



# JEAN-MICHEL SEVERINO

Chairman of Investisseur & Partenaire

**Christopher DICKEY, Paris Bureau Chief and Middle East Regional Editor for *Newsweek Magazine***

Jean-Michel?

**Jean-Michel SEVERINO, Chairman of Investisseur & Partenaire**

Let me go back to a set of numbers and then address the issue of fragility. I would like to add to what Lionel has said by mentioning *Emerging Africa* by Steven Radelet, an American economist. This book focuses on 17 African countries that have enjoyed an annual per capita growth of more than four points in the past 15 years. These 17 countries have about 200 million people and they have been enjoying very fast growth. This does not include South Africa or the major powers of the continent, and yet you have more than 200 million people there.

Within that, you have stories that have gone absolutely unnoticed, and I would refer to what Lionel said about the misperceptions in OECD countries in general about Africa, such as Mozambique, which has had 8% growth per year over the past 25 years. These incredible growth stories have completely reshaped the landscape and the physical aspects of many African countries.

This growth pattern will continue, despite political instability and major environmental shocks that may continue to prevail on the continent for decades. This growth pattern is going to change the world. Let us look ahead by about 30 years. Africa will be double the size of China today in demographic terms. With the current growth rates, there will be about 500 million people in Sub-Saharan Africa with a middle class standard of living by today's standards. At the same time, there will be about 1 million people who will live below \$2 a day. In carbon terms, Africa will issue about twice as many tonnes of carbon than today's China.

I think these types of numbers highlight the kind of contribution Africa is going to bring to the world, but also the types of problems that Africa will bring to the world. This pattern of growth and these types of challenges are going to be very difficult to change because firstly, Africa will have to go through an enhanced period of political instability, especially because internal migrations that are associated with rapid demographic growth and a rapid urbanisation process are going to hit governments, community life and democracy and create a lot of instability.

Secondly, the fight for land, natural resources, less inequality and the reshaping of communities is going to take place all over the continent and will have very important impacts on the environmental side. Despite those factors, it is my belief that the magnitude of the demographic move, which is happening at an unprecedented speed in human history and creating a market with the demographic push, is going to push growth at a speed and at a depth that will overcome all those problems.

At the same time, we will see a continent plagued with political problems and internal issues, but enjoying growth.

**Christopher DICKEY, Paris Bureau Chief and Middle East Regional Editor for *Newsweek Magazine***

We have got chaos and growth at the same time?



**Jean-Michel SEVERINO, Chairman of Investisseur & Partenaire**

This is my core scenario. There may be other ones. You may have more optimistic ones. You may have more sceptical ones, but this would be my core scenario.

**Christopher DICKEY, Paris Bureau Chief and Middle East Regional Editor for *Newsweek Magazine***

What I am curious about is when we are talking about these numbers and these growth rates, if we had been talking a year ago, we would have folded Egypt into there and Tunisia, and they were great students of the IMF. They are very good about getting their deficits down and getting their debts down. The middle class was growing - all the things that you are describing. It is one of the truisms of politics that revolutions are not made by the poor - they are made by the aspiring classes. What you are describing is a situation where the aspiring classes are going to be growing all over Africa and the question is, moving from economics to politics, can Africa adapt to the needs and the desires of those people? You seem to be suggesting that probably it will eventually, but it is going to be a long and difficult road.

**Jean-Michel SEVERINO, Chairman of Investisseur & Partenaire**

There will be many revolutions and many political troubles. There is no way this can happen differently. By the way, it has impacts on the way economic stakeholders address African strategies, but it also has very important consequences for the way political stakeholders deal with Africa. Africa's rise is both a blessing and a challenge for the world. The major mistake that could be made about this continent is saying, 'Things are improving. Let it be and it will go for the better.' No. There will have to be a lot of public policy involvement about Africa on security issues, criminality issues, environmental issues and growth rebalancing.

Let me highlight that for the world, again, the economic policies that Africa is going to choose and whether it is export-oriented, inward-oriented and so on, are going to have huge consequences on our own economic stability and the rebalancing of our economies. Now, the middle classes will push for major changes in politics and governance. Due to the magnitude of inequalities in the continent and the very large number of very poor people that will remain, Africa will be a continent of misery for decades because of its demographic growth. Those factors will push into a lot of political troubles.

Now, they will not take place at the same time in all countries. At the same time, you will have one-third of the continent faring very well, one-third in a dark hole and one-third muddling through. This will change. None of the successful countries right now may remain in the league of successful countries 10 years from now. Others that are now considered as failed states may do very well and lead the game. All this is going to be very flexible and very fuzzy to some extent. Political analysis is going to remain extremely difficult, especially because you do not have a focus on countries in Africa, but on regions. Countries interact within each other in the spectrum of a region. What affects one country impacts on the others. What is taking place in Somali right now has huge impacts on Kenya and so on.

This will continue, so you will never be able to handle the situation, look at the country and say, 'This is going to happen' because many things will come from outside. Prediction will be extremely difficult to make, but at the same time, it will not prevent the continent from being on very positive dynamics over the decade.