

African Union

- **Africa:** Africa's top scientists, policymakers and start-ups are aiming at stemming Africa's brain drain and encouraging governments to nurture research in fields from virology to maths. The **Next Einstein Forum** (NEF) held in Dakar, Senegal, hopes to reverse a situation in which Africa's brightest talent feels compelled to move abroad to work at the cutting edge of research and earn a decent salary. One inspiration was a recent Ebola panel at a top US science conference where not a single African researcher or medic was present who had worked in west Africa during the 18-month outbreak. There are more African engineers working in the United States than in Africa. According to President Paul Kagame, Africa must aim beyond ending extreme poverty to shared and sustainable prosperity. Currently, Africa suffered from too few students enrolled in science-related tertiary education, a lack of investment, and too little collaboration between governments and the private sector. President Macky Sall from Senegal said Africa's youth must revive the research tradition that made the continent shine in centuries past. For more information, read [here](#).
- **CAS View:** It is heartening to see two of the most prominent presidents of Africa participating in the drive to keep Africa's scientists and brains trust in Africa. Not only are there more engineers from Africa abroad than what are in Africa, but the list would also include doctors and nursing staff. This is not a tenable situation. These highly qualified people are frequently trained at great expense to their home countries, just to leave for greener pastures. The reality is that it probably would be unfair to expect them to stay in Africa should there not be acceptable incentives to do so. At least two of the sufferings President Kagame has referred to, i.e. too few students enrolled in science-related tertiary education and too little collaboration between governments and the private sector, are under the direct control of the African governments. The third suffering, a lack of investment, can be influenced by good governance. Europe is now in the position where they are negotiating with African governments to keep the African migrants in Africa. This would require investments in development opportunities in Africa, not only for the less educated, but also for the professionals. To do otherwise, would create an unsustainable situation. Without the professional occupations to lead, grow and develop the economies, Africa's poor and less educated will also keep on migrating to find better opportunities.
- **Africa:** Those in Africa who are unable to engage online, are excluded from the opportunities that the internet provides and are facing a hidden, digital poverty. Africa's governments must ensure its citizens have access to the internet to gain knowledge, with a long-term goal of eliminating digital poverty. Technology companies and government need to work together to improve the digital services available via joint initiatives and drive prices down. Rwanda has taken active steps to ensure their citizens have access to the Internet at an affordable rate to transform its agrarian, lower-income economy into one that is both knowledge-based and middle-income. Rwanda has also acknowledged they need to build the capacity to promote, develop and host content locally, and that in addition to establishing infrastructure, they must also foster learning and education, addressing the necessary skills for internet adoption to encourage uptake and ultimately closing the digital divide. Africa's continued skills deficit is also being compounded by a lack of technical skills. The good news is that from a technology perspective, the key to enabling things such as remote working and mobile communications already exist. For more information, read [here](#).
- **CAS View:** The power of the digital world gives Africa the opportunity to leapfrog the traditional path of development. However, it seems that there are many impediments in the path of digital development. Rwanda has shown that it is possible, should there be the political will and ability to implement, to give their population access to the Internet. Another well-known example is Kenya. The education sector can benefit from digital access, something

Africa is in dire need of. Eliminating digital poverty will also open up the world for Africa's entrepreneurs. It seems that e-commerce is another field that is benefitting and growing due to the increase in access to the Internet. The bottom line is that Africa needs to actively strive towards developing the required infrastructure, providing access to the Internet, and educating its people to use it to their benefit.

- **Africa:** The AfDB has highlighted that Africans cannot move easily between their countries. Africans need visas to travel to 55% of other African countries and can only get visas on arrival in 25% of other countries. It's easier for Europeans or Americans to travel within Africa than for many Africans themselves. One of the benefits of free movement of people is increased tourism. Visa requirements imply missed economic opportunities for intra-regional trade, and the local service economy. Entrepreneurs, when choosing a new country to venture into, consider the openness and ease of doing business, with free movement of labour, goods and services as key indicators. Open borders could also lead to a one-time boost in world GDP by about 50-150%. Hence, African countries should strive to allow Africans to move easily and encourage intra Africa trade and investments. Easier movement could also help the unemployment rates. Movement of people can also be a driver of technological change and a fresh source of entrepreneurs. Much innovation comes from the work of teams of people who have different perspectives and experiences. This can also make countries within Africa to be more attractive to FDI. For more information, read [here](#).
- **CAS View:** CAS has frequently reflected on issues in which Africa needed the support of external governments, companies, etc. The above issue is something which Africa needs to do for itself. It is indeed ridiculous that expats from outside Africa are hired to do jobs in Africa when the skills exist somewhere else on the continent. Africa unfortunately, in this regard, frequently has an attitude that "foreign must be better." This is not intended to reflect negatively on those who do make important contributions to Africa in many ways. Increasing the ease of movement for Africa will definitely also enhance the tourism trade. Africa has so many beautiful and scenic places to visit, which other Africans are aware of. However, the schlep involved to get a visa does deter a lot of people. As one commentator put it, in Angola, "potential visitors have to undergo a lengthy, expensive and complex visa application process conducted by unhelpful and taciturn officials whose primary objective appears to be to keep people out." One cannot argue with the benefits cited above. With the benefit of technology, keeping track of criminals and undesired elements become easier to deal with, to the extent that the ease of movement could be greatly improved. Let's hope that the goal of bringing this about by 2018 will become a reality. Africa could only benefit from it.
- **Africa:** Across Africa, interest in agricultural investment as a source of employment growth and profit is growing. But how realistic are these hopes? Agricultural development is not a great direct generator of jobs. In fact, increases in the intensity, efficiency or competitiveness of agriculture often push large numbers of people off the land. Agricultural development can only serve inclusive growth if it contributes to an inclusive and diverse rural non-farm economy. Policymakers need to ask how different pathways of agricultural development affect non-farm employment. Three factors are particularly important: the scale and ownership of agriculture itself; the pattern and design of upstream and downstream linkages between farmers and the rest of the economy; and the nature of local social dynamics and power relations. Access to distant markets will support local employment only if such farms are located in dense local networks that are socially embedded and not characterised by highly unequal power relations. Where large-scale agriculture is owned by distant players or by a farming elite with few local political or social commitments, the economic networks they create are unlikely to stimulate local opportunities. While big supermarkets create some formal sector jobs, they also marginalise local farmers, compete with local traders, and suck money out of the local economy. This suggests that agricultural policy should promote small-holder agriculture. For more information, read [here](#).

- **CAS View:** The mining sector speaks about a “social license to operate”. This SLO refers to the level of acceptance or approval by local communities and stakeholders of mining companies and their operations. Without it, mining companies struggle. The above article implies the need for something similar for large agricultural and even retail entities in Africa. The reality is that a large segment of Africa’s population is employed by the agricultural sector. When the President of the AfDB referred to the industrialisation of Africa’s agriculture, he was adamant that it had to be done in a way that prevented more unemployment. A similar argument was espoused by Dr Arkebe Oqubay, the author of “Made in Africa: Industrial Policy in Ethiopia.” Any entity entering Africa’s agricultural sector would do well to empower and involve the local smallholder farmers. Without their support, life could become uncomfortable. In Nigeria, Thai Farm International (TFI) started a cassava flour production company by providing a market for the large number of local cassava producers. Instead of cultivating the cassava themselves, TFI empowered the local farmers and as such provided them with a vested interest in the success of TFI.

West Africa

- **Nigeria:** SA President Jacob Zuma and Nigerian President Muhammadu Buhari have decided to elevate the Bi-National Commission between the two countries to the level of Heads of State. During his visit to Nigeria, various bilateral and multilateral issues were discussed. There is an ever growing cooperation in many sectors including trade and investment, defence and security, immigration matters, energy, mineral resources. The two countries have signed over 30 bilateral agreements and MoUs in these areas. Nigeria is SA’s key trading partner in Africa. Prior to 1999, there were only 4 SA companies in Nigeria; currently over 120 SA companies are doing business in Nigeria in various sectors, mainly telecommunications, banking, retail, property, entertainment and hospitality. Zuma also sees great potential in boosting tourism between the two countries. Both countries are committed to creating an enabling environment to ease the manner of doing business. He and Buhari had also exchanged views on the current regional political, economic and security situation, to find African solutions to African problems. For more information, read [here](#).
- **CAS View:** President Zuma visited Nigeria at the invitation of President Buhari. Buhari keeps on showing a level of statesmanship that is heartening for the future of Nigeria as Africa’s potential superpower, as ISS has predicted it would become by 2040. After his election, he has mended ties with the USA, his neighbours, France and Francophone Africa. He has now mended ties with South Africa, Africa’s most sophisticated economy. His stature as strategic leader is growing by the day. With Nigeria as Africa’s largest economy and SA as its most sophisticated, it is good for Africa for these 2 economies to cooperate closely. Currently we see a lot of one-way traffic from SA companies moving into Nigeria. We can expect the traffic from Nigeria to SA to pick up, as it must if the relationship is to advance to a meaningful and sustainable one. What Buhari now needs to do is to support the economic growth of Nigeria to develop the kind of company that can compete against the South Africans in their own backyard. That would be the medicine Nigeria needs.

Southern Africa

- **Mozambique:** Enterprise payment platform provider Nomanini has integrated with M-Pesa in Mozambique to allow its merchants to use mobile money agents as a means of topping up their virtual vending accounts on Nomanini terminals. Nomanini’s mobile payment terminals allow vendors to sell everything from prepaid airtime to electricity and insurance in the form of vouchers. Integration with Vodacom’s M-Pesa service in Mozambique allows merchants to deposit cash with M-Pesa agents in order to top-up their terminals. Integrating with services such as M-Pesa helps make mobile money more accessible to consumers and offers merchants and enterprises

in informal markets the opportunity to increase their margins and reduce their working capital requirements. Nomanini's goal is to support the integration of the payments ecosystem into the general retail sector by scaling up merchant usage of mobile money. Consumers will gain from the greater availability of mobile money services, with informal retailers being between 10 to 20 times more prevalent than mobile money agents. This increases affordability, as general retailers can afford to transact lower values since they are not dependent on mobile money transactions for margins. For operators, Nomanini helps to increase merchant-side acceptance of mobile money, increasing customer usage. For more information, read [here](#).

- **CAS View:** M-Pesa is continuing on its growth path by cooperating with an increasing number of players in the mobile sector in Africa. Africa's population is being empowered and provided with typical banking services they otherwise would not have had access to. In the process, the level of financial inclusivity is increasing. Merchants in Mozambique are also enabled by means of this platform. Africa has clearly taken to mobile money like a duck to water. The technology has become pervasive throughout large parts of East, West and Southern Africa. The beneficiaries are the previously unbanked.
- **Angola:** The crash in the oil price has hit Angola hard. Hospitals are low on resources. There are food shortages in the North, drought in the South. Double-digit inflation is taking its toll. Oil represents 95% of exports and 75% of revenue. What can be done to overturn this situation? Diversification. However, the few non-oil projects of value in Angola are in the hands of the ruling oligarchy. To have effective diversification, the markets must be truly free, the economic sector must be open to all, and competition must be encouraged. This is unacceptable to all those currently benefiting from uncompetitive arrangements with the government. Diversification also requires the right "social climate." Is the country politically stable? Does the rule of law prevail? Is corruption rampant? Does the country have basic infrastructure in place, such as effective water and energy distribution networks? Clearly diversification is impossible without political reforms. The Kwanza has suffered a notable loss of value (dropped 26% already in 2016) against world currencies; yet the Angolan government says it will try to shore it up. A devaluation of the national currency could attract foreign investment into new areas of economic activity and thus promote diversification. However, without regime change, there is little possibility of any resolution to even the more basic economic problems faced by Angola. For more information, read [here](#).
- **CAS View:** Angola is a country rich in resources, and with the agricultural potential to feed Africa to boot. However, politically it seems to be in need of the type of leadership manifested by individuals such as John Magufuli from Tanzania, Macky Sall from Senegal and Paul Kagame from Rwanda. Someone will need to do a lot of clean-up, and it seems that the present leadership will not be the ones to do so as the current situation suits them fine. Every one knows that diversification will be good for Africa. The AfDB is calling for it. Even the Chinese is suggesting it by means of their pledge to help Africa's economies add value to the economies at the source. The issue is, however, why and how would Angola's leadership change the current situation when it so clearly suits them? Their present reliance on oil has given rise to the concept of the "Angola Model", where Angola pays for infrastructure development by China with oil. The tragedy is that Angola's population is paying the price. Moody's has also indicated they have placed Angola's Ba2 rating on a review for a downgrade. According to Moody's, oil and gas account for over 97% of total exports and roughly 45% of GDP, and also provide around 67% of consolidated government revenues. With an oil price set to increase to only \$48 by 2019 (Moody's view), Angola is set for a bumpy ride. In contrast to the negative tone by the author of the above article, Moody's states as follows: "Moody's notes that the government has embarked on a range of plans that could mitigate the impact on its credit standing, including cuts to expenditure, tax reforms which broaden the tax base and measures to diversify the economic base of the country." For Angola's sake, let us hope this will materialize as Angola has much to offer.