

## 1. Introduction: On a Slow Path to Combat Negative Expectations



The title of The Economist on 3 December 2011 ‘Africa rising’ sums up the overall sentiment by many investors and business people towards the continent. “After decades of slow growth, Africa has a real chance to follow in the footsteps of Asia”. But despite this positive outlook, 2011 saw an unprecedented media focus on Africa, but for all the wrong reasons. Emerging from the positive perceptions of 2010, following South Africa successfully host-

ing the FIFA World Cup™ what has later been labelled the ‘Arab Spring’ lead to the familiar media effect of Agenda Cutting: with all focus on the events of North Africa, everything South of Tunis, Tripoli and Cairo virtually disappeared from global media attention.

When other African countries received coverage, conflict dominated the focus. From the post-election violence in the Ivory Coast and the war-ridden Somalia to the post-independence uncertainty of the Sudan: positive stories hardly made news headlines. Africa indeed has a ‘perception challenge’, as John Battersby and Yingni Lu comment in their contribution to this Africa Growth Report.

This is not to say that there has not been considerable excitement about Africa. Global investors, in desperate search for opportunities following the continued impact of the global economic downturn are increasingly turning to emerging markets, Asia in particular, but also Africa.

John Coulter, JPMorgan’s senior country officer for sub-Saharan Africa, quoted by the Financial Times recently said that ‘better governance and macroeconomic policies, together with greater political stability in a number of African countries, have contributed to a significant improvement in the overall economic performance

of the continent. The shift to emerging markets many attribute to the stagnation of developed economies, coupled with the potential of a resource-rich, but under-developed continent with 1bn people (Andrew England, Financial Times 2 January, 2012).

Indeed, despite a number of setbacks, Africa is getting its act together. Many African countries have improved on their rating in the various indices that exist to measure competitiveness, quality of life, safety and other important factors. International mobile companies are reporting subscriber growth that other markets can only dream about. Almost all global financial institutions are increasing their presence on the continent, or at least setting up structures to be able to service clients in the relevant regions.

Leo Reif, head of the investment banking department at Credit Suisse South Africa, quoted in the same Financial Times article stated that ‘if you can’t talk about Africa, then they [clients] will find another bank’. No doubt, Africa is hot for investors, bankers and retailers, the latter displayed by the large investment of Walmart in South Africa, despite considerable regulatory hurdles.

However, despite being on the right track, Africa has a long way to go. What Africa is missing is own capital, businesses owned by Africans that deliver services to Africans. Foreign direct investment is important and necessary. Yet the foul feeling of dependence will remain until structures have been put in place that not only foster African entrepreneurs, but provide regulatory frameworks that allow for sustainable growth and development of business, and a society that accesses the products and services that are being offered.

It is here that Africa remains challenged: the development of own industries, own (global) entrepreneurs. As a start, trade between African countries remains slow and cumbersome. A ticket between South Africa and Zambia, a mere 1200km apart, is almost as expensive as a ticket to Frankfurt. This cost-driven reality hardly fosters business relationships between countries, and makes business between African countries extremely expensive.

Lastly, Africa needs the media to tell its story. The expansion of the internet, also in Africa is both an opportunity as much as a challenge. More people are able to participate in a global discussion, but with information volumes consistently increasing, it becomes more difficult to cut through the information overload. The World Wide Web also inherently generates a reputational challenge, where information broadcasted is difficult to verify and as such remains a contributor to negative stereotypes rather than transparency.

It is exactly for this reason we have compiled a follow up book to the maiden 2011 Africa Growth Report, which features the 2012 Africa Growth Index. Rather than measuring actual growth, the Index, which will be published annually, compares how media coverage on individual African countries reflects reality. It draws from the reputable Ibrahim Index, which contains a wealth of information on the democratic progress of African countries. With solid and tangible variables, this index allows for the detailed assessment of the African context and of particular importance, provides historical data.

Our methodology also leverages data from the World Bank Doing Business Index, which indicates the state of affairs in Africa in terms of conducting business. Again, the variables utilised by this index are tangible enough to be reflected in media coverage. The comprehensive Global Competitiveness Report of the World Economic Forum, a combination of survey and real time data, provides additional insight into the stability and development of Africa's economies. Lastly, the Global Peace Index is leveraged. Developed by the Institute for Economics and Peace in Sydney, it is the first of its kind, analysing the issue of global peace and stability.

**Marrienne Nebbe**, Senior Researcher at Media Tenor in South Africa presents a comprehensive overview of the current international media perception of Africa as a continent, and individual African countries. Comparing results from the first Africa Growth Index in 2011, which was based on 2010 data, she now looks at changes in 2011. Naturally, the events in North Africa in 2011 shaped and influenced some of the outcomes of the index consid-

erably, but the observations from three years of media data are clear even including the high attention around the Arab Spring: *When the conflict story ends, media do not report on the positive developments. Instead, they do not report at all.* She highlights that the solution for improved perceptions lies with individual countries' and their adherence to political and economic standards.

Although none of the African countries in international media has managed to obtain a particularly positive rating in the index, there are a few highlights. Kenya obtained the highest score for Participation and Human Rights due to economic development and its passing of a new constitution in a peaceful referendum, but its overall score was negatively impacted by safety concerns and an ailing healthcare system. Kenya could emerge as a country leader if the nation can demonstrate that it is making inroads in peace, health and education.

The Sudan has demonstrated a successful transition post-independence, but the next few years will prove whether South and North can agree to the sharing of the resources, and if these are going to be invested in the country's people, rather than individuals.

Zimbabwe has also improved, though the country comes from a particularly negative reporting level. As it enters into elections this year, it remains to be seen if this trend will continue, since it largely depends on the political developments in the country.

However, one country has shown particular impressive performance, as such reflected by international media: Rwanda. The nation, which is still struggling to create an image other than that of genocide, has made significant reputational inroads, obtaining the highest score in the 2012 Africa Growth Index. Positive interest was forged through peaceful local and senate elections held during 2011, as well as inroads made by Rwanda regarding economic development. This signals that although it is difficult for African countries to change entrenched perceptions, it is possible to change dominant discourses over a period of time - particularly if a country can adequately demonstrate change.

On top of the Africa Growth Index, additional contributions provide forward thinking in the areas of African politics, economy and society.

In our focus on business and economy, **Martin C. Wittig**, the CEO of Roland Berger Strategic Consultants takes a look at Africa ‘beyond aid’, as there are ‘many good reasons to shake off old prejudices, take a fresh look at Africa and prepare for a new encounter with this continent’, a continent with improved political stability, over 1 billion potential customers and a youthful, hard-working labour pool.

**John Battersby**, the UK country manager of the International Marketing Council of South Africa and his Chinese colleague **Yingni Lu** report on their observations emerging from the 2011 Africa Forum, a two-day gathering of business and investors held in London. They observe a very apparent excitement amongst global investors, but also highlight Africa’s ‘perception challenge’. One of their findings? “Reputation can’t be built overnight. Apart from investment and tourism promotion, which are now commonplace, governments in Africa need to learn to engage the media.”

We also feature a contribution by **The Monitor Group**, based on its 2011 assessment of “Promise and Progress: Market-based solutions to poverty in Africa”. The authors contribute some practical recommendations to NGO’s operating in Africa, African governments as well as corporates. While this analysis confirms many of the obstacles facing organisations in Africa, it simultaneously showcases the opportunities that are available, provided that the risks are properly understood.

Our section on business and economy is concluded by the observations of **Japie Swanepoel**, an internet entrepreneur in South Africa. He presents his personal account of ‘going into Africa’ and starting businesses.

In our section on democracy and the media, **Wadim Schreiner** looks at the issue of peace and stability on the continent, and the role that global television plays therein. Comparing the findings of

the 2011 Global Peace Index with television news content, he further explores the findings by his colleague Marrienne Nebbe that global television displays a lack of sustainable reporting, focusing on conflict, but avoiding coverage on progress.

In that light, University of Johannesburg lecturer **Tomsin van Tonder** looks at the role of media in Mozambique, a country historically renowned for a bloody civil war in the late 80s or floods at the turn of the millennium. Children are clearly no longer born in trees, and her contribution highlights the transition of media in Mozambique to one of the most trusted entities in the country.

Finally, Rhodes University Professor **Herman Wasserman** looks at the new ‘S’ in the BRICS, South Africa, and its newest ‘BFF’, China, as well as the way in which media in the country report on this relationship.

In our section on leadership, **The Africa Progress Panel (APP)**, chaired by former UN Secretary General **Kofi Annan** and **Na’eem Jeenah**, the head of the Afro-Middle East Centre in Johannesburg, South Africa look at the aspects of leadership on the continent. The APP’s latest report, whose main findings make up the gross of the chapter, highlights the improvements of governance and leadership on the continent, while recommending continuous international partnerships to foster improved economic and social growth. Na’eem Jeenah on the other hand explores the relevance of the North African uprisings for the leaders of Africa and draws preliminary expectations for the African continent, which – albeit with caution, take positive leads from the latest developments.

**Günter Nooke**, the German Chancellor’s Personal Representative for Africa is equally upbeat about Africa’s developments, but calls for ‘realistic analysis. Too much optimism and political opportunism do not take us far enough and perhaps not even in the right direction’. He echoes the Africa Progress Panel’s call for increased partnership and emphasises that Africa’s 54 countries display an enormous diversity, one that needs to be considered by the global players.

**Prof. Robert Rothberg** of Harvard University, an expert in leadership in Africa closes the book with his observations regarding leadership on the continent.

The improvements displayed in the 2012 Africa Growth Index are an indicator for hope that eventually, Africa will rid itself of the burden of negative stereotypes. It also signals that with new leaders emerging, political systems are starting to change. These in turn provide businesses with much improved understanding of the risks involved and in turn, lead to larger investments. A focus on health-care and education remain the largest obstacles for a continent that has been open for business for a while, but so far has stumbled over its own feet rather than walked confidently. Undoubtedly, the changes in the global economy have proved an opportunity for Africa, one it seems ready to accept. Or in the words of *The Economist*: “At a dark time for the world economy, Africa’s progress is a reminder of the transformative promise of growth”.

Wadim Schreiner, Marianne Nebbe, Mark Fuller

Pretoria & Boston, January 2012