

MO IBRAHIM

Chair of the Mo Ibrahim Foundation

Jean-Michel Severino, CEO, Investisseurs et Partenaires (I&P)

Now I will ask Mo Ibrahim whether he shares this rather optimistic vision of how the political and security dimensions will be handled. It is an opportunity for me to get a free piece of consulting from a man who has been an extraordinarily successful investor in Africa, and is now dedicating his second life, or one of his lives, to the analysis and promotion of good governance in Africa, from an African and international perspective at the same time. Given this balance of very positive news in the macro-environment, and on the other hand, what we see on the political and security side, would you advise anybody to follow you and do now what you did in the 1980s and 1990s in Africa? Is the landscape the same or is it improving? Is the world, which is now rushing into Africa to invest, with more than EUR20 billion this year having been invested in the private sector, correct, or will it fail miserably in the next ten years?

Mo Ibrahim, Chair of the Mo Ibrahim Foundation

The short answer is that I have always been amazed at how ill-informed the world markets and so-called business people are about the situation in Africa. There is the problem; there has always been a perception of Africa, and that came from various sources. It came from movies and cartoons in my youth, and then from the snippets of news we get now and then. I had a lot of discussion with media people, BBC, CNN, the French media, newspapers, etc., because I always complained, and the answer I always got was that they had a minute or two for Africa in their news bulletins, and by the time they had covered the Islamists and jihadists in Mali, the time was up.

Africa is 54 countries, and the media are looking for exciting stories, good TV; a man killing a man or chopping someone's hand off or blowing up a bus is news, so we hear about it. We all heard yesterday that someone blew up a minibus in Kenya; that is a big story, and people cancelled their trips to Kenya. More people died in car accidents in Paris yesterday than in Kenya, but our perceptions of things can unfortunately be misleading. Whenever there is a gap between perception and reality, there is a wonderful business opportunity; that is what business is about, looking for that gap, and in any market, industry or business, if there is a gap between perception and reality, you are in for the money. This gap has been there all the time in Africa. That is the answer to the first part of the question.

Regarding the issue of security and associated matters, maybe some of you know that we publish an annual Index on African governance. Our foundation focuses on governance, because public governance is where all good things come from. Public governance is about the delivery of public goods. We have had data on this for 12 years, 2000-2012, and we measure 133 parameters for every country in Africa. That enables us to really take a scientific and objective look at what is happening, away from the perceptions and the headline-grabbing stories.

Regarding the main issues in Africa over the last 12 years, firstly there has been great progress in the area of human development – health, education and welfare. That has been the great success story in Africa over the last 12 years, underpinned by numbers, in almost every country. Then there is the economy: there have been great success stories, with 46 countries moving forward. Decent annual growth has been sustained, even during the financial crisis; that is a great story. Then we come to the area of participation, democracy and human rights. There has been a slight improvement of 3-4%, so we are moving forward, but not as rapidly as in the areas of human development and economic development.

Then we come to the area of rule of law and security; that area has deteriorated over the last 12 years, and that raises a red flag. Why, given all the successes here, did Africa go backwards in the area of security and rule of law? We went through the underlying data, and interestingly, we found among the various indicators that accountability improved, which is good. We found that cross-border violence and conflicts have been reduced, and that is wonderful news. So why have the overall indicators gone down? We discovered that this is because a worrying phenomenon appeared during the last ten years, which is the rise of domestic conflicts and social unrest. This has undermined all



the other indicators under the heading of rule of law and security. That was puzzling. Why have conflicts within countries increased ?

We put this question and the data to researchers, academics, social scientists, etc., asking them to look at the data and tell us what is happening in Africa. My guess is that we need to look closely at a number of reasons. One is marginalisation of certain groups, whether along ethnic or religious lines or according to the urban-rural divide. Marginalisation is causing stress in the fabric of society, and that is an issue of governance.

The second possible reason is the rise in inequality. While Africa has grown considerably over the last 12 years, the number of poor people has actually not decreased; the fruits of growth have gone to the top 1%, and it is happening everywhere, not just in Africa. Something is going wrong here, and this breakthrough we are being told about is not happening. That is again an issue of governance. This phenomenon of social stresses within society is very striking, and I wonder whether it is not becoming an international phenomenon, although not as violent as in Africa. I am also a British citizen, and I know that in a few months there will be a vote on whether Scotland will remain in the UK or not. What is wrong with the Scottish people that they want to leave? Then I was in Barcelona a few months ago and every Catalan I spoke to was talking about the independence of Catalonia.

Some fragmentation is taking place in this new world, though I do not know why it has expressed itself in a more civilised and peaceful way through the ballot box in Europe, while sometimes it takes on a violent aspect in Africa, but that is an issue people need to look into and study.

Jean-Michel Severino, CEO, Investisseurs et Partenaires (I&P)

Just to stress one of the points you made, if you project the numbers for Africa to 2050, for instance, and you look at the number of people living on below USD1.20 per day, which is the poverty line, even at 5% average growth and without any change in the distribution of revenues, more people will live below that line in 25 years because of the extraordinary demographic growth it faces. This means the continent is probably facing huge challenges from social inequality, and probably more difficult challenges than other places in the world.