 10 years. In particular, pre-primary education has strengthened, with enrolment increasing almost threefold to 23%, though still below the African average of 25%. The region now ranks third in Africa for secondary education, with completion rates showing a dramatic increase over the same period, up from 22% to 70% according to UNESCO data, predominantly driven by education reforms in **Ethiopia** (29th). On the other hand, adult skills in the Horn remain the poorest in the continent, with adult literacy at just 43%, barely two thirds of the continental rate (62%).

The Horn's natural environment has been deteriorating over the last decade, albeit to a small degree. **South Sudan** (19th) is the strongest in the region. The sustainability of the region's fishing stocks, as measured by the Regional Marine Trophic Indexis among the best in Africa, though this is largely due to the still fledgling commercial fishing industry in the region.[209] For example, **Eritrea** (29th) was estimated to exploit only 13% of its potential maximum sustainable yield in 2012.[210] Freshwater resources in the Horn are extremely scarce, and the region remains one of the most vulnerable in Africa to drought and water shortages. Renewable water resources have declined by over 20% since 2009, and per-capita water resources are less than a third of the average for Africa (1,370 m^3 vs 4,840 m^3). This has been exacerbated in countries like **Djibouti** (48th), where rising sea levels have contaminated freshwater sources.[211]

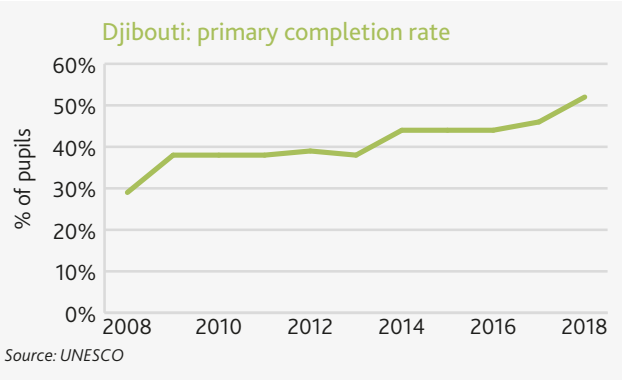
Country Snapshots

Djibouti (19th)

Djibouti is the most prosperous country in the Horn. The country's economy has grown, largely on the back of improved transport and trading links with both Ethiopia and wider international markets. Djibouti also has relatively stable governance, though social capital has been deteriorating recently.

Djibouti is one of the most stable countries in the region for Governance (28th) and Safety & Security (29th). The country has no casualties from civil war, and in line with the rest of the region, low property crime. However, Al Shabaab does have a presence, and has previously committed terrorist attacks in the country.[217] Djibouti's politics since 1999 have been dominated by the authoritarian but relatively stable regime of President Ismaïl Omar Guelleh. Social Capital (24th), however, is weakening, in particular in terms of interpersonal trust, with 40% of people reporting to having helped a stranger in the past month, down from 58% a decade ago. Institutional trust has also deteriorated since 2011, when the constitution was modified to allow President Guelleh to stand for a third term in that year's elections.

The country has been progressing strongly across all economic pillars, in particular Economic Quality (6th), for which it has risen 8 places in Africa over the last decade. In a region where most countries have suffered tremendous economic volatility, Djibouti has managed sustained GDP per capita growth above 6%, as well as relatively healthy and stable inflation rates. The country has long acted as the conduit for most of Ethiopia's goods – handling 95% of the latter's inbound trade – as well as a strategic base for US, Chinese, and French militaries.[218] These partnerships have been tremendously profitable for the country, and have allowed it to develop its transport infrastructure network extensively. Nonetheless, the country does face risks. In 2018, Djibouti cancelled a private contract with a Dubai-based port management company, preferring to keep the terminal in the hands of the state. Others suggest that the country will lose out as Ethiopia and Eritrea normalise trade.[219] The largely service-based economy has few natural resources, and economic dividends largely do not reach those outside the capital. The IMF has estimated that public and publicy guaranteed debt levels are now at 104% of GDP, much of which is owed to China, risking the country becoming trapped.[220]



Source: UNESCO

As is the case throughout the region, Education (30th) in Djibouti has been improving positively. The government has made tangible improvements to educational access, with primary school enrolment up from 47% to 57%, and secondary enrolment up from 26% to 35%. Along the way, and with assistance from the World Bank, the country has improved teacher training, monitoring, and established production of local textbooks.[221] Health (14th) standards are comparatively stronger in Djibouti than the rest of the Horn, with low maternal mortality rates (229 per 100,000, compared to 457 across Africa). The reported prevalence of communicable diseases is lower than the African average by over a third, reflecting Djibouti's strong physical health performance.

Ethiopia (41st)

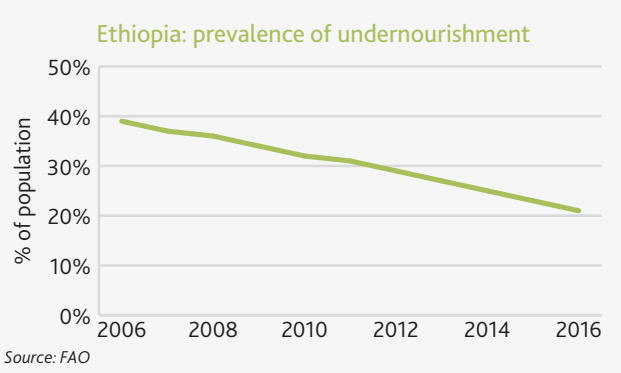
Ranking 41st in Africa, Ethiopia has made progress in growing prosperity. The country has fostered strong economic growth, as well as better health and education, however growth is yet to extend to institutions in need of lasting reform. Political changes since 2018 under the leadership of new Prime Minister Abiy Ahmed may yet improve the country's overall prosperity further, but the scale of the challenge and the weight of the country's history bears heavily on the new administration.

Governance (40th) has traditionally been poor in Ethiopia, though Prime Minister Abiy has since undertaken a number of reforms, which, on the surface, appear to be taking Ethiopia in a new direction. With a strong state apparatus, service delivery in the country is relatively strong, and corruption is low compared to other countries in sub-Saharan Africa. Personal Freedom (48th) remains among the weakest in Africa, though the government is showing signs of

opening up the political space, ahead of scheduled elections in 2020. War and civil conflict have dissipated to a significant extent, though government crackdowns and ethnic tensions remain a threat to Safety & Security (40th), demonstrated by an attempted coup in Amhara state in June 2019, along with the murder of Prime Minister Abiy's chief of staff.

In spite of institutional weakness, Ethiopia is one of the fastest growing economies in the world, let alone Africa, and it is clear the Ethiopian government has prioritised economic growth and poverty reduction for its citizens. GDP growth has averaged +10.4% per annum since 2004, while labour productivity has also increased by over 75% in a decade. Though agriculture is still the most vital sector to the economy, the country's services and industrial sectors have driven much of its growth.[222,223] This development is today reflected in better quality hard infrastructure, greater public investment, and conditions more facilitating of entrepreneurship. Nonetheless, while Ethiopia's GDP growth is the fastest in Africa in per capita terms, the level of GDP per capita is still very low, demonstrating how far the country still has to go. Ethiopia's Investment Environment (33rd) remains highly regulated by the state, while a shortage of foreign exchange has affected private sector businesses.

Concomitant with the rapid growth in GDP per capita, Ethiopia has managed tremendous poverty reduction. At the turn of the century, Ethiopia had one of the highest poverty rates in the world, with 45% of the population living below the national poverty line. Today, that number has been reduced to 24%, with some five million people having been lifted out of poverty in the last 10 years alone.[224] There have been equally important advancements in Education (29th) and Health (21st), with both sectors having been subject to significant and effective public spending, and lauded as success stories.[225] Over the last decade, the secondary enrolment rate has increased to 31%, while Ethiopia now has the sixth-highest secondary completion rate in Africa (86%). Ethiopia's flagship Health Extension Programme, launched in 2003, trained and paid female community health workers to meet the needs of those in their local areas. Preventative interventions have benefitted immensely from this community-based health focus, with immunisation rates up by almost 20 points on average, while the prevalence of contraception and tuberculosis treatment coverage are well above the African average.



Source: FAO

Sudan (47th)

Sudan and neighbouring South Sudan are the only counties in the Horn to have witnessed deteriorating prosperity over the last 10 years. Standing at 47th in Africa, Sudan is one of the least prosperous countries on the continent, having deteriorated substantially across a range of measures over the last 10 years. The prospect of change after the end of more than three decades of military rule and the establishment of a civilian government stands as a source of hope for this stricken nation.

During his 30-year rule, President Bashir cultivated a country in which personal freedoms were severely restricted, and governance was highly repressive.[226] Since the deposing of Bashir, the country has only recently sworn in a civilian-majority ruling council following three decades of military rule, who will run the country for three years until elections. The country nonetheless remains in a state of almost permanent conflict, and has done so for decades, ranking 53rd in Africa for Safety and Security. However, it is Social Capital (36th) that has shown the greatest deterioration, down 28 places in 10 years. Sudanese are reporting weaker personal and familial social ties, as well as deteriorating interpersonal and institutional trust.

Sudan's economy has been underperforming for several years. The country had been subject to U.S. sanctions since 1997, driven by Sudan's perceived links to terrorist groups. In addition, the failure to complete an agreement with South Sudan regarding oil production after secession has led to a massive loss of revenue. The decision of the Trump administration to lift sanctions in 2017 did little to improve Sudan's economic fortunes. The country has yet to float its currency, and has blargely failed to liberalise trade.[227] With a lack of investment and foreign currency shortages, the country's inflation rate is volatile and GDP per capita growth rates have been slipping lower.

The country has improved its Living Conditions (29th) at the second-fastest rate in the region over the last 10 years. 'Life years' lost from forces of nature have fallen, and more people are reporting access to water and sanitation. These improvements have come very much in spite of the instability and poor economic condition of the country. Poverty rates have not progressed over the last decade, while nutrition standards have deteriorated. The country's Natural Environment (50th) remains one of the poorest in Africa, with very high freshwater withdrawal rates, exacerbated by increasingly erratic rainfall and more intense droughts.[229]

The Horn of Africa Notes

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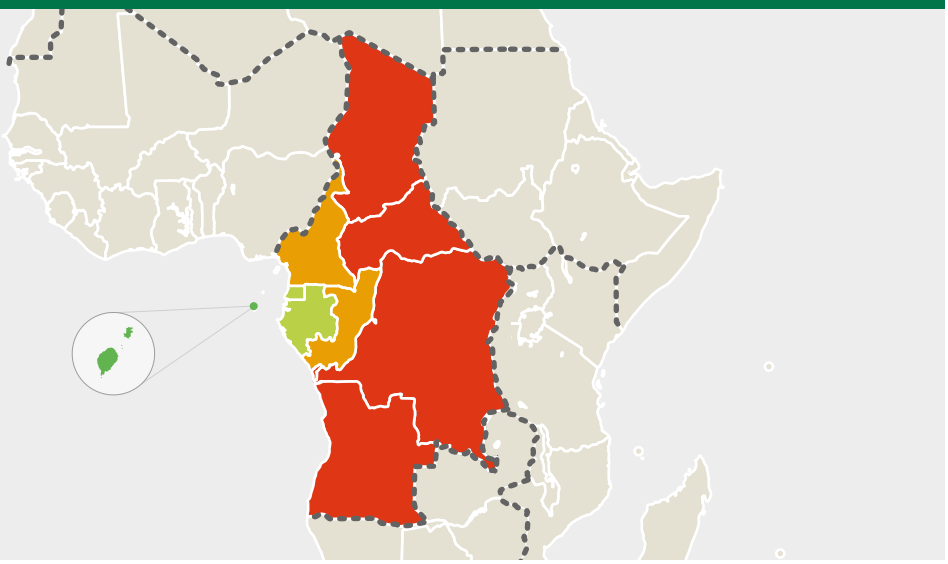
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Addis Ababa, Ethiopia
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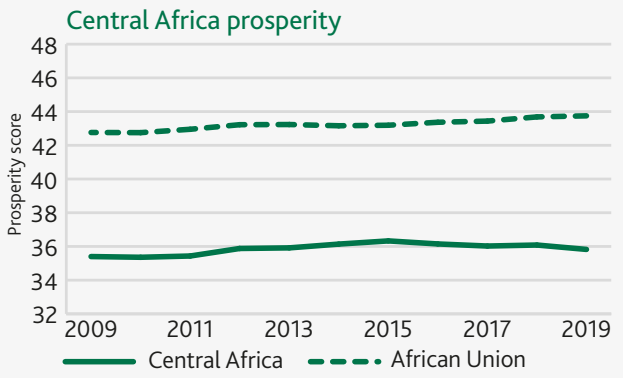
Central Africa (6th)

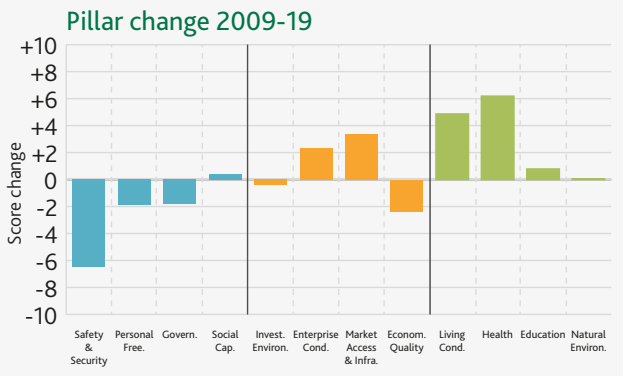


Country	Africa Rank
São Tomé and Príncipe	7
Gabon	14
Equatorial Guinea	16
Cameroon	43
Rep. of Congo	44
Angola	46
Dem. Rep. of Congo	51
Chad	52
Central African Republic	53

Central Africa has the weakest prosperity of African regions. With the exception of **São Tomé and Príncipe** (7th), **Gabon** (14th) and **Chad** (52nd), many of Central Africa's nations have struggled to improve their prosperity.

Prosperity in the region has strengthened since 2009, though the last four years have marked a slight deterioration. All but one country in the region has improved, with only the **Central African Republic** (53rd) having deteriorated since 2009. Gabon and São Tomé and Príncipe are among the countries whose prosperity has improved the most in Africa over the last 10 years.





Strengths

- Natural Environment is strong, with low emissions and high levels of forest cover
- Nearly half of all people living with HIV have access to anti-retroviral therapy programmes
- Discrimination is generally low, compared to other regions

Opportunities

- Overall health is improving, but weak systems increase vulnerabilities to health shocks
- Port upgrades proposed or commencing in several countries

Weaknesses

- Economic Quality is low as a result of volatile demand for commodities, and stagnant labour productivity
- Declining freedoms in the wake of authoritarianism and oppression
- Poor road quality makes it very difficult to transport goods and services throughout the region

Threats

- Increased non-state terrorist activities threaten national and regional stability
- Countries are failing to diversify their economies

PILLAR OVERVIEW

Inclusive Societies

The Inclusive Societies pillars have come under considerable threat in Central Africa. The region has historically been the weakest for Governance in Africa, and over the last decade, governments have increasingly cracked down against personal freedoms. Of greatest concern, however, is the deterioration in Safety & Security, with terrorism and political violence now increasingly prevalent. Nonetheless, and in spite of these challenges, Social Capital has improved over the last decade.

Safety and security is Central Africa's second-fastest deteriorating pillar, and has become one of the key constraining factors prohibiting

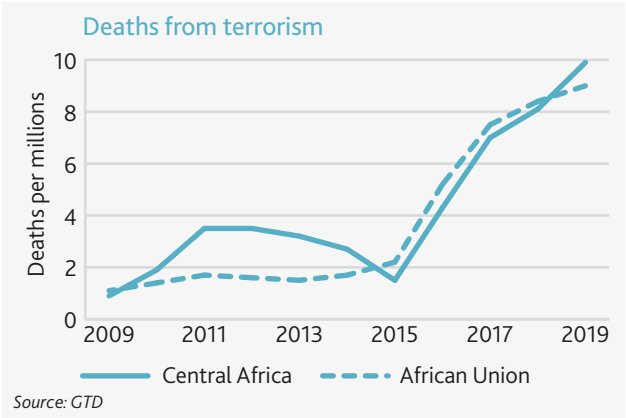


Pongara National Park, Gabon.

Central Africa has strong forest cover, with countries in the region having on average over 50% of their territory as forest area.

iStock.com/tropicalpixsingapore

growth in prosperity – with the exception of **São Tomé and Príncipe** (1st). Terrorism, though not traditionally prevalent in Central Africa, is now gaining a presence faster than anywhere except West Africa. The number of deaths from terrorism has risen from 0.9 to 9.9 per million population over the last 10 years, slightly above the African average (9 per million), as terrorism has increased in prevalence **Central African Republic** (50th) and **Cameroon** (47th). At the same time, politically-related terror and violence has increased, as political killings and disappearances become more frequent in Cameroon and **Republic of the Congo** (39th).



Source: GTD

Governments across the region are beginning to crack down on freedoms against citizens. Freedoms of assembly and association have deteriorated, as protests have become violent in **Central African Republic** (40th) and **Republic of the Congo** (35th). Press freedom too has on aggregate deteriorated across the region, according to data from Freedom House, and there are fewer guarantees on freedoms of opinion and expression. The governments of **DRC** (44rd) and **Cameroon** (38th) have both enforced internet shutdowns in recent years. In contrast, the region has among the fewest restrictions on LGBT rights in Africa, with Angola decriminalising homosexual relationships in 2019.[235]

Governance is weakening in Central Africa, although not at rates seen elsewhere on the continent. Operational elements of governance – in particular government integrity and government effectiveness – are particularly weak in the region. Many countries in Central Africa are large and sparsely populated, and with administrations often struggling with security issues, it has become very difficult to deliver policies effectively to entire territories. Political accountability is relatively stronger in Central Africa, though this too has been deteriorating at a rapid rate over the past decade. The Center for Systemic Peace reports declining level of democracy in the region, particularly in countries such as **Democratic Republic of the Congo** (52nd), where governments have changed or ignored constitutional provisions determining term limits and elections.

Social capital in Central Africa is the weakest of any region in Africa, though in contrast to other institutional pillars there have been signs of growth in the last decade, most notably in **Chad** (54th). Institutional trust is low in the region, though it has been improving in spite of deteriorating governance. Confidence in national governments is up 10 percentage points over the past 10 years, with 53% expressing confidence in their government – though this remains below the continental average of 60%. Interpersonal trust is relatively stronger in Central Africa, due to more people reporting having helped a stranger over the past month.

Open Economies

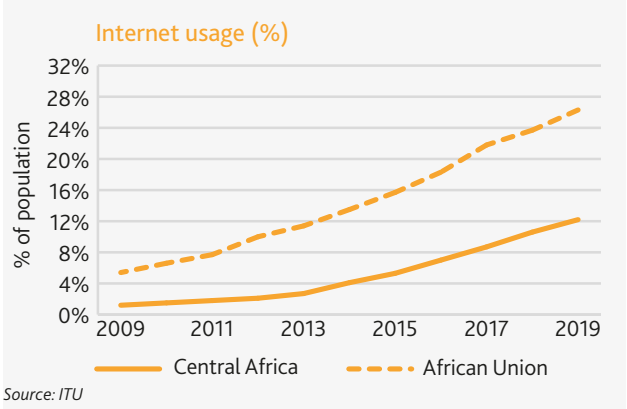
Central Africa's Open Economies pillars have been largely stagnant over the last decade. Market Access and Infrastructure and Enterprise Conditions have improved, whilst Economic Quality has faltered. This performance reflects the poor institutional environment in Central Africa, and the knock-on effects that has for the region's macroeconomic stability and domestic market contestability.

The investment environment is an area of persistent challenge for Central Africa. The region is imposing increased restrictions on foreign investors, including foreign currency bank account ownership and financial transactions. Central Africa also has the fewest commercial bank branches per capita, with only three per 100,000 adults, below the African average of five. This poor performance has been offset by stronger property rights, which are improving at a faster rate than the rest of the Africa. The region's strongest performer is **Gabon** (16th), with improvements over the last 12

months in property rights, investor protections, and its financing ecosystem. Business owners in Gabon are more confident in their nation's property rights and intellectual property protection than anywhere else in Africa.

Enterprise conditions have improved in Central Africa, much as in the rest of the continent. **São Tomé and Príncipe** (14th) is the region's strongest performer. The region is experiencing improvements when it comes to starting businesses, according to the World Bank's Doing Business Index. The burden of regulation has improved, as has labour market flexibility, with redundancy costs down from 25 weeks of salary to 14 weeks on average, lower than the African average of 18 weeks. Threatening the region's progress is domestic market contestability, however. Market based competition is low across the region, as aggressive state intervention persists in countries like **Angola** (50th) and **Cameroon** (37th). The IMF has warned against the deteriorating financial situation of SOEs in Cameroon as "a growing source of fiscal risks".[238]

The region has improved most significantly in market access and infrastructure, although it is still the weakest in Africa. Internet usage has risen from 1% to 10% of the population (below the African average of 24%), whilst electricity resources have improved strongly across both capacity and ease of establishing a connection. However transport is deteriorating overall, the only exceptions being **Gabon** (12th), **Republic of the Congo** (36th), and **Angola** (37th) where shipping services have been subject to improvements. Roads across the region remain in poor condition, meaning large countries such as Angola, **DRC** (53rd) and **Chad** (54th) struggle to transport goods and services throughout their territories.[239]



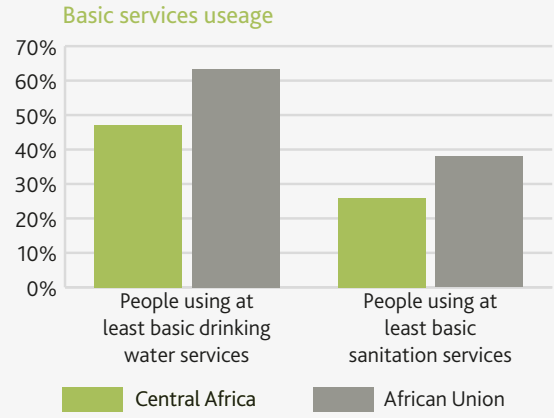
Source: ITU

Economic Quality in Central Africa has been the region's poorest performing pillar over the last decade, although **Equatorial Guinea** (4th) and **São Tomé and Príncipe** (8th) are exceptions. Macroeconomic stability has deteriorated considerably across the region, as inflation volatility has reached 16% (versus an African average of 12%). Productivity and competitiveness has fallen, as labour productivity remains stagnant and the quality of exports declines. Diversification is low, with most countries exporting metals, minerals, or oil. Only **Angola** (35th)has improved its score in Harvard's Index of Economic Complexity over the last decade.

Empowered People

Central Africa has strengthened across all Empowered People pillars over the last decade. Central Africa's nations have some of the best natural environments in Africa, however the region lags behind the rest of the continent for living conditions and health.

Although **Gabon** (9th) is a relatively strong performer, Central Africa's living conditions remain the most deprived in Africa, and have been improving more slowly than every other region in Africa. Basic services across the region have improved modestly, though more than half of the population (53%) remain without access to basic drinking water, compared to 37% across Africa. Access is even lower in some countries, including **Central Africa Republic** (54th), where armed groups have contaminated numerous water sources, forcing mass displacement of people.[240] With numbers of internally displaced persons on the rise, the region has seen a commensurate deterioration in measures of shelter. Seventy-two percent of people in Central Africa report having housing deprived of a roof, walls, or flooring, above the African average of 56%.



Source: JMP

Whilst health is improving in Central Africa, the region remains Africa's weakest. **São Tomé and Príncipe** (7th) has the strongest health in the region. Other countries, such as **Chad** (53th), face a number of difficulties improving healthcare, including health-worker strikes, civil unrest, and disruption from armed rebel groups. While these challenges are in some ways replicated across the region, the number of births attended by skilled practitioners in Central Africa has increased from 56% to 66% (compared to 63% across the continent), while ARV therapy programmes now reach 46% of the region's HIV affected-population, up from 13% a decade ago. However, the region does remain at risk of serious health shocks, such as the Ebola outbreak seen in eastern **DRC** (43rd) in 2018-19. Notwithstanding improvements in indicators of longevity and physical health across Central Africa, most indicators remain below the African average, including child mortality and prevalence of communicable disease.

Education in Central Africa is also the weakest on the continent. Enrolment rates in primary (58%) and secondary (22%) education are low, with many countries, such as **DRC** (34th) and **Equatorial Guinea** (18th) struggling to provide access to schooling due to conflict or lack of facilities.[241,242] The skills of the adult population in the region have improved, although this has largely been driven by **Gabon** (5th), which has instituted a nationwide adult literacy programme. Tertiary education is generally poor across the region,

with DRC closing down over 100 higher education institutions in 2017 due to a lack of funding and poor standards.[243]

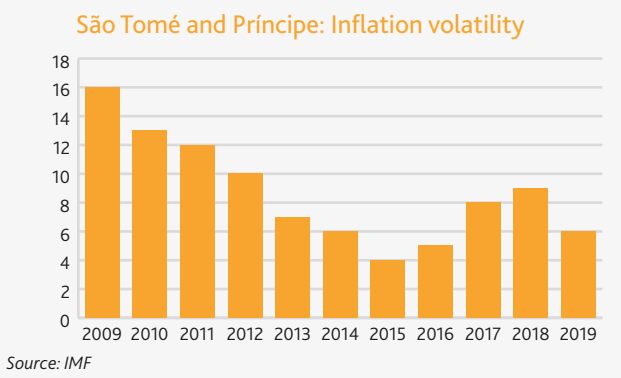
Central Africa's greatest strength lies in its natural environment, with **Equatorial Guinea** (2nd) performing particularly well. The region emits some of lowest levels of carbon dioxide in Africa, albeit in part due to the region's low level of industrialisation. Central Africa has significant forest cover, with countries in the region having, on average, more than 50% of their territory as forest area, compared with a mean of 21% for the continent as a whole. Central Africa's forest areas have even expanded into savannah areas over the last century, bucking a continental trend of deforestation and desertification.[244] The natural environment in Central Africa is only held back through harmful exposure to air pollution, with 38% of people in the region exposed to deadly levels of fine particulate matter, compared to 18% across Africa.

Country snapshots

São Tomé and Príncipe (7th)

São Tomé and Príncipe (7th) is the most prosperous country in Central Africa, ranking first in the region in six of twelve pillars.

The island nation ranks top in Africa for Safety & Security; the country has no war or civil conflict, and unlike others in the region, has remained free of terrorism. São Tomé and Príncipe is also one of the few countries to have improved its Governance (11th), as the government has demonstrated that it can implement policies without "influence from unelected entities".[245]



Source: IMF

The nation has third-greatest improvement in the Economic Quality (8th) pillar on the continent, with particular improvements in fiscal sustainability and macroeconomic stability. The government's budget balance improved substantially in recent years, from -19% to -2%, though the IMF recommended the country enhance tax collection and restrain spending to avoid falling into arrears.[246] The country's economy has been driven by mixture of agriculture, tourism and overseas aid, which leaves it somewhat more diversified and less prone to shocks than others in the region.[247]

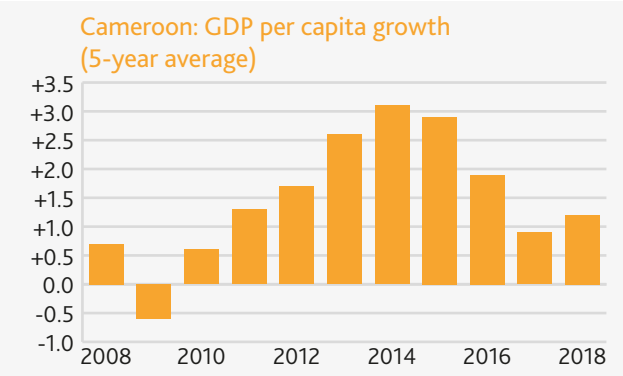
São Tomé and Príncipe boasts the strongest Health (7th) in the region, with high life expectancy, and low rates of reported mental health issues. Ninety-three percent of births are attended by skilled healthcare staff in the country, one of the highest rates in Africa. The country performance in the Education pillar (11th) is also high for Central Africa, with relatively strong investment levels in the sector, resulting in high enrolment rates at the primary (96%) and secondary levels (65%).

Cameroon (43rd)

Despite modest improvements, Cameroon (43rd) has fallen behind some of its peers, dropping eight ranks in 10 years. The country has grown inconsistently across pillars, with security issues constituting the biggest threat to the country's overall prosperity.

Cameroon has suffered a devastating increase in politically-related violence, as well as a new terrorist threat in parts of the country. Islamist militant groups such as Boko Haram have targeted the fragile Far North region, where they can operate with relative impunity across the border with Nigeria. Furthermore, the government has reacted violently against Anglophone groups protesting against their marginalisation in the bilingual country, leading to politically-motivated deaths, disappearances, and torture. As a result, Safety & Security (47th) has deteriorated faster in Cameroon than anywhere else in the region, whilst Governance (43th) and Personal Freedom (38th) have also suffered.

Nonetheless, Cameroon has maintained a relatively stable level of Economic Quality (19th) over the last 10 years. The country has recorded consistent growth in real per capita GDP, which now stands above 2%, while inflation volatility has also stabilised. According to the World Bank, oil production has increased, while retail and communications growth has made up for the sluggish agricultural sector.[248] Cameroon's Market Access and Infrastructure (31st) has improved significantly, with the country's open market scale benefitting from an Economic Partnership Agreement with the EU, signed in 2014. At the same time, the country has managed to strengthen property rights, criminalising intellectual property infringement via legislation in 2016.



Source: WB-DI

Living Conditions (25th) are also improving in Cameroon at one of the fastest rates in Central Africa. Material Resources have improved and extreme poverty rates are down five points to 24% in 10 years. Cameroonians are in general reporting greater satisfaction with public transport and roads, while 35% of people have a bank account, up from 15% a decade ago. Nutrition standards have improved across all indicators, with the prevalence of undernourishment down from 18% a decade ago to 7% today. The Government of Cameroon has instituted a National Food and Nutrition Policy, designed to promote child feeding, provide meals at school, and improving agricultural output.[249] Health (45th) standards have unfortunately

slipped in the country, with preventative interventions, including immunisation rates and antenatal care coverage, lower than a decade ago. Looking too at Education (20th), conflict has led to the closure of 80 percent of schools in Anglophone regions of the country, with the strength of the pillar deteriorating in the last two years.

Angola (46th)

Angola's prosperity has only marginally improved over the past 10 years, and though there has been marginal improvement across the pillars of the Empowered People domain, the picture of the economy and the country's institutions remains mixed. Though Angola is safer and more secure than a decade ago, there have been deteriorations in social capital and its investment environment.

Governance (41st) has been improving in Angola faster than any other country in the region. Former President José Eduardo dos Santos stood down in 2017 after more than 30 years in power, providing at least a *prime facie* perception that the country was closer to pursuing democracy as a goal. Government effectiveness has also improved as new President João Lourenço pursues relatively reformist policies, including clamping down on corruption and planning the country's first municipal elections in 2020. However, Social Capital (45th) has deteriorated sharply, as people report less willingness to help a stranger (30%) and volunteering rates (17%) decline.

While Angola is the largest economy in Central Africa, the country in many ways characterises the whole region's challenges. Economic diversity is low, with oil making up 90% of exports. The country has long relied on oil as the backbone of its economy, which spurred annual GDP growth to 8% as recently as 2012. At its height, oil was responsible for 98% of the country's revenues.[250] The crash in the price of oil after 2014 led to a commensurate downturn in Angola's economy, as real GDP per capita growth fell from close to 9% into negative territory. In the aftermath, the government's fiscal balance blew out, and inflation soared. Gross savings, which had been high at 39% of GDP in 2009, have declined to 26%. Angola trades very little with its neighbours, with only 5.8% of goods exported to the rest of Africa. Productivity in the country is also declining at a slightly quicker rate than the regional average.

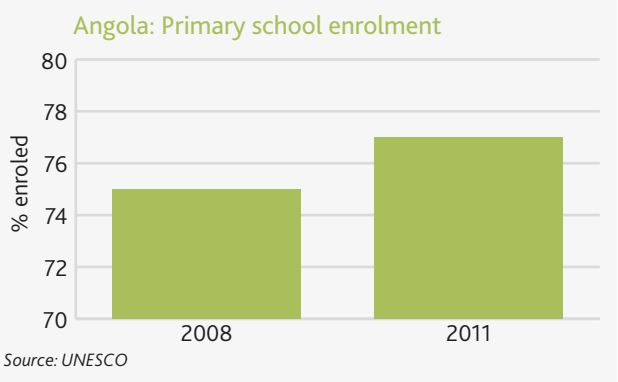
Education (44th) in Angola however is comparatively weak. The legacy of the civil war has left a deficit of approximately 200,000 teachers, and many classrooms remain undersupplied or destroyed.[251] While primary education is free between the ages of 4 and 11, up to two million children are not attending, and only 11% of children enrol in secondary school, one of the lowest rates in Africa.[252] Tertiary education is also poor in the country, with a huge increase in demand on higher education unfortunately leading a deterioration in quality in recent years.[253] This has also led to a significant increase in Angolans seeking educational opportunities outside the country, mostly to Portugal and Brazil, but also to Namibia and South Africa; between 2012 and 2017, the number of Angolans studying abroad increased by more than 50%.[254] Natural Environment (39th) is stronger in Angola, with low levels of fish overexploitation and a high extent of forest cover. Angola's large natural forests are nonetheless under threat from mining activity and deforestation.[255]

Democratic Republic of the Congo (51st)

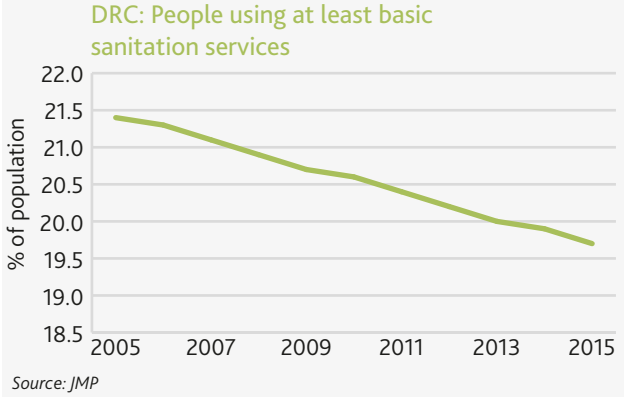
The Democratic Republic of the Congo's prosperity sits in 51st place in Africa. DRC is a vast country, with few connections – transport or political – between the capital Kinshasa and far-flung territory in the east and south. Governance institutions have long laboured under the weight of corruption, with very few constraints on executive power. Devastating civil war has led to the death of millions, and has all but decimated the country's economy and infrastructure. The government lacks the capacity and transport network capable of delivering basic human services to the majority of its population, which is spread sparsely across its territory.

Political instability, civil strife, and poor security have severely constrained the capacity of the DRC to build effective institutions. The government of DRC has had to grapple with poor Safety and Security (51st) for much of its history, and armed groups still threaten several parts of the country. Recent elections did little to ease tensions between the state and political opposition, while institutional trust has been further damaged by widely perceived electoral irregularities.[256] The government does not adequately control much of its territory, and where it does, there are considerable struggles with corruption. Without sufficient sovereign control, government effectiveness is almost non-existent. DRC has experimented with decentralisation as a way to disseminate the state's legitimacy, but many of the new provinces do not possess the personnel or funding to build out their immature political institutions.[257]

Infrastructure issues have made economic prosperity even more difficult in the country, as DRC has not built the transport or resource structures necessary for a state of its size. Though it has experienced recent GDP growth, Economic Quality (45th) is largely based on commodity exports, which leaves DRC subject to volatile global prices.[258] With low unemployment (4%) and a high participation of women in the labour force, labour force engagement is relatively strong in DRC. The country's Investment Environment (52nd) has



Source: UNESCO



Source: JMP

nonetheless deteriorated amid governance and security concerns. In a positive for the country, DRC reports a threefold increase in the ease of starting a business, according to the World Bank's Doing Business. The country's one stop shops, instituted in 2015, have facilitated this growth, greatly reducing the time spent to register a business.

The vast majority of citizens in DRC experience poor Living Conditions (50th), with the extreme poverty rate (less than $1.90 per day) at 77%. DRC has poor water and sanitation facilities, which in turn contributes to malnutrition and other infectious diseases.[259] The World Bank points out that poor governance has been a key factor in DRC's lack of capacity to provide these elemental provisions.[260] With a growing population, the challenges in delivering important services, particularly in areas where there is no government presence, will likely increase. The country nonetheless has managed to make modest gains in Education (34th), with higher rates of enrolment and literacy as compared to a decade ago. As long as the state cannot adequately govern all of its citizens, however, education remains fragile. Public spending on education has declined, and household funding now makes up 80-90% of all education funding, leading to education inequalities.[261]

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Fishermen in the Democratic Republic of Congo work on a net in the middle of the rapids of Wagenia Falls, Congo River.

Labour force engagement is relatively strong in DRC, with low unemployment at 4%.

Central Africa Notes

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Douala, Cameroon
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Pillar profiles

Prosperity is a multi-dimensional concept, which the Prosperity Index seeks to measure, explore, and understand as fully as possible. The framework of the Index upon which this report is based captures prosperity through 12 equally-weighted pillars, each with constituent elements — the building blocks and policy areas crucial for achieving true prosperity for the residents of 167 nations around the world. The 12 pillars are clustered into three domains, which are the essential foundations of prosperity — Inclusive Societies, Open Economies, and Empowered People.

INCLUSIVE SOCIETIES

The Inclusive Societies domain captures the relationship structures that exist within a society, between individuals and between individuals and broader institutions, and the degree they either enable or obstruct societal cohesion and collective development. These social and legal institutions are essential in protecting the fundamental freedoms of individuals, and their ability to flourish.

This domain consists of the Safety and Security, Personal Freedom, Governance, and Social Capital pillars, and it comprises 95 indicators captured within 21 elements.

OPEN ECONOMIES

The Open Economies domain captures the extent to which an economy is open to competition, encourages innovation and investment, promotes business and trade, and facilitates inclusive growth. For a society to be truly prosperous, it requires an economy that embodies these ideals.

This domain consists of the Investment Environment, Enterprise Conditions, Market Access and Infrastructure, and Economic Quality pillars, and it comprises 98 indicators captured within 21 elements.

EMPOWERED PEOPLE

The Empowered People domain captures the quality of people's lived experience and the associated aspects that enable individuals to reach their full potential through autonomy and self-determination.

This domain consists of the Living Conditions, Health, Education and Natural Environment pillars, and it comprises 101 indicators across 23 elements.

The pages that follow examine how the nations of Africa perform in each of these pillars, and highlight where particular countries provide important examples of significant progress in the African context.





A speed school in Sugula village, Mali

Inclusive Societies





A group of children gather at a small local shop in Killimani village, Zanzibar, Tanzania.
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Defining Inclusive Societies

Inclusive Societies are an essential requirement for prosperity, where social and legal institutions protect the fundamental freedoms of individuals, and their ability to flourish. This domain explores the relationship structures that exist within a society, and the degree they either enable or obstruct societal cohesion and collective development.

Areas within this domain range from the relationship of citizen and state, to the degree to which violence permeates societal norms, to the interaction of freedoms of different groups and individuals, to the way in which individuals act with one another, their communities, institutions, and nation. These issues have been both a practical consideration for the majority of modern human experience, as well as a subject of academic study.

We examine the fundamental aspects of inclusive societies across four pillars, each with component elements.

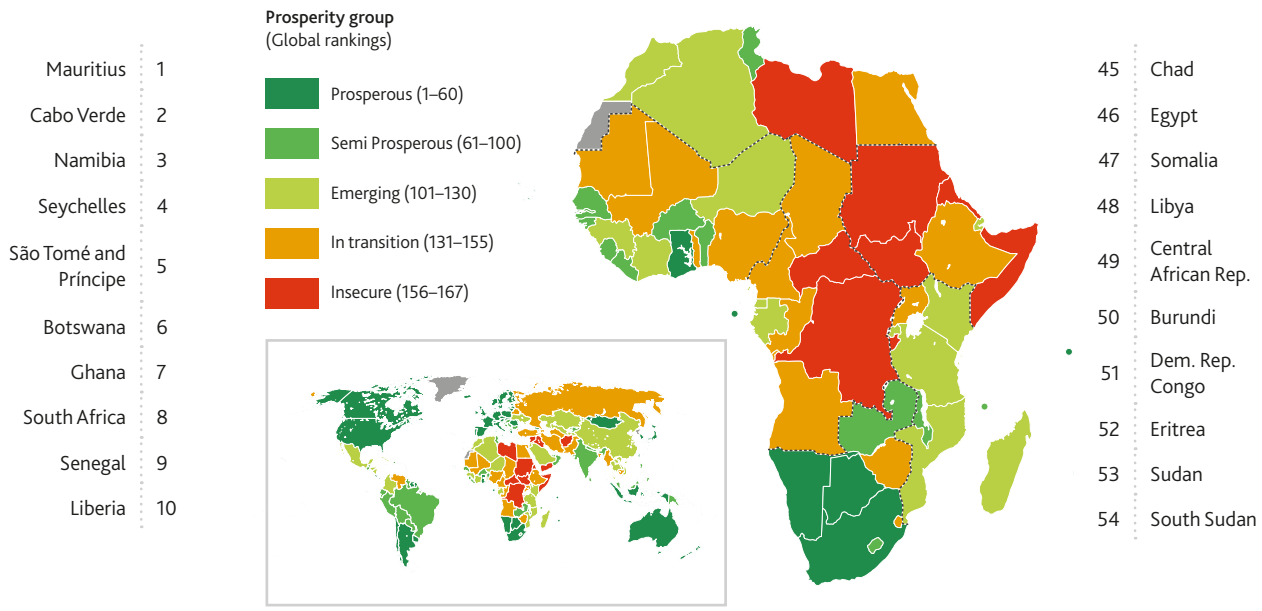
Safety & Security measures the degree to which individuals and communities are free from War & Civil Conflict, Terrorism, Political Terror & Violence, Violent Crime, and Property Crime. The lives of individuals, their freedom, and the security of their property are at risk in a society where these activities are present, both through their current prevalence, and long-lasting effects. In short, a nation, community, or society can prosper only in an environment of security and safety for its citizens.

Personal Freedom measures basic legal rights (Agency), individual liberties (Freedom of Assembly and Association, Freedom of Speech and Access to Information,Freedom of Assembly and Association), the Absence of Legal Discrimination and people's Experience of Freedom and Social Tolerance. Societies that foster strong civil rights and freedoms have been shown to enjoy increased levels of satisfaction among their citizens. Furthermore, a country benefits from higher levels of national income when its citizens' personal liberties are protected and when it is welcoming of the social diversity that stimulates innovation.

Governance measures the extent to which there are checks and restraints on power, and whether governments operate effectively and without corruption. The nature of a country's governance has a material impact on its prosperity. The rule of law, strong institutions and regulatory quality contribute significantly to economic growth, as do competent governments that enact policy efficiently and design regulations that deliver policy objectives without being overly burdensome.

Social Capital measures the Personal and Family Relationships, Social Networks and the cohesion a society experiences when there is high Institutional Trust, and people respect and engage with one another (Civic and Social Participation), both of which have a direct effect on the prosperity of a country. A person's wellbeing is best provided for in a society where people trust one another and have the support of their friends and family. Societies with lower levels of trust tend to experience lower levels of economic growth. Thus, the word "capital" in "social capital" highlights the contribution of social networks as an asset that produces economic returns and improves wellbeing.

Inclusive Societies 2019





Malagasy woman from a village singing traditional songs in Madagascar.
iStock.com/Artush

Weak social contracts hold back prosperity

For many African states, the challenge of improving prosperity is constrained by a weak state-societal relationship. This relationship, the social contract, helps to confer the legitimate use of governing authority, and it is this capacity that is insufficient in many African governments.

If governments are poorly resourced and not trusted by their people, then they are unlikely to be successful in their efforts to maintain safety and security. Governments (and leaders) who distrust their people in return are unlikely to safeguard personal freedoms, or to maintain strong mechanisms for accountability.

The inspiration for governing models in use across the continent today is wide and varied, owing to the historical realities of the continent. Imperial influence, Cold War-era ideology, and the impact of the rise of the BRICs have all influenced the various governing philosophies employed today. But the examples of instability to be found in each of these models suggests that particular legacies are not on their own the binding constraint for governance on the continent — instead, it is the quality of the social contract which determines long-term prosperity.

We can see, across many parts of the African continent, a cycle created by weak social contracts, and a few islands (often literally) of success. Here, we seek to examine the nature of those successes and those failures, so that we might better understand how African states could improve their state-societal relationships.

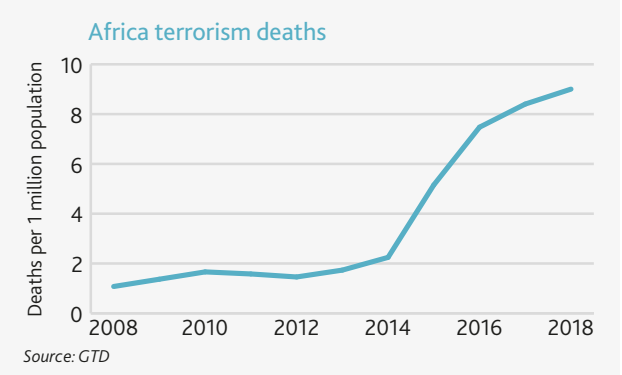
SAFETY AND SECURITY

Two of the most important prerequisites for a nation's prosperity are the general level of security and the safety of individual citizens. Those countries, such as Togo and Ghana, which have seen the greatest improvements in prosperity over the last decade have largely avoided deteriorations in their safety and security. However, many of those African countries in the 'Arc of Instability' remain wracked by conflict.[1] Despite substantial, sustained expenditure on UN and AU-led conflict prevention and peace-keeping exercises, safety and security is still declining in aggregate across the continent.

The cross-border impacts of these conflicts becomes more apparent when looking at the examples of success. The formal conclusion of the Eritrea-Ethiopia conflict in July 2018 agreed by President Afwerki and Prime Minister Abiy, for which Prime Minister Abiy won the Nobel Peace Prize, has led to commendable progress towards normalised relations and is a huge step in stabilising the region.[2]

Insofar as security has deteriorated, it is largely a result of the inability of governments to prevent, and subsequently penalise, violence. This is particularly notable in terms of non-state conflicts on the continent, which have increased in recent years. Africa has more non-state conflicts than any other continent, and these conflicts are concentrated amongst a relatively small group of eleven countries.[3]

These non-state conflicts are often exacerbated by terrorism, which itself flourishes in the absence of state control. Incidents of terrorism have increased more than twelve-fold since 2009, and death rates from terrorism are up nine-fold. This increase has been continent-wide. Libya, Central African Republic, Mali, Somalia and Mozambique have all experienced terrorism in various forms over the last 10 years.[4]



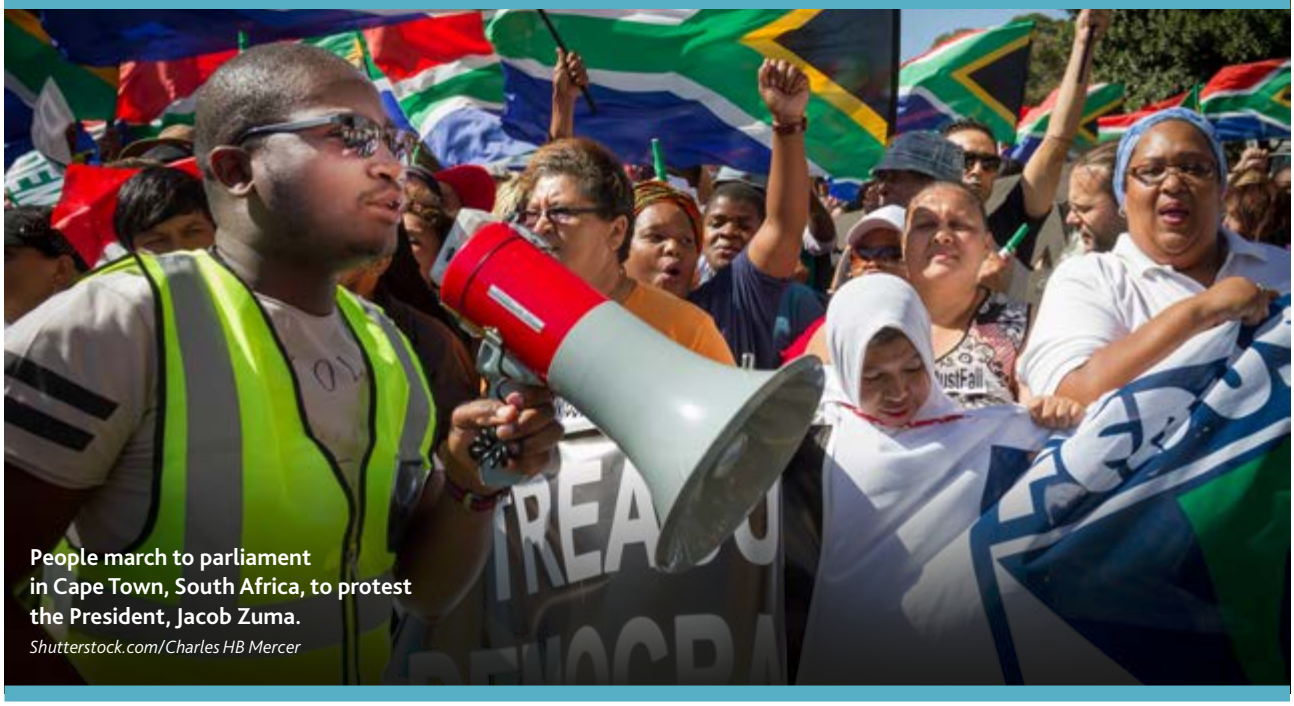
Source: GTD

It is also plain to see where broader institutional weaknesses have acted as a multiplier for security issues, such as the spread of jihadi- and crime-based networks through the Sahel Belt. Situations of humanitarian crisis offer terror groups the freedom to operate in 'ungoverned spaces', without repression from central governments, as they are able to establish control over and settle amongst local communities who are given little or no protection by the state.[5]

Sometimes, the state itself is the source of violence, as is the case with civil conflicts in Somalia, South Sudan, the Democratic Republic of Congo, and Central African Republic. The majority of traditional 'battlefield deaths', though lowering on average across the continent, is also concentrated in these latter three countries.[6] The internecine conflicts in these countries have largely prevented them from embedding strong institutions and growing their economies.

Politically-related violence has also increased, with disappearances, imprisonment and extrajudicial killings now more prevalent than a decade ago.[7] In countries where there has been diminished government authority (e.g., Libya), state security forces and other armed groups are acting with increased brutality and impunity against civilians.

There have, however, been a number of success stories across the continent, including a reduction in politically related terror in Guinea-Bissau, and a substantial reduction in the effects of terrorism in Algeria. Multilateral efforts in neighbouring Morocco have proved to be a very effective strategy in addressing the terrorism threat, epicentres of which often span regions, rather than being restricted within country borders, and the country now has the lowest rate of deaths from terrorism in Africa.



People march to parliament in Cape Town, South Africa, to protest the President, Jacob Zuma.
Shutterstock.com/Charles HB Mercer

PERSONAL FREEDOM

Across the world, ensuring strong personal freedoms has proved to be one of the most significant contributions to unlocking prosperity, and this is also true of several improving African countries. When analysing the commonalities of countries experiencing the greatest increases in prosperity we found that they tended to have particularly strong personal freedoms, regardless of their overall starting point.

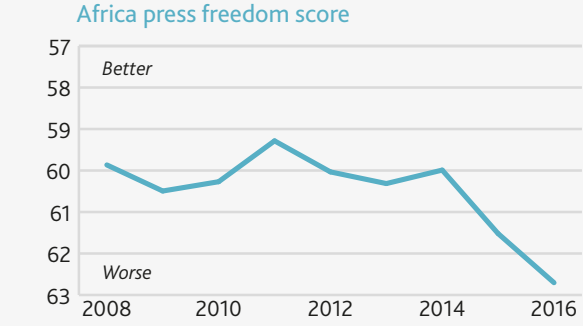
Botswana, for example, which has seen some of the most impressive economic growth in the world over the last decades, has particularly strong personal freedoms. These freedoms continue to be legislated and expanded; in June 2019, Botswana's High Court decriminalized homosexuality on the back of "society's growing acceptance of same-sex relationships".[8]

The complex interplay of factors linking state security with individual rights can be seen in personal freedom. This is an area in which Africa currently has relative strength compared to other global regions, ranking above both Asia and the Middle East. However, it is also a measure in which Africa's performance has weakened over the past decade, faster than in other global regions – driven in part by reduced freedoms of association and assembly, as well as weakening rights for civil society. Governments are increasingly restricting the political space, often employing coercive means.

We surmise that this decline in personal freedoms, and particularly those relating to civil society, is in part a reaction to the consequences of democratisation. As social media and internet access expand, many Africans are demanding more of their governments than ever before, prompting a backlash from traditionally conservative states with a historically narrow core of governing elites.

As civil society and public opinion become more consequential and challenging for governments, efforts to repress them are also likely to increase. A February 2019 report pointed out that, of the 22 African countries where internet shutdowns had been ordered in the last five years, "77% are authoritarian and the rest are hybrid or semi-authoritarian regimes."[9] This suggests an intimate relationship between the ability, whether legislated or not, of people to hold their governments to account and the conversion of good structural governance into good governance outcomes.

Tunisia's revolution in 2011 proved to be a catalyst for vastly improved personal freedoms in the country. The country's 2014 Constitution has provided strong protections for human rights, and opened up the political space to a wide variety of actors. There are also promising signs that personal freedoms, such as those of association and assembly, in The Gambia are improving following the surprise victory of Adama Barrow in the 2016 election, despite continuing discrimination against minority groups.



Source: FH

GOVERNANCE

Good policy, and the ability for it to be implemented effectively, are key components of economic growth. Not only must ideas for policy be both intelligently designed and evidence-based, they must also be sensitively put into practice — a process that takes into account the social and cultural climate of a nation, as well as people's material needs. Many have argued that African policy does not suffer for lack of quantity, but that its implementation, and specifically the involvement of citizens in the policy process, remains a great challenge to the continent's growth. So much so, that many nations in Africa have entered economic recession due to implementation failures including unrealistic goal-setting, political patronage, neglect of target beneficiaries, and a lack of consideration of the policy environment.



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The President of the Republic of Ghana, Nana Akufo-Addo.

Ghana has established a tradition of robust political stability, which attracts investors looking for predictable bases for their commercial ventures.

In the aftermath of the Cold War, many African countries underwent reform processes, sometimes externally mandated, which embedded institutions that provide a commitment towards elections, the transfer of power, and the adherence to constitutional principles. As a result, Africa is much stronger in terms of formal constraints on the executive, political accountability, and the rule of law when compared to the other aspects of governance. Although this shows that these *de jure* improvements have largely stuck, the operational aspects of governance remain weak on a global scale.

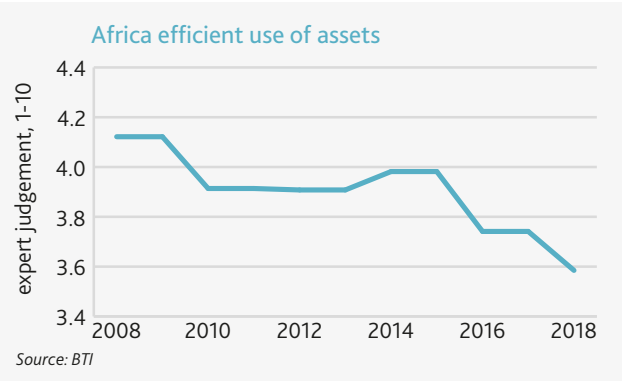
Some African leaders continue to circumvent the constraints of good governance by abolishing term limits, engaging in corruption, and increasingly suppressing opposition. In short, democratisation has not led to the institutionalization of formal rules for which one may have hoped across the continent.

That said, the number of elections held has massively increased since the push for democratisation in the 1990s, and the number of 'fair' elections has also increased, but these are not always competitive.[10] Truly open political competition remains potentially too costly for individual politicians and elites to back. The stakes for losing an election can seem very high for individual leaders and ruling parties that have become entrenched in power, sometimes over decades. In such cases, the leader and ruling elites may fear not just the loss of future power and wealth, but also the reckoning for past actions once out of office. Establishing a social contract where it is possible to safely cede power is, in these cases, doubly important, and could help to end election-related conflict.

It should be noted that West Africa appears not to have followed this trend, with countries such as Guinea, Senegal, and Côte d'Ivoire all experiencing strong improvements in their operational governance over the last 10 years, thereby providing a platform for economic and social progress.

Countries, such as Ghana, that have established a tradition of robust political stability — including through successive changes of government following elections — are shown to have an advantage in attracting investors looking for relatively more predictable bases for their commercial ventures. Ghana's improving living conditions also reflect an extended period of stability — absolute poverty levels have halved over the past decade, while improved nutrition standards have led to a decreased prevalence of stunting and undernourishment. With stable governance, Ghana is becoming a success story in Africa, showing that strong institutions can lead to poverty alleviation and improved standards of living.

Another significant challenge that continues to have an adverse effect on governance across the continent is corruption. It typically has two distinct types – 'according to rule', where corrupt practices are technically legal in a country, and 'against the rule', where they are illegal.[11] The challenge in dealing with corruption is therefore not just to do with effective policymaking that criminalises its practice, but also requires integrity at the top of government, and the ability for officials to be held to account.



Source: BTI

On a material level, the loss of funds from a government budget or aid package has direct consequences on a nation's ability to invest or provide services for its citizens. Transparency International estimate this cost to be 20-30% of service provision, and in 2015 alone more money vanished illegally out of Africa ($203 billion) than came in as aid, loans, and remittances ($163 billion).[12,13]

Corruption does not just cost money. It also severely damages trust in a nation, a key tenet of prosperous societies. Trust allows the growth of democracy, and if citizens cannot trust their own governments to take office with integrity, then there is no reason why they should feel a responsibility for their own contribution to the nation, and gravitate towards autocracy.

Rwanda is an example of a country which has very high levels of institutional trust, both in the national government and in politicians themselves. It has successfully managed to improve the operational aspects of governance. A culture of public consultation and technocratic decision-making, with high degrees of policymaking transparency has developed in the country, and the efficiency of Rwanda's legal framework in challenging regulations is ranked the best in Africa, according to business experts. As a result, it has the highest level of government integrity on the continent, registering low levels of corruption.

CONCLUSION

Our findings highlight the importance of good leadership and governance to provide a safe, free, and just environment. This could be characterised as countries needing leaders who see public service as serving the public, rather than serving one's own kin, associates, and ethnic group. Restoring the principles of impartiality and universality in governance can help to re-establish bidirectional accountability between those who lead and those over whom they exercise authority.

Such accountability can be marked in a number of mutually-reinforcing ways: by the facilitation of free and fair electoral processes; a commitment to external scrutiny by the media and civil society; and an unbroken loop of revenue-raising and spending. However, this can happen only in the presence of personal freedoms.

Governments with low operational capacity, and which don't facilitate the mechanisms (namely legislated freedoms) by which this can be enforced by accountability to the public, sit at the heart of the institutional challenges of the continent. There are certainly historic and other factors that have held progress back. The continent is working against centuries of imperialism and mercantilism, which resulted in the slave trade and the drawing of 'unnatural' current national borders — both of which undermine efforts to build a sustainable social contract. Many of the institutional weaknesses to be found on the African continent today can be directly tied to that period, and those decisions made outside Africa. The same can be said of the latest, and perhaps most dangerous, long-term threat to hit the continent — environmental degradation.

Africa's massive human and natural capital has yet to be harnessed, despite the majority of countries on the continent having gained independence in the last 60 to 70 years. It is decreasingly credible for leaders, not least in the eyes of their own citizens, to blame a failure to move forward on historic factors. Africa's younger electorates are also less likely to be impressed by past achievements, such as independence, and are more likely to be focussed on who can provide for their immediate needs and aspirations.

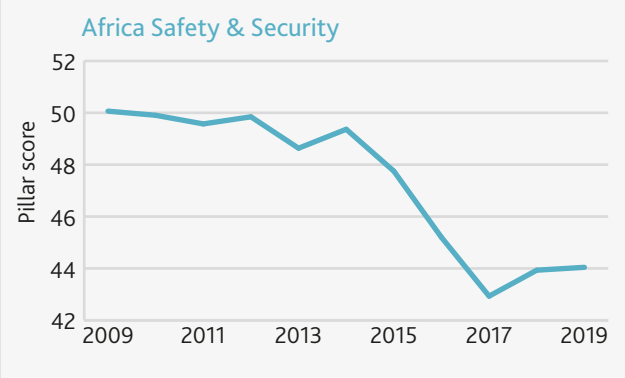
Many African leaders and governments are therefore facing an increasingly stark challenge: how to deliver improved prosperity and livelihoods for their citizens, or how to continue to manage the failure to do so. In some cases they may instinctively reach to tighten an authoritarian grip, arguing that their own continued rule is the best path to maintain stability in their country.

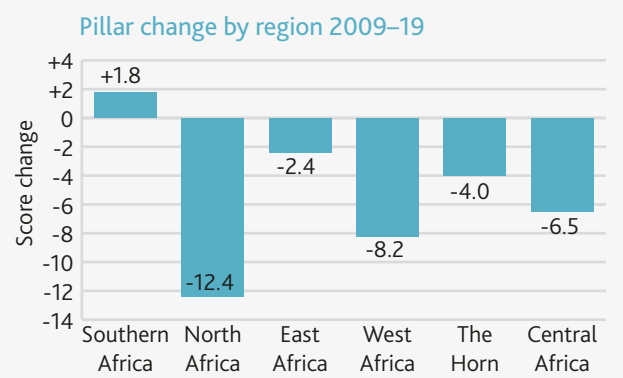
There is no evidence to support a 'one size fits all' approach to governance. However, our analysis shows that well-established liberal political and economic models continue to deliver the best prospects for growth, prosperity, and citizens' wellbeing.

Countries like Mauritius, Botswana, and Ghana are demonstrating how varied these models can be. Each has found a system which suits their individual history; Ghana had a history of coups d'état following independence, while Botswana does not; and Mauritius has an island economy, while Botswana is land-locked.

But the most fundamental features of their institutions are broadly similar. Property rights are enforced, investments are protected, political competition is accepted, taxes are collected, and the media and civil society are free to criticise the government. There is stability in the state-societal relationship, which bridges presidential administrations.

Safety and Security





Safety and security is an integral component of prosperity. A secure and stable environment is necessary for attracting investment and sustaining economic growth, and citizens' wellbeing is dependent on having secure living conditions and personal safety. In short, a nation can prosper only in an environment of security and safety for its citizens.

Improving safety and security in Africa has been a struggle over many decades. Since many countries gained independence from the middle of the last century, initial optimism about the growth of nations has been devastated by government power struggles and intense conflict.

As a result, Africa's safety and security today is the second-weakest in the world after the Middle East. The exceptions to this pattern are the island nations led by **São Tomé and Príncipe** (1st) and **Mauritius** (2nd). The best-performing mainland country is **Guinea-Bissau** (4th).

High, and worsening, levels of both terror and political oppression mean that the Safety and Security pillar is one of Africa's weakest, and has declined almost continually over the last 10 years. Safety and security therefore represents a major brake on African prosperity.

East Africa is one of the safest regions in Africa, led by **Mauritius** (2nd) and **Comoros** (3rd). However, the region is showing signs of deterioration, with six out of eleven countries in East Africa (representing 77% of the region's population) having experienced increased terrorism since 2009.

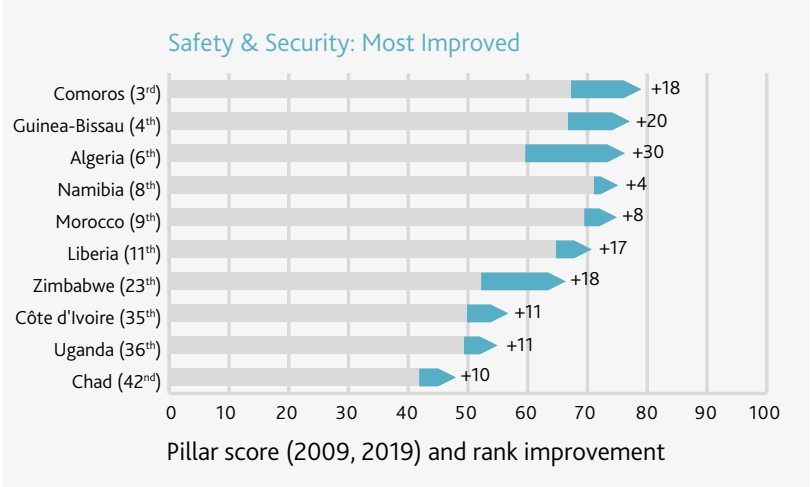
Safety and security is deteriorating in West Africa faster than any other region in Africa, apart from North Africa. This is largely due to the terrorism perpetrated by non-state actors, which is spreading across West Africa's porous borders. The region is also witnessing increased civil and inter-ethnic conflict, with a commensurate spike in the number of refugees from the region (though not of internally-displaced persons).

The Horn is among Africa's least-safe regions, only marginally safer than Central Africa, the weakest-performing region in this pillar. The security situation in the horn is deteriorating, as war and civil conflict threatens **South Sudan** (54th), **Sudan** (53rd), and **Somalia** (45th), though, positively, the region performs better for both property crime and violent crime, with a lower homicide rate than the African average.

SOURCES OF IMPROVEMENT

In the midst of challenges for the continent, 25 African nations strengthened their safety and security in the last decade. The most significant of these has been **Algeria** (6th), where a drop in terror has led to the country making the greatest security improvement in Africa, and rising 30 ranks. In the wake of the country's 'Black Decade', a period of devastating civil war in the 1990s, a successful counterterrorism programme has been instituted, focussing on countering the ideologies motivating jihadists returning from war overseas.

Southern Africa is the safest region in Africa, led by **Namibia** (8th), and unlike other regions it is characterised by low levels of war, civil conflict, and terrorism. The region made progress between 2009 and 2016 through reduced levels of violent crime, and a reduction in political terror and violence. Across the whole continent, violent crime became less prevalent in 27 countries, most

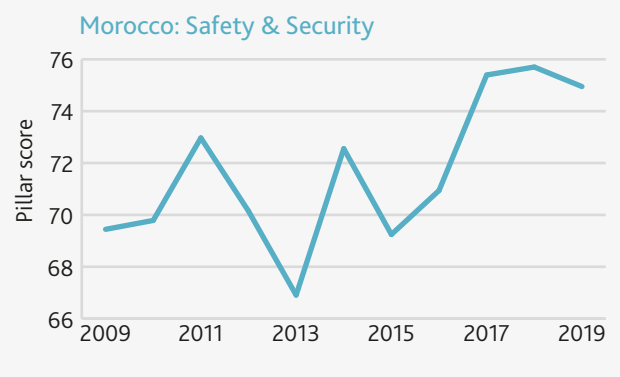


significantly in **Malawi** (16th), where the homicide rate has fallen from 6.1 to 1.7 deaths per 100,000 people since 2009.

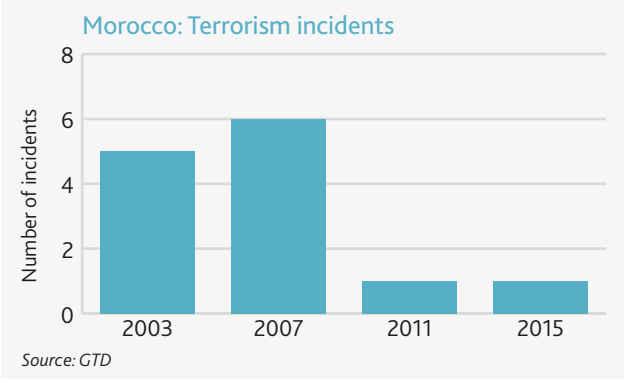
North Africa has seen a considerable reduction in property crime over the last five years. The proportion of people reporting stolen property has fallen from 17% to 11% since 2014, and businesses report lower costs of crime.

SUCCESS STORY — MOROCCO (9TH)

Morocco's safety and security has improved substantially, rising eight places since 2009 to 9th on the continent. The early part of the century saw a spate of suicide bombings in the country, as Al Qaeda affiliates targeted Casablanca in a wave of violence that afflicted many countries in North Africa. Casablanca saw a series of bombings in both 2003 and 2007.



While the country was again subject to a violent terrorist attack in the Marrakech Medina in 2011, terrorist incidents have since not been widespread in Morocco. Morocco's counter-terrorism legislation was enacted in 2003, following the first Casablanca bombings, and the legislation was expanded in 2015, in line with UN Security Council Resolution 1373. This legislative update coincided with a restructuring and modernisation of the security forces, now under the command of a single general director. Alongside additional

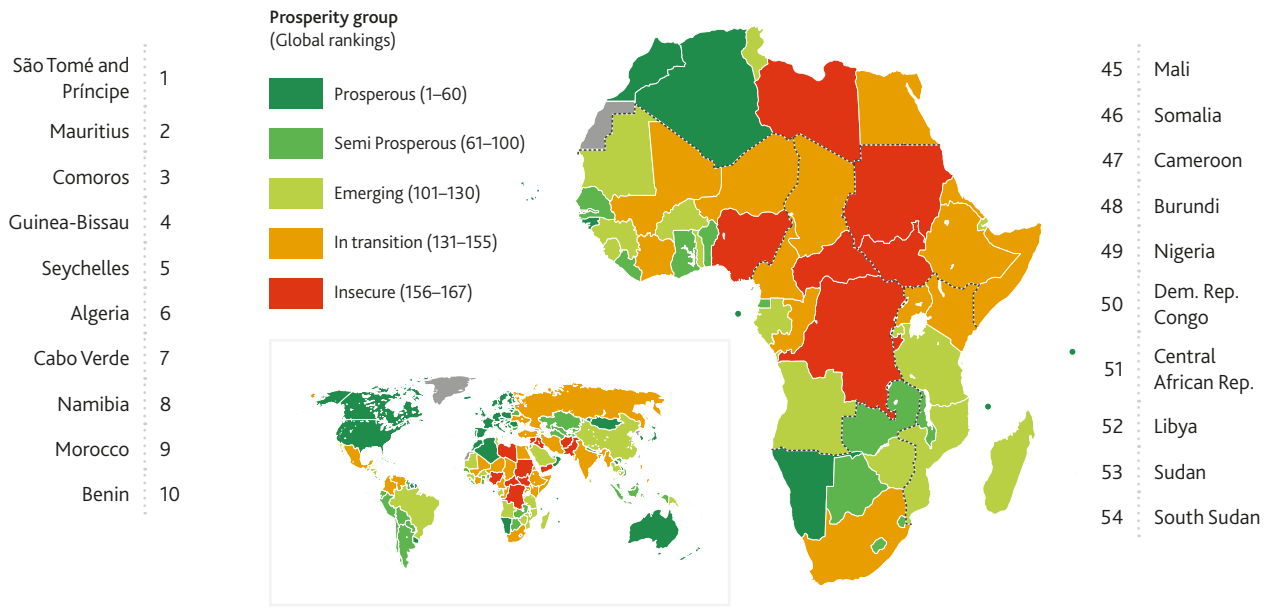


training, the national armed forces now cooperate closely with the police.[14] The country has also benefited from close ties and cooperation with U.S. and EU counter-terrorist exercises, and Morocco has not had any terror deaths since 2011, .

Today, the strength of the state security apparatus means that the country can maintain extensive – even pervasive – surveillance mechanisms.[15] Operation Hadar, launched in 2014, increased deployment of security in major cities the country, as well as patrols of transportation sites. At the potential trade-off of civil liberties, the country now also operates a network of thousands of local agents who track suspicious individuals and groups. In 2017 and 2018, Morocco successfully launched two observation satellites, one of only eight African countries to do so.

Nonetheless, there remain concerns about the extent of radicalisation among Moroccan youth. Thirty-three terrorist plots linked to the Islamic State were thwarted by Morocco between 2014 and 2017, while up to 2,000 Moroccans have travelled to Syria to fight.[16] The extent of surveillance in the country may have pushed many Moroccan nationals to attack foreign targets, demonstrated by successful attacks in Europe perpetrated by Moroccan nationals. In December 2018, self-proclaimed Islamic State terrorists murdered two women from Denmark and Norway in the Atlas mountains, in the first domestic terror incident in the country since 2011.

Safety and Security 2019

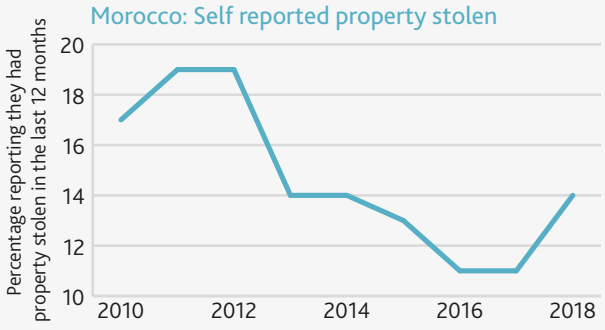


The Moroccan government has prioritised security, and has partnered with the United States to combat terrorism and improve border security.[17] Various legislative and government measures have aimed to criminalise and prevent people joining terrorist groups. It is part of a number of regional and global security groups, including the "Trans-Saharan Counterterrorism Partnership", which aims to help other west and North African countries to combat terrorism, and Global Counterterrorism Forum, which aims to prevent, combat, and prosecute terrorist acts.

There are some tensions between security goals and the promotion or protection of human rights.[18] Some have noted that this focus on security means that the state is prepared to sacrifice human rights, or clamp down on civil society, in order to achieve its security goals.[19] It still performs poorly in measures of freedom and human rights, and there are still barriers for other religions, particularly as the governing party is considered Islamist and aims to defend Morocco's Islamic identity.

Morocco has strengthened legal frameworks in an attempt to reduce the prevalence of political violence, which was common during the so-called 'Years of Lead' from the 1960s to the 1990s. King Mohamed VI ascended to power 1999 and, seeking to take Morocco in a new direction, established a reconciliation commission that investigated state involvement in past human rights abuses. In 2006, the country passed a new definition of torture through its Penal Code, a definition that was explicitly strengthened in the Moroccan Constitution of 2011.[20] Other practical measures implemented by the government in more recent years include investing in CCTV systems in prisons.[21] While there have been reports of police violence, particularly in areas of Western Sahara, state security forces have at times spoken out against police conduct.[22] Politically-related terror and violence has seen the greatest improvement of any element in Morocco, with no incidents of political killings or disappearances occurring in 2019.

Violent crime and property crime is generally low in Morocco. Firearms are strictly controlled by the government, and there are few incidents of armed robbery. Police are generally well-trained and relatively responsive to incidents, though less so when it concerns sexual assault or domestic violence.[23] The national homicide rate, at 1.2 per 100,000 people, has fallen since 2009, when it was 1.6.



Source: Gallup

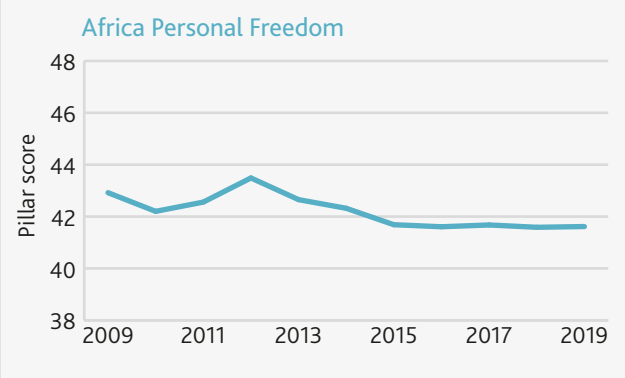


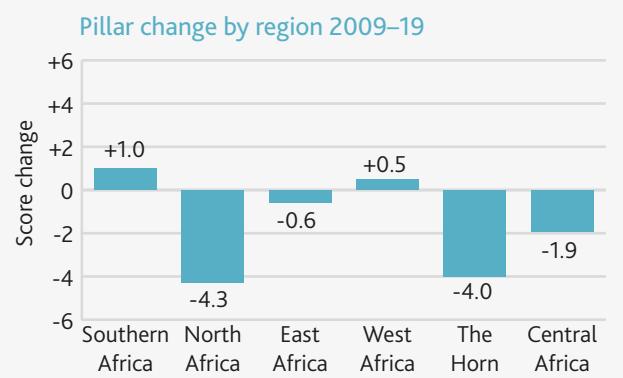
Violent crime and property crime is generally low in Morocco. Firearms are strictly controlled by the government, and there are few incidents of armed robbery.



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Personal Freedom





Personal freedom captures the extent to which population of a country are free from coercion, and are free to move. Central to this is the level of agency an individual experiences, and the freedom of citizens to determine the course of their lives without undue restriction.

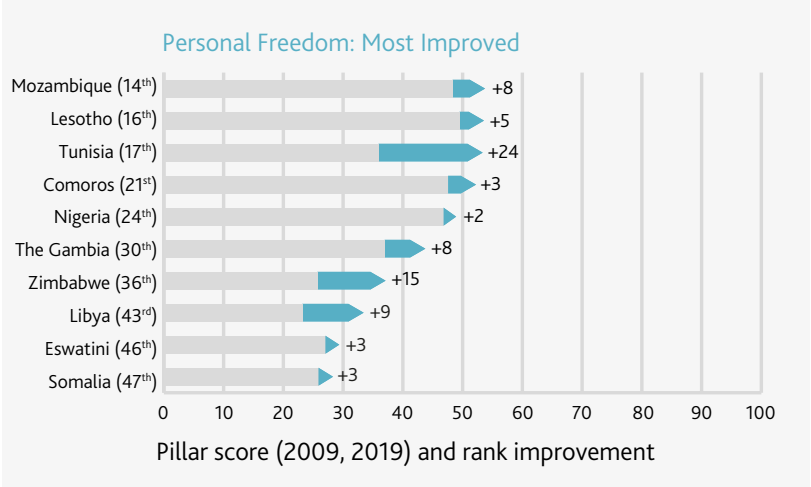
Africa leads the rest of the Global South in terms of personal freedom, sitting in fifth place amongst world regions ahead of both Asia and the Middle East. Freedom of speech and the lack of discrimination are the areas of personal freedom in which Africa has a significant advantage over its regional peers..

Consistent with global trends, Africa's personal freedom has, on average, deteriorated in the last decade. Africa's struggle in personal freedom has been driven predominantly by a deterioration in the freedom of association and assembly, with an erosion of civil society and associational rights becoming less-effectively guaranteed. Counterintuitively, people's satisfaction with freedom has, for the last five years, been on the rise across Africa. There is no clear relationship between the more structural elements of freedom and people's reported satisfaction with them.

Southern Africa has the strongest personal freedom in Africa – predominantly driven by high levels of agency and a lack of discrimination. Southern Africa is led by **South Africa** (2nd) and **Namibia** (6th). Countries in the region demonstrate high levels of respect for individual rights, due process of law, and freedom from forced labour, and this has translated into a strong experience of freedom and tolerance.[24] However, across the region there is general trend of worsening freedom of speech and freedom of assembly.

In West Africa, personal freedoms have historically been well protected, particularly the freedoms of speech and assembly, as well as free access to information. The region has a generally open media environment, but this is not extended to every country in the region – **Cabo Verde** (1st), which has strong protections for civil liberties, for example, contrasts markedly with **Mauritania** (45th), where modern day slavery is a serious concern.[25] West Africa has also faltered in terms of social tolerance, with individuals reporting increased levels of discrimination against women, as well as greater hostilities among social groups.[26]

North Africa struggles with personal freedom; levels of discrimination are high, and just 66% of people are satisfied with their freedom, compared with 71% in Africa as a whole. Even with the notable exception of **Tunisia** (17th), which has been home to the greatest improvements in in personal freedom in Africa over the last decade, North Africa is the region where personal freedoms have deteriorated the most. As protests have been put down violently in **Egypt** (52nd) and **Libya** (43rd), freedom of assembly and organisational rights have deteriorated. Journalists in North Africa often face harassment and prosecution.[27] Reported levels of discrimination are also high, with few religious freedoms and levels of discrimination against women higher than the African average.[28]



SOURCES OF IMPROVEMENT

In spite of an overall decline in personal freedom in Africa, twenty countries strengthened their freedoms over the last decade, led by **Tunisia** (17th). Driving recent improvement to personal freedom in Africa has been satisfaction with freedom – nearly 71% of Africans are now satisfied with their freedom, compared with just 62% in 2014. Twenty-nine countries saw an increase in

the proportion of people satisfied with their level of freedom since 2009, compared with just 19 that saw a decrease.

Furthermore, Africa is bucking the global trend of deteriorating agency, having improved in the element over the last five years. This growth has been widespread, with 35 countries demonstrating an improvement over the last decade. Agency in **Nigeria** (24th) in particular was driven up by growth in people's satisfaction with freedom in the country, rising from 56% to 78%, but also in freedom from forced labour in the country, which strengthened over the same time period.

Freedom of movement has also been on the rise, reflecting growth in both domestic and foreign movement, and people's ability to meet and engage with one another. **Niger** (20th), for example, has seen a decade of improvement in the freedom of movement, now with no restrictions on either foreign or domestic movement.

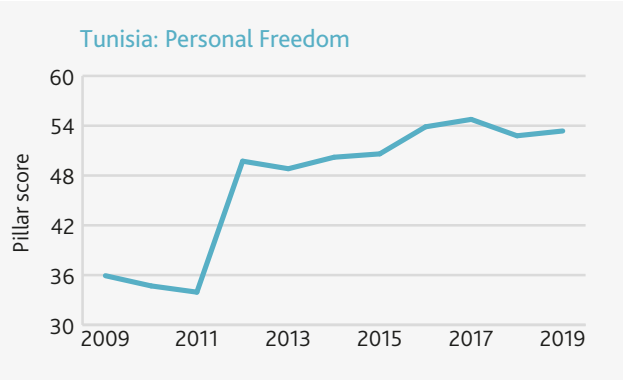
In Southern Africa, improvements to freedom have come in the form of greater tolerance, in particular towards ethnic minorities. **Lesotho** (16th) saw the fastest improvement in the region (and second-fastest in Africa), as reported tolerance of ethnic minorities doubled from 33% to 60% of the population. Across the region, 74% of citizens now say their cities are good places for ethnic minorities, compared with just 59% ten years ago.

SUCCESS STORY — TUNISIA (17TH)

Tunisia's revolution in 2011 proved to be a catalyst for vastly improved personal freedoms in the country. Since 2009, it has moved up 24 places in the Personal Freedom rankings to 17th in Africa. The country's 2014 Constitution has provided strong protections for human rights, and opened up the political space to a wide variety of actors.

During the reign of former President Ben Ali, from 1987-2011, Tunisia was under strict control from a repressive regime, backed by the nation's strict security apparatus. Civil society actors, media and opposition were subject to surveillance, harassment, and imprisonment.[29] Freedom of expression was non-existent, and there were few opportunities to organise protests.

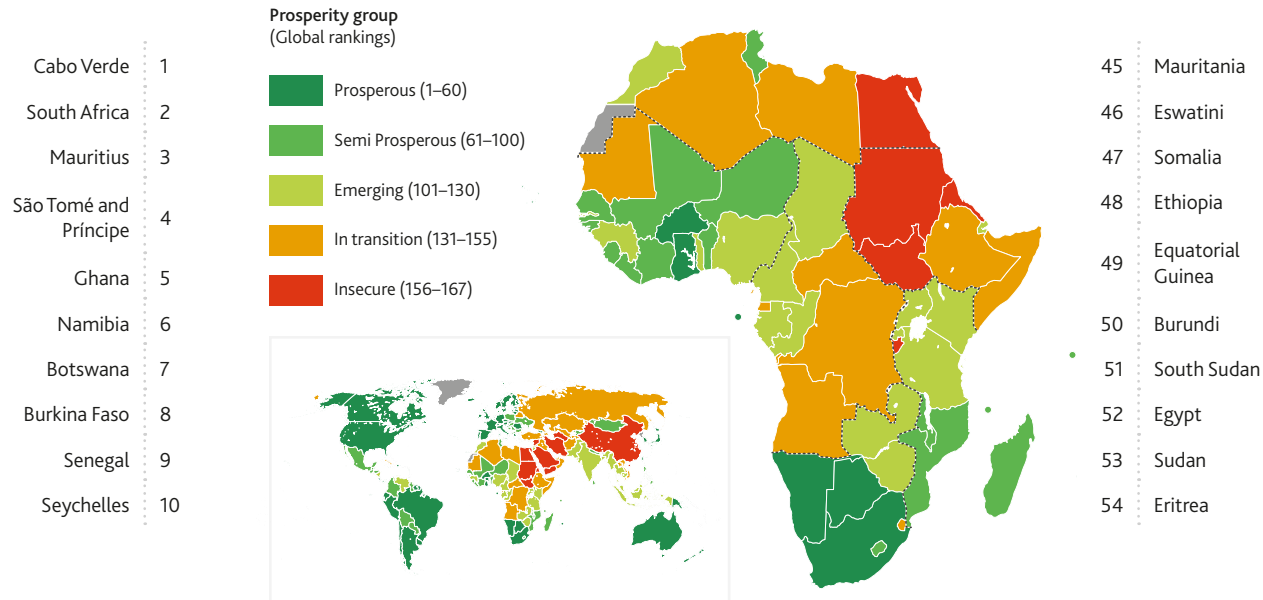
The revolution that erupted in the country in 2010 brought down Ben Ali following a wave of anti-government protests. In the aftermath, Tunisia's euphoric population demanded a new democratic Tunisia, with commensurate protections for human rights and personal freedoms. The country's transitional government adopted a new constitution in 2014, after a drawn-out process of consensus building among all post-revolutionary political actors, including secular and Islamist parties, trade unions, and civic society. Civil society groups and independent media played a significant role in the post-revolution transition.[30]



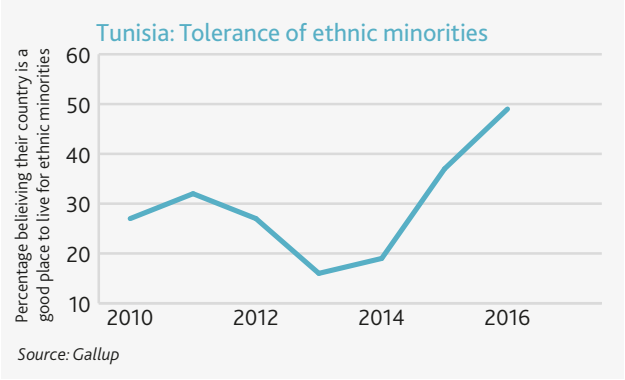
The country's constitution prioritised a new political order for the country. It enshrined substantial new freedoms for Tunisia, including freedom of expression and religion, and actively sought gender equality in elected assemblies.[31] Organisational rights and the right to peaceful demonstration are both protected in the new Constitution, and in 2019 the country organised a nationwide strike, its first in 41 years. With the security forces reformed in 2015 to address historic underfunding, peaceful demonstrations – such as the strike – have done much to restore trust between citizens and the security establishment.[32] According to data from Freedom House, rights of association and assembly have strengthened dramatically since the Revolution, rising from 44th in Africa to 13th.

One of the more progressive initiatives in recent years has been the creation of the Individual Freedoms and Equality Committee (COLIBE), which was created by President Beji Caid Essebsi in 2017.

Personal Freedom 2019



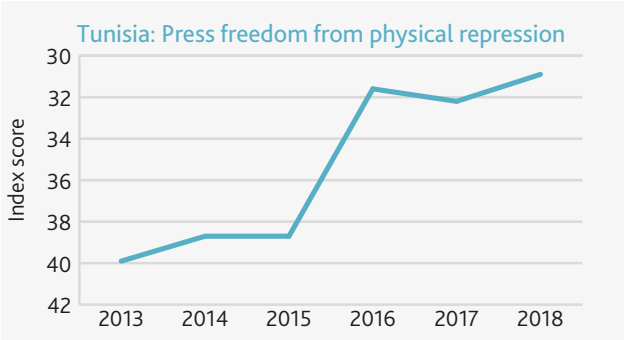
On June 12 2018, it released a report recommending a number of key reforms, including decriminalising homosexuality, and ensuring equality for women in inheritance rights.[33] The report attracted a significant amount of controversy, and some reforms have not been progressed. However, since then the Cabinet has taken forward a law to split an inheritance equally amongst male and female heirs, a break with Islamic law that states men inherit double the share women receive.[34]



Source: Gallup

Since the Revolution, Tunisia has also acceded to various requests from the UN Human Rights Council, opening a standard invitation in 2011 to visits from the body. Since then, special rapporteurs have instigated investigations into, among other areas, torture, discrimination against women, judicial independence and freedom of religion. The country still faces challenges to repeal historic laws that violate international human rights obligations, however.[35]

Though challenges remain for Tunisia, it has developed perhaps the freest press in the region in recent years.[36] Before the overthrow of the Ben Ali regime in 2011, the media was closely monitored and used by the government for propaganda and dictatorship. Today, media has a well-functioning role in the process of democracy, and the number of television and radio stations has increased.[37] This has been particularly visible in the elections of 2019, for which debates between presidential candidates were broadcast on television.[38] Nonetheless, journalists, and NGOs still face operational restrictions and intimidation.[39] Online blogger Yassine Ayari was sentenced to three months in prison in 2017 over a social media post critical of the government and military.[40]



Source: RsF

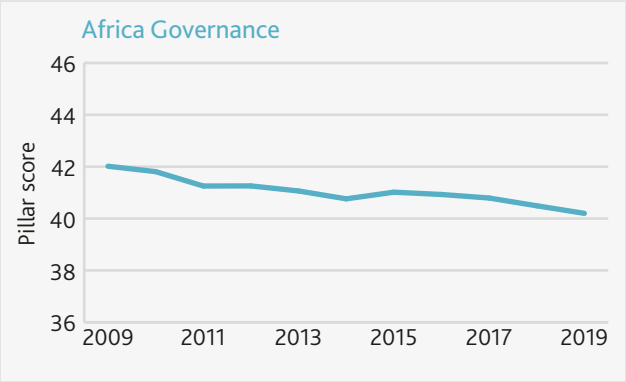


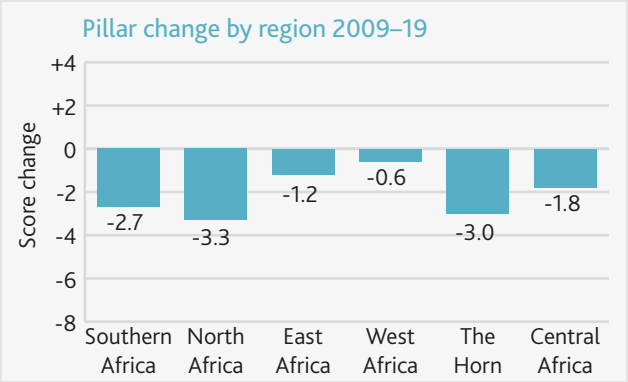
Tunisian demonstrators rally in Nice, France after the runaway of dictator Ben Ali from Tunisia, 2010.

According to data from Freedom House, association and organisation rights in Tunisia have strengthened dramatically since the Revolution.

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Governance





Good governance is crucial for generating sustained growth, especially amongst poorer nations. Governance has a direct influence on the availability of commercial financing and its cost, as well as market valuations and the quality of investments. Effective, fair and accountable governments are also crucial for fostering public trust and social cohesion, through which people are empowered to take part in democracy and have a say in the future of their nation. They are a key component in the creation of virtuous circles of development that fast-track a nation's economic and political growth.

Africa's governance has deteriorated over the last decade faster than any other world region except the Middle East. Africa therefore now sits with its weakest governance in a decade. This highlights not just the barriers impeding progress within Africa, but also the continuing challenges in bringing the continent more into the global mainstream.

Southern Africa boasts the strongest governance in Africa, with a strong commitment to the rule of law and political accountability, exemplified by **Namibia** (2nd). Nonetheless, consolidated democracies in the region, including **Botswana** (3rd) and **South Africa** (4th) are starting to face political challenges. Of greatest concern in the region is a recent deterioration in government effectiveness. Corruption has also become a serious threat, complicated by the fact that the parties attempting to stamp it out have been the dominant parties since independence.[41]

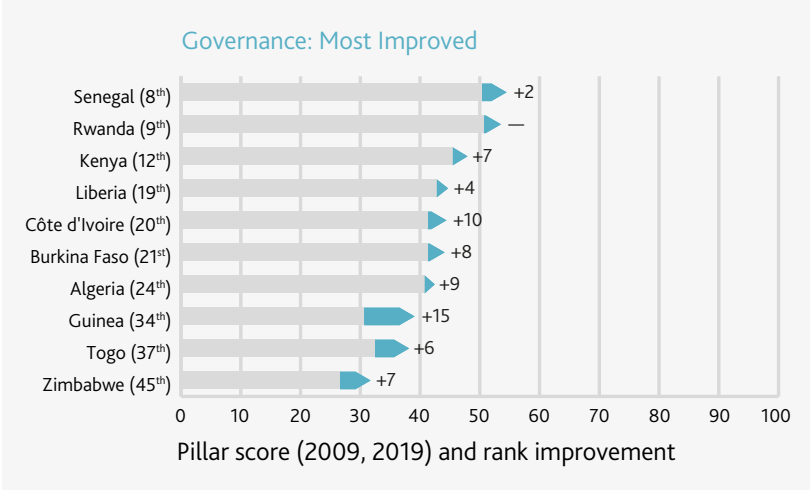
West Africa is the third-strongest region in Africa for governance. However, the overall effectiveness of government has deteriorated, as has government integrity. Governments across the region are performing poorly across indicators measuring quality of policy implementation and government spending.

While the Arab Spring was a potential turning point for governance in North Africa, many countries have deteriorated in recent years, and the region has deteriorated fastest in Africa. Only **Algeria** (24th) and **Tunisia** (10th) have demonstrated improvements to governance over the last decade. As governments across the region have struggled in post-revolutionary transitions, the quality of law-making has deteriorated, underscored by poor government effectiveness and regulatory quality.

SOURCE OF IMPROVEMENT

Although governance declined across all regions of Africa, 20 countries registered improvements over the last decade. Four of the top fastest improvers in the continent in West Africa, led by **Guinea** (34th). West African formal structures of governance have improved over the last 10 years; with **Côte d'Ivoire** (20th), **The Gambia** (23rd) and Guinea opening up to multiparty democracy over the last 10 years, and political accountability improving accordingly. Other states, including **Cabo Verde** (7th) and **Ghana** (6th), have consolidated their democratic credentials.

Burkina Faso (21st) has improved its executive constraints more than any other African nation in the last decade. Following former President Blaise Compaore's 2014 attempt to remove term limits to extend his rule, and the ensuing coup, a new draft constitution was submitted in 2017. It focuses on addressing the conditions that led to the coup, including restoration of the two five-year term limit, and greater balance of power between the office of the President and that of the Prime Minister.[42]



More recently, **The Gambia** (23rd) significantly improved in political accountability, as the country emerged from two decades of authoritarian rule under former President Yahya Jammeh. Previously repressive legislation have been declared unconstitutional by the Supreme Court, politicians have begun to declare their assets to an independent ombudsman, and there is a growing commitment in the country towards democratic norms and the rule of law.

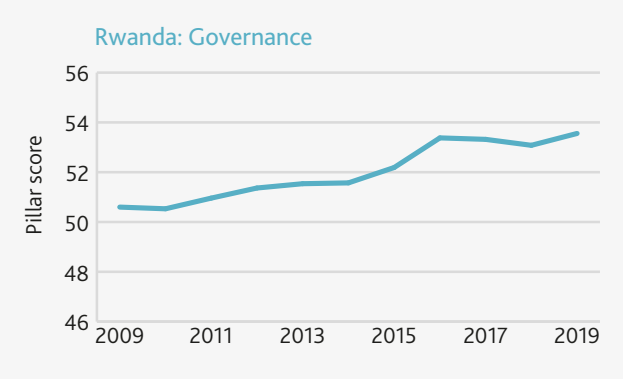
Tunisia (10th) has witnessed an extraordinary rise in political participation since the Arab Spring, which has, along with a greater consensus of democracy and a market economy as a goal, contributed to the country's strengthening governance over the last decade.

The rule of law has slightly improved in The Horn over the last decade, with greater judicial independence and an apparently lower prevalence of corruption than elsewhere in Africa. Recent events in **Sudan** (47rd) and **Ethiopia** (40th) in 2018-19, which have altered the political landscape significantly in these countries, have the potential to lead to further changes across the region.[43]

SUCCESS STORY — RWANDA (9TH)

Rwanda's governance is remarkably strong, with President Paul Kagame's commitment to open government and citizen consultation earning rightful plaudits. Over the last decade, the country's governance has improved such that it now 9th in Africa.

Government effectiveness is very high in Rwanda. The country is built on a development state model, with nonetheless significant involvement from local political and civil actors. Their model of consensus-led 'communitarianism' is reflected not just in public participation in initiatives such as the national cleaning day, but also in the much larger budgets received at the district level than the ministry level to carry out public services.[44] Eighty-four percent of the government's expenditures are audited, with the Auditor-Generals report scrutinised by parliamentary public committees and the national prosecution authorities. Rwanda ranks fifth in Africa for the efficiency with which it uses assets, according to government experts.[45]

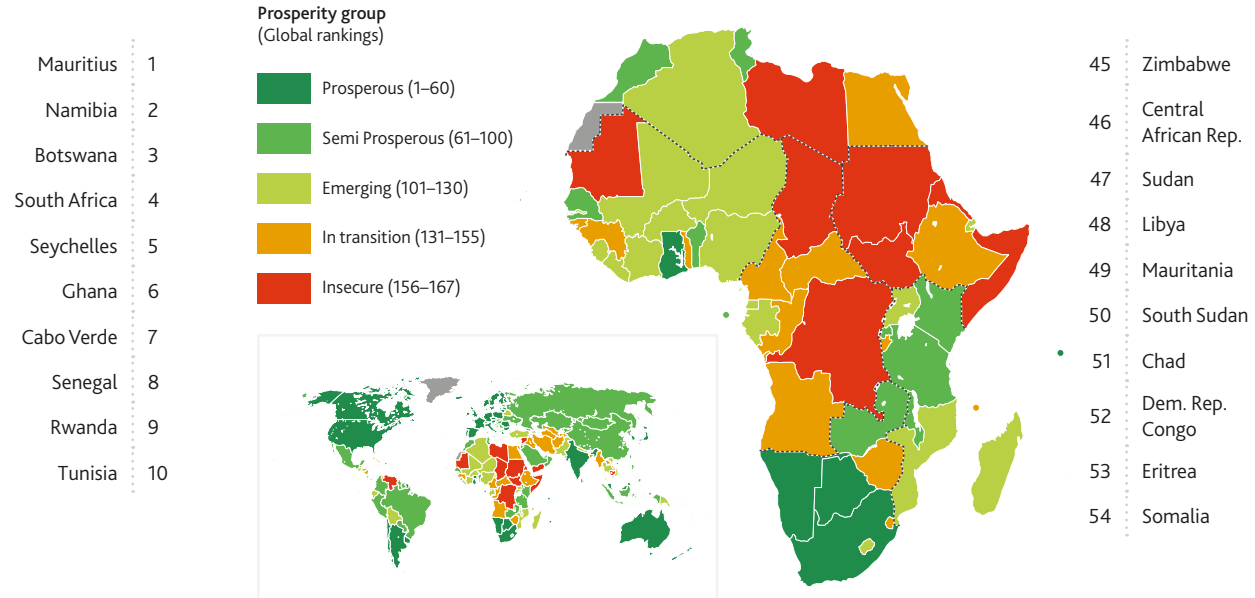


President Kagame has built a government apparatus that is highly efficient and performance-driven. It has aimed to decentralise government functions since 2000, with the objective of improving the efficiency of services. Rwanda's *imihigo* initiative, founded in 2006, has expanded from decentralised performance contracts to national evaluations of, inter alia, governance, education, health, transport, and agriculture.[46] Much of this decentralisation has focused on involving citizens in decision-making processes, though there are still opportunities to increase citizen participation.[47] For example, the Joint Action Development Forum (JADF) is a mechanism that aims to bring together local and central government, NGOs, and businesses to create better collaboration and efficiency in projects.[48] There appears to be widespread satisfaction with government services, with a 2014 survey showing that 84% of the population was satisfied with the provision of public services.[49]

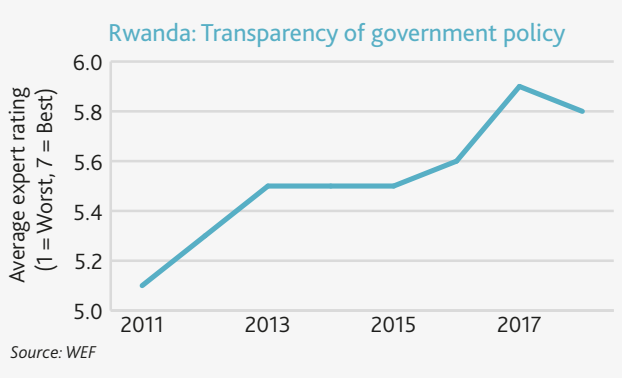
Alongside this, a culture of public consultation, technocratic decision-making, and high trust has developed. The efficiency of Rwanda's legal framework in challenging regulations is ranked the best in Africa, according to business experts.[50]

Rwanda boasts strong right to information guarantees, supported by 2013 legislation that sets procedures for public dissemination of information. Rwanda's government integrity performs commensurately well. Misdirection or misuse of public funds is generally not tolerated, and a range of anti-corruption legislation is in force. A new 2018 law expanded the acts considered punishable as corruption,

Governance 2019

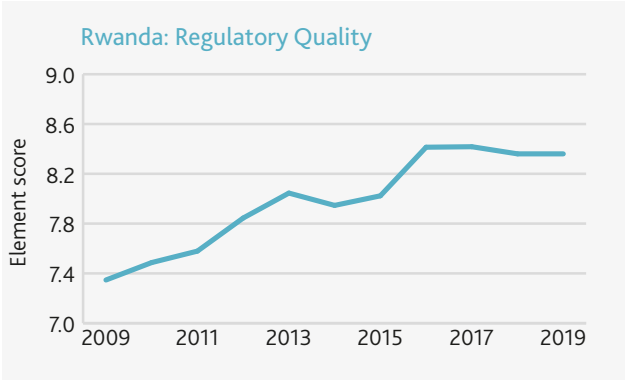


including embezzlement and abuse of functions.[51] Petty corruption remains an issue, though civil servants are prosecuted if accusations are brought against them.[52] Rwanda also regularly tops the continent for open data in government.[53]



Source: WEF

The World Economic Forum ranks the country as having the most independent judiciary in Africa. Though Rwanda has previously struggled with a long backlog of legal cases, commercial courts were established in 2007, and the country's justice system has since grown significantly. In 2010, the government passed a resolution to establish and promote an independent arbitration centre, which has since become fully operational. As of 2017, the country had 300 fully trained arbitrators, contributing to the country's attractiveness as a place to do business in Africa.[54] Alternative dispute resolution mechanisms are readily available; more than 30,000 *abunzi* mediators operate in the country, which has made this decentralised system a popular and affordable means of providing justice. Mediation through *abunzi* is obligatory for local disputes and civil cases where the property value is below 3 million francs.[55]



Having yet to face any serious challenge to the nation's incumbent leadership under President Kagame, nor mapping a pathway forward to protect and build on what has been achieved, political accountability is nonetheless low in Rwanda. This results from a view that, in poorer countries like Rwanda, "democracy is more about access to calories, schooling and healthcare than about periodic voting exercises".[56] Furthermore, the memory of the genocide looms large, and there is fear about future political instability leading to violence. Consequently, President Kagame has been criticised for having too tight a grip on power. [57] Nevertheless, he has helped to build an effective government that seeks to be responsive to the needs of both local communities and the private sector. This shows the need for each country to develop its own unique pathway forward, based on proven general principles

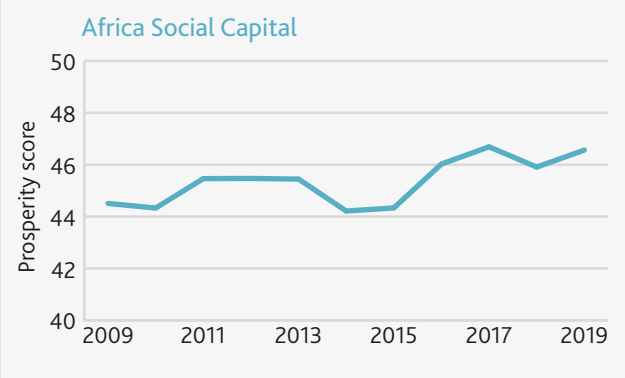


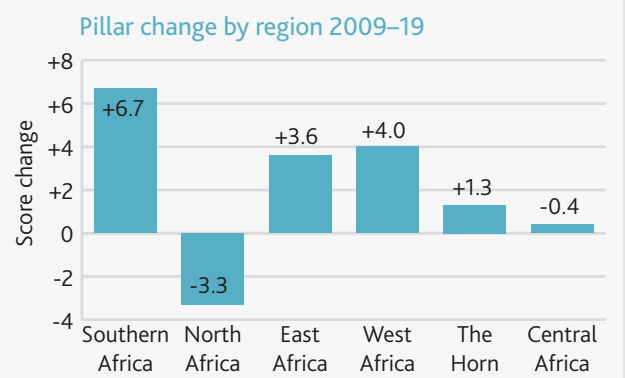
A billboard of Rwandan President Paul Kagame in Kigali, Rwanda.

President Kagame has built a government apparatus that is highly efficient and performance-driven.

Shutterstock.com/StreetVJ

Social Capital





Social Capital has been defined as "the norms and networks that enable people to act collectively".[58] It consists of many conscious and subconscious traits that run deep within society and are learned at all levels, beginning in the family and extending outward to institutions and government.

Underpinning these traits is trust — where citizens can trust one another, they are able to work effectively in partnership and become more capable generators of prosperity.

Africa's social capital is being driven by strengths in institutional trust and civic engagement. However, this masks deterioration in other areas, notably the more close-knit ties associated with family and friends. This has meant that, while social capital is improving in Africa, it has failed to keep pace with global peers, having fallen behind Eastern Europe in 2017.

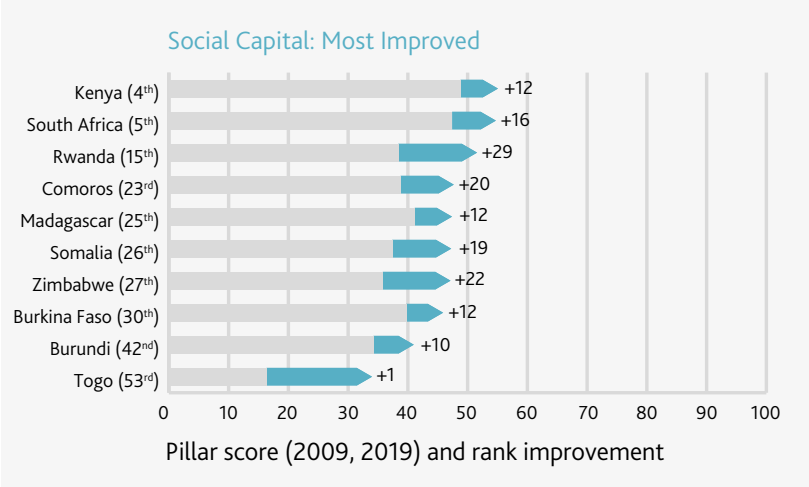
North Africa's deteriorating social capital, unique in Africa, is inherently linked to the Arab Spring. **Libya** (28th) is the top-ranking country from the region, despite social capital having weakened persistently in the country since 2013. Across the region, confidence in governments was at a high point (62%) in 2011 as some of the continent's most notorious authoritarians were toppled, but it then fell to just 38% in 2014 in the midst of economic and governance woes, before partially rebounding to 54% today. This has been particularly dramatic in **Tunisia** (38th) – between 2009 and 2019, the proportion of people who reported trust in the national government dropped from 90% to 35%; one of the reasons for the country's 33-rank drop in social capital over that period. The persistence of corruption and economic uncertainty since 2011 has damaged social cohesion and increased levels of distrust among citizens of this region.[59] Just 14% of people in the region report regularly helping other households, below the African average of 25%.

Whilst marginally stronger than in 2009, social capital in The Horn has faltered in the last decade. This is largely the result of events in **Djibouti** (24th) and **Sudan** (36th), where political struggle is leading to increased social segregation within the population. In addition, tensions in **Ethiopia** (29th) persist, and threaten civic unrest and institutional trust in the country. Across the region, fewer people are reporting being treated with respect, at 69%, versus 81% over the continent as a whole.

SOURCES OF IMPROVEMENT

Improvements to social capital in Africa since 2009 have been modest, but widespread. Thirty-four countries strengthened their Social Capital, led by **Togo** (53rd).

Social Capital is considerably stronger (and rapidly growing) in Southern Africa thanks to strong interpersonal trust and growing civic engagement in the region. **South Africa** (5th) and **Namibia** (10th) are the region's strongest performers. The region's civic society benefits from citizens having a history of democratic participation, including high voter turnout, high rates of volunteering, and peoples' willingness to voice an opinion to a public official, reflective of governance institutions that respect the rule of law. Despite this, institutional trust has faltered in Southern AFrica. Citizens are becoming less trustworthy of national institutions in the region's strongly established democracies, after episodes of corruption or the extension of one-party rule.



Institutional trust in Africa has increased slightly over the last decade. **Rwanda** (15th) has the strongest by a significant margin — the country now ranks first in each measure of institutional trust, the proportion of people having confidence in financial institutions and banks having risen by 26 percentage points since 2009. The proportion of Africans saying they have confidence in national government has risen from 54% in 2009 to 60% today, reflecting the broader improvement in institutional trust across the continent.

Interpersonal and institutional trust are rising in East Africa, with confidence in national governments well above the African average (71% vs 60%). Confidence in the government in **Kenya** (4th) has risen from 51% to 68% in just ten years. Whilst this can be attributed to improved formal governance structures across the region, others have suggested the additional factor of urbanisation contributing to the region's evolving social capital. East Africa is improving overall for social capital, but it is doing so in contrasting ways. Personal and familial relationship and social networks are deteriorating rapidly, with fewer people reporting help from family and friends (67%) that a decade ago (74%). As the region urbanises, bonding connections among families and communities have become more tenuous, and social provisions from the state more important.[60]

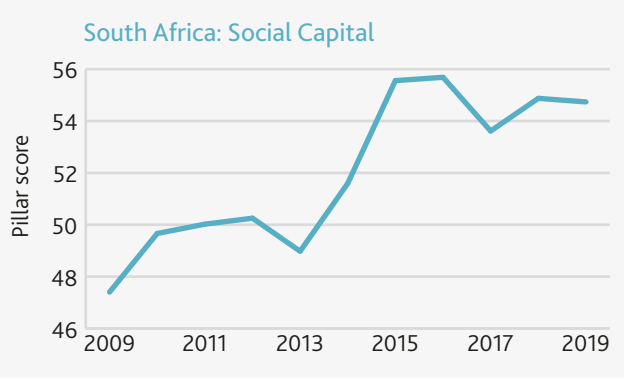
West Africa has seen institutional trust grow, moving from fifth to fourth out of six African regions in the last decade. **Niger** (8th) ranks eighth in Africa for institutional trust, having risen fifteen ranks, in particular through citizens' high levels of trust in the courts. More than eight in ten say they trust the courts 'somewhat' or 'a lot'.[61]

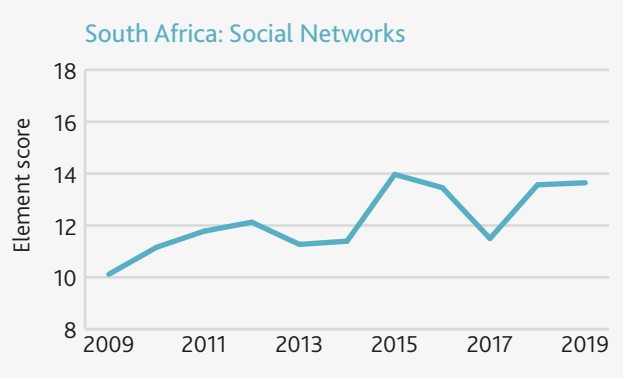
SUCCESS STORY — SOUTH AFRICA (5TH)

South Africa is experiencing improved social capital across almost every measure, rising 16 places from 21st to 5th in Africa since 2009. Social networks and interpersonal trust are both far stronger than a decade ago, though institutional trust has not made commensurate gains.

South Africa's social networks have improved significantly over the last decade, with more people reporting being treated with respect, as well as reporting greater opportunities to make friends.

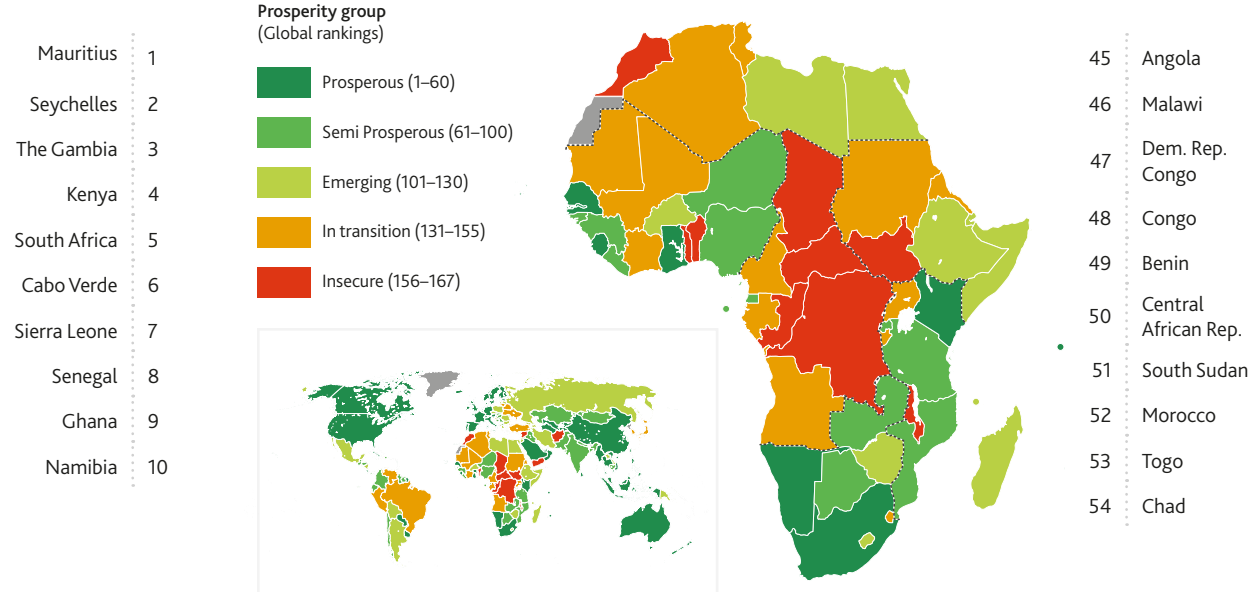
The importance of reconciliation for social networks in South Africa should not be understated. The country's Truth and Reconciliation Commission, which released its findings in 1998, "was an important vehicle for achieving national reconciliation and accountability […] the process reinforced critical norms of public participation and local ownership."[62] The commission's general tenor of assimilation has penetrated the consciousness of a whole new generation of South Africans, now called the 'born-free' generation.





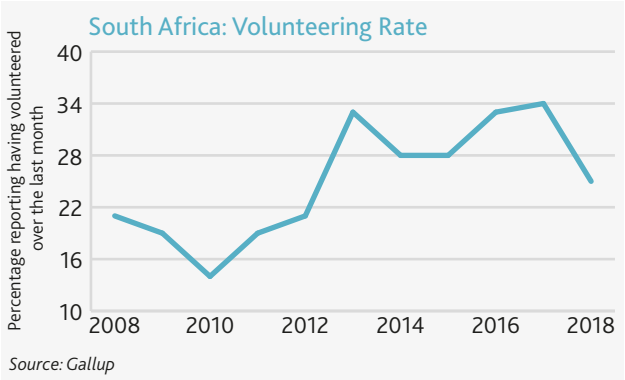
South Africans are also demonstrating an increased willingness to help other households and strangers, and are displaying increasing levels of social trust in the face of economic hardship and inequality. In the midst of the country's economic malaise, South Africans report that they are increasingly turning to family and friends for help

Social Capital 2019



in times of trouble — the proportion having risen from 80% in 2009 to 84% today. This is consistent with research that suggests a shared experience of hardship leads people to seek increased support from each other.[63] Additionally, more frequent community and public initiatives to open shared spaces, such as Cape Town's Open Streets, and urban regeneration programmes, have stimulated greater social cohesion. These sort of programmes, often involving public-private partnerships, have been shown to engender both social and economic change in formerly marginalised neighbourhoods around the country.[64,65]

Civic participation rates are among the highest in the continent in South Africa. Volunteering rates have increased; 25% of people now report volunteering in the last month, above the Africa-wide average of 22%. The country's relatively high voter turnout, as well as a general reported willingness to voice an opinion to a public official, is demonstrative of the country's young but strong history of democratic participation, and of governance institutions that respect the rule of law.



Source: Gallup

The damage wrought by the government through corruption and economic mismanagement has nonetheless correlated with a decline in institutional trust in South Africa over the last decade. There has been a drop in public trust in politicians, according to the World Economic Forum. This is supported by findings from Afrobarometer: two-thirds of South Africans believe that corruption has increased over the past year, while 72% say the government is managing the economy badly (compared to 49% in 2008).[66,67] Police violence has also been in the spotlight over the last decade, with more than 5,500 cases of police criminal offences reported every year.[68] Just 60% of people now report having confidence in local police, among the lowest level in Africa.





Local people building a low cost house as a team in Soweto, South Africa.
Shutterstock.com/Sunshine Seeds

Inclusive Societies Notes

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Open Economies



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Defining Open Economies

Open Economies encourage innovation and investment, promote business and trade, and facilitate inclusive growth. This domain captures the extent to which the economies of each country embody these ideals.

Without an open, competitive economy it is very challenging to create lasting social and economic wellbeing where individuals, communities, and businesses are empowered to reach their full potential. Trade between countries, regions, and communities is fundamental to the advance of innovation, knowledge transfer, and productivity that creates economic growth and prosperity. Research shows that open economies are more productive, with a clear correlation between increased openness over time and productivity growth.[1] In contrast, in an uncompetitive market, or one that is not designed to maximise welfare, growth stagnates and crony capitalism thrives, with knock-on impacts elsewhere in society.

One of the biggest opportunities for policymakers is to resist protectionism and cronyism, and to actively reinvigorate an agenda that embraces open and pro-competitive economies, both domestically and internationally, that attracts innovation, ideas, capital and talent. While most policymakers focus on the big fiscal and macroeconomic policy tools at their disposal, the microeconomic factors are sometimes overlooked, and their potential to drive openness and growth is underestimated. With a focus on these microeconomic factors, we examine the fundamental aspects of open economies across four pillars, each with component elements.

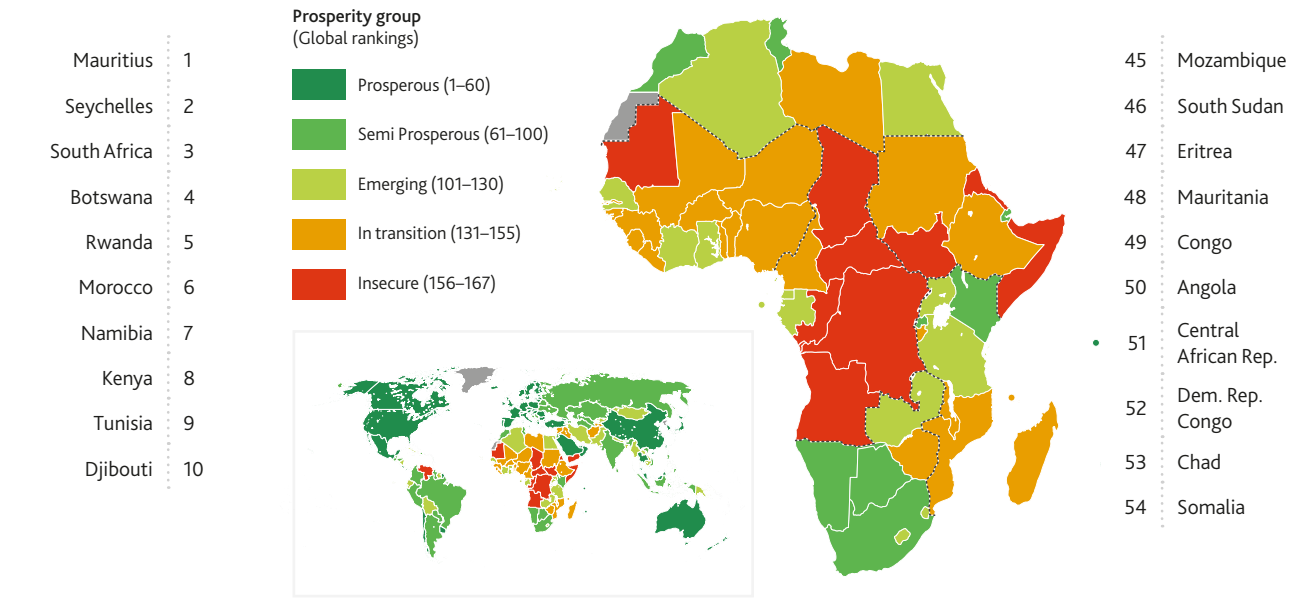
Investment Environment measures the extent to which investments are protected adequately through the existence of property rights, investor protections, and contract enforcement. Also measured is the extent to which domestic and international capital (both debt and equity) are available for investment. The more a legal system protects investments, for example through property rights, the more that investment can drive economic growth.

Enterprise Conditions measures how easy it is for businesses to start, compete and expand. Contestable markets with low barriers to entry are important for businesses to innovate and develop new ideas. This is essential for a dynamic and enterprising economy, where regulation enables business and responds to the changing needs of society.

Market Access and Infrastructure measures the quality of the infrastructure that enables trade (communications, transport, and resources), and the inhibitors on the flow of goods and services between businesses. Where markets have sufficient infrastructure and few barriers to trade, they can flourish. Such trade leads to more competitive and efficient markets, allowing new products and ideas to be tested, funded, and commercialised, ultimately benefitting consumers through a greater variety of goods at more competitive prices.

Economic Quality measures how robust an economy is (fiscal sustainability, macroeconomic stability) as well as how an economy is equipped to generate wealth (productivity and competitiveness, dynamism). A strong economy is dependent on high labour force engagement and the production and distribution of a diverse range of valuable goods and services.

Open Economies 2019





African engineer working on site at a chemical manufacturing plant in Eldoret, Kenya.
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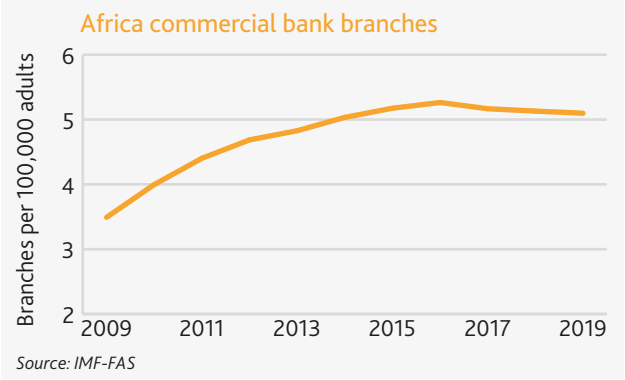
Microeconomic improvement, macroeconomic fragility

Since 2000, Africa's average GDP has grown at the second-fastest rate globally, while around half of the world's fastest-growing countries today are located on the continent.[2,3] However, at a per capita level, GDP growth becomes less impressive, declining from 3.3% in 2009 to 1.6% in 2019.

Our findings show that economic progress happens most quickly where the underlying institutional conditions are strong; while many aspects of Open Economies are improving, it is not universal, and Africa's progress does not match developments in other global regions. That is a challenge for not only the governments and citizens of Africa, but also the rest of the world, which needs the talents and resources of Africa to come into the global mainstream.

INVESTMENT ENVIRONMENT

The continent's investment environment has improved in aggregate for the past five years, with four of the six regions and a majority of countries having improved. Rwanda and Guinea have seen the most improvement, and exemplify the different ways in which the regions in Africa have improved. In East Africa, the depth of credit information has improved and the proportion of firms reporting difficulties in accessing financing has fallen by a third. On the other hand, West Africa has seen the majority of its improvement in the enforceability of contracts, with the quality of judicial administration having increased significantly, particularly in the last five years.



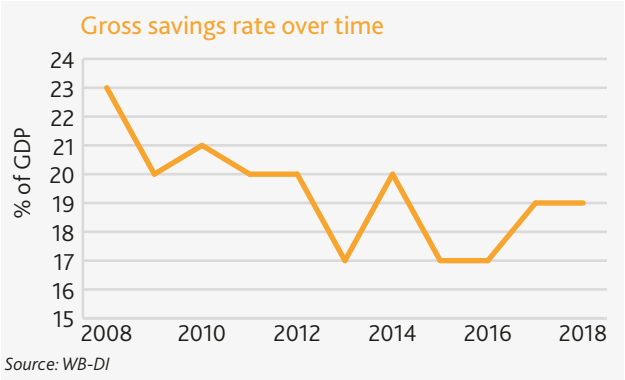
Source: IMF-FAS

Recognising their importance, the majority of nations in Africa have made concerted efforts to improve property rights over the last five years. For example, Guinea has enacted a number of reforms to make registering property easier, such as reducing the property transfer tax in 2014 and reducing notary fees the following year. The registration of land is a particularly crucial issue for many African states, as the majority of land in Africa, and especially in Central Africa and the Horn, is not registered or titled, meaning that citizens have no clearly defined capital of their own against which they can secure finance.

Contract enforcement has been improving across the continent for the last decade, largely through an expansion of alternative dispute mechanisms, which people feel are more accessible, impartial, and effective. Niger has been a stand-out performer, improving contract enforcement more than any other African nation in the last decade. Following the establishment of a commercial court in Niamey in 2015, the average time to resolve commercial disputes has fallen from 182 to 127 days since 2009. Judicial administration has also significantly improved, with new simplified procedures for managing small claims, limited adjournments, and alternative dispute mechanisms.

Notwithstanding the growth in income levels and the emergence of a consumer class on the continent, domestic stock markets are still dominated by financial institutions (banks), breweries, and construction (cement) companies, with telecommunications firms only selectively represented in some markets. Domestic markets also lack significant corporate debt issuance that would put international investors in competition with local institutions. The approach of domestic institutional investors to locally-issued government debt remains to buy and hold to maturity, while domestic financial institutions still exhibit a preference for lending to government entities over SMEs.

Technological solutions have already gone some way to ameliorating the issues surrounding the accessibility of finance for individuals and businesses alike. In Kenya, which has seen some of the most significant improvements to its financing ecosystems in Africa, the introduction of M-Pesa, the mobile payments system, has revolutionised financial inclusion. It is estimated that 93% of Kenyans use the service and, though the uptake was slower to begin with, Tanzania now also has 8.2 million users.



Source: WB-DI

General prospects for financing are highly likely to improve further from the liberalisation of financial services, as a result of the African Continental Free Trade Area Agreement (AfCFTA). The envisioned single market in services will facilitate the expansion of cross-border banking activity and transaction potential for a wider ecosystem. Regional supervision capacity may be tested, but a coordinated emphasis on financial stability will benefit the mobilisation of

resources and support increasing the domestic savings rates on the continent above the 19% of GDP average of the last two decades.

Along with greater regional integration, almost half of AU member states have lessened the restrictions they impose on foreign direct investment (FDI) more broadly. Guinea, in addition to enacting property rights reforms, has reduced the impact of regulations on FDI; experts now view them as less burdensome on businesses, and there has been a concurrent rise in the number of foreign-owned companies in the country.

MARKET ACCESS

Africa has increased its international market access, predominantly due to trade deals facilitated by regional economic communities, including COMESA, ECOWAS, and SADC. The African Continental Free Trade Area Agreement, which entered into force in May 2019, is the single most ambitious trade negotiation undertaken in Africa, and is potentially a powerful catalyst for growth on the continent. Estimates suggest that if implementation of the agreement begins in 2020, the share of intra-African trade will increase by nearly 40% by 2040.[4,5]

At present, intra-African trade represents only 10% of trade happening on the continent. It is hoped that AfCFTA will drive growth by allowing for growth in trade between African countries rather than — as hitherto — mainly to and from the continent.

It is expected that AfCFTA will also allow African states more say in determining the terms of trade for their products, and in standard-setting. Too often, economic diversification on the continent has been held back by European-centric trade policies, which penalise finished products. For example, South Africa has proposed that it should be easier to overcome potential barriers to creating regional manufacturing hubs, which would allow different countries across the continent to specialise in specific industries knitted together into a larger whole. There would be no need for every country, whether large or small, to produce every component of a given design.

The African Union's collective determination to travel quickly in this direction is significant and positive, but it will take sustained effort and leadership from the AU Commission, coupled with political and economic commitment from member states. The trade-facilitation work undertaken by Trade Mark East Africa (TMEA) in reducing transit times for goods across regional borders shows what can be achieved by a coalition of the willing.

INFRASTRUCTURE

In every region of the continent, communications infrastructure has improved substantially. The proportion of Africans using the internet has increased five-fold in the last decade, exemplified by the progress Morocco has made in growing bandwidth and expanding mobile coverage; in addition to very low costs for broadband access, mobile coverage and internet penetration in the country are now the highest in Africa. Mobile operators have upgraded the national backbone of networks, and the launch of LTE in 2015 has meant that mobile broadband uptake has been high, helping to integrate rural areas with the more urbanised parts of the country.

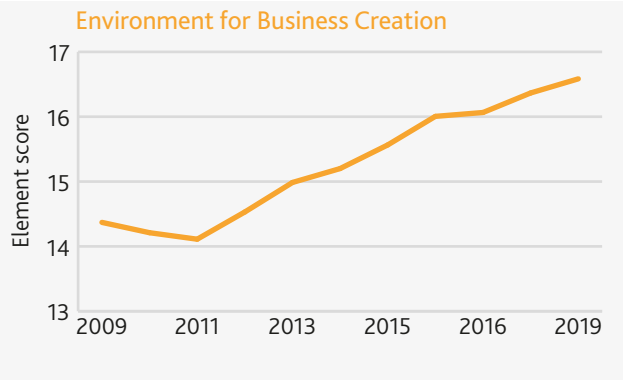
The continent has also seen a 9% increase in electricity capacity per capita over the last 10 years, though the connecting infrastructure has yet to reach rural areas in a meaningful way; 70% of electricity outside urban centres is supplied through mini-grid or off-grid systems.

Transport infrastructure is yet to improve significantly, though the African Union has recognised the importance of expanding this; one of the flagship programs under Agenda 2063 is to connect all African capitals and commercial centres through an 'African High Speed Train Network'.

Individual countries, too, have acted on the need for greater transport capacity. Djibouti, harnessing its latent geographical and strategic advantages, has managed to quickly open a number of new ports. The introduction of Djibouti International Free Trade Zones in 2018 includes upgrades to distribution and warehousing facilities as well as increased business support, and is expected to create 350,000 new jobs in the next decade. Improvements to the connectivity of the Port of Djibouti also mean that it is now considered one of the most sophisticated port complexes in the world.

ENTERPRISE CONDITIONS

The environment for business creation in Africa has improved substantially, and faster than other world regions. This is exemplified by Benin, Guinea, Togo, and Niger, which have taken on board World Bank recommendations. The success of this is evident; not only are they the four most improved countries in Africa, but their enterprise conditions are some of the most-improved among nations worldwide. These efforts to implement policy reform have been replicated across the continent, albeit to varying degrees; according to the World Bank, sub-Saharan countries implemented almost 800 reforms in the 15 years leading up to 2018.



The evidence also shows that, where countries make concerted and intentional changes, the results can be marked. Rwanda set out to improve its business environment over the past decade to better incentivise private sector-led growth, and it is now second in Africa in the World Bank Doing Business rankings, and 29th worldwide.

Kenya, too, has taken steps to improve its underlying conditions for enterprise, including reducing the time and costs of setting up a new business and merging procedures.[6] Policies driven by the Ghanainan government that have contributed to similar progress include: easier business registration supporting a growing contribution by SMEs; upskilling the workforce through a strengthened education system through to tertiary level; and attracting a returning skilled diaspora.

These are technocratic solutions, which can, for the most part, be imposed by fiat — but they require highly competent policymakers

and bureaucracies to unwind legacy regulation in the first place.[7] Creating this organisational capacity is, therefore, a first order issue for improving economic conditions on the continent.

However, increasing the ease with which businesses can be established and expanded, while important, is only one part of the issue. Market governance is, in many ways, the more important aspect of a successful environment for business creation; though it may be easy to start a business, whether or not an entrepreneur is permitted to start a business in a particular sector is another question.

A cornerstone of this is the contestability of domestic markets, which has declined across the continent. Introducing competition policy and privatising SOEs, which in South Africa have been deemed the country's "biggest and most dangerous economic stumbling blocks", is vital to opening domestic markets to entrepreneurs.[8]

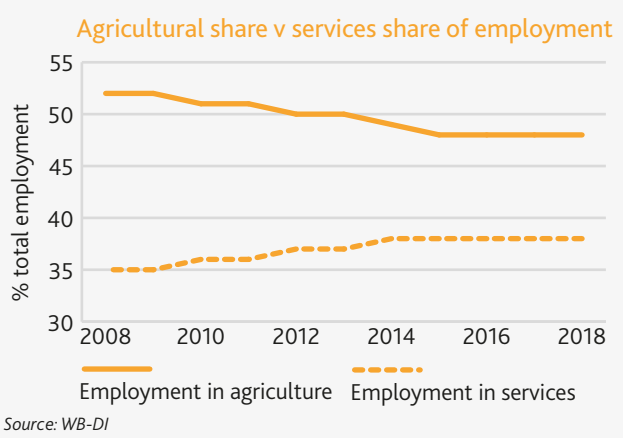
Côte d'Ivoire is exemplary in this regard, with President Ouattara having focussed on reducing the burdens of regulation, and increasing the contestability of the domestic markets; a competition law was legislated in 2013 to regulate the behaviour of dominant firms and, since then, the government has privatised a number of state-owned enterprises, including in the industrial and banking sectors.[9,10]

ECONOMIC QUALITY

Macroeconomic stability has declined in all regions of Africa. The macroeconomic outlook is being dragged down by poor fiscal management — budget deficits are now twice what they were a decade ago — and this is often papered over with debt. Additionally, gross savings rates declined by three percentage points between 2007 and 2017, down to an average of 19% of GDP.

Increasingly, African states are commercialising their debt, borrowing through the issuance of bonds. This strategy allows governments to avoid the 'strings' which often come with concessional financing from the World Bank or other IFIs, but poses a significant risk: unlike concessional debt, commercial debt is unlikely to be written off in the event of default.

Broad macroeconomic instability, including highly volatile inflation rates, has a knock-on effect for the continent's productivity, which is the lowest in the world. In spite of modest gains, output per worker stands at just above $15,000 PPP. The sectoral shift that is required to increase this productivity is happening, albeit slowly. In the last ten years, employment in the services sector has risen by five percentage points to 38%, though agriculture still holds a large share of employment in sub-Saharan Africa, having dropped only five percentage points (from 59% to 54%) in the same time frame.[11]



Source: WB-DI

This low productivity is also due, in part, to a continuing dependence upon resource rents, which is exacerbated by developed-country trade barriers for finished products. Export diversity has improved only marginally over the last decade, and the average value-add of exports has declined.

Botswana stands out in many ways as a successful counter-example. The country has diversified the sources of its government revenues,



Nairobi, Kenya.
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moving away from such a heavy reliance on diamond exports; with 70% now coming from services, Botswana is far less subject to the fluctuations of global commodity prices and more able to withstand future economic shocks. As a result, its risk premium has declined in recent years, as has its inflation volatility.

Finally, most new entrants to job markets across the continent are absorbed into informal lower-skilled employment, rather than higher-skilled formal occupations. Unemployment rates now sit at 7.2% across Africa, and 16.2% for its youth population. Of those in work, 70% are in vulnerable employment, and 37% are in extreme working poverty, defined by the International Labour Organisation as living on less than $1.90 per day. Not only are more jobs needed for the growing population, but those jobs must also provide people with work that can adequately provide for them and their families.

CONCLUSION

The component parts of a policy framework to enhance sustainable development and economic growth are generally well-established within an open economic model — built on the rule of law and a stable political and macroeconomic platform.

While attention in this context is often given to Africa's weak transparency and limited progress in addressing corruption, the range of factors facing business and investment is much broader. African countries also need stability and efficacy in their foreign exchange rules, tax and customs rules, regulatory frameworks, and visa systems. Where the right conditions are in place, domestic and foreign investment will flow. The case for recognising the enormous economic opportunities in Africa has largely been accepted around the world. Investors from all continents are now looking to move in and help unlock potential, but too often find the reality on the ground proves too complex or uncertain to navigate.

Across the four pillars of this domain, a pattern can be seen of increasing adoption of these frameworks where the state plays an enabling role, whether it be facilitating infrastructure investment, encouraging entrepreneurship, or reducing the regulatory burden on business. However, in the areas of economic governance that relate much more to the balance of power and addressing vested interests, such as market contestability or economic quality, progress has been weaker, and even negative in places.

The challenge is therefore to create business-conducive conditions that will allow the private sector to innovate, compete, and help turn Africa's rich resources into wealth-creating environments that will benefit their people. By creating a framework for attracting and building growth, African leaders can deliver the stronger economies and jobs that their own citizens increasingly demand.

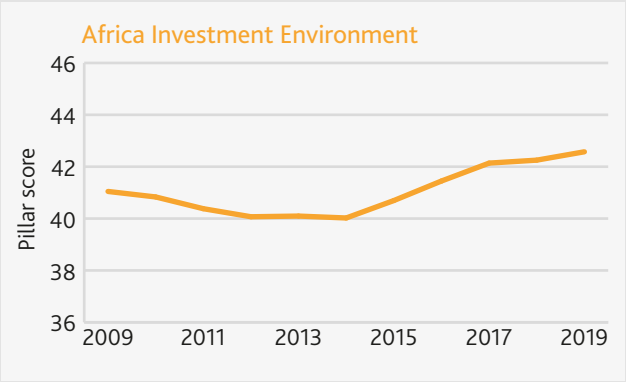
As always, each country has to work out how best to apply proven principles in its own context, in some cases moving beyond the legacy of previous era, or historic precedents that have caused hardship or stunted economic growth. A good example is Rwanda, where the legacy of the genocide against the Tutsi in 1994 has created a unique national model of regeneration and growth. While the resulting governance model cannot easily be transposed to other countries, the underlying principles of intentional market-friendly policymaking and efficient delivery of services can.

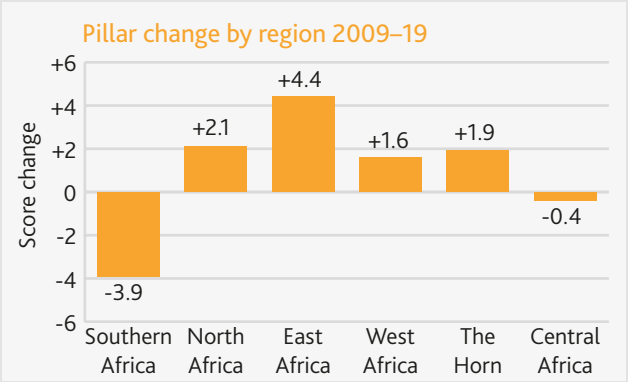
It may be instructive to compare the experience of other developing countries, but the best practice for any country will be a function of local history, infrastructure, capabilities, and existing policy frameworks. Products from around the world also need to be adjusted for African markets, where appropriate — what works well in densely populated Europe might not work as well across Africa.

The untapped resources of Africa are globally significant. It is the job of African leaders to work together and to find ways to unleash these resources without surrendering their people's natural wealth to others.



Investment Environment





Investment is critical for both developing and sustaining an economy. A strong investment environment will not only ensure that good commercial propositions are investable, but also that adequate capital of the right type is available for such investable propositions.[12]

Foreign direct investment (FDI) is increasing in Africa faster than anywhere else in the world. But despite being home to 15% of the world's population (and, perhaps more significantly, more than 50% of the world's poor), Africa's share of global FDI is still just 5%.[13] Persistent structural challenges mean that this imbalance remains today.

Southern Africa has the best investment environment in Africa. Its best performing country is **South Africa** (6th). Restrictions on international investment are relatively minimal, whilst contract enforcement and investor protections are strong. However, Southern Africa's investment environment has weakened significantly in the last ten years, in contrast to the trend of the whole continent, driven in the main by a decreased availability of venture capital and rules on FDI having more of an impact on businesses.

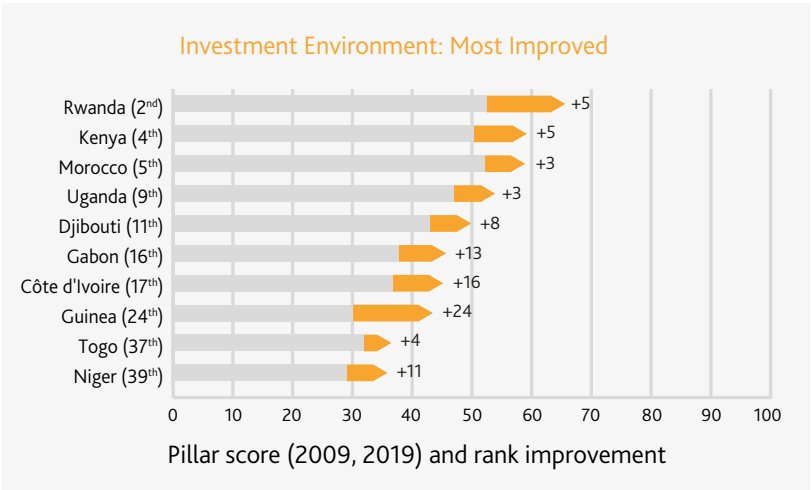
Central Africa has a weak, and weakening, investment environment, though some countries have seen improvements. Its best performing country is **Gabon** (16th), which has improved the most int he region, and fifth-most in the continent. Particularly weak is Central Africa's financing ecosystem, with finance for small and medium enterprises (SMEs) amongst the weakest in the world.

SOURCES OF IMPROVEMENT

Despite the weak performance on the global stage, Africa's investment environment has improved, with growth particularly concentrated in the last five years. Thirty-nine African nations strengthened since 2009, with **Guinea** (23rd) and **Rwanda** (2nd) growing fastest.

Improvement has been focused in the continent's financing ecosystem, which has strengthened at a rate exceeding that of world peers. The depth of credit information has grown, as has the strength of banking systems and capital markets, all of which has increased businesses' access to finance.

East Africa's investment environment has shown promising improvement, and it has been the fastest-improving region in Africa since 2009. It also contains Africa's top four performers, **Mauritius** (1st), **Rwanda** (2nd), **Seychelles** (3rd), and **Kenya** (4th). Business owners in the region are more optimistic about property rights, have more confidence in the soundness of banks, and credit information has grown from very low to be close to the best in Africa. As a result, the proportion of businesses in East Africa reporting problems accessing finance has fallen from 44% to 30% over the past decade.



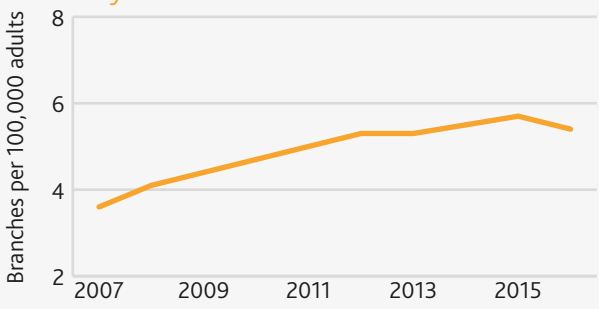
SUCCESS STORY: KENYA (4TH)

On the back of recent economic stability, Kenya has built a strong investment environment, rising five places from 9th to 4th in Africa over the past decade. Kenya's financing ecosystem has seen some of the fastest improvement in Africa. This has been driven predominantly by technological innovation, as entrepreneurs and investors alike benefit from the country's 'hands-off' regulatory environment.

This environment has allowed for novel solutions to common problems, like the revolutionary mobile payments system, M-PESA, which is used

by 93% of Kenyans, and processes 3.6 trillion shillings annually – a value equivalent to 49% of Kenya's GDP.[14] This platform has been exceptional in raising financial inclusion for both individuals and businesses without the need for a bank account, though the volume of transactions itself now requires new methods of regulation to protect against terrorist or other criminal abuses.

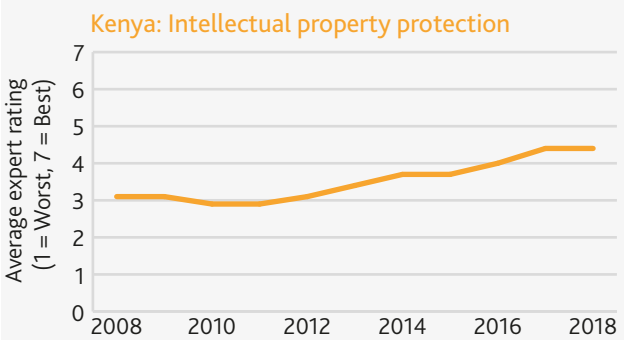
The service has allowed SMEs a far more streamlined process of accessing loans directly through their mobiles.[15] The depth of credit information and the financing of SMEs has improved; the proportion of firms reporting access to finance as a significant constraint has fallen from 42% to 17% since 2009. In 2012, just before the Commercial Bank of Africa first released a digital banking product (M-Shwari), there were 13,000 open loan accounts.[16] Between 2013 and 2015, on average, 27,400 loan accounts were opened per day.



Source: IMF-FAS

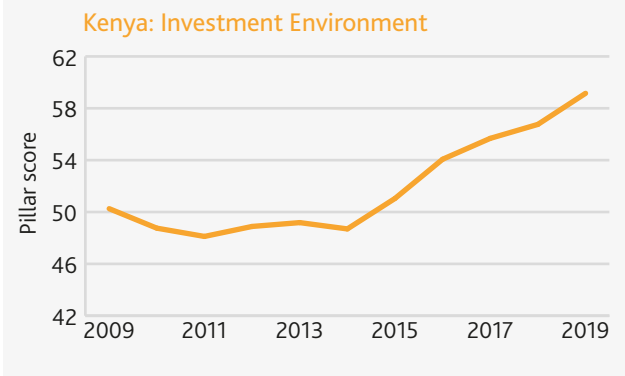
Property rights have improved since the 2010 Constitution, which created an independent National Land Commission to oversee land policy and historic title disputes.[17] While the Commission has been met with some resistance from a national government "determined not to lose control of management of and access to land", the process for expropriation of property and the quality of land administration have improved.[18]

The Kenyan government has also shown interest in improving the environment for intellectual property rights. The Kenya National Innovation Agency was set up, in part, to raise awareness of the importance of intellectual property rights, and to help companies to properly assess the value of products before they apply for patent protection.[19] Over the past decade, Kenya has gone from 39th to 8th, in terms of intellectual property rights protection on the continent, in part because of these dedicated measures.

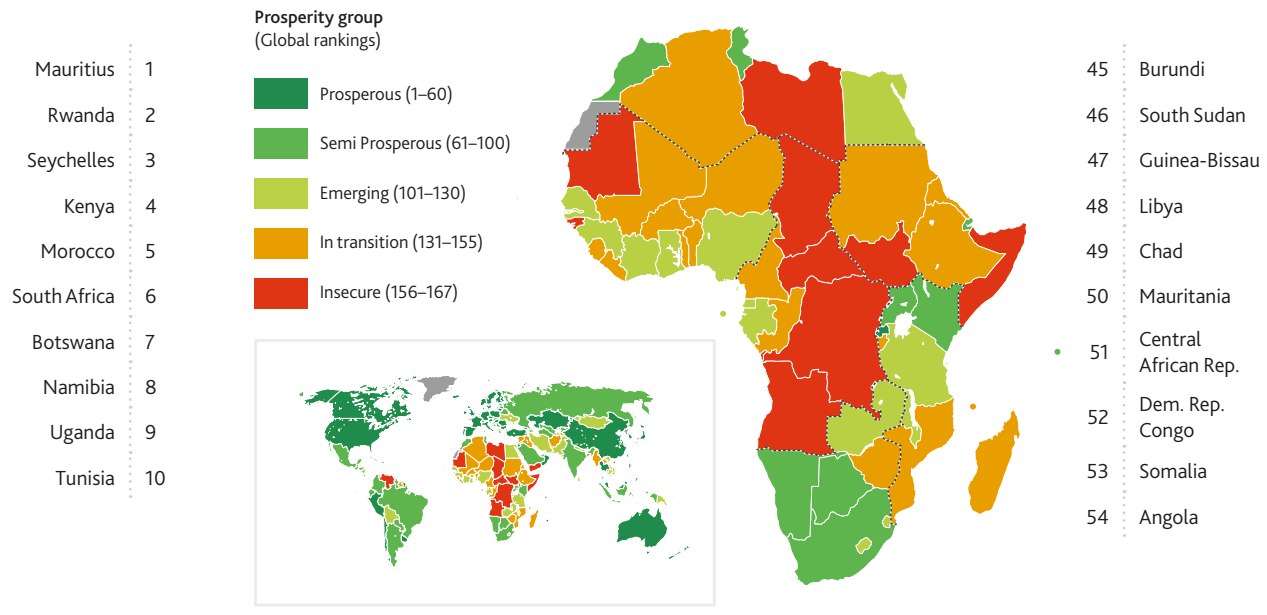


Source: WEF

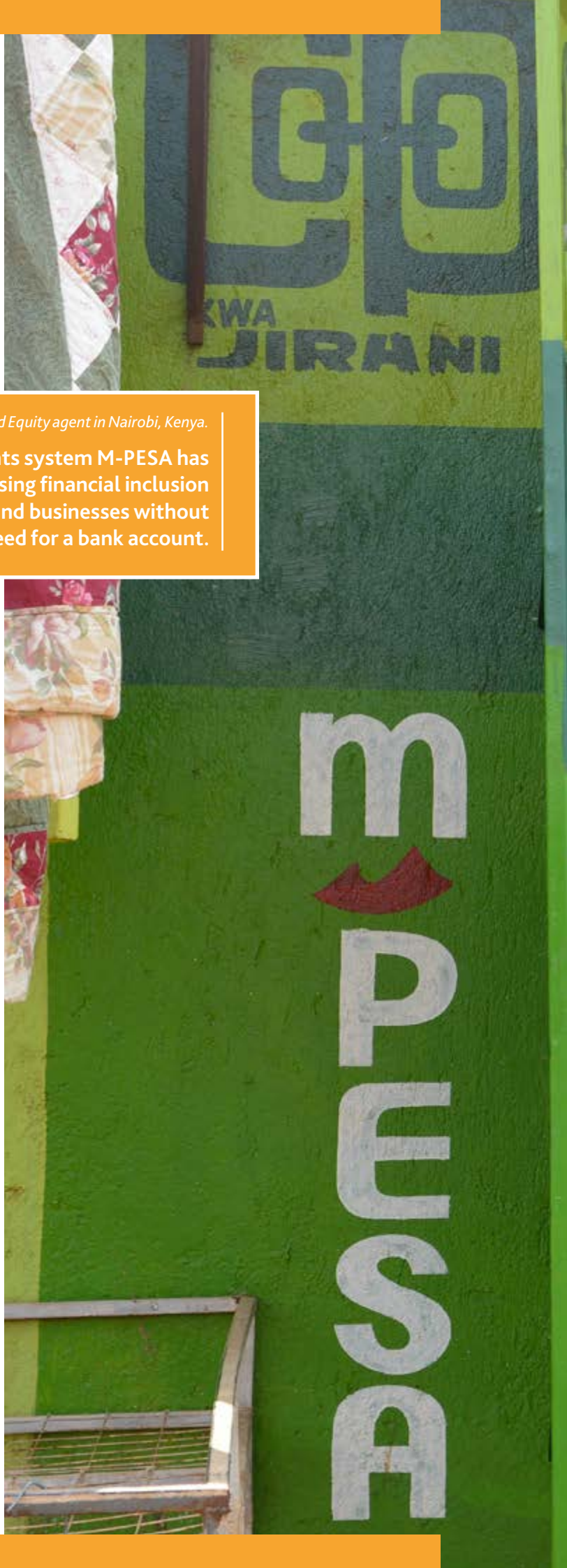
FDI has increased over the last ten years, from $2 to $14 per capita, though this is down from a high of $34 in 2011. With Dutch technical assistance, Kenyan authorities have simplified the process to register a company, a key step in ensuring investability.[20] Dutch and UNCTAD assistance has also been critical to setting up the Kenya Investment Authority (KenInvest), which has set itself the ambitious target of 150 billion shillings per year of investment in the country.



Investment Environment 2019



Despite these areas of relative progress, challenges remain. The country has been sending mixed signals over foreign investment; on the one hand, establishing Special Economic Zones around the country, and on the other, imposing local shareholding requirements for foreign investors in numerous sectors.[21] Vulnerability to terrorism is also a threat to investment, though the country has been able to reduce the frequency of incidents in the main urban centres of the country since the 2013 Westgate attack. Kenya's recent annulling of a 2016 law imposing interest rate caps may further benefit private sector investment.[22]



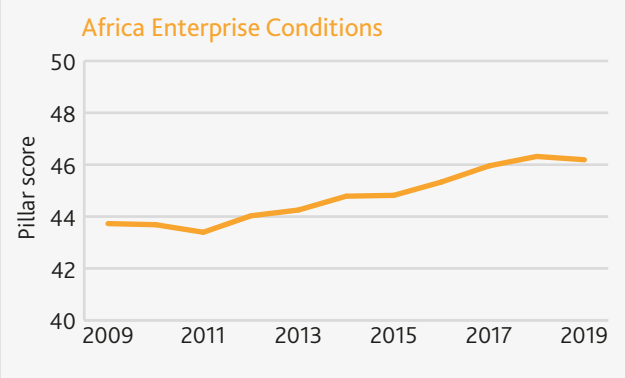
M-PESA mobile money and Equity agent in Nairobi, Kenya.

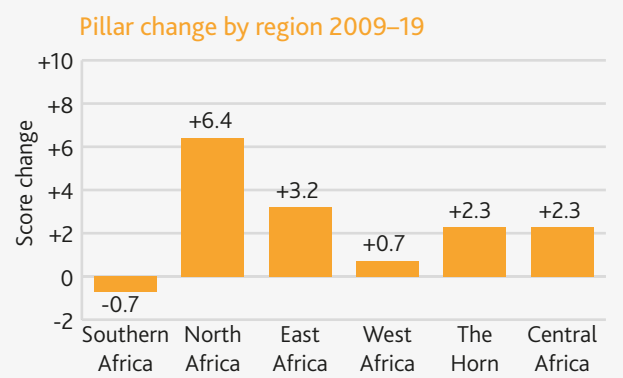
The mobile payments system M-PESA has been exceptional in raising financial inclusion for both individuals and businesses without the need for a bank account.



M-PESA mobile money and Equity agent, Nairobi, Kenya

Enterprise Conditions





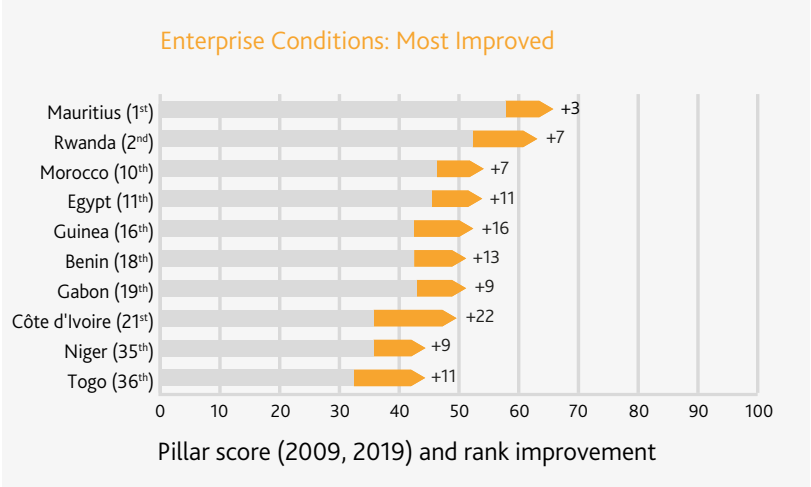
A healthy economy is both dynamic and competitive, in which business is supported by regulation and is allowed and encouraged to respond to the changing priorities of society. In contrast, and economy focussed on protecting incumbents will have lacklustre growth and job creation. Entrepreneurial importance will only grow as the pace of technological change increases and the number of people involved in that change rises. Given the pace of change inherent in the information age, a society's ability to react quickly to new firm- and market-level opportunities is critical to its overall prosperity. This entrepreneurial behaviour is especially important for the employment market and tax revenues.

Southern Africa has the best enterprise conditions in the continent. Despite the region having the least flexible labour markets in Africa on average, the burden of regulation is comparatively low, it has the best environments for business creation, and the contestability of domestic markets is not matched by any other region. However, conditions have faltered over the last decade, and where the burden of regulation was lessening significantly early in the decade, this improvement has stagnated. Domestic market contestability has weakened, as state-owned enterprises (SOEs) continue to exercise dominance over energy and mining sectors, and some of the region's strongest economies, including **South Africa** (3rd) and **Botswana** (7th), have struggled to improve their environments for business creation. Labour market flexibility in Southern Africa is also the weakest on the continent, characterised by struggling labour-employer relations, though business leaders' perceptions of the flexibility of hiring and firing practices and of wage determination have improved recently. Southern Africa was the only region in Africa to see enterprise conditions weaken over the last ten years.

Central Africa has the weakest enterprise conditions in Africa. However, they have been improving in the region in line with global peers. Central Africa is making positive changes in terms of the ease of starting businesses, the burdens of regulation have lessened, and labour markets are more flexible. Threatening the region's progress, as in much of the rest of the continent, is a lack of domestic market contestability. Market-based competition is low, as aggressive state interventions persist in countries such as **Angola** (50th) and **Cameroon** (37th). The IMF has warned against the deteriorating financial situation of SOEs in Cameroon as "a growing source of fiscal risks".[23]

SOURCES OF IMPROVEMENT

Enterprise conditions as a whole have been strengthening consistently for the last decade in each region of Africa, with the notable exception of Southern Africa. However, despite enterprise conditions improving overall in 43 countries since 2009, domestic markets are becoming less contestable. It is in this element that the greatest opportunities for growth lie.



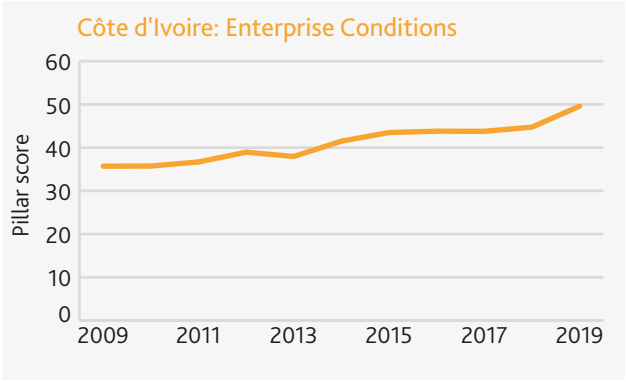
Africa's environment for business creation has been driving growth, faster than in the rest of the world. **Ghana** (6th), **South Africa** (3rd), and **Senegal** (13th) remain the three countries with the best environments for business creation, though most of the improvements have taken place in West African countries such as **Benin** (18th), **Guinea** (16th), **Togo** (36th), and **Niger** (35th). Indeed, these countries are not just the most-improved in Africa, but in the world, and have contributed to the fact that Africa has the second-fastest improving business creation environment after Asia.

North Africa is undergoing a series of reforms that may transform its entrepreneurial landscape, and

as a result has the fastest-improving enterprise conditions among African regions. The region has improved steadily since 2013, buoyed by new government support for SMEs.[24] There is now greater support for cluster development, reforms are making it easier to start a business, and the burden of tax regulations is reducing. Labour markets are becoming more flexible, and the burden of regulation is being reduced in places like **Tunisia** (20th) and **Morocco** (10th).[25] Work remains to be done to make domestic markets more contestable, and prevent private sector incumbents and state-owned enterprises from stifling competition.[26]

SUCCESS STORY — CÔTE D'IVOIRE (21ST)

Côte d'Ivoire's emergence from civil war over the last 10 years has corresponded with rapidly improved enterprise conditions, rising 22 places to 21st in Africa. With GDP growth averaging 7% annually since 2012, the country has been able to build its business environment through market-driven reforms.



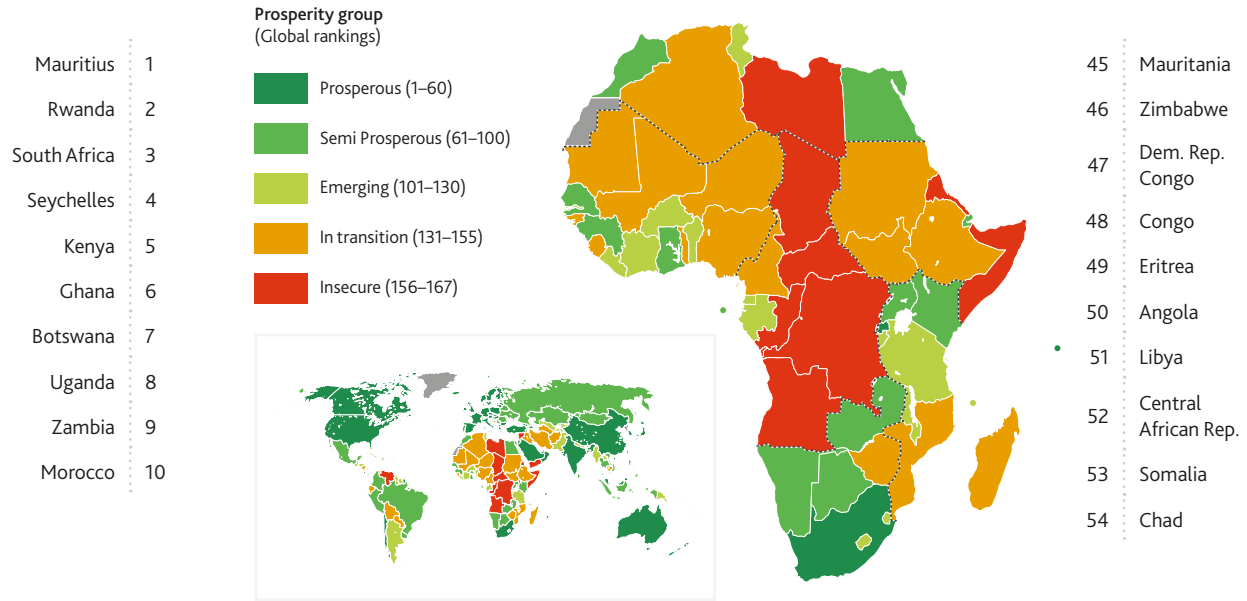
A decade ago, Côte d'Ivoire was still recovering from a civil war (2003-2007). The transition government, led by former President Laurent Gbagbo, had largely failed to reengage the national economy; structural deficiencies persisted in cocoa, coffee, and energy sectors; fiscal management lacked transparency; and there was a predilection towards "vested interests [and] the status quo".[27] The onset of the second civil war (2010-2011), during which time much of the economy descended into informality, eventually led to the deposing of Gbagbo, and current President Alassane Ouattara took power.

President Ouattara immediately sought to liberalise the economy, stamping out illicit trade that flourished during the civil war, and broke down state monopolies. A competition law was legislated in 2013 to regulate the behaviour of dominant firms.[28] Since then, the government has privatised a number of state-owned enterprises, including in the industrial and banking sectors.[29] Increased financial inclusion has stimulated competition in banking, for example, with foreign banks now making up four of the five largest financial providers in the country, accounting for 60% of the country's total assets.[30] Over the past ten years, the country's burden of regulation has improved from 46th to 32nd in Africa.

Business creation has become much easier in Côte d'Ivoire. The country implemented a single user identification number for business creation, as well as one-stop shops, where all administration procedures for business creation take place. Starting a business now takes as little as two to three days in the country (instead of the previous 32), a measure for which Côte d'Ivoire now ranks third in Africa.[31,32] Setting up a business costs only 15,000 CFA ($31), compared to over 600,000 CFA prior to reforms.[33] These measures have helped to improve market-based competition, which is now the sixth-best in Africa.

These reforms have come alongside a general easing of regulations and red tape that characterised Côte d'Ivoire's business environment in the past. Prior to 2009, registration requirements led to a culture of corruption that filtered through most of the public administration.[34] Today, the situation is far more business-friendly. Dispute resolution has become more transparent, aided by the digitisation of court submissions and publication of rulings from the

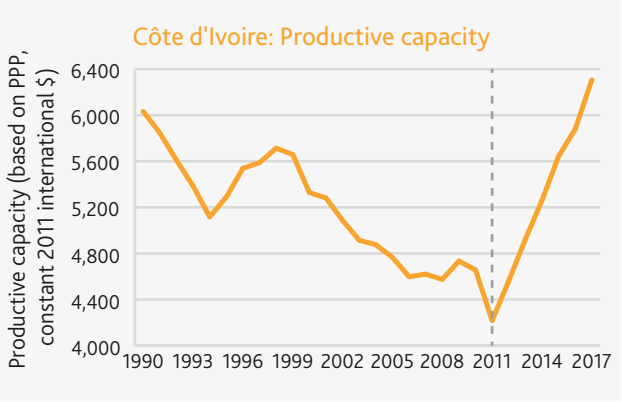
Enterprise Conditions 2019

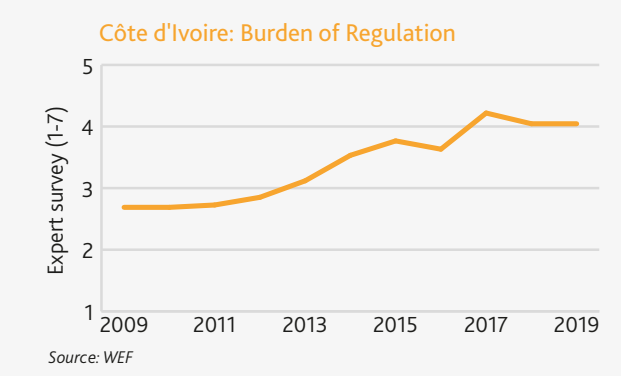


newly established Commercial Court.[35] Nonetheless, minimum price regulations persist in the important cocoa sector, which may damage Côte d'Ivoire's fiscal position and lead to lower demand.[36]

Côte d'Ivoire's Labour Code of 2015 has been received positively, with experts reporting an increased flexibility of contracts, and redundancy payments reducing from 49 weeks to 13 weeks of salary since 2009.[37] Partly due to this improvement, and partly because cooperation in labour-employer relations was already deemed to be strong, labour market flexibility in Cote d'Ivoire is among the best in Africa.

With this transformation in place, GDP per capita has grown at 3.6% per annum and FDI has grown 12% per annum in real terms over the last decade.





Source: WEF



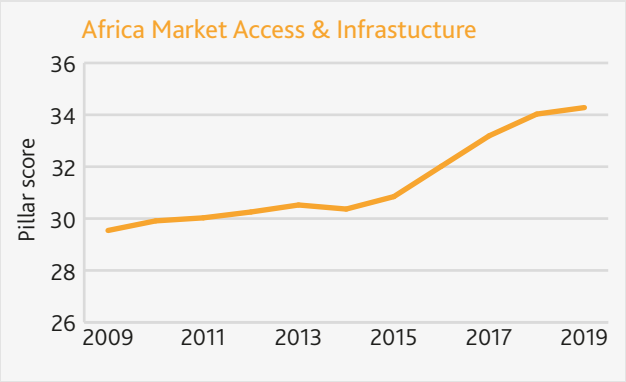
Abidjan, the economical capital of Côte d'Ivoire .

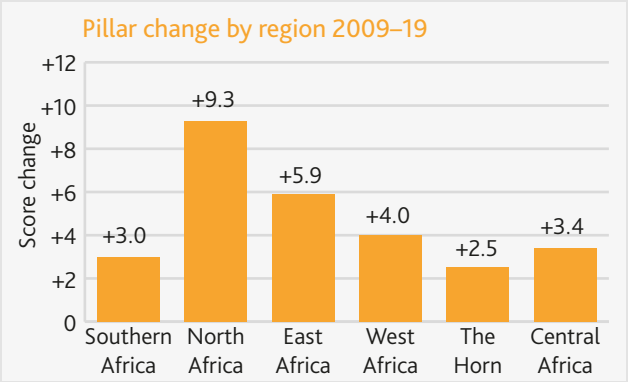
Starting a business in Côte d'Ivoire now takes as little as two to three days (instead of the previous 32), a measure for which the country now ranks third in Africa.



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Market Access and Infrastructure

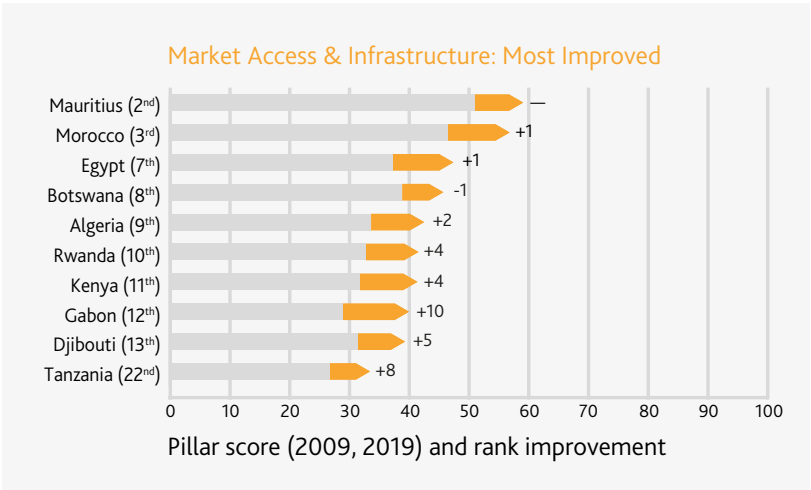




Market access and infrastructure measures the quality of the infrastructure that enables trade (communications, transport, and resources), and the inhibitors on the flow of goods and services to and from a country's trading partners. Where markets have sufficient infrastructure and few barriers to trade, they can flourish. Such trade leads to more competitive and efficient markets, allowing new products and ideas to be tested, funded, and commercialised, ultimately benefitting consumers through a greater variety of goods at more competitive prices.

North Africa has the strongest Market Access and Infrastructure in Africa. The pillar remained steady in the face of instability over the last decade, and transport, basic resources, and communications infrastructure all strengthened. Internet usage is by far the highest in Africa, having tripled from 15% to 47% of the population since 2009. The region also has strong trading links with both Europe and the Middle East, demonstrated through free trade agreements between the EU and **Morocco** (3rd), **Tunisia** (5th), **Egypt** (7th), and **Algeria** (9th).

Central Africa is the weakest region in Africa for market access and infrastructure. However, conditions have been improving, with internet usage rising from just 1% of the population in 2009 to 12% today, and electricity provision having improved both in terms of capacity and the ease of establishing a connection. Transport infrastructure in general is weakening, although port services have improved in **Gabon** (12th), **Republic of Congo** (36th) and **Angola** (37th).



SOURCES OF IMPROVEMENT

Market access and infrastructure strengthened across all regions in Africa over the last decade. Just five countries — **South Sudan** (41st), **Eritrea** (49th), **Mauritania** (48th), **Central African Republic** (50th) and **Somalia** (52nd) — saw market access and infrastructure deteriorate since 2009.

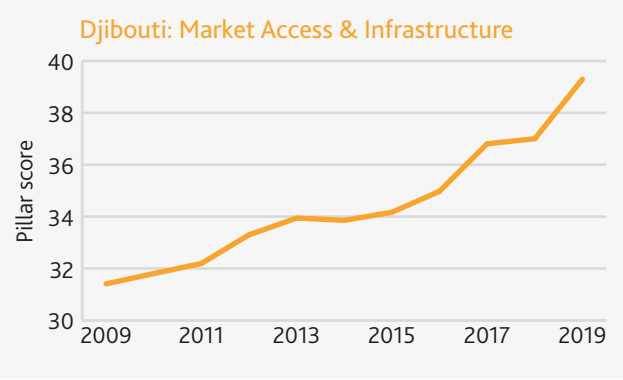
This improvement in communications infrastructure has been driving growth. All regions, and every country within those regions, have strengthened their communications, although there has been a big disparity across regions, with North Africa strengthening fastest. **Morocco** (3rd) has improved its communications most significantly in Africa over the last decade, and now has the greatest internet penetration and mobile coverage on the continent.

In The Horn, **Djibouti** (13th) has also strengthened, driven by growing internet bandwidth capacity. The proportion of citizens using the internet has risen from 2% to 56% of the population in just ten years. In neighbouring **Ethiopia** (32nd), too, market access and infrastructure has strengthened due to improving communications, but also better border administration, and better access to basic resources. It has become considerably easier to establish an electricity connection, and the time required to comply with border regulations has shrunk from 117 to 98 hours on average.

SUCCESS STORY — DJIBOUTI (13TH)

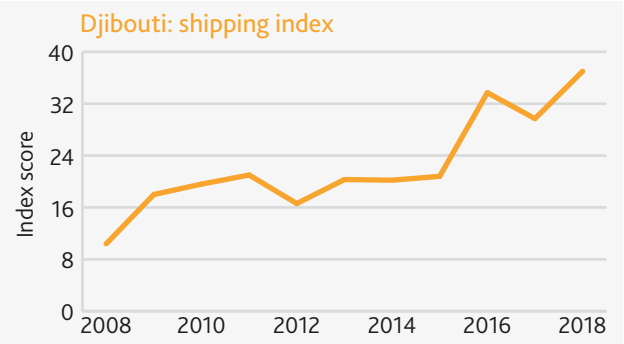
Over the last decade, Djibouti has improved its market access and infrastructure to better exploit its latent geographical and strategic advantages as a coastal city-state, improving from the 18th best in Africa to the 13th best. The country has deftly used foreign investment to develop its port infrastructure and improve its internet access, and has taken steps to improve its investment environment and underlying enterprise conditions as well. These steps have allowed Djibouti to benefit

from facilitating increased trade for one of Africa's fastest-growing economies, Ethiopia.



Continued investment in the sector and focussed government policy over the past fifteen years have left Djibouti with one of the most sophisticated port complexes in the world.[38] Building on its natural deep port, which is convenient for refuelling, Djibouti opened three new ports in 2017, with significant financial support from China and UAE. In 2018, the Djibouti International Free Trade Zones (DIFTZs) were launched, connecting its ports. As part of a $3.5 billion Chinese investment, the Zone includes an upgrade to facilities including distribution, warehousing, and business support, which is expected to create 350,000 new jobs over the next 10 years.[39] Liner shipping connectivity and logistics performance have both improved over the last 10 years, according to industry experts.[40] These improvements can be attributed directly to the foresight of the Djiboutian government, which created a hospitable investment environment, such that DP World, a Dubai-based ports company, felt comfortable investing billions of dollars in new infrastructure projects.[41]

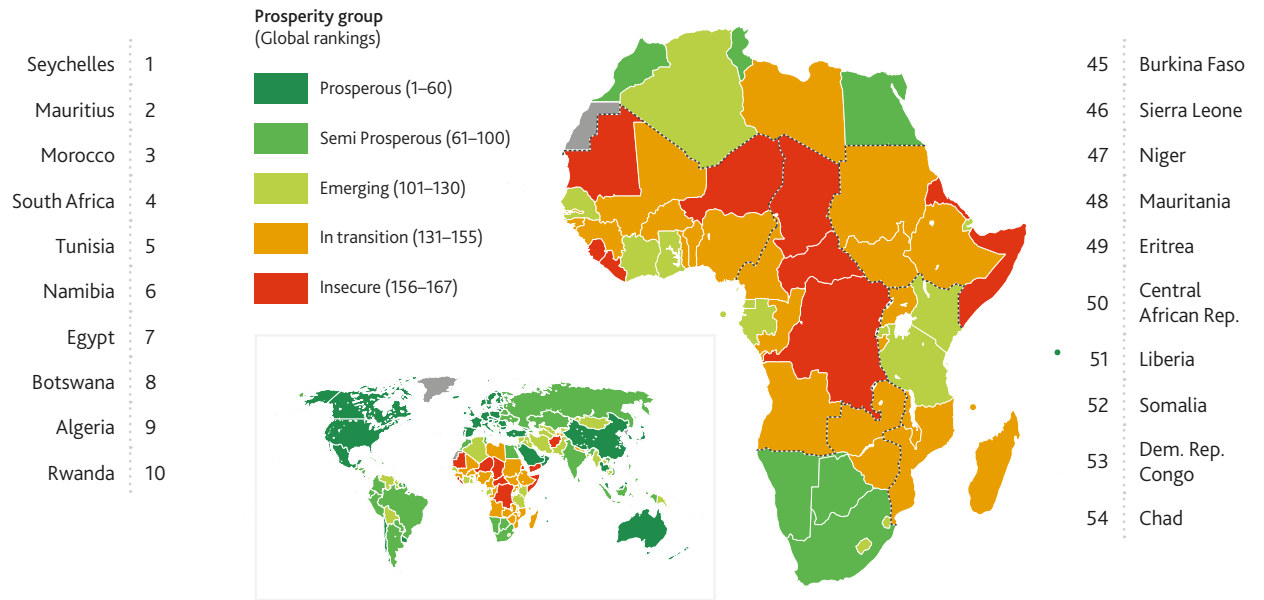
These investments have been economically justified by increasing demand for transhipment services from Ethiopia. Djibouti has long acted as the most reliable inbound trading partner for Ethiopia, and handles around 95% of its larger neighbour's inbound trade. Ethiopia's growing population, rapidly expanding economy, and water resources will cement its status as Djibouti's most important trading partner and ally. In 2018, a standard gauge railway was opened connecting the two countries, with early indications suggesting that freight capacity is greatly improved: a journey of 100 trucks that would take three days is now handled by two trains in 11 hours.[42] The two countries are also cooperating to improve border administration. The African Development Bank recently approved $98 million in funding for a transport corridor project between Ethiopia and Djibouti, including one-stop border posts.



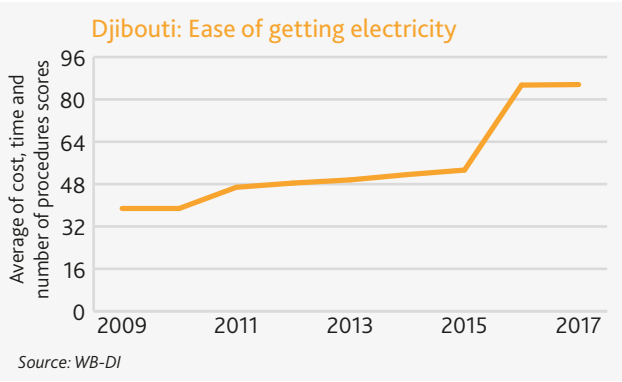
Source: UNCTAD

Electricity access has also improved, largely on the back of a 2011 deal between Ethiopia and Djibouti that provided hydropower to Djibouti. The state-owned electricity company now offers clients the possibility to pay connection fees in instalments, greatly increasing the ease of establishing a connection.[43] Internet usage has also benefited from Djibouti's convenient location, with the country able to connect to submarine cables between Asia and Europe. With the construction of further fibre-optic cables to the country, Djibouti will be able to leverage its position as a regional gateway for data provisioning.[44] Since 2009, internet usage has exploded; the proportion of Djiboutians using the internet has risen from 2% to 56%.

Market Access and Infrastructure 2019



Nonetheless, the country does face risks, and in spite of growth and investment, Djibouti cancelled its contract with DP World for Doraleh port in 2018, preferring to keep the terminal in the hands of the state. Others have suggested that the country might lose out if Ethiopia and Eritrea normalise trade, and other port options become open to Addis Ababa.[45]



Source: WB-DI

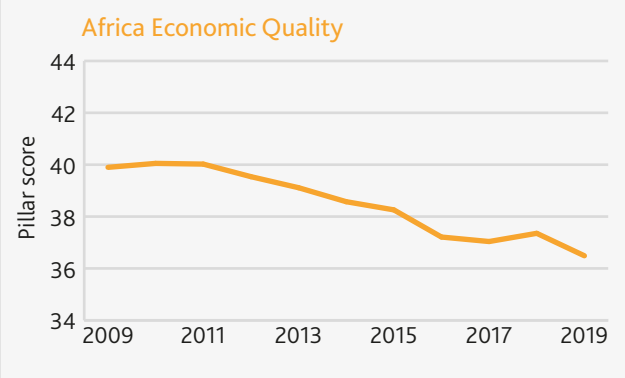
Workers at Doraleh Multi-Purpose Port in Djibouti unload grain.

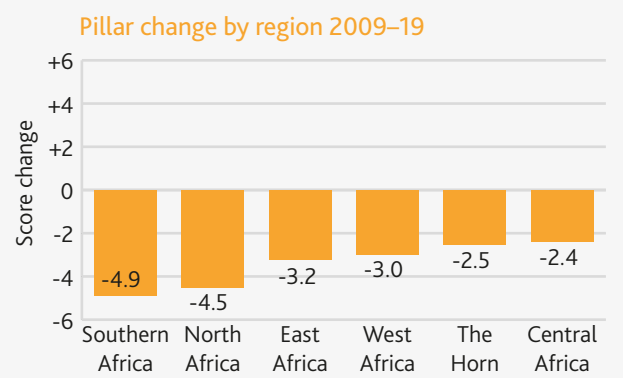
Liner shipping connectivity and logistics performance in Djibouti have both improved over the last 10 years.



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Economic Quality





Economic quality measures how well a country's economy is equipped to generate wealth sustainably and with the full engagement of its workforce. A strong economy is dependent on the production of a diverse range of valuable goods and services and high labour force participation.

Economic quality has weakened in Africa over the last decade, both overall and within each region. The drivers of this deterioration have been largely macroeconomic. Savings are down from 23% to 19% of GDP, governments are running larger deficits with growing debt, currencies have become more volatile, and GDP per capita growth has fallen from +3.8% to +1.5% per annum.

The strongest region in Africa is Southern Africa, with countries having a considerably higher average rank. However, economic quality in Southern Africa has deteriorated significantly since 2012, and although GDP per capita growth is less volatile than in the rest of the continent, it has shrunk to just +0.1% per annum on average over the last five years. Traditionally strong economies in the region, such as **South Africa** (5th), have performed poorly in the last decade. Labour force engagement is a particular issue, with a region-wide unemployment rate of 20%, and youth unemployment rate of 39%. Five of the seven highest unemployment rates in Africa are in the region: **South Africa** (5th), **Botswana** (2nd), **Namibia** (14th), **Lesotho** (16th), and **Eswatini** (15th). Inequality, a skills mismatch, and poor governance are all playing a part.

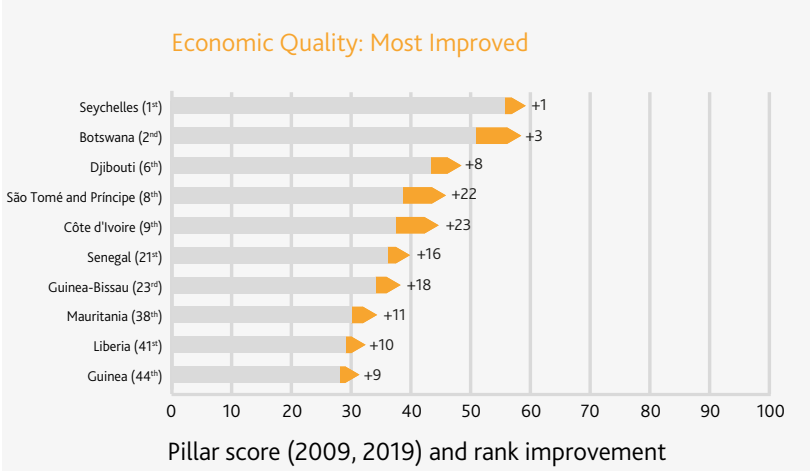
Central Africa is the continent's second-weakest region for economic quality. Over the last decade macroeconomic stability has weakened faster than in all other regions, with GDP per capita growth shrinking from +4.2% to +0.6%, and five-year average inflation up from 13% to 16%. One of Central Africa's most conspicuous weaknesses is in productivity and competitiveness, with labour productivity chronically low, sitting at just $7,300 (PPP) per worker, less than half the African average of $15,700. In **Chad** (39th), this figure sits even lower, at $5,000 per worker, and yet just six percent of the country's 49 million hectares of agricultural land is being farmed.[46]

SOURCES OF IMPROVEMENT

Despite overall decline across the continent, economic quality strengthened in 20 countries over the last decade. Ten of these were in West Africa, including two of the fastest improvers in Africa, **Côte d'Ivoire** (10th) and **Mauritania** (38th). West Africa strengthened its economic quality through improved productivity and competitiveness, with improvements in the quality of the region's exports, and a 7% rise in labour productivity, now standing at $13,200.

Southern Africa, though becoming less dynamic as a whole, is seeing certain improvements. The density of new businesses has recovered from a low of 3.8 businesses per 100 adults in 2013, to 6.8 in the present day. The number of patent applications in the region is also almost four times the African average. **Botswana** (2nd), with the third-highest dynamism in Africa, has seen new business density triple from 6 to 18 per 100 adults, as well as growth in the country's capacity to attract talented people.

East African economic quality has struggled in the last decade, but there have been signs of improvement within the pillar. The three island nations – **Seychelles** (1st), **Comoros** (36th) and **Mauritius** (3rd) – all improved in the last decade, along with **Rwanda** (7th) on the mainland. Macroeconomic



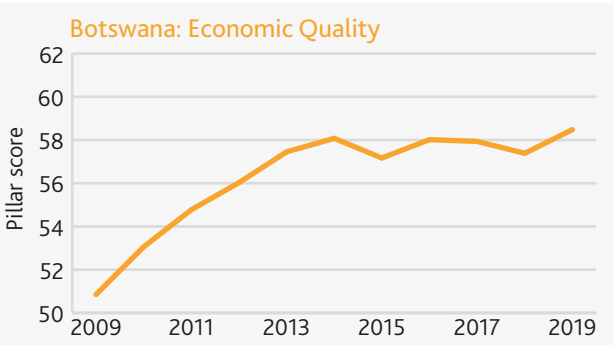
stability and labour force engagement are the best in Africa, and the latter is improving, with unemployment sitting at just 3.8% region-wide (although this figure masks the presence of underemployment and necessity-driven entrepreneurship). **Uganda** (25th) has seen labour force engagement improve substantially, with the proportion of waged and salaried workers rising by four percentage points, to 22%. East Africa as a whole has been able to drive up productivity significantly, mostly due to within-sector productivity growth such as transition from subsistence to cash-crop agriculture, rather than between-sector productivity growth such as structural shifts in an economy.[47]

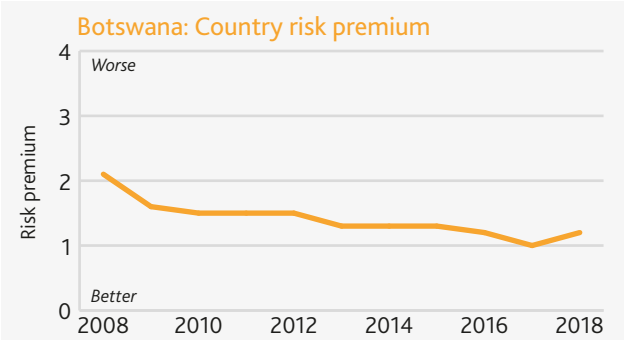
SUCCESS STORY — BOTSWANA (2ND)

Botswana's economic quality is 2nd in Africa, having risen from 5th a decade ago. Much of this success is built on the prudent management of wealth generated by the diamond industry; Botswana has one of the world's largest proven deposits.

Botswana's economic success story has been well publicised. As one of the poorest countries in the world at independence in 1966, the country has grown to upper middle-income status. While Botswana relies heavily on the export value of diamonds, which make up almost 92% of goods exports by value, minerals account for only one third of government revenue and a quarter of GDP (70% is now from services).[48] As such, Botswana is far less subject to the fluctuations of global commodity prices and more able to withstand future economic shocks. Botswana's risk premium has declined in recent years, as has inflation volatility, providing a more stable environment for doing business.

The government has successfully saved much of its mineral revenue, with the government budget deficit decreasing from -13.6% to -3.5% over the last 10 years. The government debt-to-GDP ratio has also declined over the past ten years, dropping from 18% to 13%.



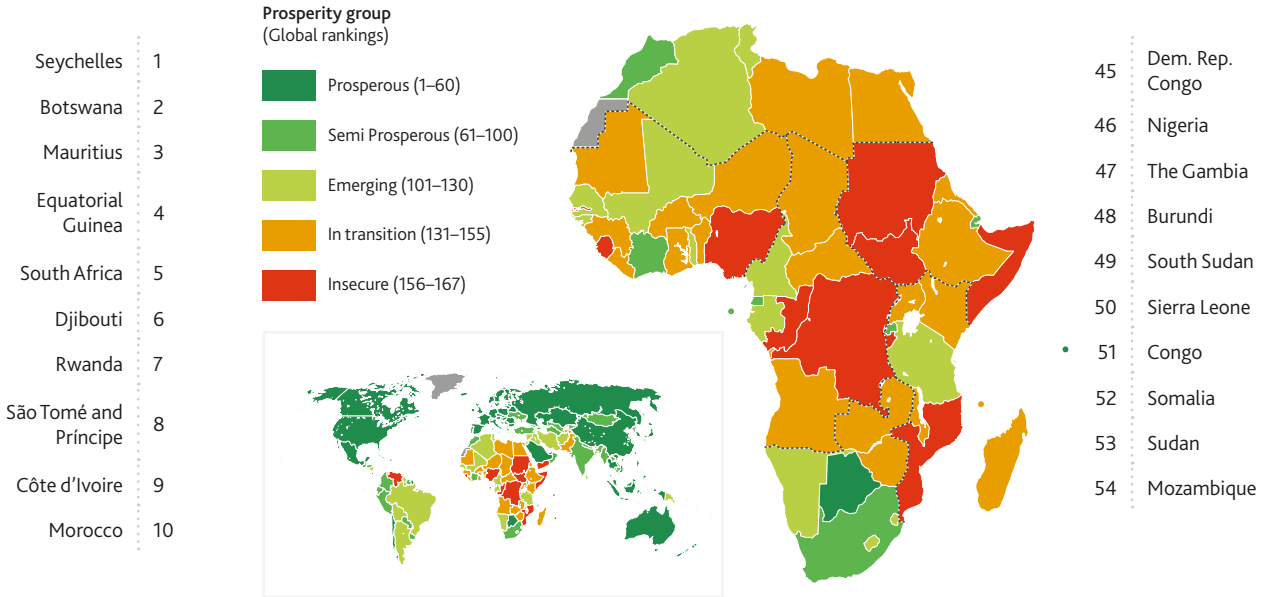


Source: AD

Botswana is reporting the highest number of new business registrations in Africa. With formal employment dominated by the public sector, entrepreneurship has traditionally been weak in the country. However, Botswana's new business density has more than tripled over the last 10 years, to 18 registrations per 100 adults, as new national entrepreneurial agencies are beginning to drive more people to start businesses.[49] Entrepreneurship can act as a catalyst for further diversification of Botswana's economy, with tourism and financial services increasingly important sectors of the economy.

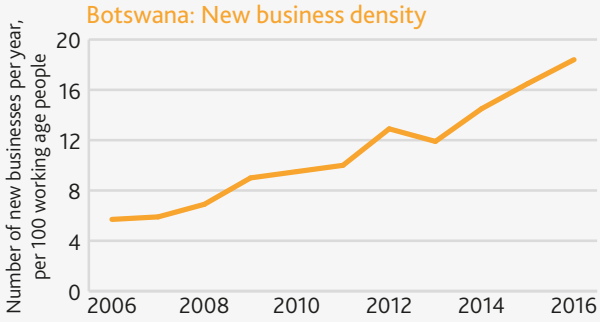
Botswana's labour force engagement is dominated by a high rate of formal employment (72%). The country operates labour agencies

Economic Quality 2019



for youth, women, rural workers, and SMEs, which provide training opportunities and facilitate technology diffusion. These agencies have been broadly successful, with the rate of female labour force participation increasing by over 10 percentage points to 69% over the past ten years. The country's large public service is governed by a single collective bargaining agreement, and during recessions, salary increases are frozen in favour of employee retention.[50]

Nonetheless, labour force engagement is weakened by increasing unemployment rates. The failure of the economy to diversify into a competitive, export-driven economy linked into regional value chains is feeding Botswana's high unemployment rate, particularly among youth.[51,52] Given its dependence on diamonds, Botswana risks exposing itself to market volatility associated with the industry. GDP contracted in 2015, which, despite rebounding in 2016, reflected the underlying risks in Botswana's economy. The high costs of doing business and small domestic market have hindered growth in the non-mining private sector.[53] Sectors likely to demand high labour intensity and lead to productivity gains, including commercial agriculture and manufacturing, have been hindered by Botswana's arid climate and isolated location.[54]



Source: WB-ES

Still, this model of development has been adopted by a number of wealthy OECD states, notably Norway. Prudent fiscal management and investment in social capital will help to ensure that the country's mineral inheritance provides prosperity for generations to come.





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A welder working in Gaborone, Botswana.

Botswana's labour force engagement is dominated by a high rate of formal employment. The country operates labour agencies which provide training opportunities to workers.

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An electrician repairs high voltage power linesforthe national electricity grid in Johannesburg, South Africa.
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Empowered People





Pupils in a speed school in Mali.

Defining Empowered People

The Empowered People domain captures the quality of the lived experience of members of society and the features present that enable individuals to reach their full potential through autonomy and self-determination.

This domain starts with the necessary goods required for a basic level of wellbeing, ranging from access to material resources, to adequate nutrition, to basic health outcomes, to basic education access and quality, and to a safe and clean environment. Many of these issues are inter-related, and we find the strongest relationship between education and living conditions. Each of the pillars in this domain differentiate countries' performance on these fundamental measures of social wellbeing to distinguish where greater numbers of people are disadvantaged and less likely to achieve wellbeing.

We examine the fundamental aspects of empowered people across four pillars, each with component elements.

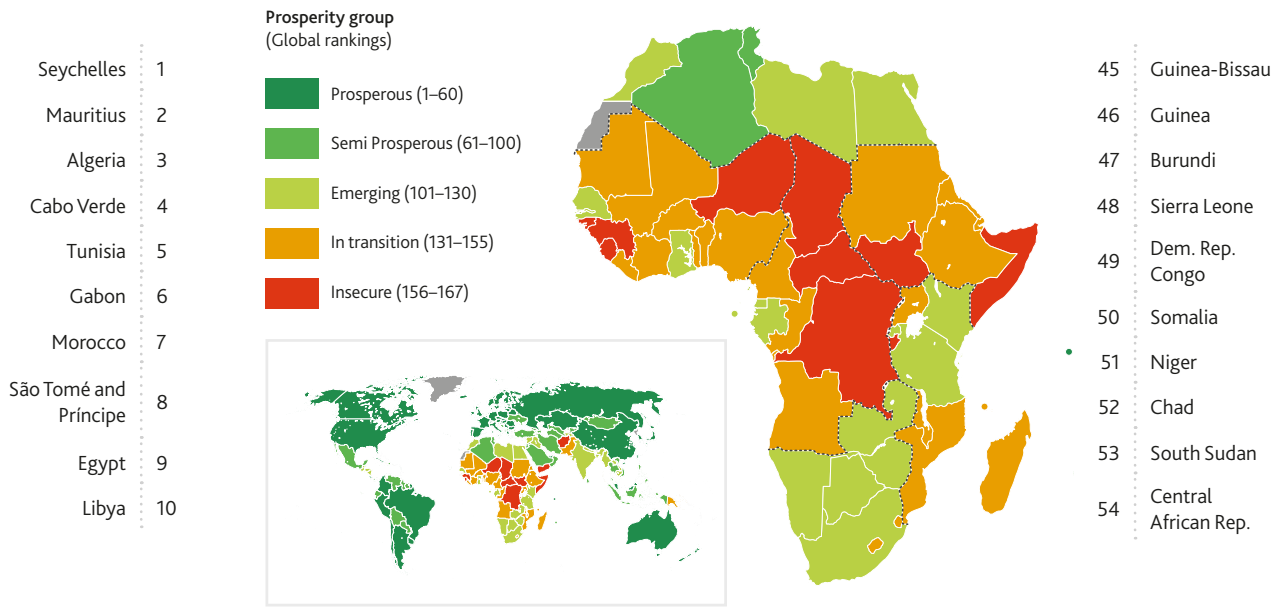
Living Conditions measures the set of conditions or circumstances that are necessary for all individuals to attain wellbeing. This set of circumstances includes a level of Material Resources, adequate Nutrition and access to Basic Services and Shelter. It also measures the level of Connectedness of the population, and the extent to which they live in a safe living and working environment (Protection from Harm). These allow the individual to be a productive member of society and to pursue prosperity, by ensuring they have the necessities of life central to a modern society.

Education measures the enrolment, outcomes and quality of four stages of education (Pre-Primary, Primary, Secondary, and Tertiary Education) as well as the stock of Adult Skills in the population. Education allows people to lead more fulfilling lives, and a better-educated population is more able to contribute to society. Over the long-term, education can help to drive economic development and growth while improving social outcomes and health outcomes, as well as leading to greater civic engagement.

Health measures the health outcomes of a population – including, the quality of both Mental Health and Physical Health, each of which affects Longevity – as well as the set of Behavioural Risk Factors that affect the quality of the population's health, and the quality of the healthcare provision through the lenses of Care Systems and Preventative Interventions. For a nation to truly prosper, its citizens must have good health. Those who enjoy good physical and mental health report high levels of wellbeing, while poor health keeps people from fulfilling their potential.

Natural Environment measures the elements of the physical environment that have a direct impact on the ability of citizens to flourish in their daily lives (Exposure to Air Pollution) as well as those that also impact the prosperity of future generations (Emissions). We also measure the extent to which the ecosystems that provide resources for extraction (Freshwater and Forest, Land and Soil) are sustainably managed. A well-managed rural environment yields crops, material for construction, wildlife and food, and sources of energy. We also measure the extent of Preservation Efforts, as these are critical to longer-term sustainability.

Empowered People 2019





A food market in Malawi.
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Improving systems, as well as outcomes

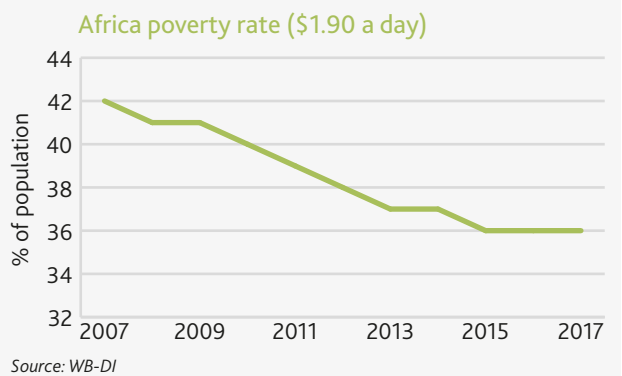
Social wellbeing in Africa is improving. Life expectancy is rising, mortality amongst children under 5 is decreasing, and GDP per capita is increasing. Though these singular measures of poverty and material wellbeing are useful, social wellbeing is far more complex and multifaceted. The success of Africa is that, even when viewing social wellbeing through a wider lens (such as including health and education), we see that the improvement is, by and large, consistent and widespread. These areas, in part because they are the most tangible, are benefitting from the significant domestic and international attention they receive, unlike other aspects of broader prosperity.

The improvements in living standards, education, and healthcare are not just happening at the continental level, which obscures much of the variation and patterns, but each region (and nearly every country) of Africa is improving across the four pillars measured here — and doing so at a faster rate than most other world regions.

While such progress is welcome and commendable, however, the remaining challenges must not be underestimated. Improving institutions and governance, coupled with economic growth, remain the best pathways for building up the necessary capacity and reducing reliance on external support.

LIVING CONDITIONS

By some measures, the strongest gains for Africa have been made under living conditions. Extreme poverty, which has long been the focal statistic for the developing world, is down to 37%. This was 41% in 2009, and is a continuation of the downward trajectory from 50% in 1990. However, despite more people than ever before having access to water, sanitation services, and electricity, Africa's impressive population growth has meant that the absolute number of people in extreme poverty has been increasing, up from 280 million in 1990 to 413 million in 2015.



Source: WB-DI

The reductions in the proportion of people who are in extreme poverty has coincided with an increase in the percentage of people who are able to live on their current household income in 29 of the African Union's member states, though some other measures have seen declines, such as the availability of adequate shelter.

The continent as a whole has seen improvements in the extent to which people are connected to each other. The proportion of households with a cellphone has almost doubled in the last decade to 81%, and people are increasingly able to access electricity. Eswatini has been a stand-out improver in this regard, increasing the proportion of the population with access to electricity by 20 percentage points, in part because the cost of setting up an electricity connection is less than a fifth of the sub-Saharan average.

With clear links to conflict and weaker government capacity, nutrition, an area in which Africa has weakened over the past five years, and basic services (including the high rates of non-provision in many countries of water, sanitation, and shelter) have also seen declines. On the other hand, access to a water supply may be increasing, but ensuring that this is not a cause of death is still a major challenge.

There have, in spite of this, been some notable successes. Even with rapid democratic declines under President Magafuli in recent years, Tanzania has been a good example of improving living standards, with the country's 2010 poverty reduction strategy playing a key role in this.[1,2]

HEALTH

Standards of health and healthcare are improving across Africa. Key indicators, like life expectancy, infant mortality, and child mortality are all improving, as is the prevalence of communicable diseases. Though Africa still has relatively weak health outcomes, it is important to recognise that healthcare systems have become stronger, the density of health practitioners has increased, more births are attended by skilled staff, and treatment coverage for tuberculosis and antiretroviral therapy programmes is becoming more widespread.

The average infant mortality rate across Africa fell from 83 to 45 per 1,000 live births between 1999 and 2019, and it is this that has driven much of the overall improvement in the average life expectancy across the continent. Though the historic international benchmark time required to reduce the rate from 83 to 45 per 1,000 live births has been 20 years, it took Botswana only 14 years — an impressive pace of change that was sustained for 29 years between 1960 and 1989. It is the challenge of those countries that have not yet reduced their infant mortality rates to follow in the footsteps of Botswana.

To the extent that health outcomes have improved in recent decades, they have done so largely as the result of technological innovation and external intervention. The creation and widespread distribution of vaccines for common, and previously life-threatening illnesses (e.g., polio), have helped to keep millions more people alive. African states have benefitted from the availability of these vaccines, without yet eliminating many of the underlying problems that cause disease (standing water, poor nutrition, inadequate sanitation facilities). Such preventative measures require a huge

institutional push, both in terms of technical know-how, and in terms of resources. At present, tax revenues are generally insufficient to cover healthcare expenditures, which are almost universally lower than recommended by the WHO; as of 2014, there were 22 African states who still used external resources for more than a quarter of their total healthcare expenditure.[3]



Instead, Africa's growing prosperity has brought a new and complex challenge in the form of non-communicable diseases (NCDs), like diabetes and heart disease — conditions which even the wealthiest healthcare systems in the world struggle to deal with, often requiring expensive and continuous treatment for decades. It is estimated that the combined reduction in deaths due to communicable, maternal, perinatal, and nutritional diseases and the rise in deaths due to NCDs will lead to an inflection point by 2030.[4] This puts additional strain on health services, precisely where population pressures are already heaviest. It also diverts resources from tropical diseases which still afflict large swathes of the continent. The Ebola crisis in the Democratic Republic of Congo shows how quickly a single epidemic can overwhelm available health resources, even with enormous technical and financial support from the international community.[5]

In Africa as a whole, deaths from NCDs have risen from 29.4% (of all deaths) in 2010, to 33.5% in 2015.[6] This transition represents an increasing burden on national health systems, which are often understaffed and undervalued, and with continued economic growth, this is an increasingly pressing issue for many nations. More people are moving to cities, which means more toxic air quality, access to a wider range of consumer goods with detrimental health effects, and a more complicated and more stressful life. Djibouti, having opened the first faculty of medicine at the University of Djibouti, has gone some way to addressing this challenge; it has seen the number of medical staff double between 2008 and 2017, and, over that time, there has been a concomitant drop in the proportion of people who report physical health problems.

The increases in healthy life expectancy in Africa, while on one hand a strength in that people are receiving better treatment for NCDs, also represents a growing welfare cost that must be met if the continent is to continue to develop economically. In North Africa, the economic cost of the increased life expectancy is estimated to be 25% of GDP in lost output.[7] The rest of the continent is seeing levels rise in a similar fashion, and as the double burden of disease sets in across Africa, weak health systems are faced with an ever-steeper task of reversing the decline in physical health.

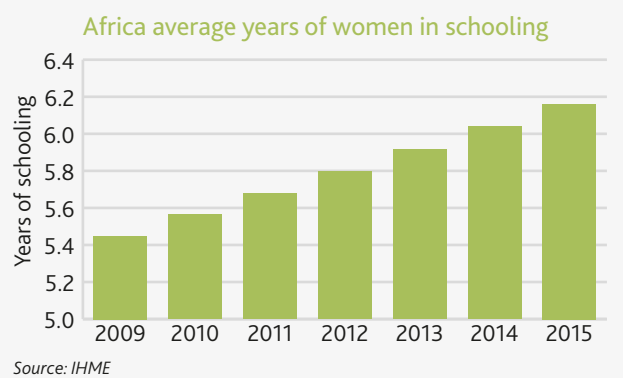
Improving health in Africa does not only rely on the health sectors, but also cooperation from all stakeholders, from local communities right through to national governments. At present, the lack of funds and management to enable effective screening means that large numbers of people with diseases are not diagnosed, and still fewer receiving treatment. In the words of Dr. Khama Rogo, head of the World Bank's Health in Africa initiative, "Non-communicable disease management is one of the most inefficient areas of expenditure on this continent."[8]

Botswana's decentralised model of healthcare, which prioritises primary care, has proved to be very effective in tackling one of the major challenges for healthcare in Africa - a sparsely distributed population. This model has ensured around 95% of the total population live within 8km of a health facility, and the mortality rate of those aged between 15 and 60 has halved in that same time.

EDUCATION

Access to education has improved steadily over the past decade, with the number of children both enrolling and completing their education at each level going up. $12 billion in aid was spent on education initiatives in 2017, and education remains one of the UK Department for International Development's signature issues.[9] While it is more difficult to quantify the impact of aid on education than health, it is clear that primary school education is the level at which aid dollars have the highest impact, in terms of enrolment.[10,11]

Primary school enrolment rates in Africa have risen from 62% to 78% over the last 20 years, increasing in all but 14 African countries between 2000 and 2013. Notwithstanding this progress, it must be recognised that of the world's primary-age children not in school, more than half are in Africa, and it is estimated that 9 million girls between the ages of 6 and 11 in Africa today will never go to school.[12,13] The urgency of this predicament is illustrated by UNESCO, which argued that world poverty levels could be halved if all adults completed secondary school.[14,15] Just one additional year of education in sub-Saharan Africa is estimated to increase later earnings by 13%.[16] It is estimated that access to just a primary education for girls in the majority of Africa would lead to a reduction in maternal mortality rate of 70%.[17]



Source: IHME

The quality of that education has been more difficult to improve. The increasing demand for education caused by population growth and other factors has restricted the quality of education received, in both rural and urban areas. A recent UIS study in Africa showed that across the continent, the majority of children at primary level (and a significant proportion at secondary level) who were not learning — defined as not meeting minimum proficiency levels (MPLs) — were

actually in school.[18] Of second grade students (age 7-8) assessed on numeracy tests in several sub-Saharan African countries, 40% were not able to complete a single-digit sum, and a significant proportion could not read a single word.[19] Moving up to sixth grade (age 11-12), less than 50% of students score beyond the level of 'reading for meaning', and less than 40% beyond 'basic numeracy'.[20]

A World Bank case study published in 2015 stressed that economic growth in developing countries "hinges on the human capital fostered in secondary and tertiary education".[21] Tertiary education in Africa is certainly on the ascendancy, especially in the northern nations of the continent. However, for that capital to be spread around the continent, access to quality tertiary education in which students are prepared for the labour market must receive greater focus in sub-Saharan Africa. Across the continent, levels of demand for access to higher education are higher than ever, and in an increasingly knowledge-based world economy, this is a need that must be met in order for nations to continue to grow. The trend over the last decade has been a positive one, with enrolment in tertiary education now at 13.6%, up from 9% since 2009.

In common with other regions of the world, there is a mismatch between the demands of African employers and the skills with which young people are equipped in school. Higher education does not guarantee better employment prospects in the majority of African countries, and there is a case for a step-change in the scale of approach, including participation from the private sector, to find ways to bridge that gap.[22] This could be seen as investing into Africa's human capital with the same drive and urgency that public and private sector effort and funding have been put into accessing the continent's raw mineral and other resources.

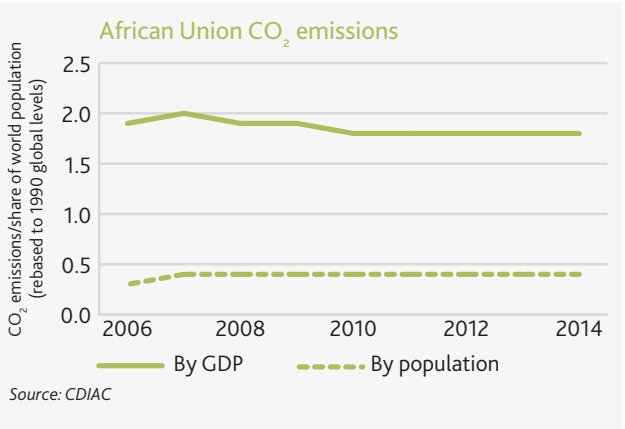
Following targeted investment and a huge expansion in levels of access, Ethiopia has been an excellent example of successful reform in the education system. The country's Early Childhood Care and Education framework has been a particular triumph, with the involvement of local communities causing the number of children accessing pre-primary education increasing seven-fold over the course of just four years.[23]

NATURAL ENVIRONMENT

African nations are tackling the numerous challenges of climate change and environmental degradation, such as increased emissions, desertification, overfishing, and coastal erosion, head on. In addition to symptomatic treatment, Africa is greatly improving its preservation efforts; the extent of marine, freshwater, and terrestrial protected areas is close to 50% on average across African countries, which ranks Africa second globally, behind only Western Europe. The Great Green Wall Initiative, which aims to prevent further desertification in the Sahara and Sahel, is another such preservation effort and, bringing together more than 20 countries, is an excellent example of the multilateral cooperation needed to address these challenges. Member states of the Initiative across the continent have made significant gains, with 12 million acres of degraded land having been restored in Nigeria, and recent efforts in Ethiopia seeing a record-breaking 350 million trees planted in the space of 12 hours.[24,25]

While Africa bears a disproportionate brunt of the damaging effects of global climate change, other aspects of Africa's natural environment are nonetheless domestic issues, with large ramifications for the health of the continent's population. Whereas CO2 emissions in Africa are lower per capita than in other areas of the world, Africa has the second-highest level of per capita black carbon emissions, after Asia. This is a by-product of burning biomass fuels for heating and cooking, as well as the result of dirtier industrial practices, and this has resulted in increased exposure to fine particulate matter (PM2.5) over the last decade. Africa's natural environment challenges are therefore not only restricted to potent climate pollutants, but include significant harm to physical health.

Several countries on the continent (notably Gabon and DRC) still have reasonably low levels of emissions, although this is primarily because of a lack of economic development. Among the future challenges for Africa is how to grow economies, especially through generating more energy, without adding substantially to global carbon levels.



Source: CDIAC

Of concern for the continent are declining renewable water resources, which have shrunk by 29% per capita compared to a decade ago. According to the Falkenmark measure of water scarcity, only eight countries in Africa were suffering from water stress or scarcity in 1990.[26] Since then more have moved from surplus into stress, and a 2012 forecast estimated that by 2030 as many as 250 million people in Africa will be living in areas of high water stress, though high spatial resolution studies suggest that these typical measures of water scarcity underestimate the experienced water scarcity due to seasonal fluctuations.[27,28] This in turn could displace many more from their homes, as water is such a key component of food production.[29] Physical scarcity is one part of the problem — being arid, Africa is highly susceptible to climate effects such as the El Niño Southern Oscillation, which can lead to protracted drought in some areas.[30] Lack of finance or technological input is also significant, because though many countries do have sustainable water resources, they do not have the means or the funds to make it available to those who need it.[31]

Access to scarcer water resources is being seen as a growing driver of potential and actual conflict, both within nations and across international borders. Some such areas are well-established, but are spreading in size for lack of adequate management — such as the tension generated by nomadic herdsmen in Nigeria and neighbouring countries, which is increasingly spilling over into communal violence. In the Horn and North Africa too, the strategic water management issues generated by the Grand Ethiopian Renaissance Dam (GERD) being built across the Blue Nile need continuing deft

tripartite diplomacy between Ethiopia, Sudan, and Egypt to ensure national security sensitivities are protected.

Of particular note have been Tanzania's efforts at addressing environmental degradation and biodiversity loss; the country now leads Africa for the extent of its preservation efforts, with the proportion of the nation's forest under a management plan having increased from 25% to 85%. Though there are governance issues associated with these largely community-led plans, regionally-focussed organisations such as Farm Africa have made progress in helping these communities to become more sustainable and self-sufficient.

CONCLUSION

It is worth noting that governments around the world face similar challenges to those identified under this domain — for example, matching education and training to skills gaps in their economies, or finding ways to boost economic growth while on a pathway to reduced or zero carbon emissions. Those are issues which will test even the most effective and harmonised systems. However, a number of other problems are increasingly specific to Africa and highlight the inability of leaders in one or more countries to provide basic building blocks for their people, including peace and stability as the foundation for basic services, growth, and prosperity.

Improving health and education provision are indicators of better governance and stronger institutions, or lack of the same where services are not provided. While sometimes criticised for an autocratic approach to governance, Ethiopia is an example of an intentional system, which is strong enough to deliver real and sustained benefits to citizens. As such, Ethiopia has been the recipient of significant external donor funding, on the basis that it is used effectively for the purpose intended.

Taking the continent or individual countries to the next level would see healthcare and education funded and run domestically (from tax revenue) rather than dependent on donor assistance. Such self-sufficiency is critical to the continent's long-term prosperity, as the health and education of Africa's workforce will help to determine its success over the coming century. Such policies would in turn stem from and contribute to the cycle by which competent governments attract investment and growth, creating jobs and fuelling a more prosperous population, who in turn will demand higher standards of leadership.

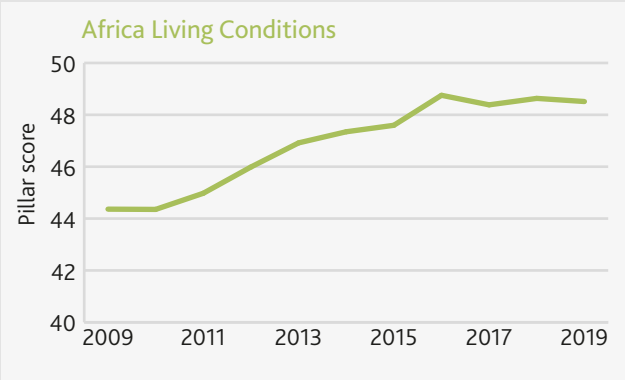


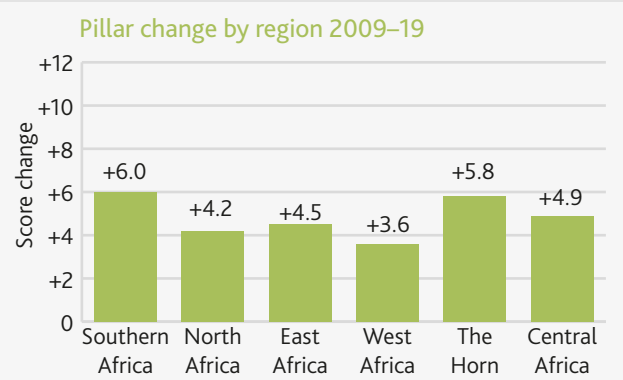
A park ranger working in the Tarangire National Park in northern Tanzania.

Tanzania now leads Africa for the extent of its preservation efforts.

Shutterstock.com/LMspencer

Living Conditions





The Living Conditions pillar captures the extent to which citizens' basic needs are met. It represents a key output measure, as building prosperity can only be considered a success if a reasonable quality of life is extended to the whole population. This includes several key areas – people must have access to shelter and a healthy diet, basic services such as clean water and sanitation, protection from harm at work and in the lived environment, and the freedom to access information and engage with the rest of society.

Living conditions encompasses a set of provisions and circumstances that are necessary for all individuals to attain wellbeing. To be a productive member of society, citizens need to have a minimum level of resources, have a safe living and working environment, adequate nutrition, and be free from avoidable illness. Individuals need to be connected to the basic services and activities afforded to all of society to avoid social exclusion.

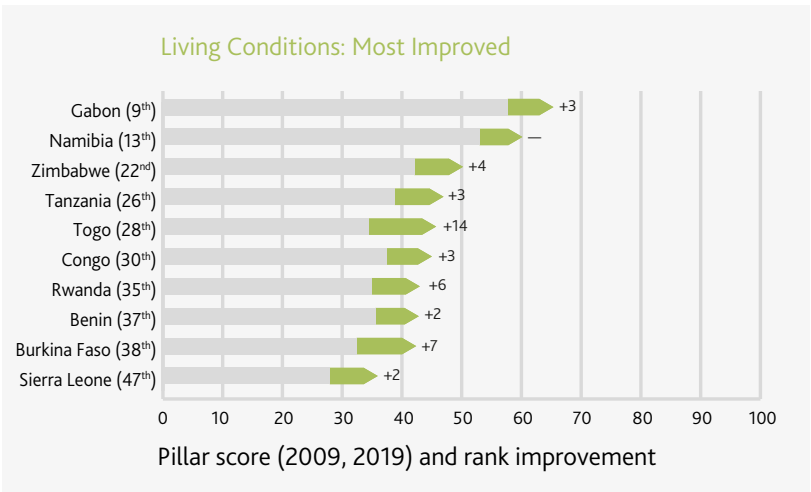
There have been a number of absolute improvements to living conditions over the last decade, such as a five-fold increase in the proportion of people who use the internet, though Africa still lags the rest of the world, particularly in terms of the provision of basic services.

Living conditions in North Africa are the strongest in Africa. Rates of extreme poverty ($1.90 per day) are low, at only 1% of the region's population, compared to an average of 36% across Africa. The region as a whole boasts strong infrastructure and trading links, which has allowed countries in the Maghreb to drive poverty levels consistently downward, and build up strong basic services and shelter provisions. North Africa is relatively weaker in protecting its citizens from harm, with a higher rate of 'life years' lost to road traffic accidents than Africa overall (though this number has been falling).

Living conditions in Central Africa remain the poorest in Africa, with **Gabon** (9th) the strongest performer in the region. Though it has been improving, the rate has been relatively slow. Basic services across the region have improved modestly, though more than half of the population (53%) remain without access to basic drinking water, compared to 37% across Africa. With numbers of internally displaced persons on the rise, the region has seen a commensurate deterioration in measures of shelter. This decline means that 72% of people in Central Africa now report having housing deprived of a roof, walls, or flooring, above the African average of 56%.

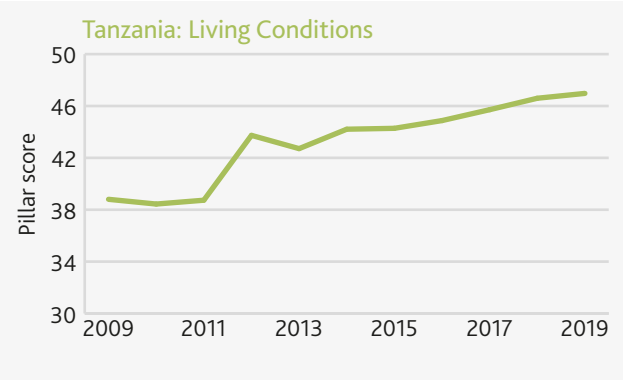
SOURCES OF IMPROVEMENT

Every region in Africa has improved its living conditions since 2009, along with 52 out of 54 African countries for which data were available – only **Madagascar** (53rd) and **Libya** (6th) did not. In terms of the proportion of people living in extreme poverty (less than $1.90 per day), 42 countries in Africa saw an improvement since 2009, led by **The Gambia** (20th) where the rate of extreme income poverty has fallen from 45% to 10% in just ten years.



Basic services in Africa have been improving steadily for the past 10 years, with all but one country (**Libya** (6th)) seeing services improve. **Eswatini** (17th) has shown particularly strong improvement. The death rate in Eswatini attributable to poor hygiene and sanitation has fallen by 40% since 2009, while electricity access is up by 34 percentage points, to 74% of the population. In both cases, the country has benefitted from micro-targeted strategies from aid agencies and foreign partners to improve predominantly rural inequalities in basic service access. Eswatini has also bucked the continental trend of declining shelter availability.

Nutrition has improved across thirty-six countries in Africa, the most significant improvement being in **Burkina Faso** (38th). Also in West Africa, **Cote d'Ivoire** (24th) has seen a strengthening in nutrition since 2009, with the prevalence of wasting and stunting reducing by half in just ten years. The country recently received a $60.4 million investment to increase the coverage of nutrition and early childhood stimulation interventions, hoping to significantly reduce the prevalence of stunting in children under five years of age.[32]



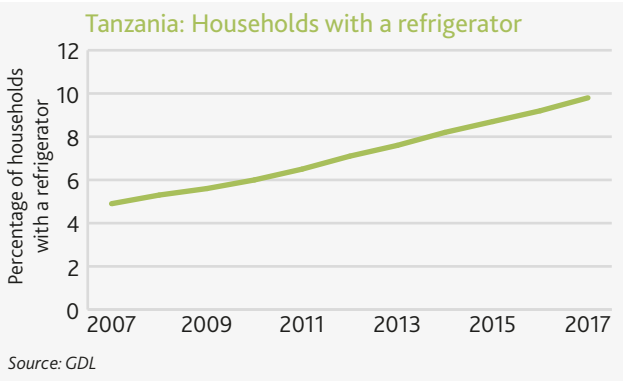
Living conditions in Southern Africa are improving at one of the fastest rates on the continent. Overall, the region is becoming a safer place, with almost a third fewer 'life years' lost to road traffic accidents, and a quarter fewer unintentional injuries, compared to a decade ago. Both **South Africa** (10th) and **Namibia** (13th) are in the top three risers in Africa in terms of protection from harm. People across the region are also becoming more connected, with individuals' access to bank accounts, televisions, and the internet all far higher than 10 years ago, indicative of a growing middle class.[33]

Across Africa, 47 countries have grown in connectedness since 2009. The improvements in connectedness across Africa have led to some countries, including **Senegal** (16th) and **Gabon** (9th), now having over 90% of their populations using mobile phones, and 40% making digital payments.

SUCCESS STORY —TANZANIA (26TH)

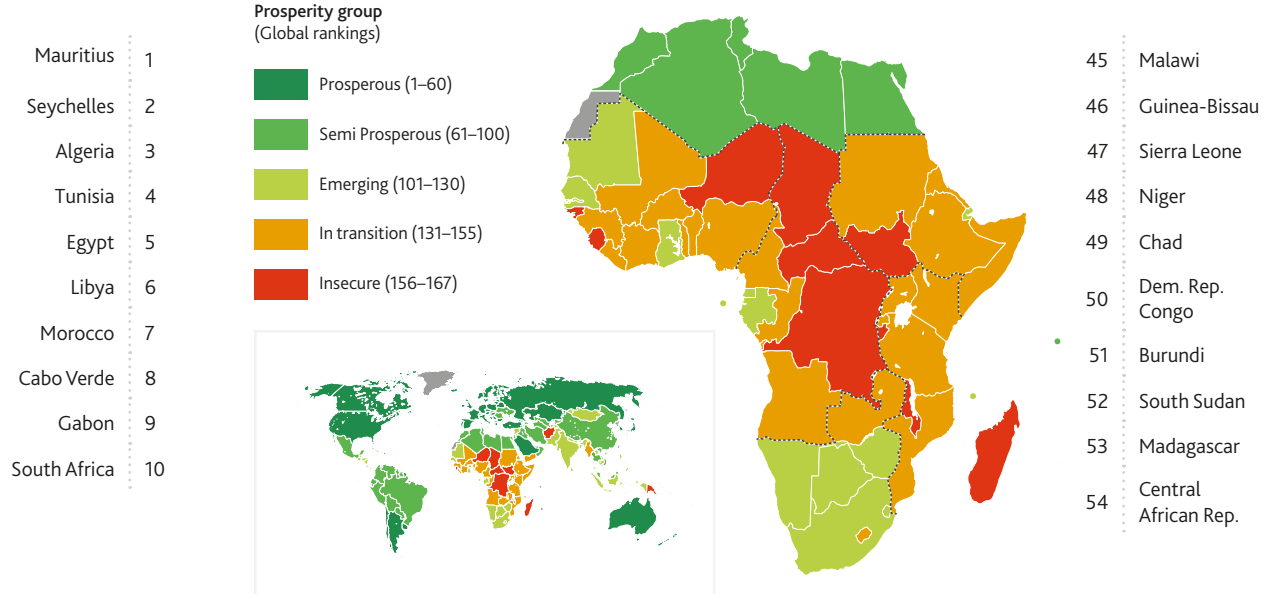
Tanzania is one of the fastest improvers for Living Conditions in Africa, and has risen three ranks in the last decade to 26th in this pillar. The country's poverty reduction strategy was published in 2010, and is based on three 'clusters': reduction of income poverty; improvement of quality of life; and good governance and accountability. The country has done well to translate improvement in these three spheres – with the exception of governance – into improved living conditions for its population.

In terms of material living conditions, the Tanzanian government has done well to deliver on the goals of the poverty reduction strategy since 2010. At the centre of the effort to improve material poverty has been a focus on better macroeconomic management, promoted by President John Magafuli upon coming to power in 2015. This has included targets of reducing inflation to single-digit level, and boosting foreign reserves. Fiscal management too has improved under the Magafuli administration, with budget deficit declining from -10.2% to -4.5% since 2009. The fruit of these successful initiatives has been an improvement in the country's Infrastructure, including new roads, an upgraded port at Dar es Salaam, and stronger electricity and water supply, all of which facilitate employment in the formal economy and are crucial in creating paths out of material poverty. The proprtion of Tanzanian households with an electricity connection has grown to 32.8%, a rise of eighteen percentage points in a decade.



Source: GDL

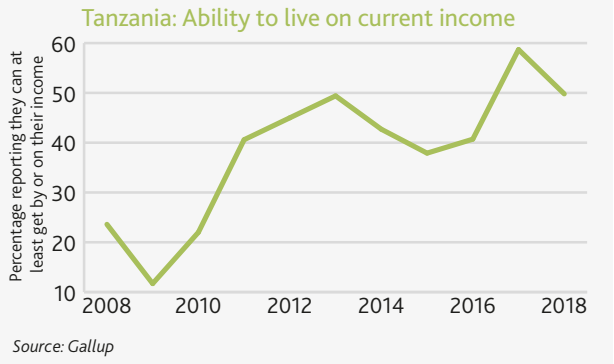
Living Conditions 2019



Other more targeted measures from the government include an expanded export strategy, agricultural support programmes, and a new ministry to support women and children.[34] The proportion of Tanzanians living on less than $1.90 per day has fallen by ten percentage points since 2009, now standing at 49%; and poverty rates, measured by national authorities, have declined from 34% to 28%, the 12th-lowest figure in Africa. Notwithstanding these remarkable figures, the challenge in the future will be to ensure that gains are distributed beyond Dar es Salaam and that growth in regional disparities is avoided.[35]

Tanzania's second strategic cluster has revolved around improvements to the quality of life for citizens, with policy provisions focussed on improved healthcare and educational opportunities, both of which are strongly linked to poverty alleviation.[36] Under-5 mortality rates have fallen from 81 to 54 per 100,000 since 2009, whilst there have also been strong improvements in life expectancy. Education quality has notably improved, particularly at the secondary level, primarily through teacher training, new curricula, and improved data collection.[37] Higher education is now strongly correlated with lower poverty levels in Tanzania.[38] Social protection schemes, including the Tanzania Social Action Fund, have been set up to provide cash transfers to eligible households, based on participation in health and education programmes. With the help of international agencies, clean cooking technologies have also been brought into the country, and whilst the proportion of the population using clean fuels for cooking remains very low, at 2.2%, this represents a significant improvement on 2009 levels (1.4%).[39]

For Tanzania to continue in such a strong trend of improvements to living conditions, challenges must be addressed in other areas of policy. Good governance and accountability comprise the third portion of the country's strategy for poverty alleviation. Tanzania has sought to ensure it upholds the rule of law, improves service delivery, and curbs corruption, and in the first part of President Magufuli's tenure he was lauded for his anti-corruption drive.[40] However, the administration has since taken a decidedly authoritarian turn, which could soon become a brake on growing prosperity.[41] Governance has deteriorated over the last few years, and remains one of the country's most serious vulnerabilities.[42]



Source: Gallup



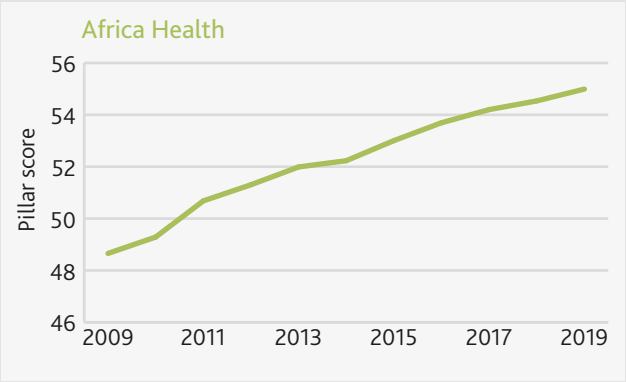


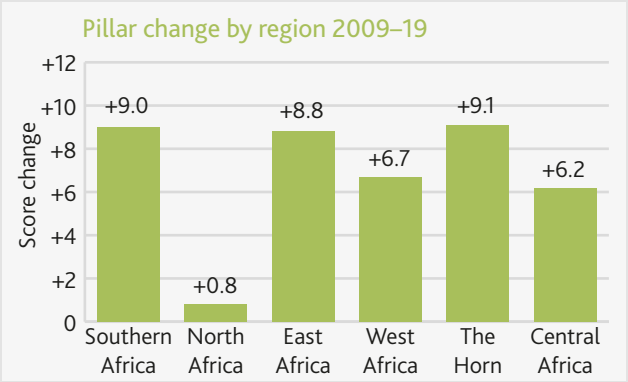
Tanzanian workers travel home through a market in Zanzibar.

Economic growth, and subsequent employment creation, has led to poverty reduction in Tanzania

Shutterstock.com/RadKha

Health



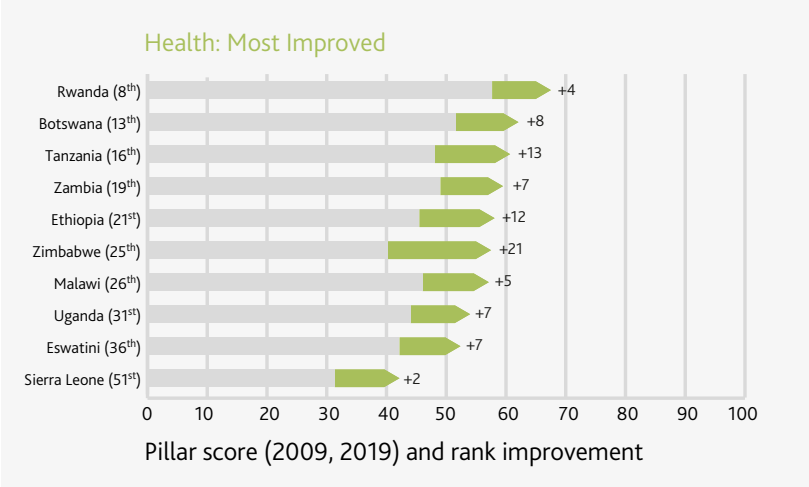


For a nation to truly prosper, its people must have good health. Those who enjoy good physical and mental health report high levels of wellbeing, and poor health keeps people from fulfilling their potential. Healthy behaviours and the provision of good health care are critical inputs to ensuring the population can attain a good level of health.

Health in Africa has been strengthening in the last decade, with only four countries deteriorating: **Libya** (6th), **Madagascar** (30th), **Tunisia** (5th), and **Seychelles** (1st). African health has kept pace in its improvements with the rest of the world.

Africa however still sits a considerable distance behind the rest of the world, with acute challenges remaining if health is to keep improving. The greatest deficit sits in the areas of disease prevention, mortality rates and general physical wellbeing.

North Africa is the African region with the best health. **Algeria** (3rd) is the top performer in the region, with all other countries in the top 10. However, North Africa recorded the weakest improvements in health overall, with the average country losing eight global ranks over the last decade. The region has strong basic health outcomes, including life expectancy and low prevalence of communicable diseases. Maternal mortality rates, at 74 per 100,000 births, are well below the African average of 456 The region's health profile is significantly different from the rest of Africa, with high rates of obesity, smoking, and substance use disorders on the increase. Hence, it faces very different challenges to the rest of the continent.



SOURCES OF IMPROVEMENT

Across Africa, 50 countries strengthened their health over the last decade. With the exception of reported mental health, all elements strengthened since 2009.

Health in Southern Africa has improved very rapidly, and is third overall. Countries such as **Botswana** (13th), **Zimbabwe** (25th), and **Eswatini** (36th), have improved their health significantly since the first decade of the 21st century, which saw devastating drop offs in health indicators, including life expectancy and mortality rates, due to the AIDS epidemic. Antiretroviral therapy programmes now reach 69% of the HIV-affected population in Southern Africa (compared to 49% across Africa), up from 29% in 2009. The density of health practitioners has increased, as has the rate of births attended by skilled staff. As a result, the number of healthy life years lost to communicable diseases is just 70% of that in 2009.

Health has improved in East Africa at greater rate than any other aspect of its prosperity. Home to the two top-performers for health overall, **Seychelles** (1st) and **Mauritius** (2nd), it is also the second-ranked region in the continent. Under-5 mortality rates have fallen from 88 per 1,000 births to 52 (compared to the African average of 65), while life expectancy at age 60 has increased by a year since 2009. There have been strong improvements in preventative interventions, though immunisation rates have declined in more recent years, particularly in **Malawi** (26th) and **Madagascar** (30th).

Some countries have gone a long way to ensuring that care is provided across the population. **Ethiopia's** (21st) flagship Health Extension Programme, launched in 2003, trained and paid female community health workers to meet the needs of those in their local areas. In a country with the second-largest population in Africa, and

a chronic lack of adequate facilities, a community-led programme was judged to be the best solution.[43]

Immunisation rates for measles and hepatitis have seen increases across Africa, the latter by almost five percentage points, now standing at 76% across the continent.

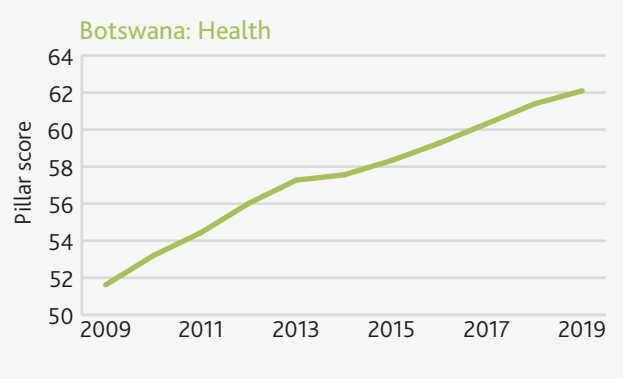
Some mainland countries, particularly in Southern Africa, have populations with significantly better physical health than a decade ago, such as **Zimbabwe** (25th) and **Eswatini** (36th), largely a result of a reduced prevalence of communicable diseases. **Djibouti** (14th), having opened its first faculty of medicine at the University of Djibouti, has seen a dramatic rise in the number of medical staff, doubling from 1,650 in 2008 to 3,400 in 2017.[44] This has facilitated a greater capacity for treatment, and there has been a concurrent drop in the proportion of people who report physical health problems that prevent them from leading a 'normal' life.

Southern Africa witnessed the greatest increase in longevity since 2009, with adult mortality falling by 40%, and under-5 mortality by 43%. **Zimbabwe** (25th) rose 21 ranks in Africa over the last decade, with the country's emergence from the AIDS epidemic coinciding with a near 50% drop in adult mortality.

SUCCESS STORY —BOTSWANA (13TH)

Botswana's health has improved significantly over the last 10 years, rising eight places from 21st to 13th in Africa. The country maintains a strong primary care system and has greatly expanded preventative interventions.

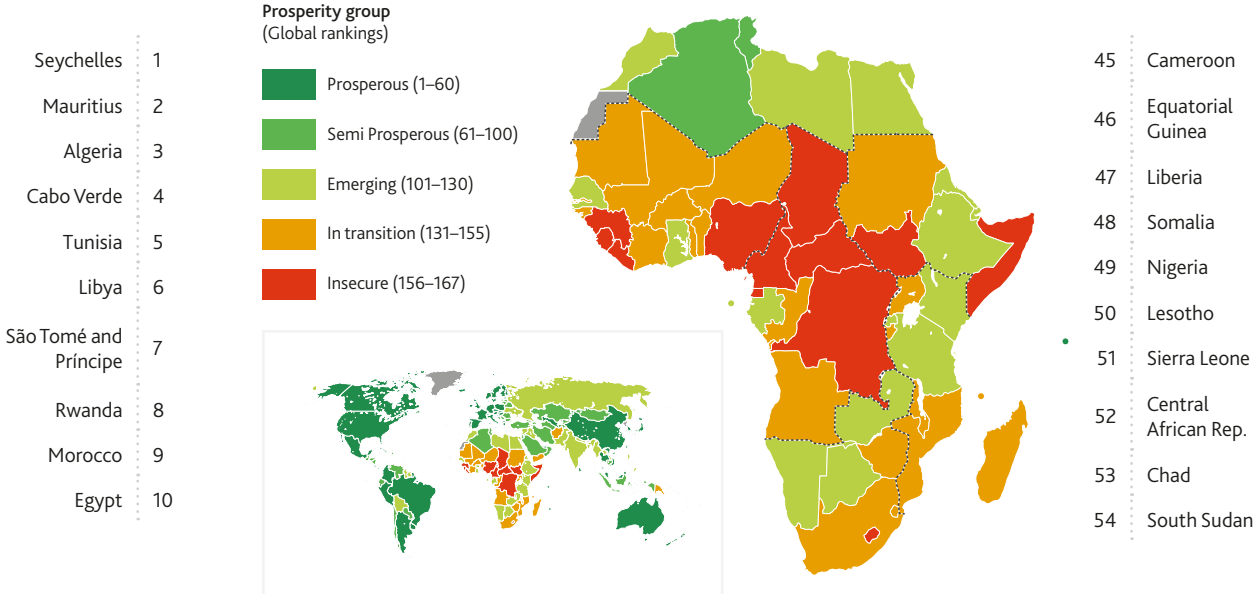
Botswana's public health system, which provides about 80% of all services, has greatly increased the quality of life for its citizens. This decentralised model prioritises primary care as the main delivery method, which has helped provide access to the whole country. Local authorities are responsible for service delivery; each district averages at least three health posts, while clinics and hospitals cater to larger geographies. Health education assistants are responsible for the most basic healthcare guidance, as well as providing communities outreach.[45] This model has ensured around 95% of the total population live within 8km of a health facility - an impressive feat, given such a sparsely distributed population.[46,47]



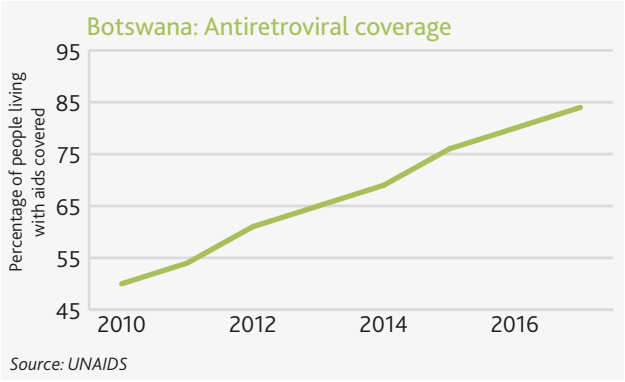
Maternal health care is also an area of priority for the country. Botswana instituted a Maternal Mortality Reduction Initiative in 2013, which sought to provide greater access to obstetric emergency services and improve training for maternal care providers.[48] Skilled health staff now attend more than 99% of births, and the concentration of health practitioners has improved over the last 10 years. Maternal mortality now stands at its lowest rate since 2009 at 129 per 100,000.

The usage of preventative interventions in Botswana has been enormously successful. Immunisation for DPT, measles, and Hepatitis B3 all reach above 95% coverage rates for children. Mandatory vaccinations have been carried out in the country since as far back as the 1970s, and coverage was strengthened by a 2005 act making it illegal to refuse to immunise children on religious grounds.[49] Access to cancer screening programmes and diabetes testing are also among the highest in Africa. While disease control remains a challenge in the country, Botswana has instituted a number of programmes in response: tuberculosis treatment coverage has reached 77%, while the country's commitment to provide universal free antiretroviral treatment for those with HIV has been highly successful, and now reaches 84% of the HIV-affected population.

Health 2019

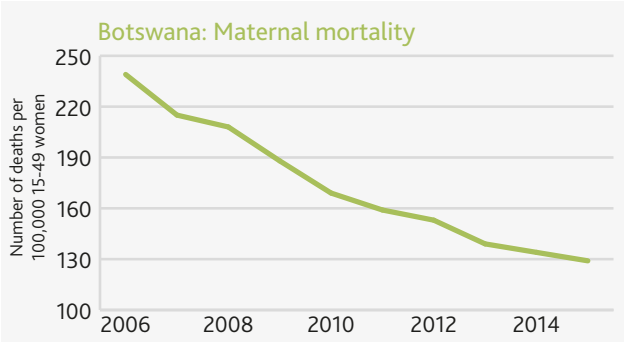


This combination of a strong health care model and high usage of preventative interventions has resulted in generally strong health care outcomes for Botswanans today. Life expectancy is well above the African average, while adult mortality has more than halved over the past 10 years, from 438 per 1,000 to 207. The number of 'life years' lost among the population from communicable diseases has decreased by almost 25% over the last 10 years.



Source: UNAIDS

Nonetheless, consistent with growing urban populations in other developing countries, poor diets have seen an increased prevalence of obesity and other non-communicable diseases in Botswana.[50] The obesity rate — 19% of the population — is among the highest in Africa. Botswana's sparse population and arid landscape provides limited opportunity to promote agricultural production and, reliant as it is on imports from South Africa, nutritious food in Botswana is often unaffordable.[51] However, these threats have been identified and the Ministry of Health and Wellness has adopted a roadmap that will proactively address these issues by focussing on "prevention, comprehensive screening, early treatment and surveillance of the community."[52]



Source: WB-DI



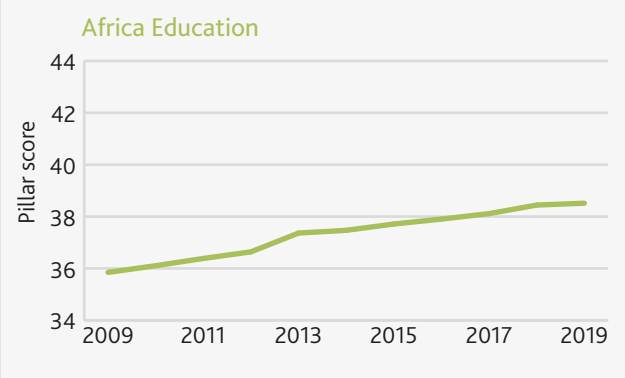


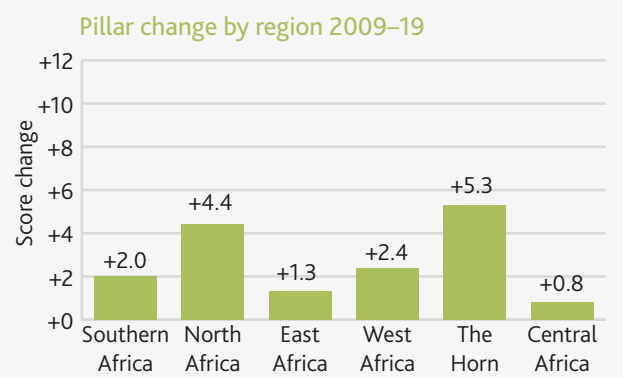
A young mother with her child in Botswana.

Maternal mortaility has been steadily declining in Botswana since 2006.

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Education





Education and human capital are building blocks for prosperous societies, providing the opportunity for individuals to exercise their rights and reach their potential, and lead a fruitful life. Furthermore, the building of human capital on a societal level contributes to economic growth, while also improving social outcomes – such as lower crime rates – as well as leading to more equal societies with greater civic engagement. These monetary and non-monetary returns form a virtuous circle in which true prosperity can be grown and passed on to subsequent generations.

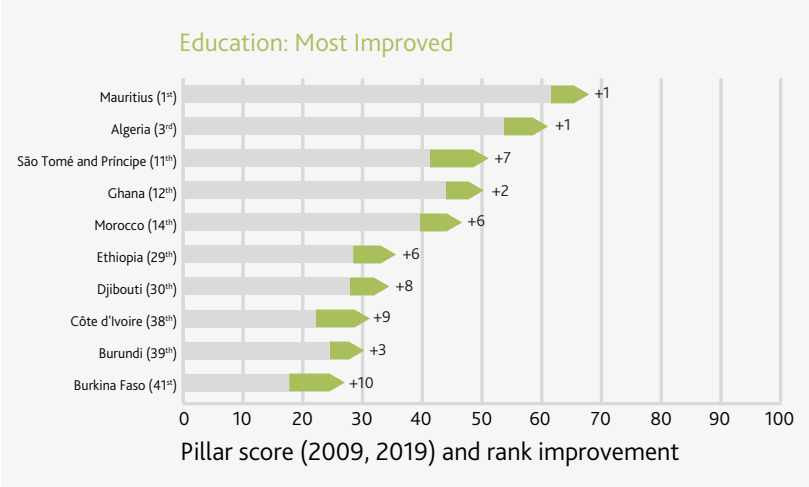
North Africa has the best education in Africa. It has by far the highest enrolment and completion rates on the continent, with 97% enrolling and 96% completing primary school, compared to an average of 81% and 63% across Africa, respectively. It is also the second most improved region on the continent in the last decade, overtaking Southern Africa. The average North African country has risen four ranks for adult skills, with literacy rates, digital skills, and women's average years in schooling all above the African average.

Southern Africa has a history of good education access, and is the second ranked region in Africa. The current adult population outperforms much of the rest of the continent, with an adult literacy rate of 91%, well above the continental average of 62%; and women in the region are likely to have spent a greater number of years in education than anywhere else in Africa. However, for this to continue, there must be a high level of educational attainment at classic schooling age, and there has been a decline in the completion rates of primary school children in the region, dropping to the last decade to 79%, though this remains higher than the continental average. On a more positive note, however, higher education in the region is improving, with more students at university, and the quality of vocational training increasing.

Central Africa is the weakest region. The region overall has low enrolment rates in primary (83%) and secondary (34%) education. Many countries, such as the **Democratic Republic of the Congo** (34th) and **Equatorial Guinea** (18th) struggle to provide access to schooling, due to conflict or lack of facilities.[53,54] Central Africa performs stronger for adult skills, having made significant improvements to adult literacy, which now stands at 68% of the population.

SOURCES OF IMPROVEMENT

African education has improved significantly over the last decade, with 47 countries in Africa improving their standards of education since 2009, and the average country rising by three world ranks. Every element of education in Africa has improved since 2009, with pre-primary and secondary education keeping pace with other regions' improvements over the last ten years. Improvement in secondary education has been driven by an increase in lower-secondary completion of eight percentage points across the continent. Thirty-eight countries strengthened in secondary education since 2009, exemplified by **Mauritius** (1st) where lower secondary completion rates have risen from 61% to 96%.



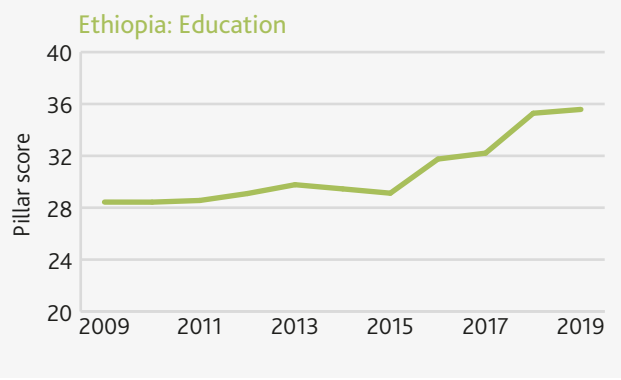
Education across the Horn in particular is improving rapidly, driven by **Ethiopia** (29th), **Djibouti** (30th) and **Sudan** (32nd). Across the region, all stages of education have improved over the last decade. In particular, pre-primary education has strengthened, with enrolment doubling to 35%, though still below the African average of 50%. The region now ranks third in Africa for secondary education, with completion rates showing a dramatic increase over the same period, up from 22% to 70%, predominantly driven by education reforms in Ethiopia.

In North Africa, all five countries in the region improved education in the last decade, led by **Algeria** (3rd). Algeria has made significant progress in pre-primary education, with enrolment rates more than doubling from 43% to 89%. Algeria has continued to invest strongly in education, a commitment, which is paying dividends.[55]

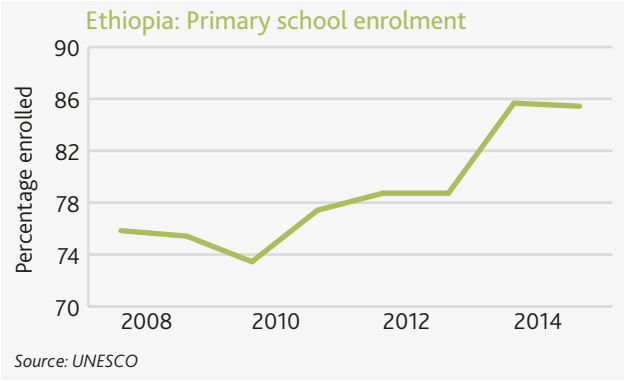
Adult skills have been strengthening in Africa at a rate almost consistent with that of the rest of the world. The average amount of schooling attained by women aged 25-34 in Africa has risen by one year over the last decade, now standing at over 6 years, and the adult literacy rate in Africa has risen by almost four percentage points in the same time-period, now at 62%. Among countries experiencing significant improvement over the last decade were **Eswatini** (22nd), **Zambia** (19th) and **Morocco** (14th). **Gabon** (5th) also improved, having instituted a nationwide adult literacy programme which has led the way in driving up adult literacy in Central Africa.

SUCCESS STORY — ETHIOPIA (29TH)

Rising six places from 35th to 29th since 2009, Ethiopia's improvement in education has come following targeted investment and a huge expansion in levels of access. The government has spent huge amounts of its resources on educating its population, with over 27% of total government expenditure going towards education.[56] While this equates to only 7.8% of GDP per capita at the primary level (in 2015 – compared to the African average of 11.7%), the country has nonetheless made significant progress across all elements.



In Ethiopia, the importance of involving local communities in pre-primary education has been demonstrated with the Early Childhood Care and Education framework, which was established in 2010. The framework focusses on parental education and early child health up to the age of 3, followed by community, faith-based, and privately run preschools for children aged 4 to 6.[57] This has led to the number of children accessing pre-primary education rising from 350,000 to 2.5 million in just four years.[58] In 2018, that number was almost 4 million, with those accessing early education spread across all regions and backgrounds.[59]

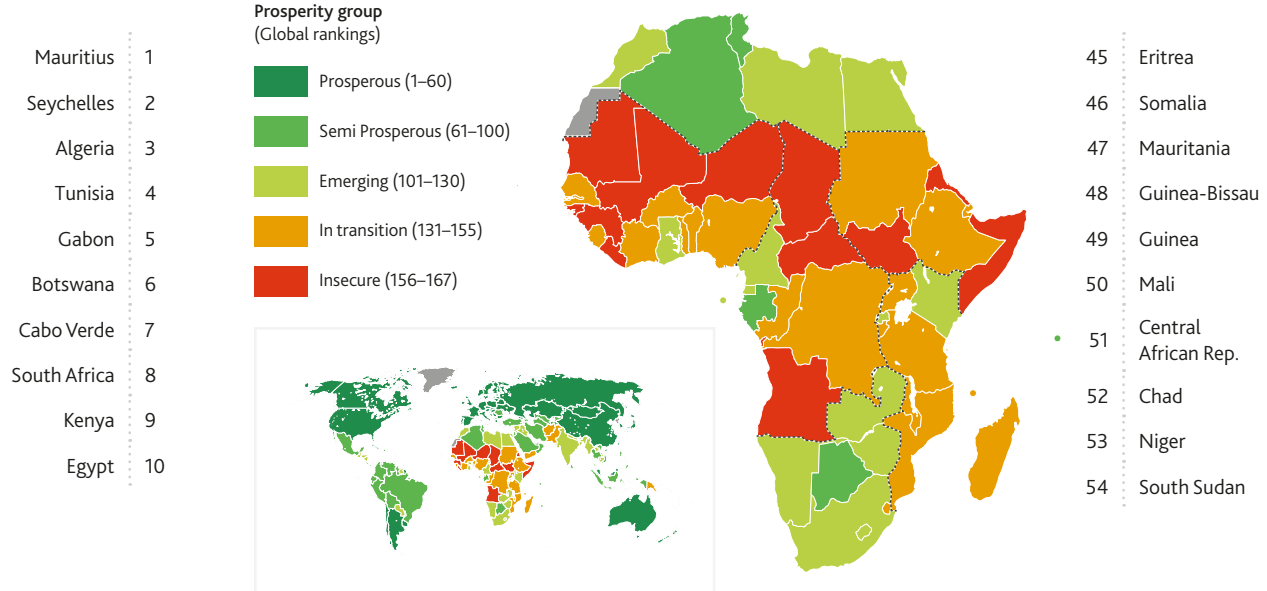


Source: UNESCO

Ethiopia's success in primary and secondary education is based on the country 1994 Education and Training Policy. The reforms association with the policy included decentralising school administration, shifting to local languages as the language of instruction, and focussing on women's and girls' education.[60] Other reforms have included abolishing school fees, increasing the amount of teacher training, and introducing school feeding programmes.[61] As a result of these, Ethiopia has seen significant improvements in education over the last decade. Primary enrolment has increased from 76% to 85% since 2009, and completion rates at the secondary level have risen substantially.

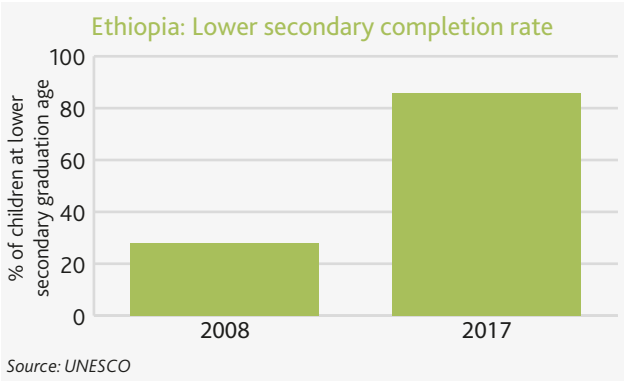
Despite the country's large budget allocations to the education sector, there remain stark disparities in rural and urban access to education.[62] Though secondary enrolment in Addis Ababa is around 100%, fewer than 10% of children in the sparsely populated Afar

Education 2019



region have access to that level of education – a challenge which will take more than increased funding to solve.[63] In response to this, the government has started to roll out alternative, low-cost education to children in rural areas, including evening classes and school calendar adjustments, as well as cash or in-kind incentives for children to remain in school. In addition, radio and television broadcasts are used to supplement education programming, with initiatives such as STEMpower reaching around 5 million viewers weekly with their "STEM-TV Series".[64,65]

In addition to a tenfold increase in enrolment in higher education between 2004 and 2014, there have been a number of initiatives focussed on improving employment opportunities for Ethiopian youth and addressing future labour force demands through the use of Technical Vocational Education and Training (TVET).[66,67] Ethiopia's approach to this for the agricultural sector has been hailed as an example of best practice, with a large expansion in the number of Agricultural TVET institutions enabling a large number of development agents to be trained, and the establishment of more than 18,000 farmer training centres has facilitated the consultation and training of rural farmers across the country.[68]



Source: UNESCO

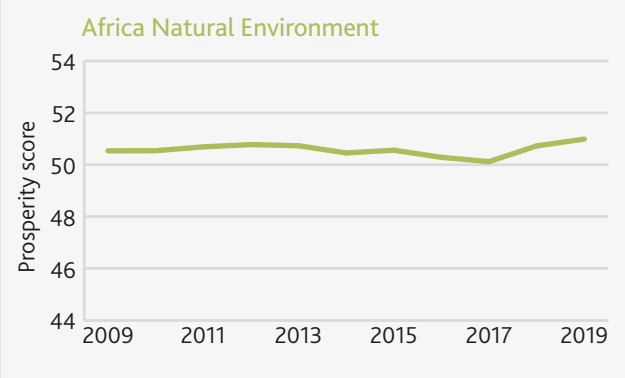


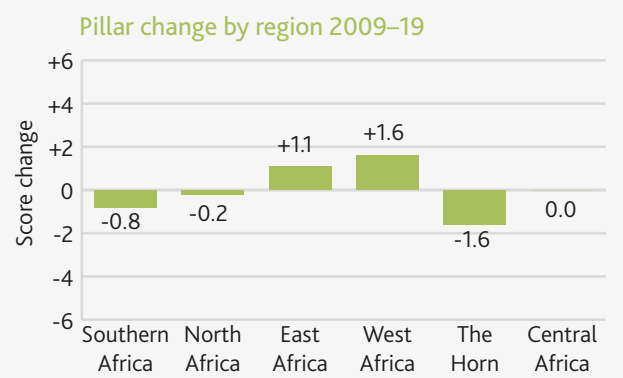
Children in a speed class in Woreda, Sidamo, Ethiopia.

Ethiopia has seen significant improvements in education over the last decade.


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Natural Environment





The Natural Environment pillar captures those aspects of the physical environment that have a direct impact on the ability of people to flourish in their daily lives, as well as those that impact the prosperity of future generations. At the basic level, ecosystems provide resources for extraction. A well-managed rural environment yields crops, material for construction, wildlife and food, and sources of energy. The ramifications of a healthy climate have their impacts in many areas of society; on a more basic level, the quality of citizens' everyday lived experience is dictated by exposure to environmental health hazards.

Africa leads the rest of the Global South for its natural environment through lower emissions and exposure to air pollution, though the rest of the Global South is ahead of Africa for freshwater and preservation efforts. Africa has been improving its natural environment over the last decade, though this has been slow progress.

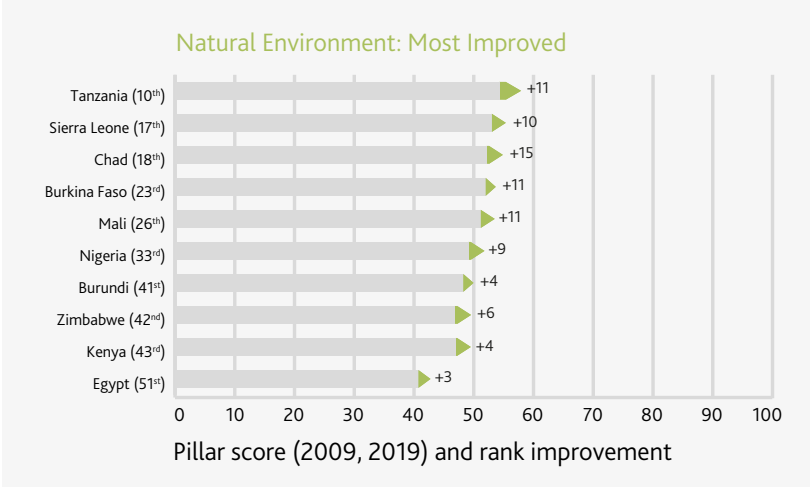
Southern Africa has the second-weakest natural environment in Africa. The region has well managed and generally clean oceans. Despite the threat of drought, the region performs stronger than other regions for freshwater, including in terms of the withdrawal rate and wastewater treatment, for which **Namibia** (13th) is one of the top-performers in Africa. The region has a much more well-developed industrial sector than others in Africa, and is thus responsible for greater emissions — **South Africa** (47th) in particular performs poorly for this measure. This has had a commensurate effect on levels of air pollution across the region, as up to 34% of people in the region are now exposed to harmful particular matter, compared to the African average of 17%.

The Horn is the weakest region in Africa for natural environment. **Eritrea** (29th) is the best performing country in the region, and has been improving at the fastest rate. The region's oceans are the best for marine trophic levels in Africa, though this is largely due to the still fledgling commercial fishing industry in coastal states.[69] Freshwater resources in the Horn are extremely scarce, and the region remains one of the most vulnerable in Africa to drought and water shortages. Renewable water resources have declined by over 20% since 2009, and per capita water resources are less than a third of the average for Africa (1369m^3 vs 4835m^3). This has been exacerbated in countries like **Djibouti** (48th), where rising sea levels have contaminated water sources.[70]

SOURCES OF IMPROVEMENT

Africa's natural environment has not improved considerably over the last decade. Though preservation efforts have become more concerted and freshwater resources have improved, peoples' exposure to air pollution, and the quality of forests, land, and soil have struggled. However, 25 countries strengthened the quality of their natural environment over the same time period, with **Tanzania** (10th) the most improved.

Preservation efforts have improved in 43 african countries over the last decade, with the average country increasing the coverage of protected biodiversity areas by four percentage points, and satisfaction with preservation efforst rising from 46% to 52% of the population. As the continent's fastest improver, this was exemplified by Tanzania, where the proportion of forests that were managed from 26% to 86%.

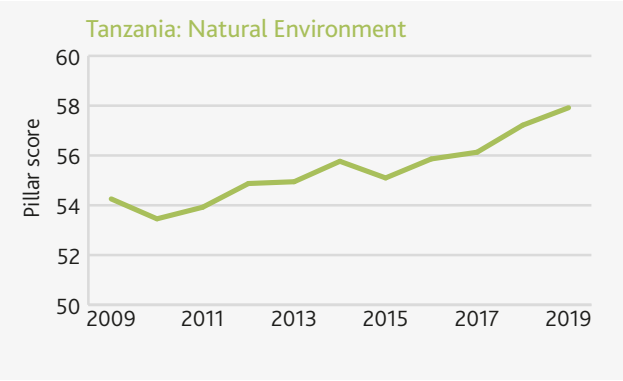


West Africa ranks second in Africa for its natural environment, and is improving at a faster rate than any other region in Africa. **Sierra Leone** (17th) and **Nigeria** (33rd) have shown the strongest improvement in the region. The extent of protected biodiversity areas in West African nations is, on average, 72%, well above the African average of 49%, while forest management has also improved. These efforts are even more critical due to desertification of the Sahara. In 2011, 11 countries committed to planting a 'green wall' of trees across the southern edge of the Sahara – an initiative that has now evolved into a means of supporting farmers to cultivate local crops and naturally-occurring trees in the region.[71]

In terms of West African water provision, anthropogenic wastewater treatment has grown significantly from 0.4% to 3.7% in just ten years, coinciding with an increase in satisfaction with water quality across the region from 40% to 62%. Among the fastest improvers since 2009 has been **Ghana** (25th), where wastewater treatment has risen from 1.2% to 20%.

SUCCESS STORY —TANZANIA (10TH)

Tanzania has made significant progress in the Natural Environment pillar over the past decade, and has seen an eleven-rank rise to tenth in the same time. It has become the leading country in Africa for preservation efforts, and has improved freshwater treatment and access and implemented pollution-reduction strategies.

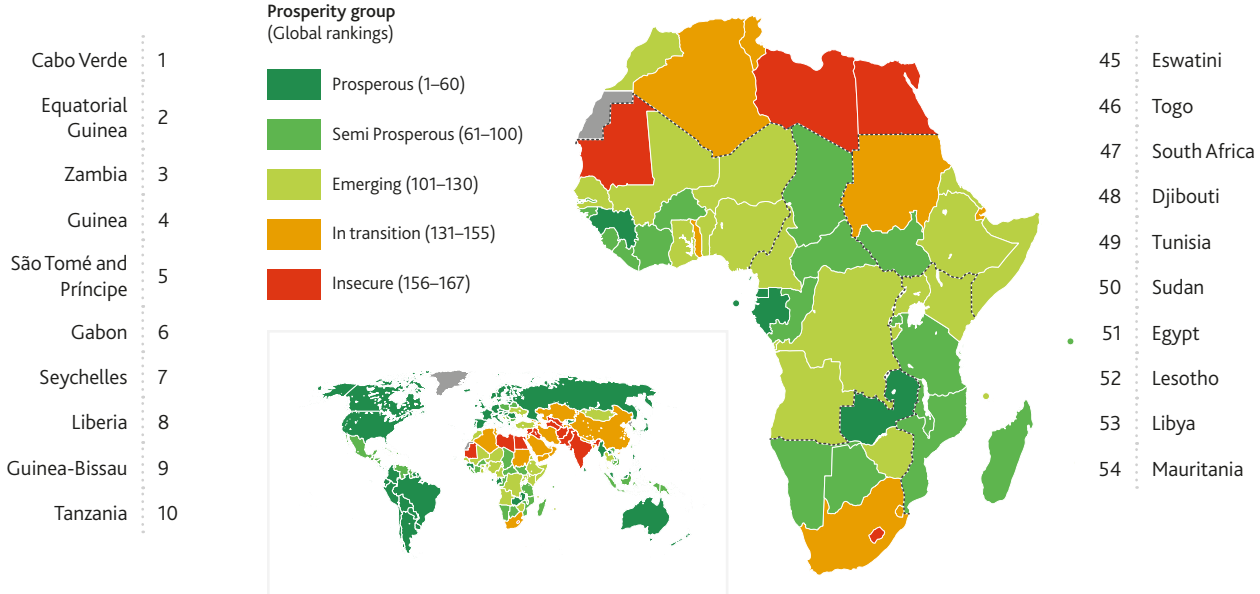


Tanzania now leads Africa for the extent of its preservation efforts. The proportion of the nation's forest under a management plan increased from 26% to 86% between 2009 and 2019, while more than 50% of marine and terrestrial biodiversity areas are under protection. In 2019, the National Assembly incorporated an additional five national parks in the country, bringing the total number of wildlife protected parks to 21, encompassing over 60,000 km^2. Tanzania's Wildlife Conservation Act of 2009 has been the catalyst for the expansion of nationally protected areas in the country. The Act banned hunting without a permit on the punishment of imprisonment, and setup a paramilitary protection unit to enforce the legislation in protected areas.[72] This drive to protect the natural environment has also been seen at the local level, with community-based natural resource management programmes (in the form of Wildlife Areas consisting of multiple villages) allowing the rural population access to a share of wildlife tourism revenues, which comprise almost 10% of the country's GDP.[73,74]

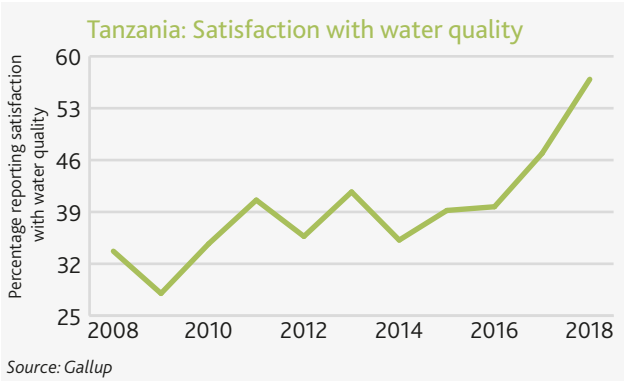
Forest degradation in Tanzania is one of the country's environmental priorities, and deforestation could cost the country's economy $3.5 billion by 2033 in lost timber revenue.[75] In response, handouts of timber seedlings for planting in farm areas have been trialled, and the country has pioneered community-based forest management, which provides local communities with full rights over forest management.[76] Tanzania's forests nonetheless remain under great threat. The extent of forest area in the country has declined from 56% to 52% over the course of the last decade, with the illegal timber trade and land clearance for agriculture posing the greatest challenge.[77]

Tanzania's freshwater management has improved over the last decade on the back of expansions to the wastewater facilities in the country's largest city, Dar Es Salaam. Previously, the city's sewerage system served only 13% of residents. Today, three new wastewater treatment plants are being built in the city, with similar facilities set up in Arusha over the last decade. The proportion of wastewater treated has risen from 1% to 8% since 2009. More generally, Tanzania has had historically high levels of water resources; the problem

Natural Environment 2019

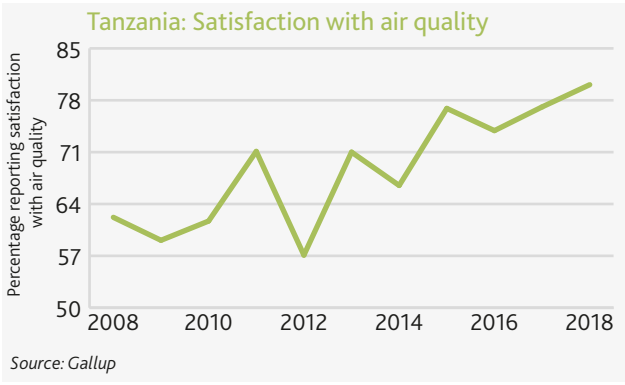


has been having it reaching citizens. By installing water points and expanding the level of water discharge permits, the country was able to provide an additional 12 million with access to improved water sources between 2007 and 2015.[78] As a result, the proportion of Tanzanians reporting satisfaction with the quality of their water has increased from 34% to 57% since 2009.



Source: Gallup

Tanzania has also put policies in place to reduce the exposure to air pollution for its population. The country has been at the forefront of the East African Community's efforts to standardise vehicle emissions standards, including capping fuel sulphur content and phasing out fuel lead content.[79] Tanzania has also removed import taxes on all solar equipment, and has promoted strategies to promote more efficient biomass conversion.[80] While 7% of the population still faces exposure to harmful levels of PM2.5, the 'life years' lost from indoor air pollution has fallen by over 20% since 2009.



Source: Gallup





Children playing football on the beach at Nungwi village, Zanzibar, Tanzania.

Tanzanian's satisfaction with air quality has been improving since 2008.

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Data Sources

Report abbreviation	Source full name	Web address
AD	Aswath Damodaran	http://pages.stern.nyu.edu/~adamodar/New_Home_Page/data.html
AltAng&Pat	Altinok, N., N. Angrist and H.A. Patrinos. 2018. "Global data set on education quality (1965-2015)."	http://documents.worldbank.org/curated/en/706141516721172989/Global-data-set-on-education-quality-1965-2015
BL	Barro and Lee dataset	http://www.barrolee.com/
BTI	Bertelsmann Stiftung Transformation Index	https://www.bti-project.org/en/home/
Cas&Dom	Castello-Climent and Domenech (2012)	https://ideas.repec.org/p/iei/wpaper/1201.html
CDIAC	Carbon Dioxide Information Analysis Center	https://cdiac.ess-dive.lbl.gov/
Chinn-Ito	Chinn-Ito Index	http://web.pdx.edu/~ito/Chinn-Ito_website.htm
CIRIGHTS	CIRIGHTS Dataset	https://docs.google.com/document/d/1ZxuitRNKpTcEpwi_1p8u0IRnib7ggtK-F9TQcf_jbmo0/edit
CSP	Center for Systemic Peace	https://www.systemicpeace.org/
ECI	Economic Complexity Index	https://oec.world/en/rankings/country/eci/
EDGAR	Emissions Database for Global Atmospheric Research	https://www.eea.europa.eu/themes/air/links/data-sources/emission-database-for-global-atmospheric
EPI	Yale and Columbia Universities (Environmental Performance Index)	https://epi.envirocenter.yale.edu/
FAO	Food and Agriculture Organisation	http://www.fao.org/home/en/
FH	Freedom House	https://freedomhouse.org/
FI	Fraser Institute	https://www.fraserinstitute.org/
Gallup	Gallup	https://www.gallup.com/home.aspx
GBD	Global Burden of Disease study	http://www.healthdata.org/gbd
GDL	Global Data Lab	https://globaldatalab.org/
GSI	Global Slavery Index	https://www.globalslaveryindex.org/
GSMA	Groupe Spéciale Mobile Association	https://www.gsma.com/
GTD	Global Terrorism Database	https://www.start.umd.edu/gtd/
IBNET	International Benchmarking Network for Water and Sanitation Utilities	https://www.ib-net.org/
IBP	International Budget Partnership	https://www.internationalbudget.org/
IDEA	International Institute for Democracy and Electoral Assistance	https://www.idea.int/
IDMC	Internal Displacement Monitoring Center	http://www.internal-displacement.org/
IHME	Institute for Health Metrics and Evaluation	http://www.healthdata.org/
ILGA	International Lesbian, Gay, Bisexual, Trans and Intersex Association	https://ilga.org/
ILO	International Labour Organisation	https://www.ilo.org/global/lang--en/index.htm
IMF	International Monetary Fund	https://www.imf.org/external/index.htm
IMF-FAS	International Monetary Fund Financial Access Survey	https://data.imf.org
IMF-WEO	International Monetary Fund World Economic Outlook	https://www.imf.org/external/pubs/ft/weo/2019/01/weodata/index.aspx
ITU	International Telecommunications Union	https://www.itu.int/en/Pages/default.aspx
IVS&Bar	Integrated Values Survey, Afrobarometer, Arab Barometer, and Latinobarómetro	http://www.worldvaluessurvey.org/wvs.jsp; https://europeanvaluesstudy.eu/; http://www.afrobarometer.org/; https://www.arabbarometer.org/; http://www.latinobarometro.org/lat.jsp

Report abbreviation	Source full name	Web address
JMP	WHO/UNICEF Joint Monitoring Programme for Water Supply and Sanitation	https://www.unwater.org/publication_categories/whounicef-joint-monitoring-programme-for-water-supply-sanitation-hygiene-jmp/
OHI	Ocean Health Index	http://www.oceanhealthindex.org/
OPHI	Oxford Poverty and Human Development Initiative	https://ophi.org.uk/
Pew	Pew Research Center	https://www.pewresearch.org/
PTS	Amnesty International & US State Department Political Terror Scale	http://www.politicalterrorscale.org/
QS	QS World University Rankings	https://www.topuniversities.com/qs-world-university-rankings
RAI	Rural Access Index	https://datacatalog.worldbank.org/dataset/rural-access-index-rai
RsF	Reporters Without Borders	https://rsf.org/en
TE	Trading Economics	https://tradingeconomics.com/
TES	TES University Rankings	https://www.timeshighereducation.com/content/world-university-rankings
UCDP	Uppsala Conflict Data Program	https://ucdp.uu.se/
UIC	International Union of Railways	https://uic.org/
UNAIDS	Joint United Nations Programme on HIV and AIDS	https://www.unaids.org/en
UNCOM	United Nations Comtrade Database	https://comtrade.un.org/
UNCTAD	United Nations Trade Data	https://unstats.un.org/unsd/trade/default.asp
UNESCO	UNESCO Institute for Statistics	http://uis.unesco.org/
UNESD	United Nations Energy Statistics Database	https://unstats.un.org/unsd/energy/edbase.htm
UNHCR	United Nations High Commissioner for Refugees	https://www.unhcr.org/en-us/
UNICEF	United Nations International Children's Emergency Fund	https://www.unicef.org/
UNIGME	United Nations Inter-agency Group for Child Mortality Estimation	https://childmortality.org/
UNWCMC	UN Environment World Conservation Monitoring Centre	https://www.unep-wcmc.org/
V-DEM	Varieties of Democracy	https://www.v-dem.net/en/
WB-DB	World Bank Doing Business Index	https://www.doingbusiness.org/en/doingbusiness
WB-DI	World Bank World Development Indicators	https://datacatalog.worldbank.org/dataset/world-development-indicators
WB-ES	World Bank Enterprise Surveys	https://www.enterprisesurveys.org/
WB-GFI	World Bank Global Financial Inclusion	https://globalfindex.worldbank.org/
WB-LPI	World Bank Logistics Performance Index	https://lpi.worldbank.org/
WDPA	World Database on Protected Areas	https://www.protectedplanet.net/
WEF	World Economic Forum Global Competitiveness Index	http://reports.weforum.org/global-competitiveness-report-2018/
WGI	Worldwide Governance Indicators	https://info.worldbank.org/governance/wgi/
WHO	World Health Organisation	https://www.who.int/
WHO-GDO	World Health Organisation (Global Dementia Observatory)	https://www.who.int/mental_health/neurology/dementia/Global_Observatory/en/
WIPO	World Intellectual Property Organisation	https://www.wipo.int/portal/en/index.html
WJP	World Justice Project (Rule of Law Index)	https://worldjusticeproject.org/our-work/wjp-rule-law-index
WomStat	The WomanStats Project	http://www.womanstats.org/
WRI	World Resources Institute	https://www.wri.org/
WTO	World Trade Organisation	https://www.wto.org/
Zhang&Davidson	Zhang, Xin, and Eric Davidson. "Sustainable Nitrogen Management Index (SNMI): Methodology." University of Maryland Center for Environmental Science (2016).	http://www.umces.edu/sites/default/files/profiles/files/Ranking%20Method_submit_to_SDSN_SNMI_20160705_0.pdf

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Efua Kweiba Quaye, Special Assistant to the President

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Dr. Chukwuka Onyekwena, Executive Director

Dr. Adedeji Adeniran, Senior Research Fellow

The Horn Economic and Social Policy Institute

Dr. Ali Issa, Managing Director

Daniel Fantaye, Programs Director

Dr. Gebrehiwot Ageba, Acting Director of Research

Gashaw Tsegaye, Research Fellow

Edris Hussien, Research Associate

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Legatum Institute
11 Charles Street
London W1J 5DW
United Kingdom
T: +44 (0) 20 7148 5400

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